CITY OF BURTON
REGULAR COUNCIL MEETING MINUTES
DECEMBER 5, 2011, 7:00 P.M., COUNCIL CHAMBERS
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Councilman Dennis O'Keefe led the Invocation and Pledge of Allegiance.
The Regular Meeting is called to order by President Tom Martinbianco at 7:10 p.m.

MEMBERS PRESENT: Martinbianco, Heffner, Ellenburg, Wells, O'Keefe, Haskins and Smith.
MEMBERS ABSENT: None.
OTHERS PRESENT: Mayor P. Zelenko, Atty. R. Austin, Controller G. Burke-Miller and J. Adams, City Clerk.

Ellenburg moved and O'Keefe seconded the following motion:

Approve and authorize the minutes of the following meeting: Special Council Meeting on November 17, 2011 at 6:00 p.m., Special Council Meeting on November 28, 2011 at 5:00 p.m., and the Regular Council Meeting on November 21, 2011 at 7:00 p.m. Motion carried 7-0.

ADMINISTRATIVE REPORT:

Mayor Zelenko wished everyone a happy holiday season that is approaching us. She thanked City Clerk Julie Adams for making the Chambers and City Hall look festive. We advertised for the Treasurer's position and for the Human Resource Labor Relations Director position. We had over 40 applicants for the Treasurer's position and 24 for the Human Resource. We are in the process of narrowing that down and holding interviews. Hopefully, we will have a Treasurer's appointment for the December 19th agenda. I will have the remainder of the Charter appointments on the 19th agenda. If the Treasurer isn't there, it is because we are still doing the interview process and I will have to request an extension at that time, according to the Charter. The Parks & Recreation Commission will begin their 5-year plan process at a Parks & Recreation Meeting this Wednesday, December 7th at 5:00 p.m. Lisa Easterwood and Victor Lukasavitz from Fleis & Vandenbrink will facilitate the meeting. If it goes as scheduled, you can look for their preliminary plan before you on the Council Meeting on January 16th. Mrs. Burke-Miller is here tonight to help with any concerns regarding Item #2. The 2012 meeting calendar is being finalized. City Hall is closed on Monday, January 2nd and the Regular Council Meeting will be held on Tuesday, January 3rd at 7:00 p.m.

COMMITTEE REPORTS:

Mr. O'Keefe said the Planning Commission met last Tuesday and one action was taken. The next Planning meeting is Tuesday, December 13th. Chairman Jerry Grantner is retiring. He has been on the Planning Commission for over 25 years. Mr. O'Keefe expressed having a proclamation or key to the City to make Mr. Grantner's last meeting special for him. We need to recognize his service.

Mayor Zelenko expressed having Mr. O'Keefe and Mr. Martinbianco come into her office to work on the details.

Mr. Wells said the Public Access Committee met. They have 4 finalists for the slogan contest. On December 19th at 6:00 p.m. they would like to hold a special meeting to announce Burton's new slogan and give awards to the runners up. The most funniest, unique, runner up and the champion will all be announced. Brief discussion ensued regarding scheduling a Council of the Whole Meeting. Mr. Wells moved to have a Council of the Whole Meeting on Monday, December 19th at 6:00 p.m. to announce the winner and the runner up of the slogan contest. Council was in agreement. Mr. Wells said he would like to speak with Mr. Austin after the meeting on a few questions he has on the slogan to cover all bases.

Mr. Martinbianco recognized County Commissioner Jamie Curtis in the audience. He said he worked hard and diligent to help balance the books on the County level. It hasn't been easy with the tough economic times.

AUDIENCE PARTICIPATION:

Bud LeGrande, 2105 E. Buder, congratulated Council and the Mayor on their elections. He said Mr. Wells did a very decent job on running his campaign. Mr. LeGrande also acknowledged County Commissioner Jamie Curtis.

John Stapish, PO Box 190131, commented on the repair done to the front area of Council's seating. He said it looks very nice. We have the Mayor to thank for that getting done. It has been needed for the last 5 years.

