

CITY OF BURTON
COUNCIL BUDGET WORKSHOP MINUTES
APRIL 30, 2002, 3:00 P.M., COUNCIL CHAMBERS

Finance Chairman Danny Wells called the Budget Workshop to order at 3:00 P.M.

MEMBERS PRESENT: Bement, Brawner, Centilli, Cross, Martinbianco, Tinnin and Wells.

MEMBERS ABSENT: None.

OTHERS PRESENT: Mayor Charles Smiley; B. Becker, Treasurer/Controller; D. Lowthian, Assessor; G. Webster, City Clerk; R. LaDuke, Assistant DPW Director and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: COUNCIL WORKSHOP TO DISCUSS THE PROPOSED 2002-2003
CITY OF BURTON BUDGETS, AS FOLLOWS:

1. General Fund Revenues
2. City Council
3. Mayor
4. Clerk/Elections
5. Treasurer/Controller
6. Public Service
7. Parks and Recreation
8. City Hall
9. Assessor

PRESENTATION:

Mr. Becker said the format for the workshops have been set up to follow the previous years. He said he is open to new ideas should anyone have any. He noted that he had asked for input in regards to the budget from the Council, but received none. The department heads were asked to review the fee schedules for their respective departments to see if any of the fees relating to their departments should be adjusted. These will be discussed with the department heads during their budget sessions. Mr. Becker noted that we have little or no control over state shared revenues. The Council was encouraged to contact Mr. Becker if there are any questions or concerns about the upcoming budget sessions prior to the sessions.

Mr. Becker said if there are any amendments today, they could follow the same format as in the past and at the last work session the amendments could be formalized. There will be some self-directed amendments because the information is better today than it was several months ago. He will comment on those as each budget is reviewed. We have to adopt the budget by the second meeting in June. It could be adopted sooner if we receive the necessary tax information from the County. However, we usually don't receive the tax information until the first part of June.

General Fund Revenues:

Mr. Becker noted that Mr. Lowthian is present for his budget, as well as to give information on the property tax base.

The taxable value has increased 5.5%. The new number for 2002 is just over \$601,615,820.00, which is 5.5% increase over last year's taxable value. The assessed value increased at the rate of 9.5%. We can't realize the full 9.5% increase because of the cap requirements from the Truth and Taxation laws. The rate of inflation that was allowed by the tax law for this past tax year was 3.2%. The amount above and beyond the 3.2% was due to construction and the fact that some of the other properties are being sold and are being uncapped. Mr. Lowthian's projection was accurate enough so that the property tax amounts mentioned on page 11 are accurate.

An update was given on the Consumers Energy personal property tax appeal at the tax tribunal. The city may realize a retroactive impact in regards to this issue.

Mr. Becker reviewed the following areas under General Fund Revenues: Penalty and Interest that is levied on delinquent taxes; Permits and fees in regards to the mobile home parks; Phone America permits and right-of-way fees; State Shared Revenues and cuts made by the Governor; Fire Inspection Fees; Administration Fees; Fire Recovery Fees; Interest Income; Sale of Equipment and Land; Franchise Fees; Lease Fees; Community Development; Memorial Day Activities; Rubbish and Capital Improvement Transfer.

Council Discussion:

Mr. Martinbianco commented that the Letter of Forward on page 3 states that this document has been used in the past as a flexible management tool to accommodate changes. He inquired as to Mr. Becker's reference about an increase in the existing fee structure. He asked to what extent the increase in fees would impact the revenue side of the budget.

City Council Budget:

Mr. Becker reviewed the Council budget noting there will be an increase in salaries as of January 2003 per the Salary Commission determination. There is a three-year commitment for the audit and we are currently into the second year. There was a projected 20% increase in the Liability Insurance but we recently received our renewal back from MML and there was only a 15% increase. There are recent discussions in regards to ordinance codification, which could take 12-18 months to complete. Mr. Becker noted that Conference and Workshop has not been utilized in the past and this area was reduced from the past years.

Council Discussion:

Mr. Cross commented on the ordinance codification stating that at the next council meeting, a request would be made to have Council set aside \$9,000.00 in this budget and \$9,000.00 in the next budget for this project.

