

CITY OF BURTON
REGULAR COUNCIL MEETING MINUTES
JUNE 17, 2013, 7:00 P.M., COUNCIL CHAMBERS
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Councilman Vaughn Smith led the Invocation and Pledge of Allegiance.
The Regular Meeting was called to order by President Tom Martinbianco at 7:10 p.m.

MEMBERS PRESENT: Martinbianco, Heffner, Smith, Wells, Ellenburg, O'Keefe and Haskins.
MEMBERS ABSENT: None.
OTHERS PRESENT: Mayor P. Zelenko, Atty. R. Austin, G. Kray, DPW Director, Police Chief T. Osterholzer, S. Warren, Human Resource / Labor Relations Director, Bette Bigsby, Parks & Recreation Director and J. Adams, City Clerk.

Haskins moved and O'Keefe seconded the following meetings as amended.
Approve and authorize the minutes of the following meetings: Special Council Meeting on May 22, 2013 at 5:00 p.m., Special Council Meeting on June 3, 2013 at 6:30 p.m., and the Regular Council Meeting on June 3, 2013 at 7:00 p.m. Motion carried 7-0.

Moved by Heffner and seconded by Haskins to: Amend the Regular Council Meeting minutes of June 3, 2013 at 7:00 p.m., agenda Item #8, to state Haskins moved and Mr. Smith seconded.
Motion carried 6-1, with Martinbianco voting no.

ADMINISTRATIVE REPORT:

Mayor Zelenko stated Item 3 is the acceptance of the MDNR Grant for Kelly Lake. Items 4 and 5 is the annual approval of levies as required by the Charter. Item 6 is the annual transfer of Major Street funding to Local Street for the 2013-2014 fiscal year. Item 7 is the approval of the 2013-2014 Fiscal Year Budget. Controller Ginger Burke-Miller provided you with the revision that reflects all the changes Council made during your workshops. Item 8 was tabled from the last meeting. She requested the Land Bank to utilize funds they recently received for the demolitions of four properties (Bennett, McKinley, Ellis Park and Bergin). Bennett, McKinley and Ellis Park are now all owned by the Genesee County Treasurer. They foreclosed on them April 1st. Bergin is still owned by a private entity but it is an asbestos abatement and some of those funds the Land Bank received can be used on asbestos abatement. She has not received a confirmation back from Mr. Wyland but you would be within your authority to remove those 4 properties and move forward with the remaining 4. Item 9 is the reappointment of a Board of Review member. Item 10 is for the Bristol Road Bridge over Thread Creek. Item 11 is for transfer for PE Services for that bridge. Mr. Kray is present for any questions regarding that project. Item 12 is adoption of the DDA budget. Item 13 is the proposal for one year auditing services with Plante & Moran as Council requested. Items 14 through 18 is the Fiscal Year 2012- 2013 General Fund Budget Amendments.

Mayor Zelenko said regards to recent discussions on Charter revisions and millages, we provided you with a lot of information and reading materials. One is about compliance with the State Bureau of Elections on ballot proposals. The other is a handbook on Charter revisions with samples of meetings that have taken place from other communities. We thought these might be helpful starting points and any further discussions or efforts you may have.

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COMMITTEE REPORTS:

Mr. Smith stated we finished our budget workshops for the 2013-2014 year. Administration is still putting together the final numbers. We had a projected deficit in 2010-11 of \$388,078, 2011-2012 a projected deficit of \$67,099, 2012-2013 a projected deficit \$508,957, and in the 2013-2014 budget a projected deficit of \$866,321. We have cut that down a little bit but the numbers are being finalized. As you can see the trend is the deficit continues to grow. We have cut about \$1.7 million dollars the last 4 years. It is getting more and more difficult to find things to cut without integral parts of our services as a City.

Mr. Martinbianco stated to Mr. Smith he applauds and thanks him for his dedicated leadership. He thanks the Administration equally for their efforts and in bringing everything to the table and trying to do the best with the most for the least.

Mr. Heffner said Parks & Recreation met last Wednesday. We are kicking off our Burton Parks & Recreation Veterans Honor Run on November 9th at 11:00 a.m. It will Start at Bubba's O'Malley's and cut through to Kelly Lake and go back up to run to Fire Station #2. We have a phenomenal committee we put together. Parks & Recreation Commission member Jim Craig will be heading it. The Committee will be Councilman Smith, Steve Welch, Paul Hildreth and Rob Spose. It should be a very successful run. They are looking for volunteers and sponsors. Our website for the run is www.veteranshonorrund.com. More information will be forthcoming. Mr. Heffner said the Parks & Recreation took action regarding Atherton Settlement Park. They thought it would be more inclusive of the whole City to call it Settlement Park. A placque with the history of the Atherton Settlement. It will probably be brought to Council for their blessing on that.

Mr. O'Keefe stated he represents the Council on Genesee County 911 Consortium. They met last week. Flint is migrating into 911 and they are going to build a tower at 12th Street. This will be their first big step to get on the system. It will allow our Burton Police personnel when they are in Flint to have better radio reception, especially in a basement or building. The Burton Rotary last Thursday had their 34th Annual Community Award. Officer of the Year is Eric Freeman. The Community Involvement Award went to Deborah Freeman for all her work on the Policeman Ball. Both of these individuals did this almost single-handedly. It is a great event and it is coming up on November 2nd. It will be another sell-out this year, so if anyone is interested in going, you better talk to someone soon. Mr. O'Keefe stated further the Firefighter of the Year Award went to Joe Johnson. His father is Deputy Chief Robert Johnson and he presented the award to him. The Student of the Year is Tanner Barrett who was awarded a \$4,000 scholarship. Chief Doug Halstead is Rotarian of the Year and very well deserved. Chief Halstead also received what is kind of the "Congressional Medal of Honor" of the Rotary Club, the Paul Harris Fellow.

Mr. O'Keefe stated on June 27th, the Burton Rotary Club and Boy Scouts of America have had a relationship for over 25 years. This is the 24th year for the Jack Hamady Good Scout Award. He was founder of the Burton Rotary and also a Board member of the Boy Scouts of America. An Award is given each year to a community member. They do not have to be a Rotarian. The criterion is they exhibit scout like qualities. There is a committee of Rotarian and Boy Scout people that make this decision. The recipient is Councilman Danny Wells.

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Mrs. Ellenburg thanked Administration for getting the tree down at the Library. She also wants to thank DPW and the Director for coming over to help with the bathroom at Kelly Lake.

AUDIENCE PARTICIPATION:

Lisa Williams, 1196 Carman Street, asked why some people have huge unpaid water bills for months and still have water. A year ago she didn't have the money when her water bill came in, and received a shut off notice. Her water was shut off the next day for one billing cycle and had to pay the \$40.00. I don't understand why some of us get shut off just like that and some people have months of unpaid bills and nothing is done about it and they still have water. Ms. Williams said she wants to thank whoever is responsible for getting rid of the porta-johns on Bristol Rd. They are finally gone and it looks so much better there. My parents even noticed when they were in town from Pennsylvania.

Ms. William stated further she also thanks the Police Department. On June 5th we had someone breaking into homes on Camden and Carman Streets. At approximately 1:25 a.m. my dogs started going crazy and someone broke through my patio door and screen door while I was home. We called the police and they came immediately. Other homes were broken into as well. The police went through yards, checked for finger prints and were very thorough. It is nice to know they are there for us.

Deborah Walton, PO Box 190273, said 4 homes in her neighborhood have back taxes totaling \$13,536.92. Water bills on 3 of the homes total \$1,221.02. It took her 5 minutes to obtain this information. She will turn this information over to Council. If anyone needs me to do this, I will do it for free. On June 5th at 1:30 a.m. she also had a break-in. The door to their attached garage was kicked in and someone was trying to get into my home. My husband and I both had our guns. If they had come in I would have killed them. She didn't think she could ever kill anyone but when someone is on the other side of the door and they already kicked in a steel door, you have no choice. They pushed in the screens on the back of my house, pushed my cameras up so we could not get pictures, disconnected all the lighting on the outside and unscrewed the flood lights. I called my neighbor and told her what happened and said police were on their way. That is when she told me her patio door was broke through. Our Police Department was terrific. They made sure we were safe and checked our property. I can no longer have my windows open; my husband is screwing them shut. The police was able to apprehend someone that night but they are not sure if they are tied to the break-ins. Mrs. Walton spoke further on the need to save our police officers, the need for a millage, educating the residents about a millage, and making other cuts to save officers.

John Stapish, PO Box 190134, questioned the Kellar Thoma attorney billing, Item #8 concerning the Bergin demolition amount, Item #13 to hire Plante & Moran for one year, and Item #14 on the capital improvements for Fire Stations. Mr. Stapish said he seen sidewalks being replaced at Fire Station #2 and grass seeding. He thought that was supposed to be taken care of in the initial re-build there. He questioned further Item #15, transfers out, Item #16 a decrease in the Street Budget, and Item #17 a \$30,000 increase.

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Judy Estes, 1413 E. Scottwood, stated she was here last week and fought for the police officers, spoke regarding vacant homes and lawns needed to be mowed. She said half of the properties were mowed and it looks much better. Ms. Estes questioned the Attorney Billing fees, the amount of demolition fees in Item #8, who is taking down the houses and a decrease in drainage. Ms. Estes expressed support for the Police Department and the need for officers.

Rick Fuhst, 1208 S. Genesee, spoke regarding concerns with Item #2.

COUNCIL DISCUSSION:

Mr. Smith indicated he has a report that breaks down by department from a source on www.city-data.com. He would like to go through it with the Mayor and ask a few questions. This is local government, employment and payroll March of 2007 for the City of Burton. It breaks it down by function. The total number of employees in 2007 was 101, we are not at 83 employees. In 2007 we had 38 police officers. w

Chief Osterholzer said we are currently at 32, but when Matt Bade and Marty Coe retire at the end of the month we will be at 30; 42 was our high mark.

Mayor Zelenko said that it says police other right under that.

Mr. Smith said it is the number 5.

Mayor Zelenko said it could have been FANG or GAIN.

Chief Osterholzer said he thinks it is our administrative staff; the office staff plus the evidence tech. Forty-two sworn has been our highest, 38 sounds right. As far as sworn employees, we currently have 32 – about to drop to 30 and we have 2 administrative staff in the office and one evidence tech.

Mayor Zelenko stated 5 other, down to 3.

Mr. Smith said for street and highways we had 12 at one time.

Mayor Zelenko stated there are 6 in the roads.

Mr. Smith indicated sewage is at 7 and water supply had 6.

Mayor Zelenko stated there is a total of 11 for water and sewer.

Mr. Smith said so we are down a couple there as well.

Mayor Zelenko said that is with working supervision.

Mr. Smith said in 2007 we had 55 firefighters.

Mayor Zelenko said we have 50 total.

Mr. Smith expressed we are down 5 there.

Mr. Smith stated the Mayor said we have 83 employees and in March 2007 we had 101. He wants to address Mrs. Walton's earlier comments. He looked at another map and spoke to Mr. O'Keefe earlier, it showed Flint and Burton on a map and areas of shootings and burglaries and other types of crimes. You see all over the maps X's and blocks – until you get to Center Road and then it just stops.

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Mr. Smith stated further, I want to commend our Police Department as many others have done tonight – it is unbelievable to see this. The map shows a war going on there and you get to Center Road and it stops. I applaud the residents bringing up the police. We have a good police force and we will do everything we can to help us keep them. We will need your help as we move forward.

