CITY OF BURTON

BUDGET MEETING

JUNE 15, 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 6:40 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Duane Haskins	Councilman	Late	6:51 PM
Dennis O'Keefe	Councilman	Present	
Steven Heffner	Councilman	Present	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Absent	
Christina Conley	Councilwoman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Rik Hayman, Chief of Staff
Marvin Epperson, Fire Chief
John Owens, Police Officer
Teresa Karsney, Clerk
Sue Warren, Human Resources
Kirk Wilkinson, Assistant Fire Chief
Ginger Burke-Miller, Controller

C. AUDIENCE PARTICIPATION

None

D. BUDGET DISCUSSION

1. Proposed Budget for Fiscal Year 2017-2018.

   President Heffner turned the meeting over to the Mr. Smith, Finance Chair.

   Mr. Smith went over the agenda.

- Staffing
- Fund Balance Motor Pool
- Fund Balance Sewer Fund
- 7.7 Charter - Special Account for roads.
- Line item budget for labor, department for the rest of the budget.
- Vote for budget
- Vote for labor as line item
- Executive summary
- He also added Council Newsletter for $5,000.

Mr. Heffner stated you have on the agenda vote for budget and vote for labor, but we can't make decisions at a workshop. We would have to do that on Monday. He stated that we have no way to communicate with the residents. This council newsletter will be annual or bi-annual so we can let the residents know what we are doing in the city. It is a way for us to be a little more transparent. There will be no political views in this newsletter.

Mr. Smith stated that the administration (Mayor Zelenko, Rik Hayman, Ginger Burke-Miller, and himself) had a conference call with Pam Hill from Plante Moran over the 1.8 million dollars in fund balance in motor pool. The end result was that it is a combination of assets, as well as funds to pay for debt we have already purchased. It is a cash flow account. A majority of the Council was not aware of that. If you look in the budget it doesn't show it but some of the information is in the CAFR. Since we don't know how much is left we are bringing Pam Hill in on Monday, June 19th at 6:00 p.m. to go over it with us.

Mr. O'Keefe stated he wants to know why at the last minute this is coming up because it was talked about at several meetings and no one from the administration said a word about this.

Mayor Zelenko apologized that she wasn't at all the budget meetings where it was discussed. Our audit workshops used to be more detailed than what we do now.

Mr. O'Keefe stated this is revenue and expense budget and you have non-cash assets in there.

Mrs. Burke-Miller stated this a cash flow statement for Motor Pool. Pam Hill suggested that Mrs. Burke-Miller put this together for you. Cash at the beginning of the year as of 6/30/16 does tie to your CAFR on page 101 of last year's audit. I then broke out the cash receipts that have come in from customers, other internal funds and cash that has come in for reimbursements from refunds and rebates. Then I listed the cash paid for inventory purchases, general operating and administration expenses, wages and fringe expenses, interest and accounts payable for prior year (which was cash used in July 2016). Then under investing activities, we show the cash for sale of property and equipment which is $1,184,018. This is detailed in Financing Activities: Purchase of Property and equipment:

- 5 Pickup trucks $213,552
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Mrs. Burke-Miller stated this totals out to $1,184,018. Then if you go back up you will see cash receipts from loans for property and equipment which is $612,904. Then you will see the cash paid for repayment of loans which is the principal only.

Because this is an internal service fund and it is treated like an enterprise fund, we pay the principle portion and it is on the books as a liability. So it is coming out of cash and decreasing the liability. For the revenue and expenditure side we only budget for the interest expense. I am going to forward all this information to Pam Hill so she can thoroughly review this before Monday, June 19th meeting at 6:00 p.m.

Mr. Heffner asked on Page 44 of our proposed budget where it says beginning fund balance and ending fund balance that really doesn't mean anything?

Mrs. Burke-Miller stated that is your retained earnings.

Mr. Heffner stated he feels we should have a forensic audit to explain to us what is going on.

Mr. Smith said that is why I suggested Pam Hill come in Monday night to explain this to us.

Mr. Haskins asked where that information is in last years budget book and this years budget book.

Mrs. Burke-Miller stated it is the under the supplemental tab in your proposed budget book. I am talking previous budget books where you approved purchases of equipment.

