CITY OF BURTON

BUDGET MEETING

MAY 16, 2017

MINUTES

Council Chambers	Budget Workshop	6:30 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Councilman Steven Heffner at 6:30 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Late	6:48 PM
Duane Haskins	Councilman	Present	
Dennis O'Keefe	Councilman	Present	
Steven Heffner	Councilman	Present	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Absent	
Christina Conley	Councilwoman	Present	

B. STAFF PRESENT

Rik Hayman, Chief of Staff
Bob Slattery, DPW Director
Ginger Burke-Miiler, Controller
Chris Howser, Road Superintendent
Sue Warren, HR Director
Greg Kray, Deputy DPW Director
Racheal Boggs, Deputy Clerk
Stuart Worthing, Building Official

C. AUDIENCE PARTICIPATION

None.

D. BUDGET DISCUSSION

1. Proposed Budget for Fiscal Year 2017-2018.

Mr. O'Keefe stated last year when we changed the revenue, we had a shortfall of $365,000. In January, the Mayor presented $476,000 worth of cuts. The net difference is $111,000 so using the same principle we have been using we can add the $111,000 to the tally sheet.

Planning/Zoning Pg. 15

Mrs. Burke-Miller stated the expenditures for Planning and Zoning are for the Building Official. Salaries Permanent is split 45% into Planning, 45% into Zoning and 10% into Building. There are also boards and commission and the rest is staying the same.

Building Department Pg. 38

Mrs. Burke-Miller stated for Permits and License (2049-0000-450.0000) we are at

$117,000 for the current year so we feel the estimated $130,000 is a good number. The contribution from General Fund has decreased. In the current year, we have $364,400 and for the Mayor recommended budget we have $129,000 that's because we are going to use fund balance. The other revenues are static. On the expenditure side, we have Administrative Salaries which consist of 10% Building Official, a full time Inspector and a full time Code Enforcement Officer. The Information Technology Application line has decreased due to using the fund balance in the IT Department. Contractual Services projected activity is higher because of a leave of absence; we are not anticipating that in the 2017-2018 year.

Mr. Heffner asked how much of Contractual Services was spent.

Mrs. Burke-Miller said in 2016-2017 $9,910 was spent in Contractual Services. We have moved money within the department so there's an encumbrance of $545. We moved $3,300 to this line from fringes in May.

Mr. Martinbianco asked where he would find income from the state or federal government assisting us with blight or condemned housing.

Mrs. Burke-Miller stated we do not have revenue specifically related to that. The county gets money and we are a beneficiary however, we don't keep that in our books.

Mr. Haskins would like clarification on fringe benefits. It looks like there has been a reduction.

Mrs. Burke-Miller stated the Code Enforcer had a family when we changed personnel, the new person covers only 2 people. We will see the savings in the current year as well as 2017-2018. We moved $3,300 to Contractual Services, $3000 to Equipment Rental and $1,500 to Blight Elimination for a total of $7,800.

Mr. Haskins stated we are in excess of $55,900 in that line (2049-2061-719.0000) for the current budget. He proposed decreasing this line from $102,600 to $55,000 and put the remainder of $47,600 back into General Fund.

Mr. Martinbianco asked if we are anticipating to reduce the Contribution to General Fund (2049-0000-691.0000) by the same amount to make it $81,400. Also, on page 16, Transfer to Building Fund (1001-9099-9999.2049) will be amended from $129,000 to $81,400.

Mr. Smith stated our total cuts would be $450,400.

Mr. Haskins recommends to amend Contractual Services (2049-2061-818.0000) from $4,000 $1,500.

Mr. Hayman stated in the current year this was an unusual circumstance however, we have experienced an increase in the number of inspections and the timing of vacations plays a role in how we budget this.

Mr. Haskins stated for Contribution from General Fund (2049-0000-691.1001) the $81,400 will change to $78,900 and Transfer from Building Fund (1001-9099-

9999.2049) on Page 16, will be reduced to $78,900.

Major Streets Pg. 31

Mrs. Burke-Miller stated on the revenue side, we have the Act 51 gas and weight tax which has increased based on the calculations from the State of Michigan. This is the only thing that has changed significantly on the revenue side.

Mr. Heffner asked, what is covered under miscellaneous?