Doris Hilts, 2145 Kenneth St., said she would still like to see a residency requirement for employees. A neighbor told her we use to have it. She feels some employees don't have pride in their work. If they were our actual neighbors and residents, they would do a better job.

Debra Walton, PO Box 190273, presented pictures to Council. She said semi-trucks are parking on Carman St. at Custom Upholstery and the trucks are covering the sign up that says no trucks. They are tearing up the curb at Euston and Carman. Two or three times a week they are coming down there. She asked who she can get a hold of on that situation. As to her water problem, the Mayor assured her it is going to be taken care of. They now know what the problem is but it can't be fixed until Spring. Dave in DPW has to flush out the system periodically. She has to also flush out all of her lines. She appreciates that it is going to be fixed. There are maps of what is wrong and it wasn't done right 30 years ago.

COUNCIL DISCUSSION:

Mr. Martinbianco addressed Mrs. Walton's semi-truck situation and referred her pictures she presented to Mayor Zelenko.

Mr. O'Keefe said he when he got appointed to Council, one of the first pieces of mail he received was a revenue and expense report. It was 9 months old. At that time, we also had a new

Controller. I know how difficult it is to catch up 9 months of revenue and expense reports. I just got the November report in my mailbox and she is up to date as she possibly can. Mrs. Burke-Miller has done a great job. I think it will help all of us up here and the Mayor making decisions and being able to keep your finger on the pulse of the City from the financial end of it. Nine months to right up to date in a very short period of time, Mrs. Burke-Miller did a very nice job.

Mr. Heffner addressed Mrs. Hilt's comments on residency requirements. He thought the Michigan Supreme Court struck that down where we couldn't require people to live in our city if they worked here.

Mr. Austin said we are not able to require that. We could adopt an ordinance, which would require them to live within a certain radius of the City, but not within the confines of the City itself.

Mr. Wells asked Mr. Martinbianco if he put the new Committees together yet.
Mr. Martinbianco acknowledged he has and will address them later in the meeting.

Mr. Wells said there have been a lot of complaints on MTA buses going down side streets. They are not picking up school kids.
Mr. Martinbianco said there is a difference between MTA bus regular routes and Your-Ride. They have different sources to collect from. We can check that out.
Mr. Wells said he has been in contact with MTA.
Mr. Martinbianco recommended he speak to Mr. Bennington.

Mr. Wells asked if anyone could recall when Griffith Ct. was made a private road?
Mr. Heffner said it was a long time ago.
Mr. Wells said a resident asked the DPW if she could stop people from parking there to pick up kids at a bus stop. They are blocking the road. She was told it is a private road and the City has nothing to do with it.

Mr. Martinbianco said we could make that inquiry and talk to Bendle School about that situation. The first relevancy is whether or not it is a private drive or is it a City-owned Ct. We can make that inquiry and go from there and find out what obligation we have if any and if we don't, we can go from there.

Mrs. Ellenburg said she has a friend over there that just bought a home on Griffith Ct. When she bought it from the real estate they said it was a private road. They had to maintain that road their selves during the winter. The City has maintained it as a kind thing but I don't know if they are going to continue to do that.

Mr. Martinbianco said we have other private drives, Hazel and Calvin Dr. that we assess the property owners for maintenance and upkeep on those drives. If Griffith Ct. is a private drive, I can't believe it would be treated any different. We can make those inquiries and find out exactly what our position should be.

Mr. Wells inquired as to the new website.
Mayor Zelenko said it is just getting folks scheduled to get their input to fill in the blanks on each department's home page. We are hoping to have that done and up by January 1st. We have a training scheduled we have to comply with, so Mr. Johnson is going to train the department heads.

Mr. Wells stated Mr. Smith said he has a generic biography template so we can all have our bios on there.

Mr. Smith said he has the memo on Public Act 152. He asked Mrs. Burke-Miller to go over it with Council.