Mr. Haskins asked where in the budget book does it show the payments coming out.

Mrs. Burke-Miller stated that it is not a revenue and expenditure item.

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Mrs. Burke-Miller stated because you are purchasing an asset. You are moving cash, you are creating another asset. You are taking cash out of one line and investing in a piece of equipment. You are spending out of cash not on the revenue and expenditure side. You show the depreciation over the lifetime of the assets. On page 54 of your budget book under Debt summary, if we financed an item, it will be listed there. On that page, it shows when the final payment is due on all the equipment we have financed and what the principal and interest is for the current year. The interest expense is budgeted for on the revenue and expenditure report. The principal portion is on your books as a liability. We owe that money, it is not booked on there because we would be double booking an expense and because we are taking the depreciation as well. We have to show the depreciation on our books. We don't want to double book an expense. The expense is being shown over the lifetime of the assets. It is straight line depreciation for example, if it is depreciated for 5 years, then you would take what you paid for the equipment and divide it by 5 and book 1/5 of the depreciation each year of those 5 years).

Mr. Haskins suggested going back to this budget and find more cuts then.

Mr. Smith stated the Mayor has provided another budget at the 4.0000 mills.

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the current budget that was proposed to us.

Mayor Zelenko stated all we did was put your recommendations from Mr. Smith notes on reductions and our additional recommendations of reductions on another column so you can see it, which I handed to you today. We have taken the Finance Chairman's sheet and gone through it with your recommendations of reductions. A majority of them we were able to incorporate. Some of them we were not able to because of our conversation with Pam Hill this morning. For instance, the money you wanted to take from motor pool because there is not enough left to move. Also, we can't move Rubbish Collection to the road fund. If you start with page 1, line item 1001-1001-728.0000 Information Tech where you suggested taking $5,000. We were told we couldn't do that so we had to put the $5,000 back in there. We took an additional deduction out of Contractual services, reducing that from $5,000 to $3,000. We took further reductions in Council's budget in Membership and dues from $12,000 to $10,000. In Training, we reduced that from $12,000 to $7,000. I took further reductions in the Mayors budget in office supplies, postage, membership and dues, training and auto washes.

Mr. Heffner asked, Are you asking us to start this budget process over again?

Mayor Zelenko stated no I am not. I took your recommendations and put them in and added more because some of your recommendations weren't able to be incorporated. I had to find $231,000 more cuts in general fund. So that is what we have done, I put it in an additional column for you to see. The last column is based on a 4.000 general operating fund.

Mr. Haskins stated a second ago Mayor there were some appropriations you could not cut. Why don't we go over them first and you explain to me why. I believe one of them was information tech, what is the reason why we can't do this?

Mrs. Burke-Miller stated going through the original budget City Council stated they wanted to take $100,000 out of general fund from the Information Tech line. So we reduced $5,000 from City Council and $95,000 from City Hall, however during our discussion today with Pam Hill, she stated we couldn't just take it out of general fund. She said the city should stay consistent with their methodology for allocation. She says at times you may want to review your allocation and if that mythology has been working we should stick with it. The Mayor's new column shows us putting the $100,000 back into general fund.

Mrs. Conley stated last night she had a Park and Recreation meeting. We were given a budget at the meeting. Mrs. Bigsby made it sound like the Council had made all the budget cuts, which was not true. It was told to the Park and Recreation Board that council had voted 7-0 to cut the money for pizza with Santa. I feel like I had to defend myself last night. She stated that Mr. O'Keefe is right, we thought we almost had this budget done and now we are given something different at the last minute. We are always getting information at the last minute from the administration.

Mayor Zelenko stated what Mrs. Bigsby handed out at Parks and Recreation was Mrs. Bigsby's worksheet.

Mr. O'Keefe asked the Mayor if most of Mr. Smith's budget adjustments are in her

new budget?

Mayor Zelenko stated yes, a majority of them are.

Mr. O'Keefe asked Mayor Zelenko to explain quickly which ones are not and why? We can't go through 37 pages again.

Mr. Haskins stated maybe we should just continue with the budget we already have and with the cuts we already instituted. If the million dollars is not there when we talk with the auditors on Monday, then we may have to look for more cuts.

