

CITY OF BURTON
COUNCIL WORKSHOP MEETING MINUTES
MAY 22, 2001, 3:00 P.M., COUNCIL CHAMBERS

THE COUNCIL WORKSHOP IS CALLED TO ORDER BY COUNCIL PRESIDENT BOB CENTILLI AT 3:10 P.M.

MEMBERS PRESENT: Cross, Wells, Centilli, Brawner, Tinnin, Bement

MEMBERS ABSENT: Martinbianco

OTHERS PRESENT: B. Becker, Treas./Controller, J. Adams, Clerk's Office

PURPOSE OF THE MEETING: COUNCIL WORKSHOP TO DISCUSS THE CITY OF BURTON PROPOSED BUDGET FOR THE YEAR 2001-2002.

1. FINAL CITY COUNCIL BUDGET AMENDMENT MEETING

PRESENTATION:

Mr. Becker spoke regarding the Mayor's list for additional State Shared Revenue monies and stated he also has a rough draft of the amendments the administration has proposed. The Mayor covered most of the suggested use of additional State Shared Revenues in the State of the City address. We have approximately \$569,000 of State Shared Revenues between the current year and the new year that were unanticipated due to the census. The Mayor suggested spending the \$569,000 on the City Hall expansion bond issues, setting aside \$180,000 for the Motor Pool expansion for that bond issue. We spoke of full funding of the existing police vacancy of \$70,000, adding \$100,000 to drains at large, and restoring another \$50,000 to Parks & Recreation projects. New items are \$50,000 for the Master Plan map and text update, and \$20,000 for the Youth Commission. Mr. Becker stated further, the Local Street construction match is \$50,000, \$30,000 is assigned to the County Road take over. We have \$19,000 left remaining towards anything unknown that may come up this year.

Mr. Becker reviewed the administrative amendment packets distributed to Council. He stated on Page 11, shows changes in the State Shared Revenue, an additional amount in the franchise fee from Comcast, and the revised totals. Page 12 reflects changes for the City Hall expansion, Public Service, Parks & Recreation, Planning Commission due to the Master Plan update, Police Department transfer, and transfer to Local Streets. Mr. Becker said the Fund Balance revised is slightly higher than the Fund Balance proposed as of June 30, 2002. We are still planning on having a Fund Balance of more than \$1,800,000.

Mr. Becker stated on Page 13, Police Revenues reflect an additional contribution from General Fund. Page 14 shows a \$70,000 figure, \$40,000 is put back into Salaries Permanent and \$30,000 back into Fringe Benefits. That is restoring the funding of an existing vacancy, and not creating a new position.

Mr. Becker said for the Health Care Fund on Page 17, he omitted the interest income line item and made those changes predicting the interest income that will be generated. It has an impact on the projected fund balance increasing that up to \$332,000, and subject to the number of retirees in the next year that would take advantage of that health care fund.

Mr. Becker continued his review and stated Local Street Summary on Page 20, makes revisions to the gas and weight tax revenues due to the census. It reflects the \$50,000 contributions from General Fund and if matched with \$50,000 from the Street Dpt., it will allow us to do a \$100,000 local street construction project. That construction department has been adjusted accordingly. We have taken \$50,000 from contractual and it will give a surplus for the proposed year of about \$500,000 for a fund balance in Local Street at end of the 2002 fiscal year.

Mr. Becker spoke regarding the Act 51 projections in relation to the new census numbers. He said Jeff Major received a written communication from the State Highway Dpt. acknowledging the changes of the census. However, they do not make changes in their formula until their upcoming fiscal year which would be October 1, 2001. They tabulate changes of the population of all cities and what impact it has on the Act 51 formula. Burton's multiplier is increasing from 1.3 to 1.4 because we surpassed the \$30,000 stretch hold level.

Mr. Becker addressed Major Street, Page 21. He stated they spoke of getting more Act 51 monies from Major Street and transferring the 25% portion of that to Local Street. It will leave a larger fund balance of \$745,000. Page 25 shows the detail from General Fund. The City Hall and Grounds department would increase to \$432,000, and of that, \$180,000 was proposed to be set aside for the City Hall expansion which would be a Building Authority bond issue.

Mr. Becker indicated Page 27 details the proposed changes by the Mayor in the Public Service area. Under contractual service and the Planning Commission on Page 28, we spoke of increasing that number by \$50,000 for the map and text changes. At the bottom of Page 28, it reflects that transfer to Local Street of \$50,000 and Page 29 shows the detail. The \$50,000 from General Fund plus being matched of \$50,000 from Act 51, will allow us to do a \$100,000 construction project.

Mr. Becker said the Sewer Debt Retirement budget is reflected on Page 43. The revised numbers from the Assessor's office reflects those changes in the current tax revenues. The deficit is not quite as large as we originally proposed, and still leaves a fund balance of \$129,000.

