

CITY OF BURTON
COUNCIL BUDGET WORKSHOP MINUTES
MAY 29, 2002, 3:00 P.M., COUNCIL CHAMBERS

THE COUNCIL WORKSHOP WAS CALLED TO ORDER BY FINANCE CHAIRMAN DANNY WELLS
AT 3:10 P.M.

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

MEMBERS ABSENT: Cross and Martinbianco.

OTHERS PRESENT: Mayor C. Smiley; B. Becker, Controller; B. Whitman, Police Chief; D. Halstead,
Fire Chief and G. Webster, City Clerk.

PURPOSE OF THE MEETING: COUNCIL WORKSHOP TO DISCUSS THE PROPOSED 2002-2003
CITY OF BURTON FINAL BUDGET AMENDMENTS.

PRESENTATION:

Mr. Becker said the amendments that he gave Council last week have not changed. He reviewed several issues regarding the proposed budget.

The Downtown Development Authority completed their budget process. He gave copies of this information to Mr. Wells to distribute. Council will be acting on that budget as well as their millage as part of Burton's budget process. If there are any questions on the DDA budget, you could contact the Chairman, Mr. Richvalsky.

The Council received a memo from Mr. Lowthian regarding Truth and Taxation. Council will be setting a public hearing at the next council meeting to address this issue on June 17th. Under the Headlee amendment we are required by law to rollback back the millage. We will lose \$11,660.00 in General Fund Revenues and \$2,370.00 in the Police Fund. The total revenue impact would reflect a loss of \$14,030.00. Mr. Becker will make adjustments to the proposed budget to accommodate the lost revenues. By law we have the ability to recapture the Truth-in-Taxation millage. If you choose to do so, we won't have to make up the additional \$90,000.00 in General Fund and an additional \$18,000.00 in the police fund.

Mr. Becker gave further explanation on how new construction was calculated relating to Truth-in-Taxation.

Mr. Becker discussed issues relating to health insurance coverage. The City has received 20 proposals and the information is still being reviewed. Council will be notified of the final decision. At the most, he predicted the insurance could go up 20% or approximately \$140,000 a year. We have allowed for an 8% increase in the budget.

Mr. Becker said that Chief Whitman informed him that Courtyard would be terminating their contract as of June. This will amount to a shortfall of \$17,500.00. The Police Chief is working with Courtland to renew their contract. He hoped to make up the predicted shortfall by offering Courtland Center two more manpower hours a day in their contract.

COUNCIL DISCUSSION:

Mr. Wells asked for clarification on the DDA budget.

Mr. Becker gave a brief explanation on the DDA budget. Out of the \$40,000.00 budget, the DDA contributes \$15,000.00 to the Police Fund and the remaining amount is utilized for various projects in that area. He will provide Council with another copy of the DDA budget.

Mr. Wells asked for further clarification on the Courtyard contract.

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Mr. Becker was hopeful the Courtyard shortfall would be made up in the Courtland contract. He explained that these contracts are based on the manpower hours provided by the Burton Police Department.

Mr. Wells asked for clarification on the proposed take over of county roads.

The Mayor indicated that no additional funds have been allocated in the upcoming budget to anticipate the take over of the roads. The target date is November 1st due to the Genesee County Road Commission's allocations. The take over would generate \$400,000.00. We are predicting that we will need additional equipment and manpower to help maintain the roads. We are currently in negotiations with the County, hoping to arrive at the best deal possible. There might be some unknown factors involved with the roads. However, we feel that we can provide a better quality of service to our residents.

Mr. Brawner had some concerns with the first initial year of the take over. He thought the expenditures might out way the allocations.

Mr. Becker said the county will go through their process and there would be no physical document involved. We will need approval from the board when we make that offer.

Mr. Centilli spoke in favor of taking over the county roads, however he had some concerns with taking them over just before the winter season.

A brief discussion continued in reference to the take over of the Genesee County Roads. This topic will be discussed more at a later date.

The Mayor planned to bring a proposal to the Council as soon as one becomes available.