Mrs. Burke-Miller said the majority of City of Burton employees are on the HSA plan. We have an HSA of $2,500 the City puts into a bank account to cover co-pays for prescriptions, office visits, etc. Once they have exhausted the $2,500, there is co-insurance of another $2,000 for a family and $1,000 for a single person. For 2 persons it is $2,000 as well. With the whole Public Act 152, Council is tasked tonight with the choice of either doing a hard cap, an 80/20 or an opt out. It has to be decided by January 1st. If we take no action at all, the City could lose $17,019 of our EVIP payments. If we opt out, there is no penalty. The penalty would come if you take no action. I brought each of the different scenarios and Council was given that information. Under the opt out option, with the premium and the HSA cost to the City it is $871,863.16. Under the hard cap we ran that scenario with all the data we have with each of the employees. The employees would have to kick in $47,295.58, thus saving the City a total of $94,411.95 by doing a hard cap. Doing an 80/20 scenario, the employee would be kicking in $174,392.63, and the City would save a total of $348,785.26. That is where we stand.

Mr. Smith asked for clarification with regards to prices changing every year.
Mrs. Burke-Miller said as the Consumer Price Index health component changes, the State would determine what the hard cap dollar amounts would be as of October 1st of each year.

Mr. Smith said it is to his understanding that when the union contracts are negotiated, we have to abide by the hard cap or the 80/20 rule.
Mrs. Burke-Miller acknowledged yes that is correct.

Mr. Haskins asked the Mayor if the graders would be out doing some of the roads. A resident on Christner and Byers called him on this.
Mayor Zelenko responded that the problem is the road has to dry up first. If we go out and grade it now, people will have to call wreckers to pull them out of the muddy roads. As soon as the roads dry up, we will be out there grading.

Mayor Zelenko stated with the 80/20, our health care plan year starts July 1st of every year. Any deductions coming out of employees' wages would come out July 1st and not before then.

Mr. Haskins said he has lots of literature that proves that opting out is one of the things you can abide by the State Law. I would be more than willing to share that information with anyone. As long as you are abiding by the law, you don't take a 10% hit on your revenue sharing.

Mayor Zelenko said you can opt out, it is if you don't take any action at all you get hit by 10%.

Mr. Haskins inquired as to the punch list date of December 6th on the fire stations.
Mr. Smith said he called the Chief and he said there is still time. He didn't have the date handy.

Mr. Haskins said there are still numerous amounts of work at Station 1 that needs to be done. Per the contractor, they are not going to repair any of the tiles that are scratched. To do that, they have to chip the tiles out and it breaks the drywall behind the tiles, so therefore they are choosing not to do anything with it and leave all 62 tiles scratched on the walls. Another issue that really concerns me is that they reduced the service from 400 to 200 amps at the fire station. It was talked at the punch list meeting this would be addressed and taken care of, whether it falls on Eusztan Construction or the architect. The architect made it clear that Eusztan would have to pay for that mistake. It is a $12,000 mistake. Since then, they went outside of the State Inspector that was in charge of the job. They went somehow around her and got an approval for the 200 amp service and now they say they are not going to change it. So there is another $12,500 that was so far wasted. There are several issues within the fire station. These 2 issues they said they are not going to do anything with. Mr. Haskins asked about what plans of action to take to remedy this. There was a little bit of money left over to pay the contractor. Council voted to stop paying them a long time ago. Mr. Haskins addressed further issues of low voltage wiring, computers sitting on the floor due to cabinets not being made, and a toilet not flushing properly in the restroom.

Mayor Zelenko said she asked the Chief about the punch list Friday. He said it was due this week. If the punch list is not completed, we will not be paying the contractors and we will hire someone else to fix it with that money.

Mr. Martinbianco suggested Mr. Haskins write down these issues brought forward by him for the Mayor so she can meet with the Fire Chief, THA and a representative of the construction crew. If we can't get these things taken care of, we have a withholding we are not going to give them and we will farm it out and get it done. We have an architect on board that has been our construction consultant; and they will make sure it is made right.

Mr. Haskins said a meeting was held today but they did not invite anybody.

Mayor Zelenko said they have to go through Mrs. Burke-Miller to get their money.
Mr. Haskins inquired as to their balance.
Mrs. Burke-Miller replied she doesn't know off hand. We have been making payments to both THA and Eusztan. She stressed that they have not been given a blank check.