Mayor Zelenko stated we put Mr. Smith's cuts into the new budget and made some additional cuts.

Mr. Heffner stated this budget should have been handed to us on April 1, 2017 not June 15th. If we even consider adopting the budget that was handed to us tonight, then shame on us. We need to go back to the original budget that we have been working on. We put a lot of hard hours into this.

Mayor Zelenko stated so did the administration.

Mr. Heffner stated no you didn't because you have not been here. Where have you been? You missed 3 or 4 of our budget meetings.

Mayor Zelenko stated that is right, I did.

Mr. Heffner said now you want to change it.

Mayor Zelenko said no. I don't want to change it. What I am doing was incorporating your recommendations into it and adding some more cuts to it.

Mr. Haskins stated you took our recommendation and changed them.

Mayor Zelenko stated no, I didn't change them all. There were three we didn't put in the new budget.

Mr. Heffner stated you can't change any of our recommendations.

Mayor Zelenko said "the hell I can't".

Mr. Heffner stated well good luck then.

Mr. Haskins asked, are you saying you can?

Mayor Zelenko said, yes.

Mr. Haskins stated this is why we always have problems.

Mr. O'Keefe asked, which three have you changed?

Mr. Haskins asked Mr. Smith if Plante Moran is going to be here on Monday and

explained why we can't take the million dollars in cuts.

Mr. Smith stated yes she will be here at 6:00 p.m. on June 19th.

Mr. Haskins asked why we can't just work on the budget with the million dollars of cuts. If we need to make the adjustments later on down the road we will make the adjustments if necessary. I don't want to start all over again.

Mr. Smith stated I don't think the million dollars is there.

Mr. O'Keefe stated we need to go back to our sheet of cuts.

Mr. Heffner said, yes, a new proposed budget tonight.

Mr. Haskins said, I am not starting over.

Mr. O'Keefe agreed.

Mr. Heffner stated I don't think it is legal. If we have another proposed budget? Thann we need to have another public hearing.

Mayor Zelenko stated this is no different than what we did last year. It is what I had initially proposed, added another column to show that you changed the levy. Then with your suggested recommended cuts, we incorporated them. We just put them into a spreadsheet so you could see it.

Mr. Heffner stated when Mrs. Burke-Miller handed it to us, she said this is the Mayor's new proposed budget.

Mr. Haskins stated it is a new budget because your original budget was at 4.070 mills and this one is at 4.000.

Mayor Zelenko stated you already had your public hearing on the budget.

Mr. Haskins stated not on a 4.0 budget, that was your words Mayor, not ours.

Mayor Zelenko said this is incorporating your cuts, your recommended reductions. I added another column so you see the difference. It is no different than what we did last year.

Mr. Smith stated we already did all those cuts.

Mr. O'Keefe stated the million dollars in motor pool is not listed. The money is not there and is a non-issue. We have to get back to what we spent the last 6 weeks on. If there is some technical scenario that we can't incorporate some of the cuts, now is the time to tell us.

Mr. Smith stated the Mayor has made these cuts, but she has also made an additional $250,000. I don't know where those are at.

Mayor Zelenko stated that is true.

Mr. O'Keefe wanted to know why all the cuts weren't made.

Mr. Smith stated because of the flow of some of the funds. If we stay with our current budget without the additional $250,000 in cuts, the Mayor said there will be a lot of budget amendments. I'm just trying to give you all a heads up on that.

Mr. O'Keefe stated to do an income and expense budget, we have to go back to the CAFR to see if we have funds and know where we are at. We talked enough about this and nobody said you can't do that. Even when I talked to Pam Hill she didn't say a word about it. This is an income and expense budget and has non-cash items on there. I have never seen anything like it.

Mr. Haskins stated I agree with Mr. Heffner, we need a forensic audit done.

Mr. O'Keefe stated we have until Monday night to approve a budget. We can talk about a forensic audit next week, we need to get this budget done.

Mr. Smith stated I thought she would make our recommended cuts and show us where we stand.

Mr. O'Keefe stated but she didn't make all of them.

Mr. Smith stated she has an additional $250,000 we don't know anything about. That is where we are talking about staffing on the agenda because that is where a lot of our funds go.

Mr. Heffner asked, do we need to cut another $250,000?

