CITY OF BURTON
REGULAR COUNCIL MEETING MINUTES
FEBRUARY 21, 2011, 7:00 P.M., COUNCIL CHAMBERS
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Council President Steven Heffner led the Invocation and Pledged of Allegiance.

The Regular Meeting was called to order by President Steven Heffner at 7:05 p.m.

MEMBERS PRESENT: Heffner, Haskins, Smith, Martinbianco, O'Keefe, and Ellenburg.

MEMBERS ABSENT: Wells.

OTHERS PRESENT: Mayor P. Zelenko, Atty. R. Austin, G. Kray, DPW Director, S. Bassi, Assessor and J. Adams, City Clerk.

Haskins moved and Smith seconded to approve and authorize the minutes of the Regular Council Meeting on Monday, February 7, 2011 at 7:00 p.m. Motion carried 6-0.

ADMINISTRATIVE REPORT:

Mayor Zelenko stated garbage pickup would be running a day late due to the heavy snowfall. For Item #4 on the tax reverted properties, our County Treasurer Deb Cherry and County Land Bank Director Doug Wyland are present tonight if Council has questions on tax reverted properties or Land Bank operations. A new resolution is before you removing the Connell St. address. The Connell residents put in a purchase agreement so we are removing them from the block of houses. It will be 6 properties instead of 7. Mayor Zelenko stated further she provided Council with information from Bendzinski on bidding on the bond sales. Tonight we have with us State Representative Charles Smiley to present a Legislative update.

Charles Smiley stated it is an honor to be here. This is the first meeting he has been to as a citizen since 1987. The Democratic State Convention was held a few weeks ago and he has information on bills about to be adopted that attack the working people. Last week the Governor submitted his budget. He met with the Governor just a little bit ago and it was a shock for me. I am use to submitting a budget to City Council where we have revenues and expenditures, but that is not the case on the State side. I didn't see revenues or expenditures at all. The Governor made key points of what he is going to start taxing and one of the things he has done right away with is your statutory revenue sharing for this coming fiscal year.. This is outrageous to me. We depend upon revenue sharing, the constitutional as well as statutory. Last year we received $1.9 million in constitutional and $206,000 in statutory for a total of $2.1 million dollars. It was a zero increase from the year before. This year, they have eliminated your statutory completely. The Governor mentioned constitutional revenue sharing is going up 4%. A 4% increase is great news but to eliminate statutory is not. They are predicting you are only losing 7.3%, which accumulates to $159,000. The State must have done well if they were able to increase 4% in constitutional. That means the sales tax generated more tax revenue and that is what pays our sharing revenue. A bill being voted on tomorrow, Emergency Management, is about receivers. They are changing the law to where it will trigger the emergency manager to come in sooner.

Mr. Smiley continued that the Governor is giving unions two choices. Negotiate with the Mayor or Township Supervisor a 20% reduction or pay 20% of your insurance. He knows the cities are subject to fail and he will send in a financial manager. Either you come to the table and pay 20% of your pension or you will probably be targeted in a receivership. They will come in and the contracts will be completely abolished. Currently, 50 receivers are being trained and 60 are on hand. We the legislators, including the Governor, Senate, and myself, know that our local units of government are in trouble. You think we would do everything we possibly can to see that they survive. That is what is going to get Michigan back on track. The Governor is taxing in his proposed budget pensions, private and public pensions are now subject to the State income tax. Legislation is being drafted to eliminate the personal property tax. If that happens, I don't think you can survive as well as the schools. Act 312 Binding Arbitration, is now in the process of being completely repealed. Item pricing has already passed in the House. Prices on items are going to be removed and you will have to use scanners. This will all be electronic. There will also be the elimination of the earned income tax credit. In District 50, nearly 8,000 residents receive that benefit which is about $3 ½ million dollars. The Governor is putting a 6% tax on corporations and eliminating charitable giving deductions. He has asked for $180 million dollars from State employees. When we have had financial difficulties, we went to employees and unions and negotiated concessions so we could stay afloat. He didn't do that here. He was asked what he would do if unions don't concede $180 million dollars, he responded that he will go other avenues. He is taking $180 million from corrections, privatizing resident care for the military veterans affair, 15% cut to the fire protection grants, elimination of six Trial Court Judges, closing some State Police posts, cutting down the child family day provider rate from $1.60 an hour to $1.35 an hour, and other cuts which is on the backs of schools, local government, senior citizens and the working poor. Schools are being cut to $470 per pupil. That is the worst budget I can even imagine and in all the 19 years as your Mayor, I never have had to present a budget like that. I just hope we can resolve and get through this and stay positive.

