CITY OF BURTON
COUNCIL BUDGET WORKSHOP MINUTES
MAY 9, 2012, 4:00 P.M., COUNCIL CHAMBERS
www.burtonmi.gov

The Budget Workshop was called to order by Finance Chairman Vaughn Smith at 4:12 p.m.

MEMBERS PRESENT: Smith, Heffner, Ellenburg, O'Keefe, Haskins, Martinbianco and Wells.

MEMBERS ABSENT: None.

OTHERS PRESENT: G. Burke-Miller, Controller, G. Kray, DPW Director, B. Bigsby, Administrative Assistant, D. Halstead, Fire Chief, D. Bingaman, Treasurer, S. Bassi, Assessor, S. Warren, Director of Human Resource/Labor Relations, D. Marshke, Water/Sewer Foreman, C. Howser, Street Foreman, and J. Adams, City Clerk.

PURPOSE OF THE MEETING: Council Workshop to discuss the Proposed 2012-2013 City of Burton Budgets, as follows:

1. **Fire Department**
2. **Parks & Recreation**
3. **Capital Improvements**
4. **General Fund Revenues**
5. **Assessor**
6. **Council**
7. **Mayor**
8. **Clerk/Elections**
9. **Treasurer**
10. **Controller**
11. **Public Service**

Mr. Smith said there has been a request that Parks and Recreation be moved to the end of the meeting. There has also been a request that the Treasurer and Assessor be moved up as they have family obligations.

PRESENTATION:

Assessor, Pg. 31

Ms. Burke-Miller read the proposed budget for the Assessor's office.

Ms. Ellenburg asked how many workers are in the Assessing Department.

Ms. Bassi replied she has two clerical staff, with one being a floater.

Ms. Ellenburg questioned the Conferences and Workshops line item.

Ms. Bassi replied she is sending both of her staff to classes, as they are required to have ten hours of education each year. They are paying for both to get certified this year, so the cost will be less next year.

Ms. Ellenburg asked what level of certification is required for the staff in the Assessor's Office.

Ms. Bassi said for a jurisdiction of Burton's size she should have four certified people under her. She would like them to be able to take some of the Deputy work off of her plate because she has been doing the work of both the Deputy and the Assessor.

Mr. Martinbianco asked about the Economic Development.

Ms. Bassi replied it is the whole I-69 corridor.

Mr. Martinbianco asked about the change in salaries permanent and fringe benefits.

Ms. Burke-Miller said Jenny is budgeted 50% in the Assessor's office and 50% in the Clerk's Office, but was told that she works in the Assessor's Office.

Mr. Martinbianco asked if the assessment appeals roll over to the next year, which will constitute a new appeal.

Ms. Bassi replied she currently has fifty-three appeals between 2010 and 2011 full tribunals that are still open. Most of the 2010 will be done this year.

<u>Treasurer, Pg. 32</u>

Ms. Burke-Miller said the Treasurer's salary is allocated among many departments and funds. She read the Treasurer's office proposed budget.

Mr. Martinbianco asked if there was a breakdown.

Ms. Burke-Miller said she could get them an allocation spread.

Mr. O'Keefe asked how many staff is in the Treasurer's Office.

Mr. Bingaman said there are three including himself. He said they have been keeping up but will begin to fall behind during tax time. He would like to get a lock box set up to take the burden of the mail off of the staff so they can concentrate on other operations of the office.

Mr. Haskins asked how the residents are acting at the windows and if they have to wait in long lines.

Mr. Bingaman said even on the due date a person might have to wait five minutes.

Ms. Ellenburg said she and the residents appreciate Mr. Bingaman working the window.

Mr. Wells asked if he had any plans on adding a Deputy Treasurer.

Mr. Bingaman said there are currently no plans for adding a Deputy Treasurer. Mr. Bingaman said they have between 600 and 700 hundred people signed up for the ACH program.

Fire Department, Pg. 14-16

Ms. Burke-Miller read the proposed budget for the Fire Department.

Mr. Martinbianco asked what percentage is calculated between current real/personal property taxes.

Ms. Burke-Miller said she did not have that spreadsheet in front of her.

Mr. Smith asked if she could breakdown the contributions from other funds.