Mr. Smith and Mayor Zelenko both stated were already did.

Mr. Smith stated we don't know where it is at, at this point and time.

Mayor Zelenko stated the $250,000 was to go along with your cuts.

Mr. Haskins asked how that happened. How come that couldn't have been done in the first place?

Mrs. Burke-Miller stated once we incorporated your changes, we were not above your fund balance floor. This Council put together a fund balance policy which you approved. The Mayor proposed which was above that fund balance floor, then you went through and incorporated all your changes. I put them in the system and printed it out for the Mayor. The Mayor noticed you were falling short of your fund balance policy. She if trying to keep it so the Standard and Poor's rating agencies don't look at us. That a City Council has a fund balance policy and then passes a budget that is not following the policy.

Mr. Haskins stated there was a $250,000 from the get go, which the Mayor could have cut originally. Why wasn't that done in the first place?

Mayor Zelenko stated there was not an extra $250,000. I made very severe cuts.

Mrs. Conley is going to find out tonight there is even more cuts to Park and Recreation, that I am going to have to propose.

Mrs. Conley stated as long as you're blaming the Council for it.

Mayor Zelenko stated I am not blaming the Council for it.

Mr. Heffner wanted to see the budget showing we were dipping below our fund balance policy.

Mrs. Burke-Miller stated it is back in my office.

Mr. Haskins stated let's put the meeting on hold until we get it than.

Mr. Heffner stated we are going to take a 10 minute recess.

Mr. Heffner called this this meeting back to order.

Mr. Smith wanted to know why the Mayor cut the race expenses.

Mayor Zelenko stated I am just cutting expenditures.

Mr. Smith stated there are no expenditures. Everything is paid by sponsors or race participates.

Mr. Heffner stated there is no public money used.

Mayor stated it is all public money.

Mr. Smith stated only public money would be for the liability insurance.

Mayor Zelenko stated I cut a $1,000 out of one and $2,000 out of another.

Mr. O'Keefe stated we made cuts of $489,900. You brought up a good point on a couple of these. I will dispute why the IT cut was not made. We need another $90,000 to make this balance.

Mr. Heffner stated I agree. I found $20,000. Look on Page 53, where we were going to ok $40,000 for the air compressor. The bid they got for it was $18,950; let's make that $19.000.

Mr. Hayman stated that is not general fund money.

Mayor Zelenko stated that was our of roads money.

Mr. Haskins would recommend going to the Clerk's Office and cutting the second position there; just leaving the Deputy Clerk and the Clerk in that office. That should put you close to the $100,000 with wages and fringes. I would recommend reducing the Park and Recreation Director salary again.

Mr. Smith stated I don't think we can cut the position, just the money for it.

Mr. Heffner stated you need to be more specific on the Park and Recreation Director salary.

Mr. Haskins stated I proposed cutting all of it, but if Council wants to keep I am recommending $5,000 to $10,000.

Mr. O'Keefe asked if the Clerk could take that cut in the Clerk's office.

Mrs. Karsney stated that at the Presidential election, I need to have additional help from my election workers to get through the election.

Mr. O'Keefe asked, can your department take care of daily business without that position?

Mrs. Karsney answered no.

Mr. O'Keefe asked didn't we have a motor pool open position, not the Master mechanic position? Do we have a DPW position that is paid for by general fund?

Mr. Hayman stated no, not by general fund. We had a conversation at the last meeting that there are positions that we don't intend to hire for, butut not out of general fund.

Mr. Heffner said we can save another $36,000 if we eliminate another police vehicle.

Mr. Haskins stated tough calls, tough times. It has to be positions, if we eliminate the funding and she has to decide what she wants to do with the positions.

Mr. Heffner stated that I will agree on the one in the Clerk's office.

Mr. Smith stated we cannot tell you what specific position to cut.

Mayor Zelenko stated that is correct.

Mr. Smith said all we can do is approximate the dollars to get us in line. We only need to get to $411,000 in cuts from the 4.070 to 4.000 mills.

Mayor Zelenko stated if you look at the last column of the report I gave you tonight, we are there.