Mr. Martinbianco re-iterated for Mr. Haskins to give in writing to the Mayor and the Fire Chief these issues so they will have documented proof from an independent source who is closely related to the outcome of the project, and who has invested in the project.

Mr. Haskins said they already have their punch list of things that were suppose to be taken care of. It isn't like this is something new to them.
Mr. Martinbianco indicated some things may have been overlooked.

Mr. Smith said he took a tour of Station 3 and they are very happy. Those monies should all go toward Station 1. He acknowledged that he does see problems at Station 1.

Mr. Martinbianco announced the Committee appointments. (The Council Committee Appointments can be obtained from the Clerk's Office).

Mr. Wells said he is glad to see Mr. Heffner as the Council representative to the Parks & Recreation. He thinks that is a great choice. He heard several people dropped out of Parks & Recreation and wondered how many people are left and who they are. He is concerned because we just transferred a lot of money to get this 5-year plan going and the turnover of a lot of people.

Mr. Martinbianco said he is hopeful Mr. Heffner's appointment will provide stabilization and re-organizing the Parks & Recreation Commission may well be a probability. Inviting the school districts will be instrumental in producing this plan. Mr. Martinbianco also acknowledged Mr. Craig who has been very instrumental with Parks & Recreation.

Mayor Zelenko said she did receive one resignation Friday via an e-mail. She is waiting for a signed letter. We will have 2 vacancies to appoint on December 19th. We still have a quorum on the Parks & Recreation.

Mr. Wells said when Smiley was Mayor he had someone from his office that was part of the Parks & Recreation that spearheaded and was a liaison between City Hall and the volunteer group. He understands the Mayor hired an executive secretary and she is on Parks & Recreation. Is she a liaison with Parks & Recreation?

Mayor Zelenko replied she is doing her best to encourage her to be that liaison.

Mr. Heffner said he thanks Mr. Wells for those kind words. We do have a big task on Parks & Recreation with this 5-year plan. I am not going to be able to do this alone. There are 3 meetings scheduled in December. He would like 2 council members to be at each one of the 3 meetings to give their input. This 5-year plan is a massive undertaking and we need to have this done by March 1st. He needs help from everyone on Council. Maybe Mr. Haskins and Mr. O'Keefe could be the first two to come and give their input, or President Martinbianco and Vice President Haskins to be the first to come and give their input.

Mr. Martinbianco said he cannot be there Wednesday, but he can the following Wednesday.
Mr. Heffner said he would know when further meetings are scheduled and will get out e-mails.

Mr. Wells said the City had a 5-year plan and a 10-year plan. He asked for that status.
Mr. Martinbianco said he thinks he is referencing the Community Development Plan. A succession of meetings was held at the Senior Citizen Center. While those developed a lot of thought process and involved a lot of people, I think it stopped at the end of the pay window. I

don't know where those plans ended up. Mr. Martinbianco mentioned the economic times and maybe in the future to entertain ideas again.

Mr. Wells said he had conversations with people recently on what the City is doing to promote growth when the time comes. We are trying to change the face of the City with this slogan, computer infrastructure and doing what we can to keep our head above water. I don't think we would be in the wrong to have some realistic discussions about where we want to go with this city. We have some spots on Lippincott towards Gordon's, Walli's circle, Davison and Belsay to expand there. I would like to address that maybe in 2 or 3 months from now.

Mr. Martinbianco said it is important of the re-establishment of the new Burton website and residents seeing what is going on in various areas of the City, and getting ideas from the residents too.

Mr. Wells said we are going to have to think differently now. At least if we can have one of those meetings to see if we are still on the same page and what we are looking at. Mr. Martinbianco was in agreement.

In reference to Item #2, Mr. Haskins said he would like to table Item #2 and put it on the next Regular Council Meeting of December 19th. It would still be before the January 1st deadline. They just received documentation Thursday as far as the costs. He would also agree to have another meeting to go over this, look at more stats when it comes to percentage ratios and how it is going to affect the employees. Mr. Haskins stated further he would like to go over this thoroughly before a decision is made.

