CITY OF BURTON

BUDGET MEETING

JUNE 6, 2016

MINUTES

Council Chambers	**Budget Workshop**	**8:00 PM**

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Councilman Steven Heffner at 8:37 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Duane Haskins	Councilman	Present	
Dennis O'Keefe	Councilman	Present	
Steven Heffner	Councilman	Present	
Ellen Ellenburg	Councilwoman	Present	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Present	

B. STAFF PRESENT

C. AUDIENCE PARTICIPATION

None.

D. BUDGET DISCUSSION

1. Fiscal Year 2016-2017 Budget Workshop.

#1071 Mayor, Page 11

Budget increase from 8,000 to 10,000. Mayor Zelenko stated Human Resources Department does not have a budget and we have a lot of changes coming from Human Resources and the Benefit's Department to cover those classes. I have had the honor of being appointed to the United States Conference of Mayor's Water Council.

#5090 Sewer Fund, Page 43

Mrs. Burke-Miller stated the bulk of the Saw Grant Revenue is budgeted in the 2015-2016 year. 2016-2017 was an estimate per our conversation with Stantec. Uses fees relatively the same. Material sales are usually sewer meters. Interest income is a calculation per the City Treasurer. The interest amounts that are due into the sewer are per amortization schedules for major streets and for Amy Street. Refunds and Rebates are generally MML refunds. Reimbursement income is generally Workman's Comp reimbursements.

Mr. O’Keefe asked about the Water and Sewer Usage fees.

Mayor Zelenko stated we had the water and sewer rate study done. This keeps us on track.

Contractual Services were increased due to deep repairs and easement clearing which must be done for access in case of an emergency. Some of the easements have not been cleared since installation. Membership and Dues were broken out where previously it has been going into miscellaneous expenditures. Pension expense was due to the new GASB reporting. Because we paid the extra million dollars this has made our total net pension liability on a yearly basis go in the opposite direction. Treatment expense has stayed fairly consistent however we may need a budget amendment later in the year. Repair and Maintenance was increased. The televising program identified several deep dig repairs that need attention. The City does not have the equipment therefore we need a contractor to make the repairs. Farmcrest and out near Kendall was already addressed during the current fiscal year. The 1/6 of $10,000 for DPW break room. SAW Grant Expenses was an estimate per our conversation with Stantec. Special Assessments budgeted a lower amount because of the sale of Mallard Ponds. Depreciation Expense and Interest on SRF Financing are calculated estimates.

Mr. Haskins asked if we are bidding out the work for the deep dig repairs and easement clearing or doing ourselves.

Mr. Marshke stated our emergency contract with Zito has lapsed. For our Farmcrest repair we had Waldorf's to fix the problem. We have a couple of deep dig repairs that need fixing right now. There is one on Kendall Drive. We had to do some easement clearings to get access to the manholes for the SAW Grant. We have many more that need clearing immediately. This is a continual program to keep them maintained so that if something did happen we will be able to get to those manholes.

#5091 Water Department, Page 46

DWRF #2 and #3 Grant Revenue for 2015-2016, nothing anticipated for 2016-2017 fiscal year. Budgeting for $30,000 on the City Tap-In Fees for 2016-2017. Front Foot Fee $12,000 in 2016-2017. This is for recouping construction costs for water main installed at the City's expense. Interest Income of $10,300 is per the City's Treasurers calculations. The Community Development Block Grant is $151,000. This will be allocated toward the Flint water situation to help the residents on Cheyenne and Menominee. The Fire Department Water Revenue is a deposit from the contractor to use water from those hydrants.

Mayor Zelenko stated $1.75 million was the conceptual estimate for the water main extensions on Cheyenne, Menominee and Hemphill area. This includes the engineering and design. Under Salaries Permanent OPEB Expense shows up in our enterprise fund in both water and sewer is generally calculated in the fiscal year end close.

#5091 Water Expenses, Page 47.

Operating Expenditures stayed the same. Repairs and Maintenance went up slightly due to the 1/6 of $10,000 for the DPW break room. Pipe and Fitting went up by $10,000. Contractual Service asking to increase to $200,000 for relocating water service lines in back yards.