Mayor Budget:

Mayor Smiley said his budget is basically status quo.

Mr. Becker said the office equipment line item was reduced by \$2,000.00.

Mr. Becker gave an overview of personnel and wages. He spoke in regards to Worker's Compensation, Dental Insurance and Life Insurance. The health insurance is yet to be determined and we should have this information in the next 10 days or so. There should not be much of a change. The retiree health insurance allowance is also continuing at the current pace.

Council Discussion:

Mr. Martinbianco asked if any changes have been made in salaries permanent. He was advised there were no changes.

Mrs. Tinnin inquired about whether new employees would be added to the SEIU group. She asked if Mr. LaDuke was still in the SEIU group.

Mr. LaDuke said he is in the SEIU pension, but not the union. One employee was moved to the SEIU from the AFSCME Union. There were two SEIU employees who retired and one put into this union.

Mr. Cross asked when the updated personnel pay schedules would be available. He was advised that they are updated at the beginning of each month.

Controller's Office:

Mr. Becker reported that this department is status quo. The remodeling will not impact the Controller's Department with the exception of Steve Perez' office, which will be expanded into the conference room. The existing computer system and software continues to be consistent and no changes are planned.

Assessor's Office:

Mr. Lowthian said his budget is also status quo. He said the largest increases would be the expenditure for a mid-sized vehicle. The current vehicle is a 1991 and the maintenance costs keep increasing. The other item falls under contractual services with an increase of \$2,500.00. As mentioned earlier, Council carried over \$10,000.00 last year. We are proposing to make our assessment information available on line and planned to purchase the software. However, since that time, we have another option whereby we can e-mail our assessment data four times a year to a company out of Okemos at a cost of \$2,500.00 per year. Realtors, bankers and appraisers could go to the website for information, which would be beneficial in saving staff time for his office.

Mr. Becker commented that the personnel in the Assessor's Office would remain the same.

Council Discussion:

Mrs. Tinnin asked what the taxpayers could link to on the website for the Assessor's Office. She was advised there is currently no information available.

Mr. Martinbianco inquired about Burton's relationship with the County Economic Development Corporation. He also asked if we should have the Burton EDC become more active.

Mr. Lowthian advised him the relationship with the County EDC has been very good. Discussion was held concerning the use of tying into the EDC website where we can showcase up to three properties. Mr. Lowthian said his recommendation on the EDC becoming active is to leave them in a dormant status for the time being.

Elections and Clerk's Office:

Mrs. Webster said the workload for Election's is governed mainly through the State. We plan to purchase Optical Scan Voting Equipment for 13 precincts in the amount of \$78,000.00. This amount is higher than what was previously proposed because of the additional three precincts. We may get reimbursed for this amount through federal monies being voted on by the House and Senate. After speaking with the county officials, we may be purchasing the equipment by the end of this year. Mrs. Webster updated Council on the redistricting and reorganizing of precincts.

There will be an increase in election inspectors due to the added precincts. Future consideration should also be given in regards to the City possibly being responsible for all future school elections. This bill is being considered at the present time and looks like it may pass. Mrs. Webster said contractual service is still in the election budget because of the high demand from the mandated procedures that are not funded.

Mr. Becker said in addition to the \$78,000.00 there is also another \$2,000.00 from the sale of the touch screen equipment. The Contractual line item is the same as last year.

Relative to the Clerk's Department budget, Mrs. Webster said this is basically status quo. She said she is planning to purchase one computer and one printer in the amount of approximately \$1,400.00 and would like to replace the other stations, one at a time. Mrs. Webster will be working with Mark Udell concerning the archiving of files in the Clerk's Office.

Council Discussion:

Mr. Martinbianco inquired about school elections being handled by the Clerk's Office. He said from his understanding of the bill, the schools would only be allowed to hold an election four times per year, which might coincide with other elections. A brief discussion continued regarding the school election bill and the possible changes.

Mr. Martinbianco inquired about the duties of the contractual service person.

Mrs. Webster replied that Mrs. Harris currently works on the Qualified Voter File (QVF) and has been working on several major projects in the election area.

Mr. Wells asked if the \$78,000.00 is a one-time expense?