Mr. Haskins stated I am not interested in that. I am sticking to the game plan. We had a hiring freeze on for the receptionist and you hired one anyway. It was stated to keep with the temporary receptionist until we get through the budget process. She says we can't get rid of the receptionist position because it is vital to the city. We reduce the funding and she will decide who she will eliminate. I would take the Park and Recreation Director down to $10,000.

A straw poll was taken and it was unanimous to cut the funding in the Clerk's Office for the second position and to reduce the Park and Recreation Director Salary to $10,000.

Mr. Heffner stated we should reduce another police car.

Mr. Haskins stated that is a safety issue.

Mr. O'Keefe agreed. We made our $90,000, let's leave it be. Maybe we could discuss what type of budget we want to have. We were given a couple of different options by Plante Moran.

Mr. Smith stated I like Pam Hill's idea of a line item budget for labor only and the rest is departmental.

Mr. Haskins stated the line item for the Park & Recreation Director salary is 1001-6090-705.0000 reduce that from $15,000 to $10,000.

Mr. Smith stated we have $235,000 left over from Stantec to start the road fund. We have three years to spend that. Iwould like to use Pam Hill's suggestion on labor and fringes being on a line item basis and using the executive summary.

Mr. O'Keefe stated salary, fringes and benefits are about 80% of our expenses and it is manageable to do it this way. The executive summary is a short one to two page list and BS&A should be able to produce it. It's a variance report and it would be helpful as long as it doesn't create a lot of extra work for the Controller's Office.

Mr. Smith stated we need to take into account the $5,000 for printing and postage for the council newsletter.

Mr. O'Keefe stated the newsletter could be sent out with the tax bills.

Mr. Smith thinks the Burton View might be cheaper than paying postage to send it out.

Mr. Haskins asked for clarification on the Salaries Permanent line item in the Clerk's Office.

Mr. Burke-Miller stated they are split 75% in the Elections line and 25% into the Clerk's line.

Mr. Haskins stated he would like to cut Salaries Permanent in the Clerk's Office (1001-2015-706.0000) by $11,700 and cut Salaries Permanent in the Election line (1001-1091-706.000) by $34,450. We will then have to figure out benefits and fringes.

Mayor Zelenko stated the only budget you can pass is the Mayor's proposed budget.

Mr. Heffner and Mr. Haskins stated thats is what we have been working on.

Mayor Zelenko stated only if I agree with it.

Mr. Heffner said, you did. You had not one, but two public hearings.

Mayor Zelenko stated that was to cover your mistakes.

Mr. Heffner stated the alleged mistakes. I think we should also cut the following:
(1001-6090-973.2006) Burton Soccer League Start up by $3,000.
(1001-6090-973.1100) Concerts by $2,000.

Mrs. Burke-Miller stated the fringes depends on what position is cut.

Mr. Smith stated if you have any questions, Pam Hill will be here Monday night.

Mr. Heffner stated this would have been so much easier if the budget would have been proposed to us at 4.000 instead of playing games with us.

Meeting was adjourned at 8:37 PM.

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Proposed Budget for Fiscal Year 2017-2018.

COMMENTS - Current Meeting:

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Mrs. Burke-Miller stated going through the original budget City Council stated they wanted to take $100,000 out of general fund from the Information Tech line. So we reduced $5,000 from City Council and $95,000 from City Hall, however during our discussion today with Pam Hill, she stated we couldn't just take it out of general fund. She said the city should stay consistent with their methodology for allocation. She says at times you may want to review your allocation and if that mythology has been working we should stick with it. The Mayor's new column shows us putting the $100,000 back into general fund.

Mrs. Conley stated last night she had a Park and Recreation meeting. We were given a budget at the meeting. Mrs. Bigsby made it sound like the Council had made all the budget cuts, which was not true. It was told to the Park and Recreation Board that council had voted 7-0 to cut the money for pizza with Santa. I feel like I had to defend myself last night. She stated that Mr. O'Keefe is right, we thought we almost had this budget done and now we are given something different at the last minute. We are always getting information at the last minute from the administration.

Mayor Zelenko stated what Mrs. Bigsby handed out at Parks and Recreation was Mrs. Bigsby's worksheet.

Mr. O'Keefe asked the Mayor if most of Mr. Smith's budget adjustments are in her new budget?

Mayor Zelenko stated yes, a majority of them are.

