CITY OF BURTON
BUDGET WORKSHOP
MAY 6, 1998, 10:00 A.M., COUNCIL CHAMBERS

The Budget Workshop was called to order by Keith, Cox, Finance Chairman, at 10:07 A.M.

MEMBERS PRESENT: Centilli, Cox, Martinbianco, Hammon.

MEMBERS ABSENT: Zelenko, Cross, Walls.

OTHERS PRESENT: B. Becker, Treasurer/Controller; D. Lowthian, Assessor, G. Webster, Clerk, J. Adams, Clerk's Office.

PURPOSE OF THE MEETING: REVIEW OF THE 1998-1999 PROPOSED BUDGET FOR THE FOLLOWING DEPARTMENTS:

1. Council
2. Clerk
3. Elections
4. Assessor
5. Treasurer
6. Controller
7. Mayor

ASSESSOR'S OFFICE:

D. Lowthian said the budget basically is the same as requested last year, there are a few items that need to be updated. He spoke on salary increases, supplies, auto car insurance and auto repairs. They anticipate another extremely busy year with the new construction, increase in property values, Proposal A requirements, assessments, etc., and they expect to again utilize part-time help with data entry work.

B. Becker said there is a 3% salary provision for non-union, ACSME and SEIU employees. In the fringe benefits adjustment, there was an increase in Delta Dental and health insurance, and a decrease in workman's compensation. He spoke on the office equipment and computer needs.

Discussion followed on fringe benefits, wages, workman's compensation and economic development.

CLERK'S OFFICE:

G. Webster stated the budget is similar to the previous year's and spoke on the following areas: New voter file computer system, an increase in meetings, salary benefits, computer equipment and computer training.

Discussion followed on the older System 36 and computer software, the new qualified voter system, economic development, salary, part time help and future needs. The council suggested extra funds for additional help.

ELECTIONS:

G. Webster spoke in length on the following areas: the need for an increase in workers, increase in election workers pay, supplies, equipment updates, maintaining and keeping up-to-date the two computer systems, System 36 and the new qualified voter file, which has been an overwhelming task. The new qualified voter file system has many problems to still work out.

Discussion followed on part-time help, increase in meetings, copying of materials, paperwork, voter files, computer conferences, new equipment and other related items.

TREASURER:

B. Becker said on almost every line item there is a small increase, office supplies, postage and contractual services. He stated the department is service-oriented and there is an increase in the department's workload. Mr. Becker spoke on the following areas: Homestead issues, tax collecting, building permits, salaries, processing tax statements with bar-coding which has increased efficiency, computer and software. He stated in February and March which is income tax and property tax payment time, there are many tax requests. Mr. Becker spoke on the special assessments which they are hoping to have automated. The County is working with us and they are still developing their software system. The assessments are currently maintained on 3x5 index cards which every year the payment schedule is manually updated. We have strengthened communications with the installation of fiber phone lines enabling quicker response time with the computer.

Discussion followed on the special assessment districts and coming up with a PC software that is transferable by diskette to the County system. Mr. Cox inquired on the cost to set-up the program. Mr. Becker said they have an existing contract now with the County of which they have paid $4,000 of an $8,000 package to have them update. They are ¾ of the way through of developing templates and they are approximately a year away from developing this. There have been many personnel changes in the County's MIS department which has slowed the process of updating.

CONTROLLER:

B. Becker said the budget is similar to last year's. The following areas were discussed: Salaries, fringe benefits, personnel changes due to an employee leaving and obtaining a new employee from Genesee Township. They have spoke with Dupuis & Ryden to explore other governmental financial packages on fund balance, fundware and other areas to explore. He has demands for both space and because of maintenance contracts on the hardware to try to encourage us to get off the System 36 which is still being explored. They are always trying to improve their efficiencies, payroll schedules and other related items.

Discussion followed on maintenance of computers/software, trying to eventually get off the old System 36, W2 modifications in software system, new equipment, programs and possibly revitalizing a computer committee. Under MERS, part of their quarterly requirements is monthly reporting and they have also asked to use a PC driven software to report on. They have tried to modify their System 36 payroll so they can adapt to MERS demands and in doing so, incurred some software contractual service. Approximately $25,000 to $30,000 for new equipment and programs in the following budget year.