Mr. Brawner asked for clarification on the FANG allocations for the upcoming year.

Chief Whitman said it is predicted that the funding would be significantly less than in the past. The new grant will go into effect October 1st 2002.

Mr. Becker said the Mayor signed the grant application today for the period beginning October 1st.

Mrs. Tinnin proposed an amendment that would leave the rubbish fund balance in tact and delete the \$90,000.00 General Fund transfer. She felt the money should be left in the rubbish fund to absorb future increases, thus whittling the remaining balance down through the life of the current contract. She felt the money was collected for this purpose and should be expended on rubbish removal.

Mr. Wells wanted to know where we would make up the \$90,000.00 deficit in the proposed budget.

Mrs. Tinnin suggested taking the deficit from the General Fund Surplus not from any specific department.

Mr. Becker said we would be able to absorb the 90-cent rubbish increase for the upcoming year and the following year. He indicated the first two years of the rubbish contract reflected no increases.

Mr. Brawner said residents should anticipate some increase in services over time. He felt the 90-cent increase was not unreasonable. The last three years the citizens have not experience any direct increases.

A brief discussion was held in reference to the rubbish fee balance and future rate increases.

Mrs. Tinnin opposed transferring the \$90,000 back to General Fund.

Mr. Wells, Mr. Brawner and Mr. Centilli suggested leaving the proposed rubbish fund budget as written.

Moved by Brawner, seconded by Centilli to leave the proposed Rubbish Collection & Disposal Fund budget as written. Motion carried 4-1 with Tinnin voting no.

Mr. Wells wanted to know if Mr. Cross' request was included in the budget amendments.

Mr. Becker indicated that \$7,500.00 was added to the Council's budget under contractual services. These funds would be used for the codification of ordinances. The balance of \$7,500.00 or less will be owed in the following budget.

Mr. Wells planned to add more money to the Park's budget, but now that we are going to take over the county roads, he felt it was important to concentrate on that particular issue.

In addition, Mr. Brawner said we should consider the increased cost of health insurance coverage.

Mr. Wells decided not to offer any additional allocations for the Park's budget in the upcoming year.

The Mayor said the Park's allocation could be made at a later date. The Parks and Recreation Commission would have appreciated the money, however, as they do have some ongoing projects that they can complete in the next year. He stressed the importance of concentrating our efforts on the take over of the county roads. We may need some assistance with that endeavor. In addition, he said there might be even more cuts in state shared revenues.

Mr. Becker predicated another \$13,000.00 cut in state shared revenues for this year and an additional \$14,000.00 cut in the following year.

The Mayor predicted that the Governor would pass on a diesel tax right after the lame duck session. Eventually, we will get our fair share of the tax.

Mr. Becker said we have expectations of receiving 3 cents on the diesel tax. The League has calculated that Burton could possibly receive \$40,000 under the Act 51 formula. If the Governor's method is used, it could mean \$3,000-\$4,000 in revenue.

Discussion was closed with no further amendments being made.

Mr. Wells asked if the members present would like to recommend sending the proposed budget to Council for approval, as written.

Moved by Centilli, seconded by Brawner to recommend sending the 2002-2003 proposed Budget to the Council for final approval. Motion carried 4-1, with Tinnin voting no.

Mr. Becker will provide a final version of the amendments for June 17th. Other items on the June 17th agenda include, millage rates, Truth-in-Taxation and some end of the year transfers.

Mr. Wells thanked everyone for their cooperation in preparing the proposed budget.

COUNCIL DISCUSSION ACTION:

Moved by Brawner, seconded by Centilli to leave the proposed Rubbish Collection & Disposal Fund budget as written. Motion carried 4-1with Tinnin voting no.

Moved by Centilli, seconded by Brawner to recommend sending the 2002-2003 proposed Budget to the Council for final approval. Motion carried 4-1with Tinnin voting no.

Meeting Adjourned at 3:45 P.M.

Gayle Webster
Burton City Clerk

GW/cml