Mr. O'Keefe asked Mayor Zelenko to explain quickly which ones are not and why? We can't go through 37 pages again.

Mr. Haskins stated maybe we should just continue with the budget we already have and with the cuts we already instituted. If the million dollars is not there when we talk with the auditors on Monday, then we may have to look for more cuts.

Mayor Zelenko stated we put Mr. Smith's cuts into the new budget and made some additional cuts.

Mr. Heffner stated this budget should have been handed to us on April 1, 2017 not June 15th. If we even consider adopting the budget that was handed to us tonight, then shame

on us. We need to go back to the original budget that we have been working on. We put a lot of hard hours into this.

Mayor Zelenko stated so did the administration.

Mr. Heffner stated no you didn't because you have not been here. Where have you been? You missed 3 or 4 of our budget meetings.

Mayor Zelenko stated that is right, I did.

Mr. Heffner said now you want to change it.

Mayor Zelenko said no. I don't want to change it. What I am doing was incorporating your recommendations into it and adding some more cuts to it.

Mr. Haskins stated you took our recommendation and changed them.

Mayor Zelenko stated no, I didn't change them all. There were three we didn't put in the new budget.

Mr. Heffner stated you can't change any of our recommendations.

Mayor Zelenko said "the hell I can't".

Mr. Heffner stated well good luck then.

Mr. Haskins asked, are you saying you can?

Mayor Zelenko said, yes.

Mr. Haskins stated this is why we always have problems.

Mr. O'Keefe asked, which three have you changed?

Mr. Haskins asked Mr. Smith if Plante Moran is going to be here on Monday and explained why we can't take the million dollars in cuts.

Mr. Smith stated yes she will be here at 6:00 p.m. on June 19th.

Mr. Haskins asked why we can't just work on the budget with the million dollars of cuts. If we need to make the adjustments later on down the road we will make the adjustments if

necessary. I don't want to start all over again.

Mr. Smith stated I don't think the million dollars is there.

Mr. O'Keefe stated we need to go back to our sheet of cuts.

Mr. Heffner said, yes, a new proposed budget tonight.

Mr. Haskins said, I am not starting over.

Mr. O'Keefe agreed.

Mr. Heffner stated I don't think it is legal. If we have another proposed budget? Thann we need to have another public hearing.

Mayor Zelenko stated this is no different than what we did last year. It is what I had initially proposed, added another column to show that you changed the levy. Then with your suggested recommended cuts, we incorporated them. We just put them into a spreadsheet so you could see it.

Mr. Heffner stated when Mrs. Burke-Miller handed it to us, she said this is the Mayor's new proposed budget.

Mr. Haskins stated it is a new budget because your original budget was at 4.070 mills and this one is at 4.000.

Mayor Zelenko stated you already had your public hearing on the budget.

Mr. Haskins stated not on a 4.0 budget, that was your words Mayor, not ours.

Mayor Zelenko said this is incorporating your cuts, your recommended reductions. I added another column so you see the difference. It is no different than what we did last year.

Mr. Smith stated we already did all those cuts.

Mr. O'Keefe stated the million dollars in motor pool is not listed. The money is not there and is a non-issue. We have to get back to what we spent the last 6 weeks on. If there is some technical scenario that we can't incorporate some of the cuts, now is the time to tell us.

Mr. Smith stated the Mayor has made these cuts, but she has also made an additional $250,000. I don't know where those are at.

Mayor Zelenko stated that is true.

Mr. O'Keefe wanted to know why all the cuts weren't made.

Mr. Smith stated because of the flow of some of the funds. If we stay with our current budget without the additional $250,000 in cuts, the Mayor said there will be a lot of budget amendments. I'm just trying to give you all a heads up on that.

Mr. O'Keefe stated to do an income and expense budget, we have to go back to the CAFR to see if we have funds and know where we are at. We talked enough about this and nobody said you can't do that. Even when I talked to Pam Hill she didn't say a word about it. This is an income and expense budget and has non-cash items on there. I have never seen anything like it.

Mr. Haskins stated I agree with Mr. Heffner, we need a forensic audit done.

Mr. O'Keefe stated we have until Monday night to approve a budget. We can talk about a forensic audit next week, we need to get this budget done.