Mr. Martinbianco reiterated to Mr. Smith that he appreciates his leadership and the whole budget process that has been time consuming and a tough exercise on all parts. He applauds the Administration for all the information and updates they continue to give us. Hopefully, this evening we will be able to come to some resolution about what we are going to do this next fiscal year. It is not going to be where we would like it to be. We have had better times and situations, but we are going to do our level best to do the right thing. The Administration has given us their word they are going to do the right thing and constrain cost where they can, to ploy the assets of the City where they can and we continue to move forward and hopefully we can come up with at least a mid-range alternative.

Mr. Wells said he thanks and commends the citizens that come forward and bring problems to our attention and go above and beyond. I know it is pretty much the same ones all the time and now we have another great resident Mrs. Estes. It looks like she is going to start coming to the meetings and that is what we need. There has been a lot of talk about Attorney fees and especially fees for Kellar Thoma. Hopefully, after this week or the following meeting you won't be seeing those fees anymore, or not much of them anyway. Most of those fees are related to our budget, all of our contracts were up this year and that is why they were so high right now. Over the next 3 years, you should see a sharp decline.

Mr. Wells spoke regarding a document he has on MERS dated January 1, 1992, where they were starting to move away from Pension Plan Services. It says effective 1/1/92, the employer (City of Burton), a 15% contribution to the program on behalf of each bargaining unit, members shall cease. Mr. Wells said that is talking about Pension Plan Services. He continued, effective 1/1/92 the employee shall make a 15% contribution on behalf of each bargaining unit, to be placed in a separate escrow account to fund the MERS pension plan, which will take effect 6/30/94. So there was a 2-year period. Mr. Wells said Mr. Martinbianco was against it, he voted no. It sounds like MERS was trying to do the right thing. He has a letter stating there was no way they were going to let anyone take that money – it should be dumped in the MERS account. Some time between January 1, 1992 and July 1, 1994, something changed. For 2 ½ years the City and the employees was contributing 15% toward their pension and it was going into an escrow account that was held by the City. That was then dumped into the MERS account when that began on July 1, 1994.

Mr. Wells said he was glad to get this information and sit down and talk to these guys and let them explain their point of view. The fact they have the documents to prove it means a lot to us. As far as going after MERS and trying to go back and start this thing all over again, I think we need to look ahead. After you read this, hopefully we can come to that conclusion. We can forget about what happened in 1991, 1992, or 1994 and look toward the future and try to fix the mess we have. He will hand these documents to Ms. Adams to have copies made for everyone. Stories have been all over the place but now we are starting to put it together. I think we can eliminate Mr. Martinbianco of any fault in the MERS fiasco.

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Mr. Heffner asked for further clarification regarding MERS and what happened.

Mr. Wells said I am sure it was dumped in July of 1994, but for 2 ½ years it sat here in the City in an escrow account that I have been told was ran by our then Controller, Brad Becker and he had made some investments with it trying to make it grow before we dumped it. Then you will read in the letter some people started asking about their money, Pension Plan Services said absolutely not, you can't pay that out unless you quit. That was part of their rules.

Mr. Martinbianco said they were State regulated at that point in time and became a private enterprise or a stand-alone enterprise at some point later on – 1994-1995, our recollection talking to our friends at MERS.

Mr. Heffner said guess who cut the checks when they handed all that money back out to the employees. We were led to believe they double-dipped.

Mr. Wells said they got paid out from one pension while they were paying into another one. The problem is, some of those people got paid out, they had enough time to retire; and they did retire. Some retired without making a single payment into the MERS pension. As interesting as the history is, I don't think there is anything we can do about it at this point. We need to stop going along that path and start thinking toward the future.

Mr. Heffner said he has a document dated September 5, 2006. Councilwoman Laurie Tinnin spoke about the MERS pension plan and how it was under funded and everyone tried to say she was a lunatic. She knew what she was talking about. A Mrs. Medley reassured everyone the City of Burton's pension plan is healthy. This is reflected in a percentage of funding raising from year to year in a positive rate. Mr. Heffner said it doesn't seem to be that way. He would like to give everyone a copy of this.

Mr. Wells said he had a copy of that at home and a copy of the meeting where we brought the young lady in from MERS. It was a packed house and I think every employee of the City was here. She made a report. Earlier when we had the gentleman from MERS here, I brought that up 2006-2007 and he was able to look back and say you guys were right on target where you should have been – about 48%. The next year, 2008, everyone nose-dived and that didn't help. Up to that point the City was putting in 15% and the employees were putting in 15%. The police started putting more into their pension so they could retire earlier. Part of this fight is 25 and out.

Mr. Heffner said that guy was suppose to come back and he has been MIA ever since. Mr. Heffner said Mrs. Tinnin knew what she was talking about.

Mr. Wells said she had some insight from the former Mayor that said the pension fund the way it came about was a little screwy. It didn't start in the red - it started with 2 ½ years of pension funding. What they didn't do was say if we are going to pay you out here – you are starting out over again. You got your 25 years, we will pay you out 25 years but you have to quit. If you read this, that is exactly what they told them when they wanted their money, once you quit and you are 100% vested, we will write you a check. Whatever happened to change that is not in this letter. It said the guy talked to somebody else, they decided to give them the money and let them keep going. We all know it wouldn't work in today's society.

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Mr. O'Keefe said due to so many comments about the attorney bills, he would like to add onto Mr. Wells' comments. Mr. Austin is the City Counsel and he helps us with all the legal questions and affairs, helps the Administration also. He is also the City Administrator. I think most of his bill and his time is spent across the street prosecuting the people that have been arrested in the City of Burton. A huge amount of time is spent over there. It may make a little more sense putting this in the equation.

Mr. Smith said he remembers that young man coming from MERS. He said the pension started at 7% funded. The benchmark for a pension is 80% so we started way behind. They put the money in escrow for 2 years and the problem is there are people that had 15-20 years of accrued benefit coming and when they left – 2 years of pay is not going to cover that. The highest I could find is we got up to 47%, which a benchmark on a pension is 80% so we were never in healthy shape. In 2005 the MERS was unfunded by \$16.7 million dollars. We started this in about 1994 – in eleven years we already accrued substantial debt – and this was during the good times.

Mr. Smith stated further, the pension would have probably been all right if Burton continued to grow. Everything was figured on how the homes were – everything was going to continue to go up and we didn't have much of a cushion of funds in there to help us weather the bad times. A pension plan has to pay out on a consistent basis funds every month to people that have retired. The concern for me is between 2005 and 2012, and we have right now an exploding stock market and are still slipping behind. We are now at \$25 million – it grew by \$3 million in the last year. A lot of what we are having in problems financially as a City you can trace back to the pension plan where both the City and municipal employees are having to pay a larger percentage of their pay to cover the shortfalls in what the pension plan needs to be viable. The actuarial time frame was 40 years at one time and now they have cut it to 27 years and I believe they are cutting it down again. I think the target is 20 years.

Mr. Smith stated further, this is what is putting the City in so much duress. The MERS itself, they used some actuarial estimates that were really aggressive. As far as rate of return, a public pension fund gets its money from stocks, real estate, the municipality and employees. Some of the assumptions MERS made were 8%. I asked them to send me information for the last 10 years what has been the rate of return on their investments. It works out between 5 ½ % and 6% which is more typical of a private sector pension which use 5 ½-6%, so you are already slipping behind there. I mentioned the component about the employees paying into their pension, some of the police officers are at 20%. The actuary used a figure of 5.6 and then they raised it to 5% pay increases for the employees each year - so that is what they figured they were going to have money coming in. I don't know if Burton has ever had 5.6. So you are slipping behind there again.

Mr. Smith said in 2005-2006, they were looking to reduce for the public view of how the pension was doing. The State level pension is at 71% using the assumptions MERS has; 80% is good, 71%, these are really positive pie in the sky type assumptions. They went in 2005-2006 from 5-year smoothings to 10-year smoothings; this is an average. When the stock market started going down as we went into the great recession, they foresaw that so they did a 10-year smoothing which allowed the numbers to be spread out over 10 years, both good and bad so that the dip wasn't as severe.

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Mr. Smith stated further, recognizing these assumptions, recognizing MERS at the State level is at 71%, which I don't think it really is, then you take into account what we did here in Burton early on when we started at 7%, what they did was bad, what we did as a local municipality back in the day made it worse. This kind of gives you an idea of where we are at. I still struggle to understand how you take on 15-20 years of pension accrual, collect money for 2-2 ½ years and figure out it is going to be viable financially. If we had that money that they had at one time and been allowed to accrue over 20 years, we would probably be around 70% funded, but we didn't have that. When we met with the guy from MERS he said this pension is a mess. He called it a mature pension plan, which means there is more people drawing from it then there are people working. I don't see without a lot of help from the residents that we are going to fix this in the short term. I also did some checking and what will happen is if it comes to the point in time the City cannot make those payments, we as residents will be assessed for that money. The employees earned that benefit. The State would then come in and tell us what we are going to do, if we ever get to that point, which I hope, doesn't happen. This gives you an idea of where we are at and why we are discussing a millage. Not only are we facing our short term loss of \$866,000, the MERS pension payment is around \$400,000 but when we are growing at \$3 million dollars a year, it is not going to solve the problem.

Mr. Smith stated further, we have to as a community say what are we going to do here. We may have to make instead of \$400,000 payment, \$800,000 payments and over a period of time, try to knock down that deficit and hope for some better times that our City continues to grow.

In reference to Item #1, Mr. Martinbianco inquired regarding a billing date of 6/11 referencing quiet title complaints for Trail Ridge, Burton Estates, and Mallard Ponds; almost 3 hours worth of work. Mr. Austin explained that the word complaint is the initial document that you file with the Court to initiate the quiet title action. There was no "complaint" – it was the document that initiates that action.

In reference to Item #2, Mr. Wells asked how many more bills do we expect from Kellar Thoma. Mayor Zelenko said it depends on when the other two arbitrations are finalized; one firefighters and one police officers. There will still be some fees associated with those. Mr. Wells said we should see some closure on this within the next month. Mayor Zelenko said she would think within the next couple of meetings.

Mr. O'Keefe thanked Administration getting with the attorneys and changing the format of their bills. The Mayor and Sue did due-diligence on actually what happened. At least the bill can be checked and I feel more comfortable with that.

In reference to Item #3, Mr. Wells said he sees a lot of talk in here about the DNR. Have we discussed our plans with the DEQ, are they involved in this at all. I have been out to Kelly Lake a few times and the area of the proposed boardwalk is completely flooded and there are some wetland issues there. Mrs. Bigsby responded that part of the work we have to do up front is get permits from DEQ before we start any work. As I mentioned previously in other meetings, we need to do a topographic study/soiling boring MDEQ permits, which once this is approved we can start moving on that which is why Construction won't actually start taking affect till late August – early September.

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Mr. Wells said we have had conversation with DEQ and they are in agreement that we can do what we want to do and they just need to take us on a step-by-step through this.

Mrs. Bigsby replied we have to go through their permitting process. They will send someone out and check it out and make sure we are not harming the wetland or the rainbow trout on the other side.

Mr. Wells asked if those permit fees included in this price.

Mrs. Bigsby responded, it is out of the matching grant money.

In reference to Item #4, Mr. Wells said in our budget meeting last week, Mr. Martinbianco asked Administration if someone was getting a good count on houses and businesses that use our services. He asked if there was a count or is it something that is on going.

Mr. Martinbianco said it will be an on-going evaluation and in due respect to both Administration and Waste Management, I think they work in concert to identify and refine those counts and that will come up during the course of the service as provided to the City.