COUNCIL:

Mr. Cox said he has a request to incorporate some dollars for the Memorial Day Parade and a Parks and Recreation request which Paula Zelenko will get back with them on figures. The following areas were discussed: City Council workshops and conferences, budget reports, fringe benefits, salaries, membership dues and an increase in insurance.

The following was discussed in length regarding attorney fees: It was stated the Police Department is the biggest share of those fees. C. Abbey mentioned the number of fines written this year, which is hard to track from the Court because they do not have a mechanism that shows exactly what we recoup from them for specific jobs. The Court gives a blank statement that is hard to track. The dollars expended through the Personnel Director's department for attorney, contract disputes, etc., still comes through the Council. Mr. Cox mentioned that Alta Walls would like to see an increase in the attorney wages.

B. Becker spoke briefly regarding the audit. He stated they have authorized a 3 year commitment and does not see any substantial increases in that cost over the next three years.

The City's Master Plan and the Planning Commission was briefly discussed. In last year's budget $25,000 was for the Planning Commission. B. Becker said they committed the contract and part of the cost may be incurred this year and the majority of the cost will be incurred after July 1st.

GENERAL FUND REVENUE:

B. Becker said the current tax line items will have to be amended. The current tax revenue that is in the budget as printed, represented a 5% increase. The final numbers Mr Lowthian provided, now represents a 6.1% increase. The current tax revenue will increase by $19,000, delinquent/real will increase by $2,500 and delinquent personal will increase by $170, giving a net total of $21,670 of additional revenues. Mr. Becker stated further that the new taxable value determined by Mr. Lowthian's office, and submitted to the County for certification, including real and personal, is $473,518,800 and $2.7 million in industrial facility value as well. That represents the 6.1% increase. The assessed value is at $504,500,000 and the potential market value of the City has reached the one billion dollar mark.

B. Becker stated the administrative fee is still 1%, there is no change in permits and fees.
K. Cox said he spoke with Attorneys Hamilton and Austin, and Jeff Majors as to the communication towers because there are dollars to be made but so far no interest generated. Mr. Austin said he has a number of ordinances already prepared from other municipalities we could adopt. Mr. Cox stated he believes the rental fees is between $800 and $1500, so it could bring some dollars in if we decide to pursue this.

B Becker spoke briefly on the franchise fees with Comcast and the special assessment funds. He stated they have to supplement some of the special assessment paving districts when they fall short for whatever reason, and some will have a surplus. There is $46,000 representing close out of P-82-3.

Mr. Becker spoke further on the accounting change of state shared revenues. The last income tax/sales tax issue was resolved at the State level and it did away with some of the income tax receipts that was shared with us which gave the City a greater portion of the sales tax distribution. One was constitutionally mandated and the other was legislatively adjusted. They are now paying us bi-monthly and suggested that we recognize the revenue differently then what we had in the past.

Discussion followed in length on weed cutting procedures. Mr. Cox asked if the weed cutting revenue is supporting the expense. Mr. Becker stated on page 12, it shows $16,000 is the noxious weed cutting that we invoice out to generate that revenue. In public service, there is weed cutting of $20,000 which includes noxious weed cutting that is invoiced out and City undeveloped lot cutting as well. For the developed City lots such as City Hall and lawn maintenance, their cost is distributed among the various departments. Discussion followed on City employees versus part-time summer help in the maintenance of weed cutting. The Committee decided they will continue discussion of weed cutting when they review building enforcement.

Discussion followed briefly on the fire recovery fees. B. Becker indicated there is a negative number at present because they billed the railroad for the fires that were along the railroad believed caused by lightning. They asked where the ordinance was that allowed us to charge that. The ordinance was not in place so we reduced the invoices down. The revenue was shown last year and now we have amended the invoices back, which now shows a negative figure. Mr. Becker indicated the issue of the fire runs are still being debated.

Brief discussion followed on burning permit fees, interest income and cash flow. Mr. Becker said the transfer to General Fund from Community Development is due to the Senior Citizens Center operations and the Parks & Recreation allocations.

The upcoming budget sessions were discussed. Tentatively the next schedule will be Water and Sewer, the Mayor's will be scheduled at a later date.

MEETING ADJOURNED 12: 28 P.M.

Julie R. Adams
Clerk's Office