CITY OF BURTON
COUNCIL WORKSHOP MINUTES
MAY 24, 2000, 3:00 P.M., COUNCIL CHAMBERS

THE COUNCIL WORKSHOP IS CALLED TO ORDER BY BOB CENTILLI AT 3:13 P.M.

MEMBERS PRESENT: Tinnin, Centilli, Martinbianco, Brawner, Hammon

MEMBERS ABSENT: Cross, Zelenko

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

PURPOSE OF THE MEETING: COUNCIL WORKSHOP TO DISCUSS THE PROPOSED 2000-2001 CITY OF BURTON BUDGET AND POSSIBLE AMENDMENTS.

PRESENTATION:

Mr. Becker said we had four sessions on May 3rd, 9th, 16th and 17th. He wrote down the areas discussed in those four sessions as far as possible amendments. The last meeting is to gain some consensus from the Council so that when the Budget does go up for adoption, we will have a tight amendment package to act on.

Police Fund

Mr. Becker said the Police Chief was directed by Council to come back with some amended numbers on several of his line items. The Chief has a memo dated May 22nd, that reflects three items. Police fund reflects three items; increasing the training line item by $7,000, increasing conference and workshops by $2,000, and increasing the miscellaneous line item by $3,000 for a department defibrillator. He is not sure it should be charged to miscellaneous, he suggests it be put in the office equipment line item. Those are the three numbers totally $12,000 for potential police fund amendments.

COUNCIL DISCUSSION:

Mr. Martinbianco said he would liked to have the Police Chief here to discuss this issue. He is asking for a 33% increase in the training line item. The memo talks about receiving training from sources other then the consortium. The memo also stated additional training will increase our expertise and help decrease our liability. He inquired as to where he is getting that analogy from.

Mr. Brawner said the training is mostly through Lansing Community College and Oakland Academy, which is two of the finest training schools around. Most of the training money goes to the consortium that gives a limited amount of classes each month, and they repeat them over and over again. The Chief would like to send some to Oakland County in Lansing for some different training which is costly, $200 to $300 a person. He also sends four to six guys a year to Street Survivor School which is offered once a year in Michigan and is expensive.

Mr. Martinbianco asked if that is an alternate training source, why would we not go to LLC or Oakland and spend the same amount of money, and not support the training consortium to the level we are now.

Mr. Becker responded that we get training monies from the State of Michigan of approximately $12,000. We in turn by mutual agreement commit that $12,000 that we get from the State funding for training back to the local consortium. For that funding they provide us with a number of training sessions. One of the premises to maintain that funding from the State of Michigan is that the training line item is not diminished. The Chief suggested in his work session that in addition, there are classes outside of the local consortium available at Oakland that were better. We are to a certain extent, obligated to the local commitment as well.

Mr. Becker said he suggested that our worker's compensation carrier and liability insurance carrier both of which is administered through the Michigan Municipal League, also insist and provide free training sessions. Our defensive driving has improved on an annual basis, police pursuit policy and deadly force policy is updated.

Mr. Martinbianco inquired regarding Criminal Diversion.

Mr. Becker said at the end of last fiscal year we were still in the black. We will be close to breaking even, and at the end of this year we will probably go in the other direction. Mr. Becker stated further that there are a couple of appointments that the Council will have to reappoint at budget time. Mr. McDougall's contract and the City Attorney's is one as well. Mr. McDougall has not formally requested increases. Mr. Becker stated further, Mr. Austin has recently created another diversion program in addition to Mr. McDougall's.

Mr. Brawner said he believes it has to do with paying back for spouse abuse.

Mr. Becker said the Attorney General suggested the way we were collecting additional fees was not going to be acceptable anymore. We stopped assessing those additional fees and comes up with another method to cover some administrative costs.

Mr. Martinbianco asked for copies of that communication from Mr. Austin. He asked if the line item is a revenue.

Mr. Becker said it is put into the District Court fees. The program was not initiated at the time this budget was proposed.

Mr. Martinbianco inquired regarding the FANG project officer line item and the significant increase.

Mr. Brawner said there is the lieutenant position, Mark Cunningham has been in FANG for a year.

Mr. Martinbianco asked if we support other aspects of the program other then the wages and fringe benefits.

Mr. Brawner responded that we get a percentage of it, there is also overtime.

Mr. Becker said we had two people in that area for most of last year. One of the persons will be moved back in October. The current years cost reflects two people, with only one being reimbursed. Mr. Becker spoke further regarding the arrangement with FANG.