In reference to Item #2, Mr. Smith said he spent a lot of time on this today and went on the Internet to see what different communities are doing with their choices. As elected officials, this happens immediately January 1st. For public sector employees, it happens when their contracts expire June 30th. If we make the decision now, there is 6 months of impact because nothing will change till July 1st.

Mrs. Burke-Miller said it will go into affect July 1st and it will be good from July 1, 2012 through June 30, 2013. In December of next year, you will be making the decision for 2013-2014.

Mr. Smith said this is a big change, a very painful change. He went through the actual law and they have it really tight.

Mayor Zelenko said the decision you make tonight would affect them from July of 2012 to June 30, 2013, a whole year. In October 2012, you will make this decision again for July 1, 2013 to June.

Mayor Zelenko indicated further, our plan benefit year starts on July 1st. All the employees' health care plan benefit year starts on July 1st.

Mr. Martinbianco said any new hires that come in post July 1st shall be subject to the 80/20 clause.

Mr. Smith asked for clarification if you do nothing by January 1st, the default is you would go to the hard cap.
Mayor Zelenko responded the law is based on the hard cap and you have to make a choice of what way you want to go. The reason is the EVIP (Economic Vitality Incentive Program).

Mr. O'Keefe said he too spent a lot of time on this. There are 4 choices. One is doing nothing, which is not what you really want to do, due to ramifications with EVIP. We have done all the right things, which really have paid off for the City. The money we are getting is the maximum. We must be pretty close to our number for the year and we will be in pretty good shape. Number 1 is not an option. You go to the other 3 and we all know we are being pushed in the direction of the 80/20. I have some big concerns for our employees and the situation it will put them in. In looking at that and what the ramification to the employees are, I struck the opt out. I think we will have to face this one time or another. Like Mr. Martinbianco stated, any new hires coming in will be listed under the 80/20. At the end game some time it will be 80/20. I have difficulty with that plan. If you look at the numbers, the City does benefit from it greatly, however it benefits it through the employees. The 80/20 would be drastic for our employees. The hard cap is still a great deal of money that the City will realize through payments of the City employees. Mr. O'Keefe stated further, in looking at our scenario that we can look at this each year, I came up with the hard cap.

Mr. Haskins said even though we have to do something with one of the 4 choices, I want to remind everyone we have until January 1st to make this decision. It doesn't have to be done tonight. When you are talking of affecting peoples' livelihood and their ability to survive in this tough economic times, every due diligence should be taken when looking at this and consideration of how it is going to impact them financially, percentages wise and the whole works. It is a huge change. I think we have time to evaluate and go over this before January 1st. I think we should take that due diligence before we impose something on the employees that could physically harm them.

Mr. Wells asked if there is a fixed number of what it is going to cost each employee.
Mrs. Burke-Miller said for the hard cap, a family would be $4.07 a week, for a two person because of the hard cap amount and what our premiums are, it is going to be $32.10 a week. For a single person, because the premium being quite a bit lower, there will be nothing a week coming out. The State set these numbers for the hard cap.

Mr. Smith said we are facing in the next budget year approximately a half million dollars in revenue from property taxes. Our budget was 5.7 million for General Fund. The Assessor is predicting we are going to have a 5.1 million dollar revenue stream coming in next year. We are currently operating the City out of General Fund at 5.7 million and we are pretty much bare bones. We are projecting 5.1 million in revenue so we are already looking at $600,000 we don't have for next year. In the next budget, what are we going to do with the deficit?

Mr. Smith stated further, if you do the 80/20 you are going to reduce that between $500,000 to $600,000. The 80/20 the City would save $348,000. So that $600,000 we just replaced $350,000 budget-wise. If we do the 80/20 we are looking at a $250,000 hole come July 1st.

Mr. Austin said as a point of order, under the opt out motion that is on the floor, it requires a two-third vote. Mayor Zelenko interjected also with the approval of the Mayor.