Mr. Martinbianco stated further, I know Administration will be diligent in identifying those properties that don't qualify, that we are being billed for that would come out of some mystery account and I think they will get a handle on that and work hand-to-hand even though we have a new project manager assigned to our account from Waste Management and we will get those issues resolved I am sure.

Mr. Wells said that is my concern. I understand they are in a state of flux. I wonder if we can hold back a couple of their bills until we can identify who their new project manager is and have them come in and talk to Administration and if the Mayor deems fit, to the City Council and give us an overview what is going on with their company right now. They use to be the largest in the world and now we are the only one in Genesee County that still uses them. That tells me there is something amiss there.

Mayor Zelenko stated they are going through some restructuring right now and as soon as I get the representative's name and the appointment made for them to come in, I will relay that information on to you.

Mr. Martinbianco said at that point in time it will be interesting to see how they are going to execute the duration of their contract which I think lasts till 2015.

Mrs. Burke-Miller stated Mr. Bingaman forwarded to me the amount the City of Flint has added to their tax rolls. They changed the vendor as well. They got competitive bids and are putting the exact dollar amount on, \$146.00 in change, that City of Burton residents are paying. It is competitive.

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Mr. Martinbianco said he wouldn't characterize it in that term. I would characterize it in a different way, I guess it is what it is and if that is competitive we will accept it for that because we are under contract and apparently they have executed components of the contract that we have had to integrate into our system and put into place and those were delineated in the budget document that was talked about. I will be anxious to talk to the new representative and find out what more they can do for us given the dramatic fee increase that has been incorporated in this year's budget.

In reference to Item #5, Mr. Heffner said there was discussion at our slash and burn meeting to moving some of this money in the budget over to our Police Department. Mr. Martinbianco said my understanding when I left that meeting was we were going to ask the DDA to come in and discuss that with them in their next meeting on July 15th and we were going to ask them what they could do to contribute. The millage rate which is what we are talking about right now and not necessarily what their budget is, would be intact as written.

In reference to Item #6, Mr. Haskins said he doesn't recall the not to exceed 50%. My opinion and suggestion is to leave it at 25%. If there is any other transfers that need to happen after the fact, then it can come before Council to transfer. I don't think there needs to be a variance of 30%.

Mr. Martinbianco asked Mr. Haskins that he is suggesting an amendment to delete the parenthetical notation not to exceed 50%.

Mr. Haskins stated yes. Mr. Haskins then moved and Mr. Wells supported.

Discussion ensued. Mr. Wells said historically, Council has moved 25% into that fund. I don't know why we would want to change that now or to even include the 50%

Mrs. Burke-Miller said when she started here it was 20% and we upped it to 25% and now we are asking to put it down to 20%.

That was intact in the budget documents we talked about and debated about. If you feel you do not want as it has been evidenced, and don't want to include that caveat not to exceed 50%, I am okay with that too and if there is any requisite transfers that need to be happening over the course of the year, they come to City Council well in advance.

Taking that phrase out – not to exceed 50%, we will be transferring 20%.

That satisfies the budget document we agreed to I think for the most part.

Mayor Zelenko said even if you left the parenthetical note in there, you are only transferring 20%. That note was to remind you that you that by law, you could only transfer up to 50%, if you so choose to go higher than 20%. Regardless, you are only transferring 20%.

Mr. Haskins said from the Mayor's statement not to exceed 50% was a just a reminder and that was not to say you are going to transfer up to 50% if you need to without coming to Council first.

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Mayor Zelenko said that was for your information to remind you that you cannot go any higher than 50% if you wanted to go up to 25% because we have gone up to 25% in the past.

Mr. Haskins said if that is not the intention to go from 20 to 50 without Council approval, I have no need to amend the motion.

Mr. Wells said he withdraws his support.

Haskins moved and Wells supported for purpose of discussion on Item #7.

Lengthy discussion followed.

In reference to Item #7, Mr. Haskins said they received the amendments tonight. In the current proposed budget there were 3 new positions in there and he seen one position taken out. Were the other 2 eliminated as well? Finance Chairman Smith stated those 2 are still in there.

Mr. Haskins said he made it clear at the last budget session, with new positions in here and not making any cuts and taking the deficit from \$800,000 to \$980,000 – give or take some. I think it is great that everyone stepped up to the plate to help the police, but if we don't show leadership on this Council in other avenues with this budget, in my opinion, I think we are defeating the cause of trying to go to the residents. There are things that could be eliminated out of the budget and think there should be. As I stated at the last budget meeting, I feel there are some positions that should be cut right now as far as layoffs and if we go to the residents and they approve the millage increase then we start bringing those people back. Our main concern and focus in my opinion is trying to keep the budget reasonable along with helping our police and keeping them out there.

Mr. Haskins stated further, if there are new positions as far as the two I am referring to – not the Police Department, I cannot and will not support this budget. There are other areas we talked about – IT, the Controller's spot, contracts are done – Ms. Warren's spot. I believe we have a secretary in the Mayor's office retiring through attrition, I think that position can be eliminated. I am not saying they are not viable spots but with contracting services that can be possibly cheaper, there are other avenues we need to look at. Once this goes before the residents and they approve it and have the support of keeping everything on, then we bring them back. I am not taking anything away and not trying to upset anybody and I realize when you start talking layoffs and things of that nature but 2 years ago there were layoffs to a department that didn't even have an affect on the General Fund budget and then were passed. These ones will have an affect on the General Fund budget even though they come out of different areas, it will help offset the Police Department. We have a due-diligence in that fashion and think we should support it. I cannot support the budget the way it stands.

Mr. Smith referred to the Mayor and Controller to explain in detail the positions, the dollar figures approximately and what the job tasks are of the people that do have these positions and also what would be the ramifications should these positions be eliminate.

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Mayor Zelenko responded that every one of those positions you were talking about with the exception of Ms. Warren, are Teamsters. You would have immediately a wrongful discharge or an unfair labor suit against you, in that respect. You would not be able to contract out these services – you would end up with an unfair labor. Your Controller does everything, she runs the finances of the City.

Mr. Smith said for clarification, Mr. Haskins wants to eliminate the Controller and outsourcing that position.

Mayor Zelenko said that would be against the contract – her contract with Teamsters, that would be unfair labor. It would be unfair labor to eliminate Ms. Moss, unfair labor to eliminate the IT Director. If you want to eliminate Mrs. Centilli's position just because she is retiring, who is going to be your benefits coordinator and coordinate all the benefits, especially if you eliminate Ms. Warren.

Mr. Heffner interjected not to forget about Obamacare around the corner.

Mayor Zelenko expressed I think you are opening up a bigger can of worms if you eliminate those positions. It is unfair and unethical to cannibalize one department in order to feed another, or one bargaining unit.

Mr. Smith asked for detail on the 2 positions still in the budget.

Mrs. Burke-Miller asked what positions he is talking about. She took out the IT Director technician person that was supposed to help him.

Mr. Smith said it was where there was a combination - a couple of titles that were combined. Mr. Haskins said there was being submitted in addition to the Treasurer's Office and the Controller's Office, whether it be contracting services or whatever the case may be.

Mrs. Burke-Miller stated she doesn't recall anything being taken out. I recall Mr. Martinbianco talking about reducing the amount of the support person, but I don't recall taking anyone out.

Mr. Smith said I think he was asking there was these combined positions put into the budget; am I mistaken on that?

Mrs. Burke-Miller inquired as to a combined position between the Treasurer's office and her office?

Mr. Smith said there was the extra IT and 2 other positions that I understood because of trying to streamline you were combining some positions which would result in some pay increases for individuals handling 2 positions.

Mrs. Burke-Miller said that was in the water and sewer, a foreman.

Mr. Smith said we really only had one position then, which was the IT extra position we took out.

Mr. Haskins said there are additional monies put in for the Treasurer and Controller's Offices.

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Mr. Martinbianco said as a point of clarification, there was a half an additional under salaries permanent in the Treasurer's Office that was put into place, \$10,000. I see nothing in the Controller's Office.

Mayor Zelenko said that is Angela Cease when she came back to work in the Treasurer's Office.

Mr. Martinbianco said that is almost a floater position.

Mr. Smith said there are no other additional positions; I stand corrected. I mentioned earlier we had a \$866,000 deficit. In our last budget meeting, we cut it down to \$735,000. We cut out the conferences for the City, which was \$47,860. If someone wants to go to a conference they have to come before Council and it will be on an individual basis. We cut Parks & Recreation by \$9,800. Thanks to Councilman Martinbianco, on page 28 of the budget, under sewer debt retirement we transferred \$46,061 to the General Fund. We have only one IT person and as we move forward to more of a technology/oriented City government, the IT person is not able to stay up with the needs of the City. We looked at bringing someone in on a contractual basis/part time basis. We have a Council of the Whole Workshop on July 1st at 6:00 p.m. to discuss with a couple of firms that do this and give us an idea of what is available, so we are still looking. We had cut \$24,000 there for the IT person and \$3,000 for conferences. That got us down to \$735,601. We have lost 2 senior police officers. Because of our MERS situation and pay situation, we are having other municipalities approach our police officers because we pay to train them. We have very good police and have an excellent reputation and they are looking at hiring them away. Thanks to Councilman O'Keefe's presentation, which I fully support it, he brought forward with replacing those 2 senior police officers with 4 additional police officers, which would get us back up to 36. We live next to the most violent city for the 3rd year in a row.

Mr. Martinbianco asked for Chief Osterholzer's input on a timeline based on the proposal in the budget and how that would affect us and what are plans on moving forward would be.

Chief Osterholzer expressed he didn't have a copy of the amended budget proposal and didn't have the opportunity to see it. He recalls that Mr. O'Keefe's plan we discussed it would be a total of 6 we were looking to do. It would be roughly \$72,000 apiece. For the cost of Matt and Marty's retirement we could get close to 3 full officers, if they were hired in at that starting rate and not at a slightly higher rate for years of experience; we discussed this. The idea of hiring six at one time would probably put a heavy load on. I didn't have the opportunity to speak to Lt. Warden but some of our field training officers have moved up into promoted roles into Sergeants, which is what you want them to do. Some of our FTO's (field training officers) have retired, they train the new officers, and a couple of them are currently at FANG. To try and take on 6 immediately, 3 would be a lot more realistic to train and they would take approximately 4 months to go out on their own.

Mr. Smith said these numbers are really rough. The Administration has not had a chance to sit down and validate all these numbers. These are what Chief Osterholzer is telling me. To bring on new police officers we would have \$6,000 in uniforms. Mr. Smith asked Chief Osterholzer to give an explanation on the vehicles.

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Chief Osterholzer stated the current state of the fleet, we have done a great job under Lt. Warden's new program of utilizing assigned vehicles and pool cars. If we fall behind we are currently down 1 vehicle because of the one that was totaled and not replaced. If we don't replace those 2 it will affect next year's plan. If we got those 2 it would set us up good for skipping one year of patrol cars to update our detective fleet, which are the 4 plain clothed cars. We can get 4 detective cars for the cost of 2 patrol cars. The original plan called for 2 patrol cars this year, which will bolster our fleet to the point where we would be on solid ground to skip patrol cars next year, purchase 4 detective cars next year and then the following year re-assess our fleet and look at patrol cars. So we discussed the option of originally money put into the budget for one patrol vehicle and it included outfitting and then we discussed a second vehicle – most likely doing one charger and one Tahoe, and then the cost of outfitting those.

