



# CITY OF BURTON

## BUDGET MEETING

MAY 24, 2021

## MINUTES

Council Chambers

Budget Workshop

6:00 PM

4303 S. CENTER ROAD  
BURTON, MI 48519

This meeting was opened by President Steven Heffner at 6:00 PM.

### A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Steven Heffner	President	Present	
Danny Wells	Councilman	Late	6:13 PM
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  
Katie Malin, Clerk's Office  
Jodi Holbrook, Controller  
Charles Abbey, DPW Director/HR  
Amber Abbey, Deputy DPW Director  
Chris Howser, Road Superintendent  
Steve Phillips, IT Director

### C. AUDIENCE PARTICIPATION

None.

### D. BUDGET DISCUSSION

DPW Funds

- Major Roads

Ms. Holbrook highlighted changes from last year's budget to this year. There is an increase of \$266,030 in major streets to the 51 gas & weight tax. There was an increase in wages this year for DPW. In the amended budget column for 2021 fiscal year, increases are not reflected. For projected activity, I did half of that because it was for a partial year. We may need to do a budget amendment for some of these. Next year, the full wage will be shown. There is a 10% increase for health insurance cost and an increase for OPEB liability from \$300,000 to \$400,000. This is under the fringe amount. You will see it in each account because the fringes are allocated throughout major and local streets as well as the different divisions of the streets. Under surface maintenance, you see the increase in salaries permanent and fringes. Under surface maintenance for road preservation there is an increase from \$700,000

to \$1 million.

Mr. Martinbianco asked for clarification regarding the change in salaries permanent from last year of \$169,000 to this year proposed at \$233,000.

Ms. Holbrook stated this reflects the increase to the DPW workers this year.

Mr. Martinbianco asked how many does this include and what is the average increase?

Mr. Abbey stated this is for the changes we already made to the AFSCME workers that you approved. Instead of doing a budget amendment, we included it in the budget for the end of the year.

Mr. Martinbianco asked for clarification regarding road preservation.

Mr. Abbey stated if you remember, we had discussions last year and earlier this year about setting aside money. This is not part of the TIP program. We are doing the next leg of Center Road from Atherton to Maple in September. The other \$400-\$450 thousand is to do the leg of Bristol Road from Saginaw to Dort that wasn't covered under TIP.

Ms. Holbrook stated under trees & shrubs you will notice a difference in salaries and a slight differential in the MERS allocation. This was just an adjustment to spread them across all departments more evenly. Under drainage, there is an increase in supervision salaries, MERS allocation and a \$300,000 increase in contractual services for a ditching project.

Mr. Martinbianco asked what we expect to accomplish with the extra \$300,000.

Mr. Abbey stated we talked about the ditching list last year. We don't have enough personnel to touch the ditching list. We have to get aggressive and address the drainage. Our ditches are a real problem. We have driveway tubes that are overgrown, collapsed and have been there longer than their life expectancy. Along with road preservation, we need to do drainage improvements. At some point, we will need to have engineers look at this, but this is a starting point to see how far the money will go.

Mr. Wells asked when was the last time we did a major ditching program?

Mr. Abbey stated I do not recall doing a major section since I have been here. When we had a lot more people and equipment, we did do some ditching but nothing major. Some areas have not been touched in 40-50 years.

Mr. Wells stated the area from Davison to Richfield and Center Road back to the city limits, the ditches are un-level. When it rains, it goes into yards. There is a lot of collapsed tile and driveways are falling in. Some of this will need to be addressed quickly.

Mr. Abbey stated when we do this, we will need to educate residents and send out information about the do's and don'ts such as putting grass clippings in the ditch.

Mr. Wells asked how many people we have working in the DPW.

Mr. Abbey stated in the water & sewer department we have four laborers and a foreman/superintendent and in roads we have five laborers and a foreman/superintendent. Not that many years ago, we had as many as 14-15 in each department. I don't think we need to be there again but clearly we need to add some people. We have been running short for a few years. They work hard and I am proud of that but they will burn out. We tried something new this year, we hired some temporary summer help with the hopes that they have the aptitude for the work and we can retain them full time.

Mr. Smith stated in major streets, we really aren't spending a lot more money. We are just reallocating money in different places. The Act 51 money helped us with the increase in personnel expenses. You are doing a great job.

Mr. Abbey stated with the raises, we can be a little more competitive and attract some more skilled laborers. We have some key people that will be leaving in the next couple of years.

Mr. Heffner would like to add a couple more DPW employees.

Discussion ensued regarding the need and costs for hiring additional DPW employees and an appropriate time to add additional workers to the budget.

Mr. Smith stated these additional positions would need to be financed through the general fund. The money is not in the department for this.

Mr. Martinbianco stated the proposed ending fund balance in roads is almost \$4 million. Why would we need to use the general fund?

Mr. Smith stated right now, DPW is operating on its own revenues, so at the end of the day, if you bring in new people, beyond the four that are budgeted, you have to go to the general fund otherwise you will go into deficit mode in major streets.

Mr. Fenner asked if you were given two more people, would that make the department run better.

Mr. Abbey stated it would allow us to do bigger projects. For example if we are doing ditching on a major street, it takes a minimum of five people, by law. We would be able to do more of those types of things especially with time-off and vacations. It will make a big difference. We have started cross training so road workers can work on sewer and vice versa.

Mr. Wells stated I do not have a problem with adding DPW workers because I equate water and streets to public safety. This is for our residents. They are paying for it.

Mr. Heffner stated we have a surplus and we can do both roads and hire more workers. We need to put a pot of money aside in a special line item for roads in local streets and after the budget, decide what to do with it. Dirt roads should be a 50/50 match. If they want their dirt road done, they pay 50% and we pay 50% to make it fair.