Mrs. Burke-Miller stated we issued invoices out for traffic signal maintenance, high weed mowing and various other items coming through the invoicing system through the Treasurer's Office specific to Major Streets.

Construction Pg. 31

Mrs. Burke-Miller stated Lapeer Road project from Belsay to Vassar is wrapped up in the 2016-2017 Fiscal Year. Center Road from Lippincott to Lapeer the projected activity was $40,000 for 2016-2017 and $504,000 Saginaw Street Bristol to Hemphill $103,500.

Mr. Haskins wants to know why we are budgeting $200,000 for Potter Road.

Mr. Slattery stated they are doing the pipeline there and Belsay Road to the Formar entrance will be replaced. He was hoping to do some additional repairs on the west section that we didn't get to last year.

Mr. Martinbianco asked for clarification on the $300,000 for chip seal (2002-4051-802.7594) in the current year.

Mr. Slattery stated that is for Maple Road for 2 chip seal projects and mill and fill between Center and Belsay.

Mr. Martinbianco asked how much has been expended on the DWRF project and what is left to be done in the next month and a half.

Mr. Slattery stated we have not expended out of that fund and we don't anticipate it in the next month and a half. He would like to take a look at it before taking any money out of there. Also, the $103,000 for Saginaw Street from Bristol to Hemphill is all our money. We cannot accept federal aid for the engineering because will not have an in house engineer at that time.

City Council took a recess at 7:48 PM and returned at 7:56 PM.

Surface Maintenance Pg.31

Mrs. Burke-Miller stated for operating expenditures you will see that we had the amended budget at $100,000, projected activity at $100,000 we broke out operating expenditures to show patch and gravel. We are trying to get consistency with local and major street funds. Likewise for Contractual Service with crack and seal and street sweeping.

Mr. Martinbianco asked why the equipment rental amount is still so high.

Mr. Slattery stated every time we use a piece of equipment on major streets we charge an internal equipment rental to the motor pool. It comes in as Act 51 money.

Mr. Haskins stated we have 2 months left to go and we have a balance of $75,570.

Mrs. Burke-Miller stated equipment rental ranges from $1,200 to $17,000. This line is really hard to estimate.

Mr. Haskins stated we are trying to put money into the roads. Do we need to create a new line item for projected road activity?

Mr. Slattery stated if you want to put money into chip seal, there are a lot of roads we can repair and preserve.

Mr. Smith read the City Charter Section 7.7 (a)-(f) regarding Special Accounts.

Mr. O'Keefe stated if you put the money in chip seal, we will spend it. I say put it there and let the DPW go to work. I don't see the value of creating a special account for this. We aren't intending to save it.

Mr. Haskins stated his only issue is you can't use chip seal on curb and gutter. If we create a separate line, it covers all roads.

Mrs. Burke-Miller stated she thinks moving Act 51 money might violate MDOT requirements.

Mr. Hayman stated this is a great conversation and he would like to do some research and speak with the Mayor about the rules of Act 51 money.

Mr. Haskins suggests decreasing equipment rental (2002-4063-943.0000) to $100,000 but we are not going to pull it out until we know what to do with it.

Mr. Haskins asked about Supervisor Salaries.

Mrs. Burke-Miller stated right now we are in a negative situation. Overall, that fund has a total budget of $739,000. The actual cost incurred is $449,700.

Mr. Haskins addressed concerns about budgeting for overtime. This is a great example of how a line item budget makes this much easier for the council to keep tabs on the activity in the city.

Trees and Shrubs Pg. 32

Mrs. Burke-Miller stated we are not contracting this out any longer. Instead, we are doing it in house and not on overtime.

Drainage Pg. 32

Mrs. Burke-Miller stated Operating Expenditures are staying consistent with the current year budget.

Traffic Signs Pg. 32

Mrs. Burke-Miller stated under Contractual Services (2002-4074-818.0000) there is a note regarding the county LED traffic signals. This is going to cost $204,000 per year for 2018, 2019 and 2020.

Mr. Slattery stated the Road Commission has been upgrading all the traffic signals to LED technology and there are several old ones in Burton. After 2020 they will no longer stock or maintain the old equipment. They have given us 3 years notice to complete the upgrades.

Pavement Markings Pg. 32

Mrs. Burke-Miller stated for the current year we budgeted $150,000, we projected $75,000 and we know we will need $80,000 based on a price increase from the vendor.