Mr. Smith said a suggestion by Mr. Martinbianco, we had \$100,000 available in the police fund that we could have towards this. We started at \$866,322 deficit and we would end up at \$959,795, so the deficit would be \$80,000 or \$90,000 larger. This is where we are going to have to decide as a City, we have a little over \$2 million dollars in our General Fund. If we don't do anything with the police, we are at \$735,000 in a deficit. If nothing is done with the police, we are going to be down to \$1.3 million in our General Fund. If we stay the course and don't do anything again next year, take \$1.3 million dollars and subtract \$735,000 away from that and you see we will be down \$500,000-\$600,000 in our General Fund, which I don't think the State will let us get that low. If we lose our neighborhoods, it is hard to get them back. Mr. Smith said he went to Kearsley and grew up along Center Road, he can see the crime seeping into Burton. Those 4 extra officers help give us a wall. Once they get in, it is harder to get them out. Hopefully, residents will view this as worthwhile and vote for a millage. We are already a mill and a ½ in the hole, that \$735,000. A mill in 2007 in Burton, if you look back earlier on our proposal, our general operating mill is 4.7070. In 2007 multiply \$700,000 times those numbers. Now, move yourself to 2013 and multiply those numbers by \$540,000. You can see what is going on. It is the same thing for the Police millage and Fire millage. Since 2007, we cut approximately \$1.7 million in services, we got to the point, we cut. We can't cut enough positions and still function as a City and be viable financially. Within 2 years whether or not we decide if we want to go with the police, we are going to be down about \$600,000 in the General Fund.

Mr. Smith stated further, as a Council person it is our job to talk to each other, talk to the residents, fill them in on the situation, be honest with them so hopefully if we have enough time, we can put this on the ballot in November and let the residents have their say. If the residents don't want to do this, pretty much our course has been set. In a year or less we would be in a situation where we will not have the opportunity to make these local decisions.

Mr. O'Keefe said we had a long discussion in the last meeting. In my book, six police officers are basically non-negotiable to the fact we have the safety of our residents and safety of our police officers. Any given night there are 3 one-man cars out there and this is a recipe for disaster. We have been very lucky. In years past we have not been so lucky. If you go over to the Police Department there are 2 bronze plaques just as you park your car. Officer Herrick and Officer Thompson were both killed. It was a busy night and they were by themselves. We all need to think about that. The plan would be we would only hire 3 police officers and November would come and the resident can speak.

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Mr. O'Keefe stated further, if they want 6 police officers they can have them because we are not hiring all of them right now because the Chief can't train them. We want the residents to speak; they are our bosses and we need to see what they have to say about this. If you don't hire the other 3 and there is no go on a millage then it is over \$200,000 to subtract off the top. We need 6 police officers and I think it is the bottom line.

Mr. Wells asked for clarification that Chief Osterholzer said he could get 3 officers for the price we already have budgeted for 2.

Chief Osterholzer replied almost, not quite. Some of that depends on what they are hired in rate is. If they have zero experience or 2 to 3 years experience which bumps them up a little, and not knowing the final outcome of all the figures on their fringes.

Mr. Wells asked what is the optimum number that we would be adding since 2 is already figured into the budget.

Chief Osterholzer replied that is correct and one more would put us at 33; 36 is my target number to say we have our feet underneath us before we can start looking at bringing anything additional back – the school resource officer, the community safety officer, we can't think of any of those things till we get to 36, bump our minimum staffing up by one across the entire board for all 3 shifts and restore a detective position which is desperately needed as well.

Mr. Wells said the cost factor is what I am looking for.

Chief Osterholzer said he would have to ask Ginger. I had the math sheet done last time and didn't bring it with him.

Mr. Wells said if it is 3 for 2 plus an additional \$20,000-\$30,000 for fringes.

Mayor Zelenko stated it would depend on what they are going to need for health care too. If you want to assume they are going to want full family coverage we can base those numbers on that.

Mr. Wells said because of the rank that the 2 people were when they left, they were way up here, we are bringing in 3 people and I don't think we are going to get a 35 year old police officer that wants to finish their career in Burton with the way our budget is right now. If we get anything I think it will be young starters.

Chief Osterholzer said to answer your question as accurately as I can, it comes really close to getting 3 new ones for the cost of 2. That is considering they would be zero experience or the bottom line of our pay scale.

Mr. Wells inquired regarding figures for the secretary position.

Mrs. Burke-Miller asked as it impacts the General Fund.

Mr. Wells acknowledged yes.

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Mayor Zelenko stated she is 60% funded in the General Fund. You wouldn't have someone to do your workmen's comp., health care. You wouldn't have anyone to manage that. We are at minimum staffing levels as Administration as well. We are all working administrators. The former Mayor didn't have to write a Title VI plan, I had to write it. We don't have administrators to do everything that needs to be done.

Mr. Wells said I remember the former Mayor cutting the human resource position, cutting the DPW Director or not adding one back and then at one point, combining both of those and having one person do it at a third of the cost of 3 people. The City managed to move on from there.

Mayor Zelenko stated you have so many more regulations now in the State with the Snyder Administration. So much more paperwork and if you are a private business owner you would know that, Mr. Martinbianco can attest for that. It is the same for local governments as well. The EVIP – that whole process takes a lot of Ginger's time. She has to have input from Ms. Warren as well and Mrs. Centilli.

Mr. Wells said he doesn't know how we can take an \$866,000 deficit and make it work, then go tell people we are doing our due-diligence and we need more money. It doesn't make sense to me. I sat through some lean years and Mr. Martinbianco has as well. The Administration brought cuts to us, which we added to and the City moved on. We can't keep adding to the deficit. That is good news about the police officers. We have an opportunity to hire 3 for the price of 2 and not increase this deficit. I think after this, we should be talking about a hiring freeze if we really want to say we are doing our jobs right. I am a private business owner and I can't believe the stuff they throw at me and I am up to 1:00 a.m.-2:00 a.m. in the morning doing it. I have to do it. We have workers here that have to do it and do some things they don't like to do. As far as the Controller and IT contracting that out, we are contracting a lot of that work out already. You can't cry I am union just when you want to be union and when the other stuff that you don't want to do, say go ahead and contract that out. The website is a perfect example.

Mayor Zelenko said she doesn't understand what you mean about the website.

Mr. Wells said when we made the website, we asked to have a website made. Our IT person said he couldn't or wouldn't make it. We had to go outside the City to contract it out.

Mayor Zelenko said it was never in his realm of responsibilities to maintain the website.

Mr. Wells said absolutely it is. Mr. Wells read aloud a complete list of Information Technology duties. He said it stated it is under the general direction of the Mayor. The list included some of the following: recommends plans, determines layout modification of the City's network infrastructure, provides capability for proposed projects and workloads, efficient operations and effective use of network service space, installs and maintains hardware, software and network systems to provide secure, high performance connectivity, trouble-shoots, diagnoses, resolves hardware and software issues, recommends and implements LAN policy, manages budget, analyzing needs of new technology, ensures sufficient management disaster recovery, investigate network problems. Mr. Wells asked who is maintaining the website; he understands the Mayor is.

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Mayor Zelenko responded that both she and Mark Udell maintain the website. It is not in his job description to design the website. That is why you contracted out the design of the website. Those job descriptions were submitted to Mark when they became organized. A lot of responsibilities have changed.

Mr. Wells asked if the job descriptions were changed, that would have to go before Council for approval. Mr. Wells read aloud the Deputy DPW Director duties.

Mayor Zelenko stated I think our City Policies state that the Mayor and Administration have the right to set all work responsibilities and jobs.

Mr. Wells said all these policies have to be approved by City Council.
Mayor Zelenko replied no, she doesn't think that is in there.

Mr. Heffner said he remembers back when Teamsters organized, wasn't there a Court Order which allowed them to organize?

Mr. Martinbianco said my recollection is the original game plan was we didn't dispute their right to collective bargain. We disputed the right of certain covered positions that were sensitive in nature at the time that we thought could be defensive able and keeping those as appointed positions as opposed to ones covered under collective bargaining. I was off council at the point in time it went to the Michigan Employment Relations Commission which found in favor of none of the positions the City wished to keep separate. They said of the entirety we were allowed to collectively bargain.

Mr. Austin said he was not the City Attorney when that occurred but I do recall exactly the same thing. The determination was made all of them were properly within the bargaining unit.

Mr. Heffner asked if we could be held in contempt if we were to eliminate these positions.
Mr. Austin replied no not in contempt but as the Mayor indicated you would face unfair labor action. The determination was these people were properly within the Teamsters organization. If we were not to fund those positions, that would be different and result in an unfair labor action but not contempt.

Mr. Wells said yes we did go to Court. Several people on the City Council didn't think the administrators should be unionized. It was found there was some precedence set across the State of Michigan so the Court ruled in favor of it. There were 2 positions that we thought should not be unionized and that was the DPW Director and the Controller. The Judge also ruled in their favor. That also set precedence across the State. That was a different time and the City had money. Now we are facing a \$900,000 deficit. We already beat down the other unions to no raises and no fringes for 4 years. They are down about as low as they have ever been in the history of the City. I am not for cutting services. I think we need to add cops and not cut services so unfortunately that leaves one group of people to look at. I understand Mr. Gaffney has to do his job. I don't want to cut anybody, but I think we are sending the wrong message tonight by just adding to the deficit and hoping it will work out. We had a long discussion last week and Mr. Martinbianco was unusually quiet during that time. He has kind of been my mentor through the years.

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Mr. Wells stated further, I watch what Tom does and listens to what he has to say. Even though we don't always agree, he always makes sense. A few times I wished I had followed his lead. My fear is this, we don't cut anyone, we add to the deficit. I agree with Mr. O'Keefe, we need to have more police officers. I hear it every day at the doors. But we don't really have the money to do that. The other option is can we borrow from the sewer or water department \$300,000 - \$400,000 and if we do get the millage to go through, pay that back with some of the millage money – is that a possibility.

Mr. Martinbianco replied my late good friend Mr. Becker would call that the curly shuffle. It is an interesting aspect and much like what we have done with the other departments that have needed a bridge loan to cover some of the unanticipated costs of some of the subdivision things, that would be cause for concern when you start doing that. Another thing we are faced with is our bond rating is subject to taking a hit and acting with what we have to do with what is in front of us tonight. Unfortunately, we have to do with what we have in front of us, and if we don't feel it is the machinations between all of us in working with Administration, talking about enhanced police protection and at least beefing up the staff per the Chief's comments, and enacting some of the other duties we have both from the folks that receive water, that may have sewer back-ups, snow on the roads, and repairs to the roads, which are not General Fund expenditures but are all inter-linked to some degree. The biggest component that the General Fund subsidizes is the Police Department. We are talking about a \$500,000 increase just this year without Mr. O'Keefe's inclusion of bringing additional officers on, which I totally support as well. There is also a timing factor and function that will employ not necessarily all the resources that we may choose to dedicate tonight but that may be withheld and if we choose to go to the citizens here is our plight, we have a great community, we are under funded, we know that, we haven't done anything but cut and cut. We are to the point now that we have more retirees with the recent couple of folks that just retired from the police department, and now we have more folks retired than we have active working. We still are expected to continue to provide the high quality of service we have been able to provide that. Council being on board and Administration being able to entice everyone that is employed here to come into work every day, smile and put on their best face, act professionally and take care of the problems that are inherent in each of their departments. We have to move forward. We have dealt with this MERS issue and I appreciate my friend bringing forward the fact that I voted against it back then.