Ms. Burke-Miller said it would relate back to whatever the expenditures are because we have to have a balanced budget.

Mr. Smith asked if the Fire Department is going back into General Fund.

Ms. Burke-Miller said the Fire Department has to pull money out of the General Fund in order to operate. The millage that was passed is supposed to cover the bond issuance as well as part of the operational. Since the taxable value continues to decline, we still have the obligation of the principle and interest on the bonds. This was a newer bond issuance and we only paid an interest payment last fiscal year, where this year we are getting into principle payments. When we asked for the millage we were not anticipating the taxable value to continue to decline.

Mr. Wells asked how much of the fire recovery fees were from Twin Meadows.

Ms. Burke-Miller said she would not know unless she went back and looked at what hit that GL line item and drill down into which invoices those came from.

Chief Halstead said the trailer fires have generated $1,000. The owner owes more and has been making payments of $500.00 a month. The $46,000 is not too far off par to what is normally collected. The new fireworks regulation was supposed to generate funds for the local Fire Departments but the State kept all the money the first year.

Mr. Wells said he would like to look into making those inspections worth the City’s while, especially in light of the Senior housing fire.

Chief Halstead said foster homes, hospitals, and schools all belong to the State. The Firefighter “Right to Know” law allows us to take a fire truck and four firefighters, and go into a business to make a layout of the building in case anything happens in the future.

Mr. Wells said if the Chief could figure out how many places they are going to inspect and put a price together that would pay someone to do that. The firefighters need to know where hazardous materials are in buildings. He would like to make a program to certify people to be able to do that. Chief Halstead said when they had the other inspection program businesses that had over 1,000 lbs or gallons of hazardous materials were being charged $400 a year. If a business had less than that amount they would be required to pay $200 a year. If a business didn’t have any hazardous materials they would be charged $50 and would only require an inspection every three years. He thinks it is unfair that different businesses are charged different amounts for them doing the same work.

Mr. O’Keefe asked Chief Halstead what he anticipates the summer to be like.

Chief Halstead said he sat on the Committee in Lansing that helped design the Fireworks legislation. For the last three years, he opposed it because of the safety issue. It is a State law for thirty days they can shoot fireworks and they can sell them all year long. The roadside stands are charged for inspections. We get $800 from permanent structures and $480 from the tents.

Ms. Burke-Miller went over the expenditures.

Ms. Ellenburg asked about a vehicle for $62,000 and proposed equipment.

Chief Halstead said the only way we would be able to buy a fire truck is in installments. They desperately need two trucks. He said they are trying to re-supply helmets and turnout clothing. If we get new firefighters we will need to supply them with equipments.

Mr. O’Keefe said the lifespan of equipment is a factor in figuring the budget.

Mr. Halstead said they replaced all of their supply hose with 5” hose and the 1” 3/4 hose. They have had to replace a few nozzles that broke. They just ordered eight pairs of gloves in each size and replaced nine helmets that had chunks out of them or melted parts. Boots have gone up to $229 a pair and gloves are $73 a pair. They have experienced an increase in cost in turnout gear, which are coats and pants. They vary between $2,200 and $1,300 a set, depending on the quality of the stitching and lining but the material is the same for all of them. He said he is going to put in a grant for a ladder truck.

Ms. Ellenburg asked if there was match money they should set aside.

Chief Halstead said he would come to the Council for approval after he wrote the grant and knew how much money they needed for the match.

Mr. Smith asked if the Chief is trying to build a fund for fire trucks.

Chief Halstead said to build a fund they need to set up a depreciation fund. This is the only way that they are going to be able to buy a truck.

Mr. O’Keefe said that what is being discussed is applicable to all the departments. He said they are going to have to come up with a financing plan to fund these vehicles.

Ms. Ellenburg asked if we could calculate the hours and the usage and set up a depreciation fund for all of our vehicles.

Ms. Burke-Miller said we do have one set up for our DPW equipment to log what department to charge. There is no tracking of hours for police vehicles and equipment. She said we have to start setting money aside. She budgeted 100% out of Capital Improvements for each department.

Chief Halstead said the rigs were paid off in 10 years. He said if you amortize it over a 10-year period, it is the same as having a depreciation fund, but he would rather have the depreciation fund.