Mr. Fenner agrees that putting money aside for roads and discussing it at the end of the budget is a good idea.

Discussion ensued regarding paving dirt roads, fund balance policy and an optimal general fund balance.

Mr. Smith stated he doesn't want to get too involved in the day to day operations of the city. That's why we have an administration.

Mr. Heffner asked the administration what we are saving the money for. Shouldn't we be putting the money to work for the people whose money it really is?

Mayor Haskins stated when I was on council we went through some trying times. We made some bold moves. We were able to grow fund balances and grow the general fund. Whether it is sustainable over and over, who knows. The question is how much does City Council want to leave in there. The reason we didn't allocate the money is because City Council has ideas and things they want to see done in the city and we wanted your input on what would be best. What direction do you want to go? Whether it is roads, ditching, more employees, maintaining buildings, improving the Veterans Memorial, we wanted your input. We didn't put the money in general fund to let it sit there. We all want that security, so we don't end up like we did in 2008 but we also don't want a big bank account with the taxpayers money. This way, we can all give input on what direction we would like to go. We want to put the money to work for our residents and see improvements in our city. That is our goal.

Mr. Fenner asked for guidance from the administration on a comfortable number to keep in the general fund.

Mayor Haskins stated the floor is \$720,000. There is no ceiling. I wouldn't want to see it go below \$1.5 million. We have a ton of needs as a city. How do we want to address them and in what order?

Further discussion regarding appropriate fund balance parameters, how much money the city needs to pay the bills, dirt roads, landlords, petitions and special assessments for paving dirt roads.

Mr. Wells passed out a document to the council members regarding increasing inflation rates, interest and mortgage rates, cost of living and social security.

Mr. Martinbianco would like to know if we are going to make a motion to set aside \$1.5 million in general fund under capital improvements and work from that or is that not the interest of everybody. I would like to get back to discussion on streets.

Mr. Smith outlined the general fund balances from 2012 to present.

Discussion continued regarding allocating money from the general fund.

Mr. Abbey stated this is a budget workshop. Now that I know the council's wishes, let us go back and put some numbers together and come up with a list of the next phase and what it will take and you can add that before your final approval.

Discussion continued regarding the appropriate time to allocate money from the general fund.

Discussion ensued regarding advertising for open positions within the city.

- Local Roads

Ms. Holbrook stated a lot of this has already been discussed. The increase is \$145,505 this year for gas & weight tax. We have the increases on the salaries and fringe lines. Under surface maintenance, there is an increase to \$250,000 for road preservation. For trees & shrubs, there are not any notable changes, just the slight adjustments.

Mr. Heffner asked if the \$250,000 includes the marijuana money.

Ms. Holbrook stated it did for last year in 2020-21 and it can again for this year but it has not been added yet. Next is drainage, there is an increase to \$250,000 for ditching. There are no other notable changes.

Mr. Heffner asked about the new blinking traffic signs. Have we budgeted for more?

Mr. Abbey said, no.

Mr. Heffner asked why we are putting them at the intersections that already have red blinking lights. For example, there was a red blinking light at Genesee and Lapeer and we put a new traffic sign there. Genesee and Lippincott has nothing, so it should have gone there instead.

Mr. Abbey stated we have a lot more traffic problems at Lapeer than we do at Lippincott. We are trying to get extra money through grants for certain intersections based on certain things. We want to hear from them first before we commit to using our own money. We have needs for them all over. If we bought three or four more, that would be fine.

Mr. Heffner asked what they cost.

Mr. Abbey said \$9,000-\$10,000 per intersection with installation.

Mr. Wells stated I69 in Burton has no lights. Who can we talk to about this? Court Street is the same way.

Mr. Abbey stated we will reach out to MDOT and tell them our concerns.

Ms. Holbrook stated there is \$365,000 in local streets for special projects this year. When you see the decrease in fund balance that is why.

Discussion ensued regarding the Saginaw Street project.

City Council went to recess at 7:40 PM.

City Council returned to recess at 7:50PM.

- Motor Pool

Ms. Holbrook stated there is a \$3,000 change in revenue. The expenditures increased under salaries permanent and fringes. IT allocation appears as though it went up but there was a reduction last year and a reduction this year so it is consistent with two years ago.

Mr. Abbey stated this is one budget that we will need to think about because culverts are going up and I don't think we budgeted enough, especially if we are going to start doing ditching. We will have to address this on both the expenditure and revenue sides.

Mr. Heffner asked if another \$10,000 help.

Mr. Abbey said, yes.

Mr. Heffner stated he would like to add \$10,000 to the line item. He took a vote of the council.

Council agreed to add \$10,000 to both culvert line items (revenue and expenditures) to come out of general fund.

Mr. Fenner asked for clarification on the interest income line item. It went from \$3,000 to zero?

Ms. Holbrook stated motor pool brings in cash from equipment rental from other departments. Typically, that cash is used to purchase new vehicles or equipment. It is not as if it sits in a bank like in other funds.

- Related Capital Improvements (Roads & Motor Pool)

Discussion ensued regarding the request for a DPW building at a cost of \$400,000 and other capital improvements.

Mr. Smith stressed the importance of having a place to store equipment to keep them out of the elements and protect our investment.

Mr. Abbey stated the estimate we received is for \$370,000 and includes a steel building with a concrete floor and bay doors. It is 40 feet by 170 feet. It will store all of our equipment and keep it out of the elements.

City Council voted unanimously to approve the following DPW capital improvements: Building to store DPW equipment at a cost of \$400,000, DPW gasoline storage tank at a cost of \$50,000, DPW 10 yard dump with plow at a cost of \$240,000, DPW 5 yard dump with plow at a cost of \$150,000, DPW mini excavator at a cost of \$95,000.

Meeting was adjourned at 8:20 PM.

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