Mr. Smith stated I thought she would make our recommended cuts and show us where we stand.

Mr. O'Keefe stated but she didn't make all of them.

Mr. Smith stated she has an additional $250,000 we don't know anything about. That is where we are talking about staffing on the agenda because that is where a lot of our funds go.

Mr. Heffner asked, do we need to cut another $250,000?

Mr. Smith and Mayor Zelenko both stated were already did.

Mr. Smith stated we don't know where it is at, at this point and time.

Mayor Zelenko stated the $250,000 was to go along with your cuts.

Mr. Haskins asked how that happened. How come that couldn't have been done in the first place?

Mrs. Burke-Miller stated once we incorporated your changes, we were not above your fund balance floor. This Council put together a fund balance policy which you approved. The Mayor proposed which was above that fund balance floor, then you went through and

incorporated all your changes. I put them in the system and printed it out for the Mayor. The Mayor noticed you were falling short of your fund balance policy. She if trying to keep it so the Standard and Poor's rating agencies don't look at us. That a City Council has a fund balance policy and then passes a budget that is not following the policy.

Mr. Haskins stated there was a $250,000 from the get go, which the Mayor could have cut originally. Why wasn't that done in the first place?

Mayor Zelenko stated there was not an extra $250,000. I made very severe cuts. Mrs. Conley is going to find out tonight there is even more cuts to Park and Recreation, that I am going to have to propose.

Mrs. Conley stated as long as you're blaming the Council for it.

Mayor Zelenko stated I am not blaming the Council for it.

Mr. Heffner wanted to see the budget showing we were dipping below our fund balance policy.

Mrs. Burke-Miller stated it is back in my office.

Mr. Haskins stated let's put the meeting on hold until we get it than.

Mr. Heffner stated we are going to take a 10 minute recess.

Mr. Heffner called this this meeting back to order.

Mr. Smith wanted to know why the Mayor cut the race expenses.

Mayor Zelenko stated I am just cutting expenditures.

Mr. Smith stated there are no expenditures. Everything is paid by sponsors or race participates.

Mr. Heffner stated there is no public money used.

Mayor stated it is all public money.

Mr. Smith stated only public money would be for the liability insurance.

Mayor Zelenko stated I cut a $1,000 out of one and $2,000 out of another.

Mr. O'Keefe stated we made cuts of $489,900. You brought up a good point on a couple of these. I will dispute why the IT cut was not made. We need another $90,000 to make this balance.

Mr. Heffner stated I agree. I found $20,000. Look on Page 53, where we were going to ok $40,000 for the air compressor. The bid they got for it was $18,950; let's make that $19.000.

Mr. Hayman stated that is not general fund money.

Mayor Zelenko stated that was our of roads money.

Mr. Haskins would recommend going to the Clerk's Office and cutting the second position there; just leaving the Deputy Clerk and the Clerk in that office. That should put you close to the $100,000 with wages and fringes. I would recommend reducing the Park and Recreation Director salary again.

Mr. Smith stated I don't think we can cut the position, just the money for it.

Mr. Heffner stated you need to be more specific on the Park and Recreation Director salary.

Mr. Haskins stated I proposed cutting all of it, but if Council wants to keep I am recommending $5,000 to $10,000.

Mr. O'Keefe asked if the Clerk could take that cut in the Clerk's office.

Mrs. Karsney stated that at the Presidential election, I need to have additional help from my election workers to get through the election.

Mr. O'Keefe asked, can your department take care of daily business without that position?

Mrs. Karsney answered no.

Mr. O'Keefe asked didn't we have a motor pool open position, not the Master mechanic position? Do we have a DPW position that is paid for by general fund?

Mr. Hayman stated no, not by general fund. We had a conversation at the last meeting that there are positions that we don't intend to hire for, butut not out of general fund.

Mr. Heffner said we can save another $36,000 if we eliminate another police vehicle.

Mr. Haskins stated tough calls, tough times. It has to be positions, if we eliminate the funding and she has to decide what she wants to do with the positions.

Mr. Heffner stated that I will agree on the one in the Clerk's office.

Mr. Smith stated we cannot tell you what specific position to cut.

Mayor Zelenko stated that is correct.