Mr. Becker said other areas of potential adjustments was additional funding in the election area for contractual service, and the Police Department's issue of Pat McDougall becoming a full time employee. Also, the Rubbish Fund had discussion of doing away with the sale of leaf bags and reducing the rubbish fee by \$4.00 a stop. There was discussion of the \$90,000 from Rubbish to General Fund, going towards other City property improvements. The Water Study will be addressed by Council to decide approving the funding for that.

COUNCIL DISCUSSION:

Due to Mr. Martinbianco's absence, Mrs. Tinnin read aloud budget amendments presented by Mr. Martinbianco that he faxed to City Hall.

Mr. Becker said some of Mr. Martinbianco's items we have incorporated and some we have not. Item 1 of the Council amendments will be to add \$7,500 to elections contractual.

Mrs. Tinnin said she would like to see a surplus left in the rubbish fund to absorb any future increases.

Mr. Becker said the 5 year contract expires June 30, 2005. The 5 year extension was amended with Council approval in the year 2000. Next July 1, 2002, the rate will go up by half of the Consumer Price Index. They spoke on potential gasoline increases, but in that particular section of amendments, there is not an escalator clause in the garbage contract.

Mrs. Tinnin said by allowing those funds to build up, any rate increases in the future after 2005 can be absorbed by the excess monies that has been collected, rather than passed on to the customers.

Mr. Becker indicated there has been a lot of debate in the last couple of years that that fund should not have any kind of fund balance, and anything there should be given back to the people.

Council discussion followed at length regarding the rubbish fund. Council was in agreement of not purchasing more bags for next year and to get out of it altogether. Mr. Becker said it will eliminate the expense of operating supplies by \$10,000.

Mr. Becker expressed that rough plans for City Hall is about \$1,300,000 and would cost \$130,000 a year bond payment. It does not include any site work or new furnishings. He is not sure how elaborate it spoke in renovating the existing City Hall, which could possibly be \$1,800,000 figure. There was discussion of incorporating the Motor Pool expansion into this.

Mr. Centilli said he is in favor of transferring the \$90,000 to General Fund. Mr. Wells and Mr. Brawner spoke in agreement with Mr. Centilli.

Mr. Wells inquired regarding taking part of the monies to do a water study.

Mrs. Tinnin said the Water Advisory Board has not come up with what we are going to contract for, so there is no need to do a water study.

Mr. Wells said they are talking of a 40 year contract and we should find out what our options are and where we stand.

Mr. Brawner inquired regarding the Mayor's agenda on this.

Mr. Becker said the study has been tabled and the Council can bring it up anytime they so chose to. As of the status of the contracts, last week there has been two or three revisions but I am not sure we have seen the final revisions. They are talking of a deadline in the middle of July to approve.

Mr. Brawner said that would not give us time to do a feasibility study between now and July. They are putting pressure on us to do something very quick.

Mr. Wells asked if they could take out monies to do a water study.

Mr. Becker replied yes. Mr. Wells and Mr. Brawner both suggested it be discussed with a full Council present.

Mrs. Tinnin said the Genesee County Drain Commission was here a few years ago, and they stated that to do an adequate study it would cost at least \$70,000. She spoke of looking at this with other municipalities.

Mr. Becker said for Item 2, we would eliminate the \$10,000 operating supply expense and the rate will stay the same. We will move the money out to decide on City building improvements or other potential items.

Mrs. Tinnin expressed again that she would rather leave it in the Rubbish Fund.

Mr. Wells indicated it is still up for discussion.

Mr. Brawner said his opinion is to transfer to General Fund and leave it as is for necessary repairs to City property. There should still be a fund balance to cover any projected costs next year for contract increases, if we so desire to do that. Mr. Brawner commented briefly regarding other cities charging for street lighting.

Mr. Becker said in General Fund you have flexibility and if you desire to maintain the rubbish fee next year, there is enough money in the rubbish fund. You can always move money from General Fund back to rubbish.

Mr. Becker addressed Mr. McDougall's position.

Mr. Brawner said he would like administration's opinion on Mr. McDougall's position.

Mr. Cross said every year this comes up, we do not get a response and it falls by the wayside.

Mr. Becker said Mr. McDougall is one of the few Council contract employees and that is why he comes to Council. He is under the Police budget because he serves a purpose to the Police Department. If you did not have the program, you would have additional attorney fees.

Mr. Brawner said Judge Hughes stated he is valuable to the program.

Mr. Becker said there are first time offenders going into the system if they are taken in. If they go through there, you would need police attendance on overtime, Court time and legal fees. If Mr. McDougall's program was not there, our attorneys would have to be doing that. Once in the system you not only incur attorney fees, but incur police officer costs as well.

Mr. Brawner said he believes Mr. McDougall has 200 additional clients a year. He is also the part-time employee with the County who carries a gun, arraigns and puts them in the lock-up. He is an employee over to the Court for a certain day every week, so I know Judge Hughes would hate to lose him.

Mrs. Tinnin inquired regarding how busy the program is.

Mr. Wells said he wants to see some accountability and numbers.