Mr. Centilli asked the Council how they see fit to add the $12,000 to the Police Fund.

Mr. Hammon said he has no problem with it.

Mr. Martinbianco said he has a reservation with the increase in the conference and workshop line item. He will submit to the $12,000 this year and he anticipates the Chief will share with us what he is doing from the additional areas he chooses to go to that he feels will help him out.

Mr. Centilli acknowledged he does not have a problem with it.

Mrs. Tinnin said seeing how he asked for an increase in both conference and training, she would like to see a cap of $10,000 as to however he wants to distribute it between the two.

Mr. Martinbianco said if you take off the defibrillators he is asking for $9,000. Mrs. Tinnin said she has no problem then.

General Fund

Mr. Becker said he gave everyone a copy of a Department of Treasury directive dated March 31st suggesting that effective with our new fiscal year July 1, we would remove the Building Department budget from the budgetary limitations of General Fund. He had a meeting with Jeff Major, this directive from the Treasury relates to enforcing the Statewide Construction Code Act. He also had discussions with our auditors, Dupuis & Ryden.

Mr. Becker stated further this caught everyone by surprise, he is unsure what they are attempting to do. His guess is they saw widely varying building permit fees cross section of governmental units. They are trying to make sure the fees accurately represent the costs. The first time through, he suggests the Building Department expenses be separated and created into a new building fund. He suggests under the Public Service Budget, the two line items condemned housing and weed cutting, that for all intent purposes are administered and enforced through the Building Department. Technically, they are invoiced back to the property owner, so it is a revenue neutral proposition. He suggests we remove those two line items from the Public Service Budget and also include those in the new Building Fund.

Mr. Becker spoke regarding Item E in his summary, and stated that in order to fund this new Building Fund we would have to remove revenues from General Fund. A good portion of the permits and fees of $182,000 are what the expectations are for building permit fees. We would remove that from General Fund and also the condemned housing and weed cutting line item revenues, and re-inspection fees of $3,000, and move into the new Building Fund.

Mr. Martinbianco said he is still waiting for a new revision of what has transpired in DPW in general because it has specific implications on the building and enforcement division of the budget. Now we are parceling it out with respect to the re-organization. He was not issued a memo on it. Mr. Martinbianco inquired further regarding the administrative fee tax portion of it under Item 5 E.

Mr. Becker said that is separate and distinct from the Building Department. The 1% could not be collected on special assessments. He has not been able to quantify that, nor has Mr. Lowthian as of this morning had any tax tribunal directive. He contends it is just a small claims decision and we are awaiting directives.

Mr. Becker said it is very difficult in our operation whether it is re-organized or not in DPW. There is multi-purpose functional people in DPW to distinguish between a construction code act activity, and potentially a zoning ordinance activity or code enforcement activity.

Mr. Becker said Item C under General Fund, there was discussion about the Parks & Recreation Budget. Two line items have been re-designated by the Parks & Recreation Commission. The sprinkler system has been installed at the Veterans Memorial Park and the remainder residual of $20,000, they are suggesting should go to additional improvements at Fire Station #2 park. He spoke briefly on the re-tagging of the Davison Road Side Park designation to the Kelly Lake Park area.

Mr. Becker stated for Item D, under his summary, is the offset if we suggest funding the Police Fund changes, then the General Fund absent of any other revenue source, can pick up that tab.

Mr. Martinbianco said he will have a General Fund request change as he did a year ago, that hinges on Truth and Taxation.

Mr. Becker said Mr. Lowthian has not received final numbers from the County. We will not be able to adopt the budget until the second regular meeting in June and we will have to have the Truth and Taxation hearing as a special meeting that same night of the 17th. It impacts General Fund, Police Fund and the DDA. It does not impact the Sewer Debt.

Mr. Martinbianco inquired regarding the status of the computer consulting contract and how it impacts all these budgets in the General Fund.

Mr. Becker said in the very first work session in General Fund, we had some direction from Council to include a contractual position throughout the budget of $62,000 in total. At that point in time we still had the existing person which has since terminated service with the City. Mr. Abbey is in the process of checking into alternative people on a contractual basis, both firms and individuals.

Mr. Becker addresssed concerns with the City-wide server. Brief discussion followed regarding the computer system.