Winter Maintenance Pg. 32

Mrs. Burke-Miller stated this past winter was very light for us. Because we cannot predict what will happen, we are still budgeting for an average Michigan winter which is $258,500.

Mr. Heffner asked if we still sell salt and where it shows those funds coming in.

Mrs. Burke-Miller said, yes. That is under motor pool under sale of materials on Pg. 43.

Mr. Heffner would like a report on how much we have made from selling salt and copies of those invoices.

Mr. Haskins would like an explanation on why supervisors make more on over time than laborers.

Mr. Howser stated when they are called in, the supervisors come in early to get the trucks ready and assess the situation before calling a crew in. They are also the last to leave so it’s about 30-45 minutes each time. Mr. Howser stated the supervisors also respond to the 911 calls, laborers do not.

Mr. Hayman will give Mr. Haskins a detailed report of overtime hours worked and jobs completed.

Mrs. Conley wants to know how we determine which roads get done and which ones don’t. It blows me away that residents have to call 911 to get their roads done.

Mr. Slattery stated it is not the resident calling 911, normally it’s a police officer on patrol that notices the road conditions and then 911 calls us.

Mr. Slattery stated if you or residents are interested in knowing more about our procedure for snow and ice removal, that plan is on our website. It prioritizes which roads we do first depending on accumulation.

Roadside Clean-up Pg. 33

Mrs. Burke-Miller stated Equipment Rental has increased because of new equipment.

Administration Pg. 33

Mrs. Burke-Miller stated interest expense on the Lapeer Road loan which is the state infrastructure loan that we took out for a couple years. This came from the debt schedule. There's interest expense on the Center Road loan that we borrowed from the Sewer Department.

Transfer to Local Streets Pg. 33

Mrs. Burke-Miller stated this is the Act 51 money. As it comes in, we are calculating 20% of the major roads amount and moving it to Local Streets. It is $583,000 for the 2017-2018 proposed budget.

Mr. Smith stated we will discuss Local Streets, Motor Pool, Rubbish, Amy Street Capital Improvements and Amy Street Debt at our next budget workshop on May 23, 2017 at 6:30 PM.

Mr. Hayman would like to know if there are any particular Administrators or employees the council would like present at the next workshop.

Mr. O'Keefe reminded the council that we still need to discuss the fire truck because it was put on hold.

Mr. Heffner stated the same people that are here tonight should be at the next meeting as well as the Fire Chief or Assistant Fire Chief because we will also discuss the fire truck at that time.

Meeting was adjourned at 9:10 PM.

____

Proposed Budget for Fiscal Year 2017-2018.

COMMENTS - Current Meeting:

Mr. O'Keefe stated last year when we changed the revenue, we had a shortfall of $365,000. In January, the Mayor presented $476,000 worth of cuts. The net difference is $111,000 so using the same principle we have been using we can add the $111,000 to the tally sheet.

Planning/Zoning Pg. 15

Mrs. Burke-Miller stated the expenditures for Planning and Zoning are for the Building Official. Salaries Permanent is split 45% into Planning, 45% into Zoning and 10% into Building. There are also boards and commission and the rest is staying the same.

Building Department Pg. 38

Mrs. Burke-Miller stated for Permits and License (2049-0000-450.0000) we are at $117,000 for the current year so we feel the estimated $130,000 is a good number. The contribution from General Fund has decreased. In the current year, we have $364,400 and for the Mayor recommended budget we have $129,000 that's because we are going to use fund balance. The other revenues are static. On the expenditure side, we have Administrative Salaries which consist of 10% Building Official, a full time Inspector and a full time Code Enforcement Officer. The Information Technology Application line has decreased due to using the fund balance in the IT Department. Contractual Services projected activity is higher because of a leave of absence; we are not anticipating that in the 2017-2018 year.

Mr. Heffner asked how much of Contractual Services was spent.

Mrs. Burke-Miller said in 2016-2017 $9,910 was spent in Contractual Services. We have moved money within the department so there's an encumbrance of $545. We moved $3,300 to this line from fringes in May.

Mr. Martinbianco asked where he would find income from the state or federal government assisting us with blight or condemned housing.

Mrs. Burke-Miller stated we do not have revenue specifically related to that. The county gets money and we are a beneficiary however, we don't keep that in our books.