Mr. Cross asked if he was a part time employee, would the City have to pay fringe benefits.

Mr. Becker said our health insurance carrier requires employees to be full time to receive benefits.

Mr. Cross mentioned the Council previously gave Mr. McDougall \$4,000. He inquired regarding rolling that amount into his rates now or have it go towards his benefits.

Mrs. Tinnin said the administration outlined what their priority items are, and this tells me they have not included Mr. McDougall's salary and fringes.

Mr. Brawner said there really has been no advocate to push it, it dies and then we go on till next year. It also concerns me adding on two more non-union, non-charter positions to administration.

Mr. Becker re-iterated that Mr. McDougall's contract is with the Council and they can change it at any time. He is paid \$40,300 which is in the police revenue and expenditures.

Mr. Brawner asked when the last time he was given a raise.

Mr. Cross said he thinks it has at least been 3 years.

Mrs. Tinnin said it is not keeping face with the cost of living and he should at least have a raise on an annual basis.

Mr. Wells said he is a contractual employee, he should put a proposal together and bring us some numbers so we can look at them.

Mrs. Tinnin expressed possibly incorporating him in the Police union.

Mr. Becker said the last time we did this, it was the same dilemma, you are at \$42,000, or as he indicated \$68,000. I am not sure that is the right number with fringes.

Mrs. Tinnin said he is including pension in that figure.

Mr. Cross said the Council should have a special meeting with Mr. McDougall. We can make a transfer any time we want.

Council was in concensus to have a meeting with Mr. McDougall. Mr. Becker said if Council decides on their July 1st meeting to make him an employee, you can amend his contract and transfer the funds to do that.

Discussion followed regarding Mr. Martinbianco's inquiries as to fire inspection fees. Mr. Brawner asked if there is a status of the Assistant Fire Chief.

Mr. Becker said to his understanding, the Asst. Fire Chief had a meeting with the personnel director, Mayor and the Fire Chief a week or so ago. He was given several options. He is currently on the payroll, if he comes off the payroll, we will have a new Assistant Fire Chief and he would do the inspection fees as they are proposed. It is a function of the Fire Chief to get a packet to you. Brief discussion followed regarding inspections and fees.

Mr. Becker addressed Mr. Martinbianco's list with regards to Major Street. He indicated the Dort Hwy. improvement is not in the packet and he will get that figure to be included. On the issue of Belsay Road, he does not know if there was any decision made. Mr. Becker stated further, we have committed close to \$150,000 to Lapeer Road which had Council action.

Mr. Becker said they discussed increasing the Fire Department gas and oil line item from \$2,000 to \$9,500. If there is a concensus, he will increase that. For Public Service drains-at-large, we increased it by \$100,000. Again, the Truth and Taxation numbers will come from the Assessor and those are not identified yet.

Mrs. Tinnin commented regarding publishing minutes to meetings and having them on the web page. She feels this should be looked into. Mrs. Tinnin inquired regarding the Parks & Recreation total after the transfer into Capital Improvements.

Mr. Becker stated that under park projects on Page 27 of the original Parks & Recreation budget, we are suggesting \$100,000 is going to be spent there. My guess is that it will probably be transferred. Mr. LaDuke said there is a \$10,000 commitment to the Tree Grant, and a commitment to the State application. That requirement for the State application, I do not think we will hear quick enough to spend if we are fortunate to receive it. We will not spend that match until after. I am suggesting that most of all of that \$100,000 will probably come back to you in a transfer of unexpended funds of \$90,000 from Parks & Recreation to Capital Improvements Parks & Recreation. There will be some of his Parks & Recreation Commission line, currently at \$60,000, they only spent \$20,000 to \$30,000 of that in the current year. Mr. LaDuke is anticipating transferring anything unspent into Capital Improvements.

Mrs. Tinnin said she figured at least \$140,000 transferred into Capital Improvements, and there is a proposal here for another \$50,000. She inquired as to where the \$50,000 is going for and if it is needed.

Mr. Becker indicated there could be a variety of other items Mr. LaDuke is looking at. In order to maintain that unspent money you will have to transfer it over to Capital Improvements, or he will lose the use of that.

Mrs. Tinnin said if he could substantiate what he is intending to do with it, we could always transfer it from General Fund to Capital Improvements or Parks & Recreation.

Mr. Becker said they went through the budget process with the Downtown Development Authority and he gave Mr. Brawner copies for Council. Their millage will be on the agenda as well. Mr. Lowthian will provide the Truth and Taxation numbers when they become available and Council will have the public hearing on that.

Mrs. Tinnin asked why the \$50,000 from DDA goes to the police services.

Mr. Becker responded that it has been there for several years and has helped offset the cost of the Police Department.

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In closing the meeting, Mr. Becker said he will prepare the Council's packages, and any other ideas they want in the amendment package can be passed through to the Council president and he will get them back to you. Mr. Becker said he will also give a copy of Mr. McDougall's contract to Council.

MEETING ADJOURNED AT 4:50 P.M.

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