Mr. Martinbianco said we have never depreciated any General Fund vehicles. Now that the Fire Department is in a different fund, he doesn't disagree with the need, but he does disagree with the dollar amount.

Mr. Martinbianco asked about the salaries permanent line item.

Chief Halstead said it constitutes the wages for Teine Deal, the Senior Clerk/Typist at the Fire Department.

Mr. Martinbianco said we are down 22% with respect to part-time firefighters, but the budgeted amount is going up $30,000 for part-time firefighters.

Chief Halstead said that when you have paid, on-call firefighters it doesn't change the salary range. Part of this is based on the run volume we had this year. We are still running mutual aide. He said the wages are not that much higher, it just matters how many people show up to the fires.

Mr. Martinbianco said the issue of mutual aide should be discussed.

Chief Halstead said it is his call when those situations arise.

Mr. Martinbianco said we have a brand new facility and two refurbished facilities that shouldn't need anything. He asked about the $6,000 increase in the budget.

Chief Halstead said Station 1 and 3 are probably going to need close to that amount to repair their ramps and parking lots.

Mr. Wells asked about invoices for Twin Meadows.

Ms. Burke-Miller said she is able to run a GL activity report and then drill down to see which invoices relate to the actual amounts and then reference the actual invoice numbers.

Chief Halstead said we have billed them for close to $20,000, but that doesn't necessarily mean that is what we spent. We are restricted when it comes to billing. We bill what insurance policies allow. Ms. Burke-Miller asked if Mr. Wells wanted an actual cost.

Mr. Wells said he would like an actual cost. He referenced the Safety Day the Fire Department has put on in the past at Meijer.

Chief Halstead said it normally happens in October and they don't have the same contacts at Meijer any longer.

Capital Improvements, Pg. 22-23

Ms. Burke-Miller said we want to look at the Motor Pool, Water and Sewer purchases. She said there were questions about a new dump truck. She was able to locate the oldest dump truck, which is a 1999 Autocar dump truck. The purchase price was $119,762.50 and had a 10% salvage value. It was depreciated down to its salvage value as of 2004.

Ms. Ellenburg asked if they have looked into leasing a dump truck.

Ms. Burke-Miller replied they had not.

Mr. Howser said you could lease the truck but not the chassis.

Mr. Heffner asked what was wrong with the dump truck.

Mr. Howser said the winter is the worst and the underbody has to be re-welded often. They are going to start putting more money into it. There has been $10,000 worth of repairs in three years. He said he was told to prepare a list and that is what he did.

Mr. Heffner said he would rather spend the $10,000 than buy a new dump truck. He asked about the air compressor.

Mr. Howser replied that during the 8 hours of operation you can feel heat radiating off of it. The new compressor is more efficient in maintaining pressure and stays cooler. The compressor we have is about 15 years old.

Mr. O'Keefe said leasing a dump truck doesn't make any sense, but asked if there was a way to get it financed.

Mr. Kray said we have seven trucks and would be financing a new truck every two years. We will be happy to look into long term financing.

Mr. Martinbianco said a lot of this equipment was done under Capital Projects budget. The Capital Improvements project or budget would be proposed and adopted on a line item basis.

Mr. Martinbianco asked if they were looking for an additional laborer.

Mr. Marshke said it would be nice.

Mr. Martinbianco asked about Storz Hydrant Couplings.

Mr. Marshke explained that a Storz Hydrant Coupling is a fitting that goes on the 4” discharge to 5” so the Fire Department can attach rapidly. He has been retrofitting the hydrants and would like to fit all of them in the city.

Mr. Wells asked if their intention was to do most of the work in-house, rather than contracting it out.

Mr. Marshke said it would be nice to go in that direction, which is why he is requesting a laborer. He is struggling with staffing issues right now. The system is aging; the hydrants need paint and maintenance. Summer help used to help paint twelve hundred to thirteen hundred hydrants, but we don’t have that anymore. If he could get another laborer or two and do more things in house it will save money. We have a valve turning machine that takes two people, which is difficult to find the manpower to cover.

Mr. Howser said they are doing the best they can with the staff they have.

