



CITY OF BURTON

BUDGET MEETING

JUNE 1, 2021

MINUTES

Council Chambers

Budget Workshop

6:00 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Vice President Gregory Fenner at 6:00 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Absent	
Steven Heffner	President	Absent	
Danny Wells	Councilman	Present	
Vaughn Smith	Councilman	Present	
Gregory Fenner	Vice President	Present	
Deborah K Walton	Councilwoman	Present	
Christina Conley	Councilwoman	Present	

B. STAFF PRESENT

Duane Haskins, Mayor
Racheal Boggs, City Clerk
Jodi Holbrook, Controller
Ann Abbey, Assessor
Alice Bryce, Treasurer
Steven Phillips, IT Director

C. AUDIENCE PARTICIPATION

None.

D. BUDGET DISCUSSION

General Funds Departments

Ms. Holbrook stated the assumption in this budget is a general fund tax levy of 4 mills. The overall property tax increase from last year to this year is \$125,638. At a full mill levy, it would be \$464,273 additional to the general fund. The total revenue in this budget is \$6,572,192 with expenditures totaling \$5,812,157, with a surplus of \$760,035 going into the general fund. The salaries are budgeted based on the rates in the bargaining agreements. There are some changes to Charter salaries and we will point those out as we go through each department. There is no change to MERS. There are some changes with the distribution to MERS as well as an extra \$100,000 in addition to the \$300,000 for a total of \$400,000 going in OPEB for this year. This will be in the fringe category in each of the departments.

Revenues

Ms. Holbrook stated under revenue, there is an increase in current real/property tax. We are expecting a \$224,000 increase in state shared revenue. There is a slight increase in

administrative fees. There will be a difference between the amended budget and the projected budget. It is for a one time payment that was received this year and not expected for next year. You will see the same thing for the building transfer of \$267,000.

Mr. Fenner asked what the state shared revenue encompasses. Does this include the marijuana money?

Ms. Holbrook stated marijuana is a different line item in a different department. It goes to the building department.

Expenditures

Ms. Holbrook stated you will not see many changes in most of these departments. Under council, there is a change in fringe benefits. There is an increase due to one extra person receiving health insurance this year so you will see the increase in the cost and OPEB. IT allocations throughout this budget will not reflect the \$100,000 reduction from last year. There appears to be an increase but it is just not being reduced this year to use up the fund balance. Audit fees, there is an increase budgeted for \$3,000 for the overall increase that has been trending from year to year. For contractual services, we are just over \$6,000 already, so that needed to be increased. The rest of the budget stays the same.

Mr. Smith stated I received a phone call from the Council President this evening regarding the internal control review. We were supposed to have \$50,000 appropriated for this in the prior budget. We didn't do it because of COVID. I would like the administration to send the follow-up information from Plante Moran to the council, especially, Debbie and Greg who may not have had a chance to see it.

Mayor Haskins stated we will see if we can find the report. There were only a couple things that needed follow-up. They were the number of signers and checks and balances for deposits and receipts in the Treasurers Office. We have put these controls in place which was difficult due to the limited staff. They are no longer under contract for this. Council never said they wanted to continue. If that is the case, we will need to sign another contract and have money allocated for it.

Discussion ensued regarding the need to have an internal control review done each year and the cost.

Mr. Smith stated Mr. Heffner told me he would like to do this. He took a vote of council members present. Council voted unanimously not to budget for an internal control review for this year.

Mayor Haskins provided the following update on Plante Moran's opinion of doing the fund balance policy for the police and fire departments. Pam Hill stated we are taking general fund money to run the departments so if you create a fund balance on those departments and they start going down, you have to go to the other fund to make them whole so the fund balance doesn't drop. It sort of defeats the purpose of your original fund balance which is the general fund. Her take on it was that it wouldn't really benefit us.

Mr. Smith stated I am fine with that.

Mayor

Ms. Holbrook stated there is a slight increase in salary for the annual cost of living increase. This is the actual cost of living. Next year will be approximated because we will not have those figures. There is a change in the fringe benefits and the IT lines.

Mayor Haskins stated the fringes are because of other people in the Mayor's Office. I do not take any benefits or pension.

Election

Ms. Holbrook stated fees per diem have decreased due to a lower number of elections this year. There is a decrease in MERS which is part of the redistribution. There is an increase in postage. There were supplies that were purchased with a grant this year and it is not anticipated for next year so that was eliminated. Also, there are no plans for equipment purchases this year, so there is a decrease of \$60,000 in the election department.