Mrs. Webster explained this is a one time purchase, but there are many payment options being offered. We are purchasing the equipment through the County.

Mr. Cross made an inquiry into the auto insurance for the Clerk's Office.

Mr. Becker briefly discussed the auto insurance issue.

Treasurer Department:

Mr. Becker commented that they are anticipating the city hall expansion. The existing office will expand into the Clerk's Office. The Treasurer's Office will have their own copy and fax machines as well as new office equipment with the exception of office files. These costs will be included in the expansion project. The personnel will remain status quo. Mr. Becker said he hopes to be website accessible with the County so data may be retrieved from the web. This would save a large number of interruptions for the department.

City Hall:

The personnel consist of a full time receptionist, clerical floater and 20% of the computer person and a small portion of the DPW full time maintenance person. This is the same as in the past budgets. With the city hall expansion, several of the lines items have been adjusted and we expect some of these costs to increase. The janitorial costs will increase as well as the building insurance costs. We are not certain when these increases will take affect. It will depend on the completion of the project. The utilities increase will most likely be noticed before some of the other major items. We have maintained the same \$10,000.00 for computer equipment. In regards to the Lease of the City Hall Expansion, the \$103,250.00 is the cost of the bond payment. Most of this will be borne by the City Hall budget. In the current year budget we are at about \$95,000.00 for engineering architectural miscellaneous costs that we have incurred. When it comes time for end of the year transfers, we will be asking Council to transfer any unused portion of the city hall expansion line item, to the capital improvements for next year. This would safeguard us for any other contingency costs that we may not be aware of further down the road.

Council Discussion:

Mr. Brawner inquired as to how Mark Udell's salary is split amongst the departments.

Mr. Martinbianco asked for clarification of the financial update of what has been done on the city hall expansion.

Mr. Becker replied his salary is split in the water, sewer, police, fire and city hall.

Mr. Lowthian gave a brief update on the finances for the expansion.

BUDGET WORKSHOP SESSION

Public Service:

Mr. Becker gave a brief update on the street lighting, drains-at-large, weed cutting, county road study and the Memorial Day parade. He said several of the items would be discussed more at length when Mr. Major is present.

Parks & Recreation:

Mr. LaDuke said there are programs that the Parks and Recreation Commission would like to see developed in the future. The budget is stable from last year and supports the Youth Baseball and Softball. There are about 360 boys and girls signed up to play this year. We went from 19 teams to 31 teams. The basketball league will be handled in much the same way as the baseball league. We are now starting to look more at programs rather than development because there are not a lot of dollars to improve the parks. Parks and Recreation along with the Rotary sponsor the Senior Citizens Harvest Ball. The Parks and Rec also sponsor the summer picnic for the senior citizens. An adult softball league will be held on Mondays and Wednesdays and we want to start an adult basketball league. An update was given on Kelly Lake and Mr. LaDuke noted that a ribbon cutting would be held on May 23, 2002 at 4:00 P.M. Mr. LaDuke said consideration is being given for a park on Davison and Genesee Roads, which would cover areas such as plays cape, ice-skating rink, ice hockey and paved tennis courts.

Council Discussion:

Mr. Cross inquired about Mr. LaDuke receiving part of his salary from the Parks and Recreation budget.

A brief discussion was held concerning where the finances are being used, whether Kelly Lake or Youth Programs and the cost of the possible future projects for Parks and Recreation.

Mrs. Tinnin asked whether the youth programs were only for Burton residents. She was advised no, they are for anyone who wishes to attend.

Mr. Brawner asked if a fee is charged for the children who participate.

Mr. LaDuke replied yes, there is a fee for the children to play and there are about 30 sponsors who have given about \$200.00 per sponsor.

Mr. Bement asked if there is any interest in the proposed park projects.

Mr. Wells said the Parks and Recreation people are very motivated but their hands are tied because of finances. There is a need for some type of park plan for the north end of the city.

Mr. Becker said the next work session has been scheduled for Tuesday, May 7, 2002 at 3:00 P.M.

Workshop Adjourned at 4:50 P.M.

Cheryl M. Ladd, CMC
Deputy City Clerk

CML