Mr. Hammon spoke regarding discussions with Fire Chief Halstead and Police Chief Benthall concerning defibrillators. Chief Halstead indicated one was needed in the DPW, City Hall and the Senior Citizens Center. Mr. Hammon said he feels we need one at City Hall because of the large gatherings of various meetings. He said the $3,000 would come from the General Fund and inquired as to what line item.

Mr. Becker said if one was stationed at City Hall it would go under City Hall. New Equipment Budget currently has line item $4,000. If you are suggesting to buy one defibrillator for City Hall we would increase that $3,000 to a total of $7,000.

Mr. Hammon suggests that is donet. He also stated he has a request from the ZBA Chairman to ask the Council for a $5.00 increase on their monthly per diem payment. He believes the last increase was around two years ago.

Brief discussion followed regarding the pay increase for Planning and ZBA members. Both Mr. Brawner and Mr. Martinbianco spoke in agreement of the increase.

Discussion came up again regarding the defibrillators and the placement locations. Council members feel it is important to have one at the Senior Citizens Center. Mr. Hammon said he would like to see one eventually at City Hall and maybe we could look at it again next year, and at least get a start somewhere on getting public buildings with defibrillators. It was decided to have one placed at the Senior Citizen Center.

Mrs. Tinnin spoke regarding an amendment in General Fund that we are proposing $100,000 for capital needs out of the $250,000 that is there. She suggests to transfer that General Fund money to the capital improvements budget and transfer the revenue over to other funds. Also, add a line onto the expenditure side, such as the Burton Regional Park. It seems to be a concensus that people would like to see a regional park. Some reserve funds need to be allocated and hopefully we will address to add to that allocation on a yearly basis. She believes there would be a revise total of $208,626 budgeted for that year.

Mr. Martinbianco asked for clarification if she is suggesting the proposed General Fund capital needs of the $250,000, and suggesting to leave $150,000 to support the purchase of six vehicles, and transfer the remaining $100,000 earmarked for the Parks & Recreation to the Capital Improvements Budget.

Mr. Martinbianco stated further, he does not have a problem with that but we are going to be faced with some increases we have talked about in General Fund. His proposal is going to come forth to roll back the millage, with an amount if consistent with last year of $50,000 to $55,000. That would leave approximately $50,000 or less.

Mr. Martinbianco spoke regarding the Burton Regional Park issue and to look at a sinking fund and/or place some requisite dollars away for that.

Mr. Centilli asked if they are suggesting to move the $100,000 out of Parks & Recreation.

Mr. Martinbianco said that is what Mrs. Tinnin suggested and he concurs, to go to the capital improvements.

Mr. Hammon said he is not in favor of moving that money from that line item.

Mr. Brawer indicated he has no problem with it.

Mr. Martinbianco said he would support it.

Mr. Centilli said he would like to move it.

Mr. Brawner brought up the increase for Planning and ZBA members. Mr. Centilli and Mrs. Tinnin said they see no problem with an increase for the members.

Discussion continued regarding the $100,000 amount moving out of Parks & Recreation.

Mr. Hammon asked how the $112,000 came about and was that an amount recommended by the committee.

Mr. Becker said the $112,000 is their operational budget. Last year when they had their list of priorities, that is how we got to that point in time of $112,000. When we look at the current budget, even though we are suggesting we are only going to spend $86,000, this year the budget in the third year is $112,000. That was because of the variety of topics that needed attention and we tried to maintain the $112,000 funding for the future year. This is not to be confused with the other $100,000 you are talking about.

Mr. Martinbianco said the $100,000 that is being referenced is a one time shot, kind of a windfall from the Schramm Drain.

Mr. Becker said that is correct.

Mr. Martinbianco said this is not meaning to undermine the existing Parks & Recreation proposal for their parks and recreation portion of the budget.

Mr. Hammon said then the line item of P & R would remain at $112,000.

Mr. Martinbianco said that is based on the re-organization of DPW, and he would find it consistent with management practice. The Parks & Recreation Director is drawing 25% of his wages from the P& R budget and we have only one building inspector and need two.

Mr. Hammon stated further that he understands they need a code enforcement officer. However, you create a citizens committee and they come up with their wants and needs, and outlined what their goals are over the next few years. He does not want to create committees, and then not support them. If these are their future hopes of parks and recreation, Kelly Lake, and a playscape, he does not want to start moving funds away from them and do anything to discourage them. Mr. Hammon said he does though understand what Mr. Martinbianco is saying.

Mr. Martinbianco stated he appreciates Mr. Hammon's insight and that he is correct. We should not do that anymore then we just established a City Hall Expansion Committee and we should make sure they understand we want to move in that direction and be able to have the requisite funding to support their procedures as well.