Mr. Marshke stated back in 1930-1940 when they ran these lines to people's backyards in the south end, they put the lines everywhere. The shutoff boxes are under sheds, decks, bushes, shrubs etc. We have to get those services out front to the new corresponding water main so that we don't have to enter backyards to locate them. The expense to do this is a non-participating expense in the DWRF Project. We would have to pay for this to make it right. We have 35 to 40 of them in phase three that need to be moved out front at around $3,000. I also doubt that we have easements on those lines.

Under Pension Expense, total pension liability decreased by $70,000 as a result of our extra payment and investment returns being higher than expected. Equipment Rental stays the same. Special Assessments city owned, budgeting less because of the sale of Mallard and Burton Estates. Still have the bulk of Burton Estates that needs to be accounted for. Depreciation Expense was raised due to the addition of DWRF #1, #2 and #3 water main projects. The Storz Hydrant Couplings is part of our Retrofit program. At the request of the Fire Department these coupling are quick connect and aid in improving response time at the scene of a fire. Community Development Block Grant is at $151,000. On the revenue side you saw that coming in as grant revenue, we have to also account for the expenditure side. The Interest is what we have calculated for the DWRF #1, #2 and #3 financing. The Bond refunding would come off the amortization schedules. Mrs. Burke-Miller stated we have the corresponding revenues coming in to offset the expenditures, low interest loans and grant money.

Mr. O'Keefe asked how we compare to other municipalities.

Mrs. Burke-Miller suggested this would be a good question for Mr. Deeter the next time he is here.

Mr. Marshke said DEQ did a health checkup a couple years ago on our water fund and he thought it was in pretty good shape. They did say we need to start earmarking that money for capital improvements. Once these DWRF projects are completed we will be in very good shape. We are way ahead of other cities. Next Spring we will get a report from Stantec on our sewer system, we will have completed 120 miles of televising of our sewer system. Once we receive this report we will have a better idea of our sewer system health.

#6061 Motor Pool, Page 49

Gas Rates Lower in 2015-2016 due to lower gas rates. Budgeting for $45,000 in 2016-17. Interest income is $3,600 was an estimate from the Treasurer's Department. Sale of Assets is $20,000 upon the sale of two dump trucks. Refunds & Rebates have an MML refund. Reimbursement Income is Workers Comp. Fringe Benefits has dropped due to breaking out the MERS. Building Maintenance/Supply at $37,700. Added 1/6 of $10,000 for DPW Break room. Increase of $3,000 for Training. Depreciation Expense includes $56,000 for additional two dump trucks that were approved March 21, 2016 by City Council. Tools & Equipment is $12,000 higher. Lease Expense Equipment includes $10,100 for additional 2 dump trucks approved for order on 3/21/16. New tool box at $12,000.

Mr. Haskins asked who Salary Permanent are and why is there a 12% increase?

Mrs. Burke-Miller said that is Jesse and Chad. We budgeted in 3% increases across the board and Chad has a step in there as well.

Asset Requests, Page 61

Dump Trucks that were already approved, five pickup trucks for Motor Pool estimated amount of $220,000.

Mr. Southard explained the engine and transmission come with a 10 year warranty and a plow. I can provide the Council with a list of the trucks that we have now.

Mr. O'Keefe said I think we should look into leasing the trucks instead of buying them.

Mr. Heffner asked why we need to buy 10 new trucks in one year, why not just two.

Traffic Attenuator is $17,000, which MDOT requires for any workers on any 45 MPH or higher road. Shoulder reclaimer at $7,500. New Holland Tractor for $41,000. Tiger Flail Mower for $14,500. Pave and Stripe DPW Parking Lots at $50,000. Repair DPW Public Access Porch at 5,000. Repair Water Damage in Vault at 1,000. Auxiliary DPW Garage for Vactor, dumps and heated at $275,000. New Auxiliary Parking Lot at Library at $40,000. Color Printer Copier at $3,500. Repair/Update DPW Building Access and updates on doors at $12,000. Hand-held meter readers at $20,000. Added is $1.75 Million for Cheyenne and Menominee for the new water lines.

Mayor Zelenko stated we would have to add another 30% if we can do this earlier rather than in January.

Meeting was adjourned at 9:58 PM.

Budget
4303 S. Center Rd.
Burton, MI 48519

SCHEDULED

AGENDA ITEM (ID # 2439)

Meeting: 06/06/16 08:00 PM
Department: Clerk's Office
Category: Budget
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

DOC ID: 2439

Fiscal Year 2016-2017 Budget Workshop.