Mr. Smiley said we are very fortunate to have Senator Deb Cherry and former State Representative Paula Zelenko, now our Mayor, to help me along the way. He is on the Policy Committee, Transportation, Energy and Technology, Veterans Affairs and Public Safety. Hopefully, we will make all kinds of good things happen policy-side, and get this State running.

Mr. O'Keefe referenced a Flint Journal article on State Shared Revenue and school cuts. He said it mentions Burton ending up with $2,016,000, a decrease of $159,000 from last year. Flint Township is the same size of expected funding and they are receiving more than last year, and so is Grand Blanc Township. This environment we are in, I can't believe somebody would end up with more money than last year.

Mr. Smiley responded that Flint Township's last fiscal year had $2.1 million of constitutional and received zero statutory, so they got a 4% increase. This year they get $2.2 million dollars constitutional, which is $51,000 over last year. We actually got a hit because we lost statutory. The Governor actually took monies away from cities.

County Treasurer Deb Cherry expressed the formula was geared more for townships then cities.

Mr. Smiley said Genesee and Mt. Morris Townships are the only townships that receive statutory revenue sharing. I don't know what triggers why they receive it and others don't, but they lost that as well this year. Genesee Township will lose a total of 12.5%. City of Flint is losing $8 million in statutory. Our hope is that enough Republicans will side with us to at least restore this.

Mr. Martinbianco said he heard with the State's budget the Governor would like this in place by May 1st. Your anticipation is we are going to have extended negotiations that will leave us in the lurch when we begin budgeting for the next fiscal year, particularly with respect to revenue sharing.
There may be a conclusion to the personal property tax and the lurch that will leave us in.

Mr. Smiley said based on what I have seen so far, the Republicans have full control and they are running everything right through. The Speaker says it will be done. He has full authority to make it happen, the way I understand it. It is split right down party lines so far and I don't see it changing. The Governor took $200 million dollars and put it in a pool for all of us to compete with through the State for this pot of money. He didn't say how big of a pot you are going to get or what you had to do to get the statutory to get some of that money back. It is extremely difficult for us to budget for that when you put your budget together in April and then you have your revenue sharing. You have to take out the statutory, you can't budget for something you don't have, so even if you go out and submit for some revenue sharing money to come back your way, you are going to have to put it on a project, you can't use it for personnel because you have to budget those dollars. You can elect to compete with other municipalities on a State-wide level and you may get funded a larger amount, but you may only get funded every ten years – one time. You are not going to get funded every year when you go to the State.

Mr. Martinbianco said outside of a community like Detroit, Hamtramck or River Rouge that already experienced financial difficulties, maybe the spirit of collaboration that would get you enhanced money out of the statutory part of the pot, he is really aiming at school districts and consolidation rights within those districts.

Mr. Smiley said he is hitting both. What he is really saying is if you want to prevent yourself from being in receivership mode, the employees are going to pay 20% of their healthcare costs.

Mr. Martinbianco said in the 50th District, you also represent Richfield and Davison Townships and the City of Davison. How do they fair under the same circumstance.

Mr. Smiley said the City of Davison would lose 27% this year. Last year they received $359,000 in constitutional and $147,000 of statutory. This year they are going to receive $368,000 of constitutional and zero in statutory. They will lose $138,000, which is 27%. Revenue sharing is still on a formula based on per capita and we were fortunate 10 years ago we went over the 30,000 mark. That changed us to where we were getting more money on our forms for Act 51 and revenue sharing. If we fall below 30,000 in census, that will affect you even more next year on both Act 51 and revenue sharing.

Mayor Zelenko presented to Representative Charles Smiley a key to the City and Council President Steven Heffner presented to him a resolution of recognition and appreciation from City Council.

Charles Smiley said it was an honor and privilege to represent the City of Burton. He is here to help the City.

Mr. Heffner called for a 20-minute recess at 7:40 p.m.
Meeting resumed at 8:05 p.m.