Mr. Martinbianco stated further, we need to do something tonight and we have an opportunity, it is not a good thing that we have to look forward to, and I don't like the idea of operating on just a couple of months reserve, and I don't know that the State will accept it, with the prospect that the generous and gracious residents, taxpayers here, might decide it is time to enhance the City, we are moving forward and perhaps they will see fit to invest in the City again, as they have in their school districts. We have some great school districts in the City that have passed millage requests in the past for capital improvements. We are looking for in the City is sustenance and substance and that is what we are trying to move forward with. As has been talked about by Mr. Wells and others that the great rapport we have with the citizens, the efforts we have made to try and make this City number one around here and protect ourselves and our officers in terms of crime deterrence and prevention, and the new philosophy the police department has rolled out, that will ultimately help us all in the long run.

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Mr. Martinbianco stated further, if we are lucky enough to get that type of minimum millage kick, it will at least maintain us for a number of years, maybe 5-10 years, and give us pause to see where we are going to be at, and maybe we will be able to have some economic enticements that will come our way and help us grow and advance as a City in years to come. That is what I am hopeful for. Mr. Martinbianco stated I think we did our due-diligence within the scope of the budget, we want to continue to provide those services, we made cuts and some additions, we have drawn on some resources that otherwise would sit in accounts we can't use. I hope we can use this next year as a year of introspection for everyone here in the City. I trust Administration if they have issues that will come forward. I know I may have been lack in bringing forward some of the issues that were brought to the front table with respect to issues not getting the audit done in time last year, and I take full responsibility for that.

Mr. Wells expressed thanks to Mr. Martinbianco. He stated we needed that. We need your leadership. I have learned a lot from you over the years. We need you to step forward like that and say just what you said.

Mr. Haskins said he wants to clarify a couple of things. There were some fancy words used like wrongful discharge. I don't think the Mayor meant it in that context, but they are not discharged they would be laid off. Like I said before if the residents approve the millage, bring the positions back. We have to keep our police out there. One thing the Mayor said that struck to me was cannibalizing one unit to save another. Our police have been cannibalized – up one side and down the other. With the pension fund, pay freezes, and low staffing, they have been cannibalized everywhere and that directly affects the safety of our residents. I will look for money other places to try and keep the safety of our residents and like Mr. O'Keefe said, the safety of our officers. The contracting of services - you have said it many times in a public meeting that we shouldn't be discussing union contract issues and things of that nature out in an open public. With all of the we are going to get hit with this, we are going to get hit with that, I have never heard you make those common statements in an open meeting. I don't want to get in that debate now or sit and take on that debate. If we lay off the IT person, and the person who is currently working in there as contract service, if it goes above his scope and he can't do the job that is dipping into Mark's, then at that point in time, we have to look at the options we have to face. Mr. Haskins expressed further, you have the utmost respect for defending the people you are trying to save. Anybody should, I do it on the other side. The problem is the budget, looking to go for a millage, looking to increase things to our residents in my opinion, we need to prove to them we are being serious on this end first.

Mr. Haskins stated all the derogatory comments coming about, we are going to get slapped with a ULP. How can you say what we are going to be slapped with when we haven't even done it yet? We haven't laid off the IT guy yet and went and filled his position. Everybody is sitting here making these derogatory statements as though all this is going to happen in that fashion. But the services of the IT, services of parts of the Controller, services of other parts of the City has been contracted out. We covered the dollar amounts to the t several times.

Mayor Zelenko responded you could do that as long as the position is not vacated.

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Mr. Haskins interjected we are talking about the contract thing again and discussing it at an open meeting.

Mayor Zelenko stressed we are not in contract negotiations with regards to the Teamsters, they have a contract. I am stating what their contract is so we can talk about what their contract is because we are not in negotiations. They took a pay freeze and paid in more to their pension.

Mr. Haskins said they already allowed contracted services to come in without filing a grievance on contracted services coming in.

Mayor Zelenko said they allowed contracted services coming in if they are not displaced. It is in their contract. I can defer to Mr. Gaffney who is here and gave us the explanation of unfair labor suits when you weren't hear at the last meeting. He made those statements before you got here.

Mr. Martinbianco said he did and it is a matter of record in the budget workshop minutes.

Mr. Haskins asked who is doing the benefits job now for Mrs. Centilli.

Mayor Zelenko replied Mrs. Centilli is doing it.

Mr. Haskins asked if Mrs. Centilli's contract state she had to retire by June 30th or she would lose benefits?

Mayor Zelenko responded that was a negotiated part of the contract.

Mr. Haskins asked did her contract state that.

Mayor Zelenko said she doesn't have a personal contract; she is covered under the Teamsters contract.

Mr. Haskins asked did her contract state if she didn't retire by June 30th she would lose benefits.

Mayor Zelenko replied that was a negotiated part of their contract.

Mr. Haskins said so it does state that.

Mayor Zelenko replied yes it does.

Mr. Haskins asked if she was so important, then why would that be negotiated in?

Mayor Zelenko stated she would defer to Jean Johnson who is her union rep., and to Mr. Gaffney who was there during negotiations as well. That is part of collective bargaining; it was an effort to cut future costs. It is her choice, she can stay, and she doesn't have to retire.

Mr. Haskins said she would lose benefits if she did. She has years of experience sitting in that spot. If that valuable of a spot and no one else is doing her job, she is gone here in a few days. Now all of a sudden we are going to replace it and someone is going to know how to do it? What I am getting at is we are in the same boat right now as where we are going to be after June 30th if we eliminate that position from the budget currently. Once Joyce leaves she is not going to come in, you are not going to contract her out to do all the benefits work.

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Mayor Zelenko said we have some police officers leaving too but we are going to hire more police officers.

Mr. Haskins said absolutely, that has to do with our public safety.

Mayor Zelenko said when Joyce leaves I will hire someone with HR and benefits experience to take that position.

Mr. Haskins said you have Sue Warren which I am sure is very capable to help out with that. Eliminate that position and keep Sue then – a give and take.

Mayor Zelenko said there is a lot more to human resources than just benefits.

Mr. Haskins said there is a lot more to everybody's position but we have been consolidating services throughout the City and you have preached it non-stop.

Mayor Zelenko said we have been doing that.

Mr. Haskins said I am not trying to be the bad guy or upset anybody or go after somebody's job. I am trying to stop the City from going into receivership that has been stated several times; the State is going to be here in 2 years anyway. Why not act now to try and correct it.

Mr. Heffner said he keeps hearing this number of \$900,000. Isn't the actual number we are voting on in the budget \$1,102,499.03.

Mrs. Burke-Miller said it is \$1,092,679.93.

Mr. Heffner said everybody keeps saying \$900,000 but what we are actually voting on is \$1.1 million.

Mrs. Burke-Miller said that is correct. When I took the IT technician person out and reallocated it, it didn't all hit General Fund because when you take the sewer debt retirement monies and put it over into General Fund, you also have to show it as a transfer out because it is designated specifically for special assessments. It cannot be used to decrease the amount of our General Fund. I was hoping to get a letter from Mr. Austin regarding his opinion on it; I haven't seen that yet. It is supposed to be designated specifically for SAD's. I built it into the transfers to other fund line item. You will see it coming in \$46,061.03 in the revenue area – transfers in, sewer debt retirement, and then the very last line item in General Fund – transfers to other funds was beefed up by that dollar amount and there is a note within the budget to that affect.

Mrs. Burke-Miller stated further, because there are so many things in this budget that are allocated across, so many different funds, I think historically the City has had problems with the fact the taxable value kept declining and declining that is why you guys started allocating everything across to the other funds to kind of take advantage of the enterprise funds that were bringing in the revenues to help offset some of that overhead. That worked for a while and it has gotten you by until now, but I think everything now has come to a head. We have a revenue problem, plain and simple.

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Mr. Martinbianco asked Mrs. Burke-Miller to lift her reports on all the transfers for everyone to see.

Mrs. Burke-Miller said it is not pretty at all and I don't see you can cut your way out of it. Even if you take all the administrator jobs, I ran a tape on that today, all the administrators, revenues, salaries and fringe benefits and figure out the General Fund percentage, it is not going to get you where you need to be.

Mr. Heffner said the reason I asked that is because we keep hearing \$900,000, \$800,000, but the reality is it is \$1.1 million we are dipping into General Fund. I would just like that stated so people out there know what we are actually voting on tonight.

Mr. Smith said as our Controller mentioned, this situation, we can't cut enough people and still function as a City. Whether it is administrators or police, we have nowhere to go. Whether it is \$735,000 or a million, if you go \$735,000 in 2 years you are going to end up in the same place. This is going to be contingent upon what the residents want to do and hopefully November. We can't cut ourselves out of this. The employees have given and given, the moral in the police department and other departments we have tried to hold the line the last 4 years. When I looked in the books, I see where Administration through austerity programs made some big saves last year, but I also looked at expense and revenues was over a million dollars at one time and they through better collections and what the employees did got it down but we have come to the point where there is no where else to go. I will admit, I am putting a sense of urgency on this; I don't want to sugarcoat it. I would rather the residents make this decision and within 2 years, unless things dramatically change in the local economy, we are going to be in trouble, whether we do anything with the police or let the administrators go - within 2 years we are going to be there. Yes I want to make the residents aware of it. We cannot cut ourselves out of this.

Mr. Wells asked how much longer is Taylor & Morgan going to be here so we can get some solid numbers and really see where we are it.

Mayor Zelenko stated Taylor & Morgan are here just to help with bank reconciliation's to get them caught up. The agreement you agreed to was through the end of July. They are here doing bank reconciliation's, that is all they are doing and not solid numbers as you say. They are here to help with the case load in that office.

Mr. Wells asked they are only doing bank reconciliation's – how many did we have left? Have we not done any?

Mayor Zelenko said what you don't understand is that we have several bank accounts but it is not like taking a bank statement and reconciling it. You have a ton of spreadsheets in every expenditure has to tie back to an amount. It is complicated.

Mr. Heffner Called The Question, Mrs. Ellenburg supported. Motion failed 3-4, with Wells, Ellenburg, Haskins and Heffner voting no.

Mr. Martinbianco asked for discussion to continue.

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Mr. Wells asked when we would know how much the City has.

Mayor Zelenko stated we could say that right now, we have the Treasurer and Controller here.

Mr. Wells said if you are trying to unwind all these reconciliations how do we know.

Mrs. Burke-Miller replied they are not unwinding reconciliation's, they are checking what it says on the bank statements versus what it says on the books.

Mr. Wells said that is exactly what I am talking about. Is that number correct?

Mrs. Burke-Miller said you have numbers sitting right in front of you. Every month you get a revenue and expenditure report. Those are your numbers.

Mr. Wells said those are good numbers despite them unwinding.

Mrs. Burke-Miller said they are good numbers but they are not going to have all your revenue in there or all the expenses because the year is not over.

Mr. Wells said the year is over and ended July 2012.

Mrs. Burke-Miller responded that the year ends June 30th of this month. We are not at the end of the year.

Mr. Wells expressed to Mrs. Burke-Miller he is tired of the way she treats this Council. You defied a direct request from me, defied a direct request from the President to get us a report.

Mayor Zelenko announced the Administration would be leaving the room.

Mr. Wells said this is absolutely unprofessional.

Mr. Martinbianco called for a 10-minute break.

Meeting recessed at 9:40 p.m.

Meeting resumed at 9:57 p.m.

In reference to Item #7, Mr. Heffner inquired regarding a line item basis. In 2007 didn't we have to undo the line item basis because it was costing the City money. Mr. Martinbianco said the line item budget was passed and it impacted all the departments and not just the capital improvement budget, which caused some substantial personnel costs and some extended arbitrations that had gone on throughout the department. The capital improvements budget is just capital improvements only. The line items list for that is very short and allows us the flexibility to amend those at any point in time. Mr. Heffner said the amount is \$1,102,499.03 dip into General Fund. Mr. Martinbianco said the number is before you and that is my understanding. It should be so noted in the record.