Mr. Martinbianco stated further, with them knowing under the Capital Improvements Budget which differs from the parks operational budget, if we earmark those funds and decide at a later date that we do not want them there, and want them somewhere else because of an immediate need, at least we know they are there and can go back and attach them without compromising the fund balance. We can take advantage of the windfall from the Schramm Drain.

Mr. Becker said Parks & Recreation is composed of three pieces. The operational budget, the $100,000 one time commitment to capital needs, and the Community Development funding, which are all intertwined. They are moving forward on the Bendle Elementary School playscape and waiting for an environmental review from the County to do that. There are operational projects that by the Commission, decided to spend money on Kelly Lake. Also, they decided to revamp Fire Station #2, and beyond that, the Regional Park discussion whenever that may happen. The operational budget of $112,000, you see under Parks & Recreation Commission they have a $62,000 line item that is open ended and has flexibility to take on new ideas.

<u>Capital Improvement Fund</u>

Mr. Becker said there is one change suggested that will be part of that, which is moving the $100,000 there and calling it Burton Regional Park. The other ones, assuming there are unspent monies out of the Parks & Recreation operational budget, that actually get transferred over at June 30th. If Kelly Lake gets spent by June 30th, this will not happen. He suggests changing the tags on the particular line items. It will not happen if there isn't any residual transfer of the current year's allocation that ends up being unspent June 30th or does not get transferred over there.

Rubbish Fund

Mr. Becker said any paper yard waste bags sold would be at cost. He has attempted to create a new revenue line item of material sales and offset it with operational supplies expense of operating supplies. A total of $16,000 was arrived at taking 60,000 bags a year times 26 cents. That was the updated quote we got after the work session.

Mr. Martinbianco re-iterated we have a great opportunity to get out of the retail business and taking up employees time selling garbage bags of any kind, and any other retail product.

Discussion continued at length regarding the amount of bags sold, costs, increase in pick-up stops, surplus and a projected fund balance.

After lengthy discussion, Mr. Hammon asked Mr. Becker for his views of taking a projected budget, fund balance, and cut it in half.

Mr. Becker said the only reason we developed a surplus was due to cash flow. If you are charging what you are paying out, you should not have any fund balance. We are fortunate enough to collect it on our summer taxes. We get a large flux of rubbish fees in the first three months of July, August and September when taxes are due. However, we have a large portion of people that pay their taxes delinquent, sometimes do not pay it until February, or just do not pay it. We do not get reimbursed from the County revolving fund until June. With that all said, we are still able from a cash flow standpoint, to keep ahead of our expenditures.

Mr. Becker said we do not get to a shortfall situation until when we get our delinquent revolving fund check which represents 12% of those who do not pay taxes. Depending on cash flow, if we did not collect the taxes in July for the current fiscal year, and did not collect them until December or whatever, there would be more of a need for fund balance to cover the initial shortfall. Because we collect it on summer taxes and we do have a fairly good collection rate, cash flow does not necessarily prove to be a problem.

Mr. Becker stated further, they survived years ago when we first got into this dollar for dollar issue, we survived on $15,000, $20,000 fund balance. So, cutting this in half from a financial standpoint will not harm us. We will not be leaning on General Fund to subsidize us through a cash shortage situation.

Mr. Hammon said he concurs with Mr. Becker, and would like to see this all pulled into one group like was done last year. If Mr. Martinbianco would like to pull out one specific item and make an amendment to it, he has the the right to do that as long as he gets a second and we can vote on that particular item.

Mr. Hammon said the concensus seems to be to continue to sell bags at market price and review after one year, and Mr. Martinbianco's suggestion on the fund balance for the garbage collection.

Mr. Becker said for the final line of capital projects, action is already taken in designating what is generically defined here as revenue bond projects. The Council has now adopted it as the Lapeer Heights Watermain Project.

Mr. Becker indicated the Truth and Taxation Hearing will be on June 19th. As soon as Mr. Lowthian receives the numbers he will give the Council memos. We will develop the amendment package as we spoke about today. There will be millage resolutions and DDA budget items on the June 19th agenda. One item not talked which we always do each year, is any budgets that we think will go over budget in total, we will have year end transfers.

Mr. Becker said there may be several resolutions on the June 19th meeting covering potential deficits that occur for whatever reason.

MEETING ADJOURNED AT 5: 04 P.M.

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