CITY OF BURTON

BUDGET MEETING

APRIL 26, 2017

MINUTES

Council Chambers	Budget Workshop	6:30 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Councilman Steven Heffner at 6:35 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Duane Haskins	Councilman	Late	6:41 PM
Dennis O'Keefe	Councilman	Present	
Steven Heffner	Councilman	Present	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Present	
Christina Conley	Councilwoman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Bob Slattery, DPW Director
Bette Bigsby, Benefits
Sue Warren, Human Resources
Dave Marshke, Water Supt/Forman
Ginger Burke-Miller, Controller

C. AUDIENCE PARTICIPATION

None

D. BUDGET DISCUSSION

1. Proposed Budget for Fiscal Year 2017-2018.

   Mayor Zelenko let Council know that they were not able to get the information that council requested today but will put it in your boxes tomorrow.

   <u>Water Revenue (5091) Page 41</u>

   Mrs. Burke-Miller stated DWRF #4 Grant Revenue (5091-0000-539.2018) for 2016-2017 we have received $500,000 in forgiveness from the State. So change the $1,000,000 listed there to $500,000. In fiscal year 2017-2018 the $4,600,000 needs to be changed to zero, because the bond proceeds are balance sheet items and is notconsidered grant revenue. The bond proceeds will be accounted for on the balance sheet. In the Usage Fee that relates primarily to recommendation from the DWRF projects that we have been doing. Inspection and Approval fees look significantly higher. In the Community development block grant (5091-0000-691-0651) we have taken that to zero because we expect the work to be done by June 30.

Water Expenses Page 41-42

Mrs. Burke-Miller stated that in Salaries Permanent (5091-5091-706.0000) in the current year 2016-2017 was $422,900 but we decreased that to the $342,900 due to the fact of the vacancy that we have in DPW.

Council asked under Salaries Permanent how many employees would that represent.

Mr. Marshke stated that we are down 4 employees currently.

Mrs. Burke-Miller stated OPEB Expense (5091-5091-719.1000) this is a line item we only see in the enterprise funds. This is just an estimate until we do our calculations at year end, so this may change. This is a reporting requirement by GASB. Information Tech Allocation (5091-5091-728.0000) was reduced because we are going to use up some of their fund balance. Pipe and Fittings (5091-5091-789.0000) has increased and I will let Mr. Marshke explain that.

Mr. Marshke stated he has to purchase 75 new meters and related fittings for the Flint Water main project (on Cheyenne and Menominee).

Council asked what is the $235,000 in Contractual Service (5091-5091-818.0000) for.

Mr. Marshke stated that is for the spaghetti lines that run behind homes to get them out front to their respective water main. To dig it up and reroute it out front to the new curb stop. By January 1, 2018 we are required to get an Asset Management Plan in place which is required by the MDEQ. This will cost approximately $75,000. We are half way there with our Water GIS which you approved last year. The MDEQ is going to require any municiplity that services over a 1000 customers to have this Asset Management Plan. We just have to do ours sooner because of the Flint Water Crisis.

Mrs. Burke-Miller stated that we are only budgeting for utilities (5091-5091-920.0000) $10,000. I will let Mr. Marshke explain why.

Mr. Marshke stated we decommissioned two of our old well houses this past year. We no longer have to mow, heat, or power them. We will no longer have those expenses on those wells. We currently have the Webber well and I am considering getting rid of that one as well.

Mrs. Burke-Miller stated that the Special Assessment City Owned property (5091-5091-957.0020) is for the property that the City still owns in Burton Estates which is declining. Next we have the Storz Hydrant Couplings (5091-5091-970.0000) Mr. Marshke will talk about this.

Mr. Marshke said that we need to put $10,000 in Storz Hydrant Couplings (5091-5091-970.0000) because he had a little oversight on this line. This is an ongoing program for the Fire Department to outfit the Major Road fire hydrants.

Council wanted to know why it is not coming out of the Fire Department Budget. Also no money has been used for 2016-2017 fiscal year.

Mr. Marshke stated it is a water asset which is why it is in the Water Department budget and that he just placed the order for 2016-2017 fiscal year. We are getting 70 fittings this year because the price went up.

Council asked Mrs. Burke-Miller to explain the salaries in the water department.

Mrs. Burke-Miller stated that the Administration Salary (5091-5091-703.0000) is part of Mr. Slattery and Mr. Kray's salary that gets booked in that line.