Mr. Haskins would like clarification on fringe benefits. It looks like there has been a reduction.

Mrs. Burke-Miller stated the Code Enforcer had a family when we changed personnel, the new person covers only 2 people. We will see the savings in the current year as well as 2017-2018. We moved $3,300 to Contractual Services, $3000 to Equipment Rental and $1,500 to Blight Elimination for a total of $7,800.

Mr. Haskins stated we are in excess of $55,900 in that line (2049-2061-719.0000) for the current budget. He proposed decreasing this line from $102,600 to $55,000 and put the remainder of $47,600 back into General Fund.

Mr. Martinbianco asked if we are anticipating to reduce the Contribution to General Fund (2049-0000-691.0000) by the same amount to make it $81,400. Also, on page 16, Transfer to Building Fund (1001-9099-9999.2049) will be amended from $129,000 to $81,400.

Mr. Smith stated our total cuts would be $450,400.

Mr. Haskins recommends to amend Contractual Services (2049-2061-818.0000) from $4,000 $1,500.

Mr. Hayman stated in the current year this was an unusual circumstance however, we have experienced an increase in the number of inspections and the timing of vacations plays a role in how we budget this.

Mr. Haskins stated for Contribution from General Fund (2049-0000-691.1001) the $81,400 will change to $78,900 and Transfer from Building Fund (1001-9099-9999.2049) on Page 16, will be reduced to $78,900.

Major Streets Pg. 31

Mrs. Burke-Miller stated on the revenue side, we have the Act 51 gas and weight tax which has increased based on the calculations from the State of Michigan. This is the only thing that has changed significantly on the revenue side.

Mr. Heffner asked, what is covered under miscellaneous?

Mrs. Burke-Miller stated we issued invoices out for traffic signal maintenance, high weed mowing and various other items coming through the invoicing system through the Treasurer's Office specific to Major Streets.

Construction Pg. 31

Mrs. Burke-Miller stated Lapeer Road project from Belsay to Vassar is wrapped up in the 2016-2017 Fiscal Year. Center Road from Lippincott to Lapeer the projected activity was $40,000 for 2016-2017 and $504,000 Saginaw Street Bristol to Hemphill $103,500.

Mr. Haskins wants to know why we are budgeting $200,000 for Potter Road.

Mr. Slattery stated they are doing the pipeline there and Belsay Road to the Formar entrance will be replaced. He was hoping to do some additional repairs on the west section that we didn't get to last year.

Mr. Martinbianco asked for clarification on the $300,000 for chip seal (2002-4051-802.7594) in the current year.

Mr. Slattery stated that is for Maple Road for 2 chip seal projects and mill and fill between Center and Belsay.

Mr. Martinbianco asked how much has been expended on the DWRF project and what is left to be done in the next month and a half.

Mr. Slattery stated we have not expended out of that fund and we don't anticipate it in the next month and a half. He would like to take a look at it before taking any money out of there. Also, the $103,000 for Saginaw Street from Bristol to Hemphill is all our money. We cannot accept federal aid for the engineering because will not have an in house engineer at that time.

City Council took a recess at 7:48 PM and returned at 7:56 PM.

<u>Surface Maintenance Pg.31</u>

Mrs. Burke-Miller stated for operating expenditures you will see that we had the amended budget at $100,000, projected activity at $100,000 we broke out operating expenditures to show patch and gravel. We are trying to get consistency with local and major street funds. Likewise for Contractual Service with crack and seal and street sweeping.

Mr. Martinbianco asked why the equipment rental amount is still so high.

Mr. Slattery stated every time we use a piece of equipment on major streets we charge an internal equipment rental to the motor pool. It comes in as Act 51 money.

Mr. Haskins stated we have 2 months left to go and we have a balance of $75,570.

Mrs. Burke-Miller stated equipment rental ranges from $1,200 to $17,000. This line is really hard to estimate.

Mr. Haskins stated we are trying to put money into the roads. Do we need to create a new line item for projected road activity?

Mr. Slattery stated if you want to put money into chip seal, there are a lot of roads we can repair and preserve.

Mr. Smith read the City Charter Section 7.7 (a)-(f) regarding Special Accounts.

Mr. O'Keefe stated if you put the money in chip seal, we will spend it. I say put it there and let the DPW go to work. I don't see the value of creating a special account for this. We aren't intending to save it.