Haskins moved and Wells seconded to approve Item #7 as written. Motion failed 4-3, with Heffner, Wells, Ellenburg and Haskins voting no.

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Mr. Martinbianco stated he would bring it back to the floor for further discussion. There needs to be an amendment made, by Charter we need to pass the budget tonight. We need some more interaction and more suggestions on how to ameliorate that.

Mr. Heffner said he agrees that we need six more officers. My problem with that is I don't believe we should add them in the budget till it is passed in the millage. When it is passed I will support it 110%, but until the people speak and say we can afford it, I can't support it. I can support 2 and replace them, but I can't support dipping into General Fund by another \$300,000.

Mr. Smith stressed if they are hired. If the millage passes, they are hired. If they are not – a budget is an estimate, a projection.

Mr. Heffner said if the millage passes then we can hire them – even if they are not in the budget right now.

Mr. Smith said then you would have to amend the budget.

Mrs. Ellenburg said it is not hard.

Mr. Martinbianco said it takes 5 votes.

Mr. Heffner said I am sure we would have 7 votes to do that if that time comes.

Mrs. Ellenburg said we talked to the Chief and he stated the 2 officers retire, and we could hire 3. I would be willing to put that 3rd one in there. The \$72,000 is probably a high amount because it is \$32,000 if they come in on the lowest level and then their package of maybe \$20,000, so \$50,000 for a new officer. Instead of 2, adding that 3rd one on for 3. There was a little cushion on that too. The fact we want to bond for things and keep that rating up. If we lower our General Fund down more, the State is looking at us. I feel we need to keep our General Fund up to a higher level. We know if we can all get out there as a unit and promote this millage, I know we can get it to pass. I think the fact the money is not there, we have to earn it, and market it. If they know the money isn't there and we don't get that millage money, I think we have a better selling point. That is my reasoning for not putting in the 3, it is kind of a cushion it is there.

Mr. Heffner said we made promises to the officers we have on the payroll right now, that we would try and help them. That should be our focus right now - alleviating the bleeding from the Police Department so they don't leave. We want them to stay here and entice them to be a part of the City. Mr. Heffner stated further, if and when this millage goes through, we hire 3 more officers. We call a Special Meeting the day after and authorize it.

Mrs. Ellenburg said they could only train 3 at a time anyway without overburdening their department.

Mr. Heffner said I just think it is not fair to the residents and it is not fair to the officers you are going to hire. You hire them and the millage goes down and then you have to lay them back off.

Mrs. Ellenburg said they wouldn't be hired till the millage passes.

Mr. Heffner said if they are not going to be hired then there is no problem doing it this way.

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Mr. O'Keefe said we are not going to spend this money till after November. Let's just put it in there. Today if you do not know, Mr. Haskins said a Grand Blanc police officer was shot in the line of duty. I don't want that to happen here. I think we are trying to make a bold statement and to our police officers. I understand the financial responsibility here; we will have the advantage if we do enact a millage. If the voters do not approve it you haven't spent the money. So you are being prudent right there.

Mr. Heffner said I believe actions speak a whole lot louder than words. Once we get out and roll up our sleeves and sell this millage to the residents. Lets say the millage passes, the next day we can do everything you guys are saying right now. There is no need to put this in the budget tonight, it is just going to sit there by your words, then there is no need, it is unnecessary. We take this out with the promise to the residents and officers that we are going to look out for you guys. I know I intend to keep them. I don't see that we can keep them by doing this. This harms our chances of a millage being very presumptuous. This needs to be pulled out, we need to go back to \$735,000. It doesn't hurt anybody. If the millage passes no harm done. The only harm done is if we do this and it hurts our bond rating – then you are talking about harm done seeing we are looking to bond for some roads. We are going to be paying a lot more money. I just don't think it is the right thing to do.

Mr. Heffner asked for the correct number.

Mr. Smith said the number is \$735,601. You are talking about marketing. We are leaders, this is a time to lead. No one is going to know the financial situation the City is in as much as we do. If we don't have the guts to make the tough calls - this is a tough call. It is our job to educate or inform the residents of what their options are. If we are not confident enough and we have a strong enough argument for this, and this is what we are implying here by this, then we are going to have a weaker argument when we go to the residents. We need these police officers. Whether or not we have the police the clock is ticking. We have a shooting today and we can see the crime creeping over beyond Center Road, by the Family Dollar on Bristol Rd. - we want to send a message. It gives us a much stronger presentation to make to the residents. We believe enough in this, yet we are sticking our necks out. I know this is sticking my neck out. As Councilman Wells said, he is up for re-election – so am I. But I don't want to see us lose our neighborhoods or see the residents leave or the businesses leave. Just the argument you made, I look at it as that is the easy way out. We need to make it as Councilman O'Keefe said a bold statement! This is a bold statement, he is up for re-election too. I want the criminals to read this – if they read.

Mr. Heffner said by sticking this in the budget, the criminals are going to stay over in Flint?

Mr. Smith said the budget is an estimate - we don't have to spend the money but we are telling people we believe in this, we believe in our community.

Mr. Heffner said we have been telling people tonight we are only dipping into the budget by \$900,000 but the reality is we are dipping into it \$1.1 million. It is almost like a bait and switch here.

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Mr. Smith said he will use this analogy - someone jumps out of a 10-story building, they don't survive. Somebody jumps out of a 12-story building – they don't survive. We are choosing to jump out of a 12-story building. It is a gamble. But we know for certainty that within 2 years whether we jump off the 10-story building or 12-story building – if we don't have a millage it won't matter. Our General Fund either way is going to be gone, whether it is \$600,000 or a million dollars – it is going to be below what we need to survive as an independent City.

Mr. Heffner said how is putting these 3 officers in the budget making a bold statement.

Mr. Smith said we as leaders feel we have to do this for the safety of the residents and for the betterment of the community.

Mr. Heffner asked how is an officer inside of a piece of paper going to help the residents.

Mr. Smith said we put our name on it.

Mr. Heffner said you are already saying we are not going to hire them unless the millage passes.

Mr. Smith said we have something we believe when we go to the residents. We are willing to do this, we are willing to stick our necks out – that is how much we need it. You have credibility as a leader in your community. You are saying we need this – you are vouching for this.

Mr. Heffner said he is not vouching for this budget.

Mr. Smith stated that is where we disagree.

Heffner moved to remove the 3 officers from the budget and all related fringes.

Mr. Martinbianco added the estimate is \$290,000.

Mrs. Ellenburg said we do want to add so that there is 3 because the budget said we only have 2.

Mr. Martinbianco stated no, the reality of the situation is of the 2 that are retiring we will replace the 2 that are retiring and bring one more on. That is what you are going to end up with.

Mr. Heffner said 3 for the price of 2.

Heffner moved and Ellenburg seconded to amend Item #7 to remove the 3 officers from the budget and all related fringes; estimate is \$290,000. Motion failed 2-5, with Smith, Wells, O'Keefe, Haskins and Martinbianco voting no.

Mr. Wells said he moves to amend Item #7 to not replace the body (benefits administrator) we are losing through attrition, move that money to the Police Department to help fund the extra officers, as it only pertains to General Fund (\$40,000, General Fund component of fringes and salary), and transfer the money to the Police Department, and instead of adding a total of 6 officers, add a total of 4 officers at this time. It will help with the training, immediately add 4 officers and cut the other \$200,000 to see if we can get the millage. Mr. Haskins said he supports.

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Lengthy discussion ensued.

Mr. Martinbianco said there was a motion and support to not back-fill the position of benefits administrator at least to the extent that it affected the General Fund, only in the amount of \$40,000.

Mr. Wells said we are still adding 2 new officers, replacing 2 officers, cutting almost \$200,000 from that budget. We are filling some needs there and sending a message to the public we are serious about this. We are not just going to keep everybody and say we are having tough times here but we are going to keep rocking and rolling along and roll the dice and let us have 6 more officers. I am adding this as a compromise. I listened to what the Chief said, 6 people would over-load him right now. That will give him 4 and put 2 more cops on the road and it will also save us a couple hundred thousand dollars in the interim.

Mrs. Ellenburg asked how would we take care of the benefits then? Do you think no one will have any type of injuries or any type of comp injuries?

Mayor Zelenko replied it wouldn't get done.

Mrs. Ellenburg said I understand what you are trying to do, but Joyce had a purpose and it was to take care of all the benefits and make sure when there was sick leave, she took care of all the paperwork. I went in a few times to talk to her and it is mind-boggling. I know getting hold of people and making sure all the paperwork is filled out – and there is a lot of paperwork. I can't see other people out here raising their hand and saying I will do it. I don't think we can ask them to do it, which is not their job title and not part of their position.

Mr. Wells said the Mayor has proven to be very resourceful and she will figure it out. There has been a lot of cross-training/stream lining.

Mrs. Ellenburg said she knows the Mayor stays here till 11:00 p.m. and has taken the title of webmaster. I don't think she is going to take the title of taking on the medical bills too.

Mr. Wells said that is her call; we have an IT guy. We are adding 2 cops and now we are going to add a new position there, or replace the position we are losing through attrition with a new body, it doesn't make sense. Here is an opportunity to reach maybe not our complete goal of adding 6 police officers right now, but certainly we are doing 2 better than we were and also save a little bit of money on the side so when we go out and ask people about this millage, we have something to back us up. We are very serious about this.

Mrs. Ellenburg said I know our officers probably don't want us to be doing a lot of this too. They want their job and to be safe but not on anybody's back.

Mr. Wells said we also have to figure how to move \$100,000 to take care of the guys that are banking on staying because of our word the other night. Out of the \$200,000 we are saving, maybe we can move \$100,000 to that to an account for them.

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Mr. Martinbianco said there is a motion on the floor to eliminate the General Fund contribution contained under the appropriate departments related to the Benefit Administrator and transfer that requisite dollars estimated to be \$40,000 to the Police Fund under General Fund Transfer, with the purpose of adding an additional officer which would still leave a \$32,000 shortfall based on the difference between that wage and fringes quoted to us.

Mr. Heffner said he would like to know what the Affordable Care Act is going to do to the scenario. Mr. Smith said no one knows.

Mr. Heffner said who is going to take care of that in the City?

Mayor Zelenko said I don't know. You have cut the conferences and workshops that we were scheduled to go on for those as well.

Mr. Heffner said assuming once the Affordable Care Act does hit, there is a whole package of goodies that is going to be done with that. I guess we won't know what is in it till we get to read it.

Mr. Heffner said he would move to go with Mr. Wells scenario minus cutting the Benefit Administrator position and recommend we move \$100,000 from the DDA budget and move it directly. It will save \$100,000 and pay for some police officers. Mrs. Ellenburg said she supports.

Mr. Martinbianco said it has been moved to move \$100,000 from the Downtown Development Authority, which will include a requisite change in Item #12 to approve their Authority Budget to be adopted on a departmental basis and reduce their budget, operating by \$100,000 and that \$100,000 going directly to the Police Fund as a transfer, in addition what they already put in their budget. If you are passing that amendment, it is complicit that you amend Item #12 in like fashion.

Mr. Wells said he believes it is probably illegal to take that money without their consent and the requisite law suits that would come off of that would not save us a penny. I will vote no on that.

Mr. Martinbianco said that would be better left to the City Attorney ability to coax us through the rights of the DDA and super rights of the City Council.