Mayor Zelenko stated Supervision Salaries (5091-5091-705.0000) is part of the superintendent and the foreman. Salaries permanent (5091-5091-706.0000) is 50% of every laborer and tech. We have 9 in the department and one of them is in the office, there is also 4 vacant positions. But it is based where they are actually working. She told council to refer to page 57 in their budget book for the breakdown of the employees.

Council took a break at 8:15 p.m.
Council came back from break at 8:30 p.m.

Water Asset Request Page 53

Mr. Marshke stated our boring machine is antiquated. To get the service lines to the other side of the road we need to bore under the road. The estimate I got is around $15,000 for a new one. The need for this is picking up do to all the new builds we have going on in the City. It is a much needed item. The equipment we have is a safety hazard.

Mrs. Burke-Miller stated this is a balance sheet item and will be depreciating it over the life of the equipment. The money comes out of the water fund balance.

Council was good with the purchase of boring machine.

Sewer Asset request Page 53

Mr. Marshke stated that there is no trade in value in our current Vactor truck. Last year we had to put over $10,000 in repairs. This is his recommendation that the city purchase this new Vactor truck.

Some of Council feels it is expensive. A few of council feels this is why we have money and we should have the proper equipment. Council decided to wait another year on a Vactor Truck.

Sewer Revenue (5090) Page 39

Mrs. Burke-Miller stated we are done with the Saw Grant now. Tap in Fees (5090-0000-610.0000) are on the rise because of all the new builds we have had in the City. This would also increase the Usage Fees (5090-0000-611.0000) for that same reason.

Mr. Marshke stated that we also have an inflow and infiltration problem with our sewer system. Depending on the amount of rain we get can change the amount of sewage the County is metering for us. The report from the SAW Grant will be coming out by the end of this year.

Sewer Expenses (5090) page 39-40

Mrs. Burke-Miller stated the Administration Salaries, Supervision Salaries, Salaries permanent are the same people as they were in the Water Department. Pipe and Fitting (5090-5090-789.0000) is for SRF repairs and fixing of the Inflow and Infiltration problems. We are now breaking out overtime (5090-5090-709.000) so you can see it. We have the Information Tech Allocation (5090-5090-728.0000) that was reduced as we discussed early. Operating Expenditures (5090-5090-757.0000) we want to stay consistenct.

Council asked what contractual service is for.

Mr. Marshke stated now that we did our initial assessment of the sewer system, there are a lot of point repairs we have to make and we have to raise some of the man holes. I am going to need assistance from outside services.

Mrs. Burke-Miller stated that the pension expense (5090-5090-875.0000) is the same as the water department. We can't calculate this until we get the figures from MERS. Pump station expense (5090-5090-929.0000) we have decreased because of the improvements we have made. Repairs & Maintenance (5090-5090-934.0000) is a big jump and I will let Mr. Marshke explain it to you.

Mr. Marshke stated the repair & maintenance is for working on the inflow & infiltration problems we have in the sewer system.

Council decided to up Contractual service (5090-5090-818.0000) from $280,000 to $300,000. Repairs and Maintenance (5090-5090-934.0000) were decreased from $200,000 to $100,000.

Mrs. Burke-Miller stated the Interest on SRF Financing has gone up because we are drawing down on the SRF and this is per the debt schedule.

Planning - Have been moved to another night.
Zoning - Have been moved to another night.
Building - Have been moved to another night.

Meeting was adjourned at 9:33 PM.

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Proposed Budget for Fiscal Year 2017-2018.

COMMENTS - Current Meeting:

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ATTACHMENTS:

- Departments (DOCX)

- Assessing
- Treasurer
- Controller
- Election
- Clerk
- Council
- City Hall
- Public Service
- Transfers Out
- Self-Insurance
- Mayor

- Water
- Water Asset request
- Sewer
- Sewer Asset request
- Planning
- Zoning
- Building

- Fire
- Fire Capital Projects
- K Drug Law Enforcement
- Police

- IT Department
- Senior Citizens
- Senior Center Activities
- Burton Youth League
- Park and Recreation
- Police Fire Sculpture
- Veteran's Memorial
- Cancer Survivors Park
- Capital Improvements

- Motor Pool
- Motor Pool Asset Request
- Major Street
- Local Streets
- Rubbish
- Amy Street Capital Improvements
- Amy Street Debt

Final Budget discussion