Assessor

Ms. Holbrook stated there will be a change from what was originally forecasted. There was a forecasted increase for the Assessor to \$81,500. The rest of the changes are MERS, fringes, IT allocation and a slight increase for postage and legal. The rest of this budget stays the same.

Clerk

Ms. Holbrook stated there is a change in salary due to the charter increase. That number is \$71,000. There is also an increase in postage and the other line items stay the same.

Council agreed to change the line item Clerk salary to \$71,000 and add the \$1,000 to the total Clerk budget.

Treasurer

Ms. Holbrook stated there was a change in salary for the Treasurer to \$27,360 for the charter increase. The same changes were made for the differential in fringe and IT. Other line items stay the same.

Council agreed to change the line item Treasurer salary to \$27,360 and add that amount to the total Treasurer budget.

City Hall

Ms. Holbrook stated there is a slight increase in salaries permanent and fringes due to tenure increases. The IT allocation was not reduced for City Hall because this includes things like copiers and alarm system and they weren't part of the reduction last year so it stays the same. The additional \$1 million payment for MERS is in this budget. City Hall expansion was completed this year and will not be budgeted for any longer.

Public Service

Ms. Holbrook stated the only change here is for street lighting. There is an increase of \$10,000.

Mr. Fenner asked if this is our bill for street lighting.

Ms. Holbrook said, yes. It is an increase because of the annual cost increase.

Mr. Fenner asked about the Facebook page. Where will this allocation be in the budget?

Mayor Haskins stated the only cost will be the employee in charge of running the page. For now, we have not budgeted for it. If there is a need once we get the page running, and we realize what we need, I will come to council to add this. We should have it up and running soon.

Discussion ensued regarding the Official City Facebook page including a social media policy, coordinating with other Official City Facebook pages and various options provided by Facebook for posting, filtering and commenting on the page.

Parks & Recreation

Ms. Holbrook stated the Parks & Recreation budget is scheduled for a different day. This is the general fund portion. The only change is MERS allocations which is a \$2,400 overall change for the year.

Mrs. Conley asked for clarification regarding the Parks & Recreation budget. I only see the races and youth league in the Parks & recreation budget.

Ms. Holbrook stated the budget under the Parks & Recreation tab have their own funds and are not under the general fund.

Mrs. Conley stated with prices going up, I would like to add to some of these now. We also need to add a line item for our 50th anniversary. I just don't want to forget it.

Mayor Haskins stated the 50th anniversary will be tied in with Memorial Day. We would also like to revamp the Veteran's Memorial. I was going to discuss this during the Parks & Recreation budget.

Mr. Wells asked how the youth league is going.

Mayor Haskins stated this is sort of a re-start because we did not have it last year. There are less participants and we reorganized the age groups because they are younger kids. We have been discussing some ideas. This year we have a certified umpire and we would like to bring in a softball pitching coach to do a clinic. We are in a rebuilding phase with the youth league.

Planning

Ms. Holbrook stated the only changes here are for MERS, fringe and IT.

Zoning

Ms. Holbrook stated there is a change to MERS, fringe and IT and an increase for notices by \$500.

Capital Outlay

Ms. Holbrook stated the DPW parking lot project was completed so there is nothing in this line item.

Transfers Out

Ms. Holbrook stated there will be a change to the police fund to \$407,000 for the approved radars and body cams. Total appropriations for the transfer out will be \$1,661,200.

Mr. Fenner stated when is the proper time to discuss what we should do with the ending fund balance. I would prefer to wait for all council members.

Mr. Smith stated currently we have spent \$1.2 million on DPW and police. When we finish the budget, we will have to decide how far we want to take down the general fund and what we want to do with the surplus. We also need to discuss the American Recovery Act money of approximately \$2 million.

Discussion ensued regarding the American Recovery Act funding, guidelines and limitations.

Mr. Fenner stated I was a proud Burton resident yesterday at the Memorial Day event. I cannot express how excited I was as a council member and citizen to enjoy and watch the residents enjoy the day. To everyone who worked on this event, thank you for your hard work and a great job. There were DPW workers, police, fire and many of our administrators there. It was one of the best events I have been a part of in the City of Burton.

Mr. Smith concurred. The race was also great. The roads were patched, there were more police and fire there than ever before. There were more race participants than we anticipated. It was a great job by everyone. Burton should be proud.

Mrs. Conley stated the fireworks were unbelievable. It was a great day all the way around.

Meeting was adjourned at 7:03 PM.