COMMITTEE REPORTS:

Mrs. Ellenburg expressed that on Saturday, February 26th, the Library will have an open house from 1:00 p.m. to 4:00 p.m. and there will be a Power Point presentation.

Mr. Martinbianco inquired regarding results of bidding bond sale.
Mayor Zelenko indicated March 1st is the closing of the bonds and they will schedule a meeting.

Mr. Haskins said Burger King is a major sponsor for the Gus Macker. Mr. Craig is doing a phenomenal job.

Jim Craig, 6295 Hidden Trails, stated Burger King is donating $5,000 and the Burton View is a media sponsor. Proceeds will help the charity for the Food Bank of Eastern Michigan.

Mr. Haskins said he would like the Legislative Committee to meet to discuss a possible ordinance to protect the K-9 police dog. It will deter teasing of the dog. It was brought to his attention by a police officer that teasing the dog has been a continual problem.

Mr. Austin brought up the fact an individual received a bite from the dog after it was teased.
Mrs. Ellenburg requested Mr. Austin to research this issue and obtain more information for an ordinance.

County Treasurer Deb Cherry and Doug Wyland, Director of the County Land Bank spoke concerning the number of foreclosures they are seeing throughout Genesee County. They have seen numbers steadily increase since 2008. Discussion ensued at length regarding the number of people that have left Flint, vacant homes, land contracts being sold, rehabilitation of homes, and the affects of property values and taxes.

AUDIENCE PARTICIPATION:
John Stapish, P.O. Box 190134, spoke regarding PLA agreements, State employees paying 20% of health insurance and mailboxes knocked down on Atherton Road.

Mayor Zelenko briefly explained PLA agreements to Mr. Stapish and indicated a PLA would not add to the cost of the fire station projects. She also addressed his comments on State employees paying for healthcare.

COUNCIL DISCUSSION:

Mr. Austin expressed amending Item #3 to six (6) tax reverted properties.
Mr. Haskins said he would amend Item #3 to six (6) tax reverted properties. Mrs. Ellenburg supported.

In reference to Item #4, Mr. Smith inquired regarding block grants.

COUNCIL ACTION:

Haskins moved and Smith seconded the following motion:

1. Approve and authorize the Attorney Billing (Richard Austin) from February 2, 2011 through February 16, 2011, in the amount of $6,945.50.

Motion carried 6-0.

Haskins moved and Smith seconded the following motion:

2. Approve and authorize the Attorney Billing (Keller Thoma) 440 East Congress, 5th Floor, Detroit, MI 48226, for the month of January in the amount of $133.66.

Motion carried 6-0.

Haskins moved and Ellenburg seconded the following motion as amended:

3. Approve and authorize a Resolution Authorizing Transfer of Title To Tax Reverted Property to give initial approval for the transfer of title to seven (6) tax reverted parcels of land back to the Genesee County Land Bank Authority for the sum of $1.00 and other good and valuable consideration, and to set the Council Meeting of April 4, 2011, as the date for final approval pursuant to Section 11.3 (a) of the Burton City Charter.

Motion carried 6-0.

Ellenburg moved and Martinbianco seconded the following motion:

4. Approve and authorize the transfer of 2010 CDBG funds in the amount of $62,138.94 from category Code Enforcement Activities Project to category Saginaw Street Watermain Loop Construction Project.

Motion carried 6-0.

Haskins moved and Martinbianco seconded the following motion:

5. Approve and authorize the Mayor and City Clerk to enter into a contract with Rowe Professional Services Co. to provide engineering services for Project #11-001-P as detailed on the attached Rowe Professional Services Co. proposal dated February 14, 2011 for an amount not to exceed $10,854.00.

Motion carried 6-0.

Ellenburg moved and Martinbianco seconded the following motion:

6. Approve and authorize the transfer of $12,483.00 from Local Street Unappropriated Surplus to Project #11-001-P.

Motion carried 6-0.

Haskins moved and O'Keefe seconded the following motion:

7. Approve and authorize the Metro ACT Right Of Way Permit Extension, issued by the City of Burton to Michigan Bell Telephone Company d/b/a AT & T Michigan ("AT&T"). The extension is for a term to end on February 28, 2014.

Motion carried 6-0.

Meeting adjourned at 8:50 p.m.

Julie Adams, City Clerk