Mr. Wells said the mess going on in Davison right now between their city council and their DDA, and they are in thousands of dollars in their lawsuit.

Mr. Martinbianco said I feel bad what is happening in Davison but the question at hand is how it affects Burton.

Mr. Haskins said the DDA, like the Chief stated in the last meeting, earmarks this money for downtown to develop their properties. They transferred \$100,000 over it would have to be specified and the Police officer or officers would have to stay right there in the DDA.

Mr. Austin said part of the DDA funding is tax increment financing which is essentially a tax on improvements made within the DDA. To simply deduct a \$100,000 from that budget in this fashion causes me grave concerns. I am not suggesting that it might not be able to be done in a surgical fashion in someway, but not by simply saying take \$100,000 from the DDA.

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Mr. Austin stated further, I am not comfortable with that I would have to sit down and talk to the Controller to see if surgically it could be done, but not in that fashion.

Mr. Heffner said he withdraws his motion. Mrs. Ellenburg withdrew her support.

Mr. Heffner said to go back to hiring the 3 officers instead of the 6 till the millage passes. If the millage passes I am behind it 110%. We would hire the 3 officers and we would need a few extra dollars to help finance the 3rd one. Take \$30,000 from the DDA and move to that budget to support that extra part of the officer. Mr. Heffner said he pays the DDA tax, he is not on that Board. For the business owners that pay the tax, they want more police protection down there. They don't want us to cut Back-to-the-Bricks because we can't afford the police officers. They look forward to Back-to-the-Bricks every year to help them pay their taxes over the year. There are several businesses that rely on Back-to-the-Bricks to boost their income so they can pay our taxes. I don't think \$30,000 is unreasonable at all, \$100,000 might have been a little steep. I think \$30,000 is dueable. Mr. Heffner asked if the \$30,000 would supplement an officer enough.

Mr. Martinbianco said Administration is having a side bar looking at numbers and the legality of the request. It might well be placed as an amendment to Item #12.

Mr. Martinbianco called for a 5-minute break.

Meeting recessed at 10:30 p.m.

Meeting resumed at 10:50 p.

Mr. Martinbianco stated we are still debating Item #7.

Mr. Heffner clarified his motion made earlier was to take \$30,000 from the DDA and move it into the Police Fund to cover officers in the DDA area; not for general purpose of the Police Department.

Mr. Austin said the fund balance is created by tax increment financing and the tax 1.8 mil levy within that district. It concerns me but bottom line is I think if services are used within the district, you could probably do that.

Mr. Martinbianco asked Mr. Austin if it would be of your opinion that it be incorporated as part of Item #7 or should it be more appropriately put in as an amendment to Item #12 which is to approve and authorize the City of Burton DDA budget because I think there is a presumptuous if you do this to #7 and they vote against it on #12, then you really haven't resolved #7.

Mr. Austin said you would have to do it in Item #7 and Item #12.

Mr. Martinbianco asked if it would be appropriate if the maker of the motion would include as part of #7 to be adopted on a project line item basis. The amendment he makes and also introduce the approval and authorization of the City of Burton Downtown Development Authority budget for that fiscal year to be adopted on a departmental basis. It is a compound motion and presumes the #12. Mr. Austin said you are just suggesting a solution to avoid having it pass on Item #7 as proposed amended by Mr. Heffner, but yet then not include the \$30,000 reduction in the budget in #12.

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Mr. Martinbianco said we could do it in 2 separate motions continue their position on the agenda but if we approve it in Item #7 and turn it down in Item #12, whatever happened with respect to that component Item #7 no longer exists and then the budget reverts back.

Mr. Austin said I would say contingent upon the approval of Item #12 with the \$30,000 reduction in the budget for police services approved in Item #7.

Mr. Heffner acknowledged agreement with that language.

Heffner moved and Ellenburg supported.

Mr. Smith said he wonders what impact it would have on policing. Does that impact the problem oriented policing we are now using.

Mayor Zelenko said she doesn't see where it would change the philosophy at all. You are just adding bodies.

Mr. Heffner said isn't this one of the areas where the problem is in the first place.

Lt. Mike Odette in the audience, indicated they would dedicate an officer only to that street, about an 1/8 of a mile area.

Mayor Zelenko said if you break that up over a percentile you probably are going to hit that \$30,000 within that DDA area on a yearly basis anyway. It won't be just one officer, I am assuming from what you are trying to do is that whoever is in that area, a portion of their time spent in that area would be charged off on that. I don't think there would be a problem with that \$30,000.

Mrs. Ellenburg inquired regarding daily reports and records if there were any questions there would be proof and evidence of protecting these certain days.

Lt. Odette said every officer keeps a daily report.

Mr. Heffner asked how much overtime was spent during Back-to-the-Bricks last year.

Mayor Zelenko replied \$22,000-\$24,000.

Mr. Heffner said \$30,000 is fair. Back-to-the-Bricks benefits nearly every business through that area. Mr. Heffner stated the many businesses involved.

Mr. Smith asked where we are at with the numbers.

Mr. Haskins said basically \$260,000 if I am right. He is throwing \$30,000 in and going back with 3 police officers instead of 6, so \$290,000 adding \$30,000 into it.

Mr. Smith said we are down to about \$900,000.

Mr. Heffner said that could be a percentage point in our bonding.

Mr. Wells said the argument you are going to get from the DDA is they are already paying taxes for cops down here so we are getting taxed twice, maybe 3 times because they threw some in the kitty for Back-to-the-Bricks. To me \$30,000 is not worth ticking those guys off. We need them in this bond rally. I don't want to make enemies out of them.

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Mr. Heffner said you are making more friends than enemies. I just named off a whole bunch of businesses that want police protection and they want Back-to-the-Bricks to happen – and happen safely. She said we spent \$24,000 in Back-to-the-Bricks, we can't afford that cost, it benefits that area. That is where the dollars should come from. It makes sense. I believe the budget said they have \$214,000 in their fund balance. That money has been in there since 1982. The City is hurting. To use your analogy we are bleeding here and bleeding there. This will plug one of them holes.

Mr. Wells said as long as you ask them first. I feel like I am stealing from them. You ask them and they say we are going to help you out – here is \$100,000, now we are talking. But just to take it from them, even \$30,000 doesn't make sense.

Mr. Heffner said I pay into it, ask me.

Mr. Martinbianco said a motion was made to transfer \$30,000 from the DDA to the Police Fund, contingent on the passage of Item #12 as an amended agenda item.

Heffner moved to transfer \$30,000 from the DDA to the Police Fund, contingent on the passage of Item #12 as an amended agenda item. Motion failed 1-6, with Smith, Wells, Ellenburg, O'Keefe, Haskins and Martinbianco voting no.

(Please note: Clerk did not have anyone written down as a support nor heard on the tape a support for Councilman Heffner's motion)

Ellenburg moved to reduce the General Fund contribution to the Police Fund by \$110,000 reflective of replacing the 2 officers and hiring 2 additional officers.

Motion died for lack of support.

Mr. Wells addressed Mr. Austin and said a budget is just an approximation as Mr. Smith always tells us. This is how much money we got, this is how much money we are going to spend – for the time being. Lets say we go after the 6 officers but only hire 4 right now. That still leaves us \$150,000 in advance. How do we earmark \$100,000 of that to help them with their pension fund right now to keep the officers that we have. To me that is the key question. Adding the officers is a plus, we can already add 3 if we don't change anything. We set up here the other night and made a promise we are going to help our current officers stay hired by the City of Burton instead of going somewhere else. That is the money I am concerned with; the rest will take care of itself.

Mr. Austin said he had a conversation with Rick Fanning and Mr. O'Keefe, a 3-way conversation. In order to do with what you are suggesting Mr. Fanning originally gave me one opinion and then called me back, he changed his opinion and said you can't just unilaterally do that, that is a proper subject of negotiation. He didn't believe it would be a hard negotiation, but he wanted a Letter of Understanding done with that. I will take Mr. Fanning's opinion on that matter.

Mr. Austin stated further, here we are just dealing with the budget. It is not just as simple as adding it into the budget and earmarking it for that purpose. It has to be done appropriately and Mr. Fanning would be involved in doing that.

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Mr. Wells said I don't want to add it in the budget and get Fanning involved and a month later we go to move that money and it disappears.

Mr. Martinbianco asked how it would disappear. Other than finishing the hiring process which I think even if not by a legal scope of all of us agreeing there is some semblance that if we ask the folks for any kind of millage increase, not necessarily a police millage or across the board millage, I don't think you can tie anybody's hands to say you are going to be using it solely and exclusively for that project. If you pass the budget and the money happens to be there and at some point in time in the scope of negotiations it finds itself available and we have the ability to do that, which there are still questions that have yet to be rectified, then and only then will we have the ability to move that money, but if that opportunity should exist it will still take 5 votes to be able to do that, if it is going to be anything other than the expressed purpose that we are going to pass tonight.

Mr. Wells expressed part of the motion \$100,000.

Mr. Martinbianco said no because we don't know if it is even legal to do.

Mr. Wells said the police would have to make that decision, they could say \$200,000.

Mr. Austin said that whole thing would have to be subject of negotiations. Presumably they would accept \$100,000 but you can't take that as fact. That is why Mr. Fanning called me back and had a change of his opinion in that regard.

Mr. Wells said Mr. O'Keefe's number of \$95,000 would knock 5% off.

Mr. O'Keefe said \$97,000.

Mr. Wells said he is going to make a motion to adopt the budget as written. Mr. Smith said he will support.

Mr. Martinbianco said a motion is already on the floor, Mr. Wells already seconded. It was supported by Mr. Haskins. We are back to the main motion, which was supported by Mr. Haskins and seconded by yourself.

Mr. Austin said it can be reconsidered at this meeting. Given that motion was voted on already, would have to make a motion to reconsider the original motion, if that is what Danny is suggesting.

Mr. Wells said that would have to be someone who voted no the first time through.

Mr. Austin said yes.

Mr. Martinbianco said someone on the descending side when the original motion was made.

Mr. Heffner said he would like to make a motion to go to 4 officers at \$110,000 savings, 3 real ones, one inside the paper and that is the compromise.

Mr. Haskins questioned the motion currently on the floor.

Mr. Heffner said there is no motion on the floor.

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Mr. Martinbianco explained that Mr. Heffner proposed the same thing Mrs. Ellenburg had requested. That is a savings of \$110,000.

Brief discussion ensued regarding the motion.

Heffner moved and Ellenburg seconded to: Approve Item #7 with 4 officers at \$110,000 savings (3 real ones, one on paper). Motion failed 3-4, with Wells, O'Keefe, Haskins and Martinbianco voting no.

Mr. Martinbianco said someone on the descending side on the initial failure, would choose to make the motion to reconsider.

Mr. Wells said he would make a motion to reconsider on Item #7. Mr. O'Keefe supported.

In reference to Item #7, Mr. Heffner said this is \$1,102,498.03 to dip into General Fund. What will it do to our bond rating? Mayor Zelenko said she doesn't know what it is going to do. I wouldn't say it would impact it positively. Mr. Heffner said chances are we will be paying more on any bonds we do. Mayor said she is not the bond attorney. Mrs. Ellenburg asked Mrs. Burke-Miller's opinion going this far into our General Fund – is it a risk for the City.

Mrs. Burke Miller said yes, it is a risk. I don't agree with putting it in there till you get a millage approved. It definitely would not look good to the State if at some point they did have to come in.

Mrs. Ellenburg said she couldn't support the \$1.1 million.