Mr. Haskins stated his only issue is you can't use chip seal on curb and gutter. If we create a separate line, it covers all roads.

Mrs. Burke-Miller stated she thinks moving Act 51 money might violate MDOT requirements.

Mr. Hayman stated this is a great conversation and he would like to do some research and speak with the Mayor about the rules of Act 51 money.

Mr. Haskins suggests decreasing equipment rental (2002-4063-943.0000) to $100,000 but we are not going to pull it out until we know what to do with it.

Mr. Haskins asked about Supervisor Salaries.

Mrs. Burke-Miller stated right now we are in a negative situation. Overall, that fund has a total budget of $739,000. The actual cost incurred is $449,700.

Mr. Haskins addressed concerns about budgeting for overtime. This is a great example of how a line item budget makes this much easier for the council to keep tabs on the activity in the city.

Trees and Shrubs Pg. 32

Mrs. Burke-Miller stated we are not contracting this out any longer. Instead, we are doing it in house and not on overtime.

Drainage Pg. 32

Mrs. Burke-Miller stated Operating Expenditures are staying consistent with the current year budget.

Traffic Signs Pg. 32

Mrs. Burke-Miller stated under Contractual Services (2002-4074-818.0000) there is a note regarding the county LED traffic signals. This is going to cost $204,000 per year for 2018, 2019 and 2020.

Mr. Slattery stated the Road Commission has been upgrading all the traffic signals to LED technology and there are several old ones in Burton. After 2020 they will no longer stock or maintain the old equipment. They have given us 3 years notice to complete the upgrades.

Pavement Markings Pg. 32

Mrs. Burke-Miller stated for the current year we budgeted $150,000, we projected $75,000 and we know we will need $80,000 based on a price increase from the vendor.

Winter Maintenance Pg. 32

Mrs. Burke-Miller stated this past winter was very light for us. Because we cannot predict what will happen, we are still budgeting for an average Michigan winter which is $258,500.

Mr. Heffner asked if we still sell salt and where it shows those funds coming in.

Mrs. Burke-Miller said, yes. That is under motor pool under sale of materials on Pg. 43.

Mr. Heffner would like a report on how much we have made from selling salt and copies of those invoices.

Mr. Haskins would like an explanation on why supervisors make more on over time than laborers.

Mr. Howser stated when they are called in, the supervisors come in early to get the trucks ready and assess the situation before calling a crew in. They are also the last to leave so it's about 30-45 minutes each time. Mr. Howser stated the supervisors also respond to the 911 calls, laborers do not.

Mr. Hayman will give Mr. Haskins a detailed report of overtime hours worked and jobs completed.

Mrs. Conley wants to know how we determine which roads get done and which ones don't. It blows me away that residents have to call 911 to get their roads done.

Mr. Slattery stated it is not the resident calling 911, normally it's a police officer on patrol that notices the road conditions and then 911 calls us.

Mr. Slattery stated if you or residents are interested in knowing more about our procedure for snow and ice removal, that plan is on our website. It prioritizes which roads we do first depending on accumulation.

Roadside Clean-up Pg. 33

Mrs. Burke-Miller stated Equipment Rental has increased because of new equipment.

Administration Pg. 33

Mrs. Burke-Miller stated interest expense on the Lapeer Road loan which is the state infrastructure loan that we took out for a couple years. This came from the debt schedule. There's interest expense on the Center Road loan that we borrowed from the Sewer Department.

Transfer to Local Streets Pg. 33

Mrs. Burke-Miller stated this is the Act 51 money. As it comes in, we are calculating 20% of the major roads amount and moving it to Local Streets. It is $583,000 for the 2017-2018 proposed budget.

Mr. Smith stated we will discuss Local Streets, Motor Pool, Rubbish, Amy Street Capital Improvements and Amy Street Debt at our next budget workshop on May 23, 2017 at 6:30 PM.

Mr. Hayman would like to know if there are any particular Administrators or employees the council would like present at the next workshop.

Mr. O'Keefe reminded the council that we still need to discuss the fire truck because it was put on hold.

Mr. Heffner stated the same people that are here tonight should be at the next meeting as well as the Fire Chief or Assistant Fire Chief because we will also discuss the fire truck at that time.

ATTACHMENTS:

- Departments (DOCX)

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

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

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

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

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

Final Budget discussion