Mr. Wells said it is kind of a double edge sword. Our most valuable resource is our residents and most of our employees are residents in Burton. We can continue to throw them in a meat grinder until there is nothing left and they say I need to go somewhere where I can make a living, or, I can stay married to my wife and raise a family. You can't balance Michigan's budget on your employees forever and give businesses a free hand to do whatever they want to do. There is no loyalty in those businesses; they have proven it for fifty years. I am going to vote in favor of keeping our people here in town and keeping them working at a decent wage. I think we need to stop it and we will find another way to cut. If they continue to leave, we just keep losing that tax revenue. I will be voting yes to opt out.

Mr. Haskins said the 80/20 or hard cap depending on a family or two person, even on the 80/20, our employees will have to basically pay $200.00 a month for health care. He inquired regarding what the monthly PRDD plus coins means on the report given to Council.

Mrs. Burke-Miller explained it is the monthly payroll deduction plus the co-insurance. The amount per payroll for a family, payroll deduction is $58.51. If you add in the co-insurance and they exhaust their $2,500, I felt it was important to put that in there for you to see the employee economic impact. For a family, the $2,500 can be blown through pretty fast.

Mr. Haskins said $420.00 of our employee wages is a huge reduction and basically affects their way of living. It is totally bizarre that we are going to ride on the backs of our employees for $420.00 a month. I will be voting in favor of opting out. I wished we could have had further discussion on this when the tabling motion was out so we could look at different avenues.

In reference to the Introduction of an Ordinance, Mr. Wells asked Mr. Austin to briefly review the changes. Mr. Austin said we took the disincentive out for the situation where a city employee would be considered for an administrative position that would require that person to wait 90 days to be covered by health insurance coverage. There was another late amendment suggested by the Mayor. By mistake a sentence was left out in the section on the Medicare that retiree should be required to apply for Medicare at its first availability. That incorporated language already in the existing ordinance and it brought that back into this.

Mr. Austin indicated further amendments have been discussed at Council and it seems everyone is in agreement with the changes. It is a vast improvement over the ordinance that was drafted many years ago.

Mr. Martinbianco briefly went over the disability area in the ordinance.

Mr. Heffner mentioned he is now the Parks & Recreation representative. He thanked Mrs. Ellenburg and the Mayor for coming to the Christmas at Courtland and showing support to the Parks & Recreation. Mr. Heffner also expressed thanks to Jim Craig for all he has done for Parks & Recreation.

Mr. Martinbianco thanked Mrs. Burke-Miller for her attendance at the meeting.

COUNCIL DISCUSSION ACTION:

Moved by Wells and seconded by Smith to: Schedule a Council of the Whole Meeting on Monday, December 19, 2011 at 6:00 p.m. to announce the winner and the runner up of the slogan contest and other finalists. Vote was unanimous 7-0 to schedule the meeting.

Moved by Haskins and seconded by Wells to: Table Item #2 to the next Regular Council Meeting on December 19, 2011 at 7:00 p.m. Motion failed 3-4, with O'Keefe, Heffner, Smith and Ellenburg voting no.

Moved by Smith and seconded by Wells to: Table Item #2, the opt out provision resolution regarding the cost sharing model set forth in State of Michigan Public Act 152 of 2011. Motion carried 6-1, with Heffner voting no.

Moved by O'Keefe and seconded by Smith to: Approve the hard cap for Item #2. Motion failed 3-4, with Haskins, Heffner, Wells and Ellenburg voting no.

COUNCIL ACTION:

Haskins moved and Heffner seconded the following motion:

1. Approve and authorize the Attorney Billing (Richard Austin) from November 16, 2011 through November 30, 2011 in the amount of $3,368.25.

Motion carried 7-0.

Tabled to the next Regular Council Meeting on December 19, 2011 at 7:00 p.m.

2. Approve and authorize the opt out provision resolution regarding the cost sharing model set forth in State of Michigan Public Act 152 of 2011. (Hard cap, 80/20, or opt out)

INTRODUCTION OF AN ORDINANCE:

Heffner moved and Ellenburg seconded the following motion:

1. Approve and authorize the Introduction of an Ordinance, Ordinance 2011-___-30.03, an Ordinance Amending the City's Administrative Officers' and Council Persons Compensation and Benefits Ordinance.

Motion carried 7-0.

Meeting adjourned at 8:40 p.m.

Julie Adams, City Clerk