Mr. Smith said all we can do is approximate the dollars to get us in line. We only need to get to $411,000 in cuts from the 4.070 to 4.000 mills.

Mayor Zelenko stated if you look at the last column of the report I gave you tonight, we are there.

Mr. Haskins stated I am not interested in that. I am sticking to the game plan. We had a hiring freeze on for the receptionist and you hired one anyway. It was stated to keep with the temporary receptionist until we get through the budget process. She says we can't get rid of the receptionist position because it is vital to the city. We reduce the funding and she will decide who she will eliminate. I would take the Park and Recreation Director down to $10,000.

A straw poll was taken and it was unanimous to cut the funding in the Clerk's Office for the second position and to reduce the Park and Recreation Director Salary to $10,000.

Mr. Heffner stated we should reduce another police car.

Mr. Haskins stated that is a safety issue.

Mr. O'Keefe agreed. We made our $90,000, let's leave it be. Maybe we could discuss what type of budget we want to have. We were given a couple of different options by Plante Moran.

Mr. Smith stated I like Pam Hill's idea of a line item budget for labor only and the rest is departmental.

Mr. Haskins stated the line item for the Park & Recreation Director salary is 1001-6090-705.0000 reduce that from $15,000 to $10,000.

Mr. Smith stated we have $235,000 left over from Stantec to start the road fund. We have three years to spend that. Iwould like to use Pam Hill's suggestion on labor and fringes being on a line item basis and using the executive summary.

Mr. O'Keefe stated salary, fringes and benefits are about 80% of our expenses and it is

manageable to do it this way. The executive summary is a short one to two page list and BS&A should be able to produce it. It's a variance report and it would be helpful as long as it doesn't create a lot of extra work for the Controller's Office.

Mr. Smith stated we need to take into account the $5,000 for printing and postage for the council newsletter.

Mr. O'Keefe stated the newsletter could be sent out with the tax bills.

Mr. Smith thinks the Burton View might be cheaper than paying postage to send it out.

Mr. Haskins asked for clarification on the Salaries Permanent line item in the Clerk's Office.

Mr. Burke-Miller stated they are split 75% in the Elections line and 25% into the Clerk's line.

Mr. Haskins stated he would like to cut Salaries Permanent in the Clerk's Office (1001-2015-706.0000) by $11,700 and cut Salaries Permanent in the Election line (1001-1091-706.000) by $34,450. We will then have to figure out benefits and fringes.

Mayor Zelenko stated the only budget you can pass is the Mayor's proposed budget.

Mr. Heffner and Mr. Haskins stated thats is what we have been working on.

Mayor Zelenko stated only if I agree with it.

Mr. Heffner said, you did. You had not one, but two public hearings.

Mayor Zelenko stated that was to cover your mistakes.

Mr. Heffner stated the alleged mistakes. I think we should also cut the following:

(1001-6090-973.2006) Burton Soccer League Start up by $3,000.

(1001-6090-973.1100) Concerts by $2,000.

Mrs. Burke-Miller stated the fringes depends on what position is cut.

Mr. Smith stated if you have any questions, Pam Hill will be here Monday night.

Mr. Heffner stated this would have been so much easier if the budget would have been proposed to us at 4.000 instead of playing games with us.

ATTACHMENTS:

- Departments (DOCX)

- Smith Agenda (PDF)

- 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

Attachment: Departments (3087 : Proposed Budget Fiscal Year 2017-2018)

Final Budget Meeting Agenda

Thursday, June 15th @ 6:30 pm

- Staffing
- Fund Balance Motor Pool #6061- $1,000,000 to roads. Pg. 43-16-17 Budget and
  Pg. 44 – 17-18 Budget
- Fund Balance Sewer Fund #5090 – Vactor Truck - $475,000. Pg. 38-16-17 Budget and
  Pg. 40-17-18 Budget.

- 7.7 Charter – Special Account for Roads.
- Line item Budget for Labor, Departmental for rest of Budget.
- Vote for Budget.
- Vote for Labor as Line item.
- Executive Summary as BS & A.

Produced by Councilman Vaughn Smith
Given to Clerk at Council Meeting on 06/05/17

Attachment: Smith Agenda (3087 : Proposed Budget Fiscal Year 2017-2018)