Mrs. Burke-Miller said I personally would not be comfortable adding any new officers until you have a millage in place.

In reference to Item #12, Mr. O'Keefe asked if Mr. Smith would be going to the next DDA meeting. Mr. Smith said it is July 15th at 8:30 a.m. Councilman Wells and I will be going. We want to explain to them the financial situation the City is in. Mr. Heffner inquired regarding councilpersons attending the meeting. Mr. Austin said it is a public meeting. You are not going as a Committee. He doesn't have a problem with councilpersons attending.

In reference to Item #13, Mr. Heffner asked for clarification that it would be without Mr. Harburn being a representative. Mr. Martinbianco said that is not what the motion was. Mayor Zelenko said at the time the agenda was being put together, we didn't know who the other person was going to be. I wrote you a memorandum. I spoke to Plante & Moran and Tadd Harburn will not be the Senior CPA. Right now it is Pam Hill. The agreement states the fieldwork will begin on October 1st, I have been assured they want to get in here earlier. They are estimating mid August to September for a start date.

In reference to Item #15, Mr. Heffner asked the Mayor for an explanation to the public. Mayor Zelenko briefly went over the various increases and the one decrease as stated.

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Mr. Haskins Called the Question on Item #15, Mr. Wells supported. Motion carried 5-2, with Ellenburg and Heffner voting no.

For Item #15, Mr. Austin stated that for the record it passed with 2/3 majority of 5 votes.

Mr. Martinbianco said for Items 16, 17 and 18, they will all require 5 affirmative votes.

Mrs. Ellenburg asked the City Attorney what we have to do to get the millage going. What our Charter states and the steps we have to take. The Administration gave us a packet, but in talking with the City Attorney, everything here is to revise the Charter.

I gave you information because you had talked about revising the Charter and then in addition there is another packet that talks about ballot proposals and Bureau of Election rules

Mrs. Ellenburg said she would like to have our City Attorney check into it and find out exactly what we have to go through.

Mr. Wells said he hopes in the not too distance future we can all look back on this meeting - as a meeting that made a significant difference to the City of Burton and its residents. We all need to work together and I think we did a pretty good job tonight in spite of some of the harsh words and bad feelings. I hope when we all leave here, we can leave with a clear conscious we all did our job. Hopefully we can look back on this and say we did the right thing.

Mr. Martinbianco said I appreciate those comments and agree. Not only did we do our job but I think we created a pretty large one moving forward to educate the residents that we live in a quality community with quality services and hope to do everything we can to impress upon them the need to continue that. We enjoy being here and doing what we do and try and make it better for everybody out there.

Mr. Wells thanked Mr. Martinbianco again and said we need your leadership and appreciate it.

Mr. Heffner said I don't think it is our place to educate the residents, I believe it is our place to inform the residents.

In reference to Item #8, Mr. Wells said there was some discussion in taking 4 of these properties off. Mr. Martinbianco said the properties of Bennett, McKinley, Ellis Park and Bergin there are tax affects that would come into play on those properties. Mayor Zelenko stated the Land Bank was recipient for some extra dollars. There was \$100 million dollars allocated from the Federal government to the State of Michigan. The State of Michigan spread it out over 5 communities State-wide for the purposes of demolition to eliminate blight. I had a conversation with Mr. Wyland because I wanted a piece of that too. He said as long as it was City-owned property or Land Bank owned property he can use some of those monies to help with that. I gave him a list of properties and Bennett, McKinley and Ellis Park are on that list because they have just been recently foreclosed on by the County. The Genesee County Treasurer owns them now and not the Land Bank yet because it hasn't gone through the auction. There is the September auction/scavenger auction.

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Mayor Zelenko stated further, we are still getting the word to find out if they can actually use it on the County-owned property; we think that he can. The Bergin property has such a heavy asbestos abatement. He can use part of his funds, up to \$20,000 of those types of funds to help with asbestos abatement. That is why I am suggesting you may want to remove those 4 for right now to see if we can utilize some of that money Land Bank received for the City of Flint for demolitions. You can always put them back on.

Mr. O'Keefe asked how long would it take for the Land Bank to get the money and for us to reconsider.

Mayor Zelenko stated she was supposed to hear back from Land Bank this week. He needed to know by the end of last week what my list was; City-owned properties and Land Bank properties. We threw together a list and had Stuart go out and check all of these properties to see which ones needed to be demoed. Art said we already have some of these properties that the County already owns, let's try to better utilize that money, save the money on our end, if you can use that money that come in from the State for this. Mr. Wyland seems to think we can use it, now it is going to be a matter of a Land Bank prioritizing where they are going to use the money at. She is hoping to know this week.

COUNCIL DISCUSSION ACTION:

Moved by Wells and seconded by Haskins to: Amend Item #7 to eliminate the General Fund contribution contained under the appropriate departments related to the Benefit Administrator and transfer that requisite dollars estimated to be \$40,000 to the Police Fund under General Fund Transfer, with the purpose of adding an additional officer which would still leave a \$32,000 shortfall based on the difference between that wage and fringes quoted to us. Motion failed 2-5, with Smith, Ellenburg, O'Keefe, Martinbianco and Heffner voting no.

Moved by Wells and seconded by O'Keefe to: Reconsider Item #7. Motion carried 4-3, with Ellenburg, Haskins and Heffner voting no.

Moved by Wells and seconded by Ellenburg to: Amend Item #8 to remove the properties of 4344 Bennett, 3379 McKinley, 3370 Ellis Park and 2099 Bergin, and to proceed with the rest of the properties. Motion carried 7-0.

In reference to Item #15, Mr. Haskins Called the Question and Mr. Wells seconded. Motion carried 5-2, with Ellenburg and Heffner voting no.

COUNCIL ACTION:

Haskins moved and O'Keefe seconded the following motion:

1. Approve and authorize the Attorney Billing (Richard Austin) from May 28, 2013 through June 12, 2013, in the amount of \$7,652.50.
Motion carried 7-0.

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Haskins moved and O'Keefe seconded the following motion:

2. Approve and authorize the Attorney Billing (Keller Thoma) 440 East Congress, 5th Floor, Detroit, MI 48226, for invoice dated June 1, 2013, in the amount of \$9,810.30.
Motion carried 7-0.

Heffner moved and Ellenburg seconded the following motion:

3. Approve and authorize a resolution allowing the Mayor and Clerk to accept the terms of the Agreement received from the Michigan Department of Natural Resources for the Grant totaling \$171,000.00.
Motion carried 7-0.

Haskins moved and Ellenburg seconded the following motion:

4. Approve and authorize the following tax millages and fees to be levied for the 2013-2014 fiscal year: General Operating 4.7070 mills; Voted Police 1.9876 mills; Voted Fire 1.0 mills; a \$146.36 per unit rubbish removal fee on all residential improved parcels and those other parcels that utilize the service; a Property Tax Administration Fee of 1% on all tax statements and additional 4% late penalty charge when delinquent.
Motion carried 7-0.

Haskins moved and Ellenburg seconded the following motion:

5. Approve and authorize the tax millage levy requested of 1.8673 mills for the Downtown Development Authority in the affected district for the 2013-2014 fiscal year.
Motion carried 7-0.

Haskins moved and Smith seconded the following motion:

6. Approve and authorize the transfer of 20% (not to exceed 50%) of the Major Street MTF/LRP funds to the Local Street Fund, as monies are received, for the 2013-2014 fiscal year.
Motion carried 7-0.

Wells moved and Smith seconded the following motion:

7. Approve and authorize the Burton City Budget for all General Appropriation Act Funds for the 2013-2014 fiscal year and that the Burton City Budget be adopted on a departmental basis with the exception of the Capital Improvements budget, which will be adopted on a project line item basis.
Motion carried 4-3, with Ellenburg, Haskins and Heffner voting no.

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Wells moved and Ellenburg seconded the following motion as amended:

8. Approve and authorize the acceptance of bids and allow the Mayor and Clerk to enter into a Contract, contingent upon the submittal and approval by the City Attorney of the required bonds and insurance documents, on behalf of the City of Burton with Bartman Excavating, Inc., 4068 Dowdall St., Flint, MI 48506, in the demolition amounts of the following:

3475 Loder	\$6,200.00
3376 Marion	\$6,880.00
2284 Williamson	\$6,840.00
2126 McLean	\$5,880.00

Motion carried 7-0.

Haskins moved and Smith seconded the following motion:

9. Approve and authorize the Mayor's reappointment of John Palmer, 1323 Casto Blvd, Burton, MI 48509, to the Board of Review. Term expiring July 2016.

Motion carried 7-0.

Heffner moved and Ellenburg seconded the following motion:

10. Approve and authorize the Mayor and Clerk to enter into a contract with Kraft Engineering & Surveying, Inc., 409 W. Seventh Street, Flint, MI 48503, for the purposes of Preliminary Engineering of the Rehabilitation of the Bristol Road Bridge over Thread Creek at a cost not to exceed \$28,600.00 for the project known as: Bristol Road Bridge over Thread Creek Rehabilitation, DPW Job #11-003-P.

Motion carried 7-0.

Heffner moved and Haskins seconded the following motion:

11. Approve and authorize the City Controller to transfer \$32,890.00 from the 2012/2013 Major Street Unappropriated Surplus to DPW Job #11-003-P for Preliminary Engineering Services.

Motion carried 7-0.

Haskins moved and Wells seconded the following motion:

12. Approve and authorize the City of Burton Downtown Development Authority budget for 2013-2014 fiscal year to be adopted on a departmental basis.

Motion carried 7-0.

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Heffner moved and Haskins seconded the following motion:

13. Approve and authorize the Mayor to enter into a Professional Services Agreement with Plante & Moran, PLLC, 111 E. Court St., Suite 1A, Flint, MI 48502, for the purposes of auditing of the City's financial statements for the Fiscal Year Ending June 30, 2013, in an amount not to exceed \$42,475.00.

Motion carried 7-0.

Heffner moved and Haskins seconded the following motion:

14. To approve and authorize a budget amendment to the 2012-2013 budget to Capital Improvements Fire Station Improvements line 4001-0000-901.0000 in the amount of \$32,698.00 and the corresponding transfer of funds from General Fund Unappropriated Surplus.

Motion carried 7-0.

Haskins moved and Heffner seconded the following motion:

15. To approve and authorize a budget amendment to the 2012-2013 General Fund budget as follows:

Public Service	\$54,000 decrease
Inspection Department	\$56,000 decrease
Assessing	\$10,000 increase
Transfers Out	\$100,000 increase

Motion carried 7-0.

Haskins moved and Heffner seconded the following motion:

16. To approve and authorize a budget amendment to the 2012-2013 Major Streets budget as follows:

Winter Maintenance	\$20,000 decrease
Drainage	\$15,000 decrease
Pavement Marking	\$20,000 decrease
Surface Maintenance	\$15,000 increase
Administration	\$25,000 increase
Traffic Signs	\$15,000 increase

Motion carried 7-0.

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Haskins moved and Ellenburg seconded the following motion:

17. To approve and authorize a budget amendment to the 2012-2013 Local Street budget as follows:

Winter Maintenance	\$126,000 decrease
Administration	\$30,000 increase
Contingency	\$96,000 increase

Motion carried 7-0.

Heffner moved and Haskins seconded the following motion:

18. To approve and authorize a budget amendment to the 2012-2013 Fire Capital Projects Fund as follows:

Expenditures	\$30,000 increase
Revenue	\$56,000 increase

Motion carried 7-0.

Meeting adjourned at 11:35 p.m.

Julie Adams, City Clerk