Mr. Wells asked if they have had people contacting them about potholes via the website. He asked if City of Burton employees are involved when we contract things out.

Mr. Howser said we are not able to contract anything out because we have employees that are still laid off.

Mr. Martinbianco asked about the lateral launch camera retrofit.

Mr. Marshke replied there is a lot of our system that we currently can’t examine in the lateral. It has been proven that most of the infiltration problems come from leads from houses and businesses. The county is monitoring flows into their system from our system, and we will be billed for excess flow.

Mr. Kray said with the camera that we have we are able to stop the leads, turn the camera head and look at the lead. If it is pouring water around the joint, we know there is infiltration there. The lateral launch enables us to see if there is a break and to go up into it, rather than doing exploratory digging. It is only the ones that are leaking that this new camera would help with.

Ms. Ellenburg asked if this could be bought from our sewer fund and paid back at a later date.

Ms. Burke-Miller said it would be coming out of our sewer fund.

Mr. Marshke said we currently have five can–style stations that you have enter through an access hatch down a latter thirty-feet under the ground. Those stations are forty to fifty years old and very dangerous. The electrical components do not meet OSHA standards. He recommends they consider replacing those stations, one per year, with submersible style stations. No one has to enter them and all the work can be done from ground level. He said it is troubling they don’t know what condition the outside of the building is in because it is buried underground.

Mr. Martinbianco asked about the condition of the telemetry.

Mr. Marshke said the telemetry is in good condition. The pumps and the station itself is very inefficient. The new stations would result in a huge cost savings. Two were taken offline when the new relief sewer was put online in the north end. We have five stations left. He asked if they rehab them, spending $60,000 to paint them, or if they should replace them.

Mr. Wells asked about decommissioning two to three well pumps.

Mr. Marshke said that is a water issue. The three well houses that we currently maintain have never been used in the fourteen years he has worked for the City.

Mr. Wells asked what the cost savings would be on that.

Mr. Marshke said they might need to have a consulting firm come in and do some analysis on that, as well as the lift savings on the sewer side.

Mr. Wells asked if the County has someone on staff.

Mr. Marshke said he would check into it.

Mr. Kray said the replacement of the can stations are not in the proposed budget. You are looking at $150,000 to $200,000 a piece. Mr. Kray asked if the DEQ recommended against decommissioning the wells.

Mr. Marshke said the DEQ recommended they keep one open for emergencies. If something were to happen in Burton, we have emergency interconnections with Flint and other municipalities.

Parks and Recreation, Pg. 36

Ms. Burke read the proposed budget for the Parks and Recreation Commission.

Mr. Wells said he is glad they are getting a Parks and Recreation Director and asked if they have starting taking applications.

Mr. Heffner said that the Mayor appoints that position. The past administration always did.

Mr. Wells said he wasn’t aware they had a Parks and Recreation Director since Ralph LaDuke.

Mr. Heffner said there were Liz Moss, Ralph LaDuke and Jeff Major.

Mr. Wells said he would like to see a legitimate Parks and Recreation Director come in and he wouldn’t mind paying them $25,000.

Ms. Ellenburg said she would like someone who is educated in that department.

Mr. Wells said it is very much needed. He said they are going to save the City by giving the residents something to do, which helps to bring people into the City. He thinks someone needs to be in charge of running it as a full time job.

Ms. Bigsby said she has submitted her application to Northern Arizona University for a Park and Recreation certification program, which starts in June. As the interim Parks and Recreation director she felt that it would behoove her as well as the City to be proactive to start education down that line. She just wanted them to know that she has submitted her application.

Mr. Wells asked what she was going to do about her job as the secretary in the Mayor's office.

Ms. Bigsby said that she fills in some of the stuff with Parks and Recreation into her daily tasks. This salary was built in for evening and weekend activities.

Mr. Wells said that he would like to have someone who can focus on the Parks and Recreation Director job.

Ms. Bigsby said in this tight budget we all have to wear multiple hats.

Ms. Ellenburg asked if the City was paying for that certification.

Ms. Bigsby replied she has not worked out the finances. She addressed the Capital Improvement line item and reminded the Council they approved a grant that caused the Parks and Recreation Commission to have to set aside a match of $57,000. She said the Commission volunteered to fundraise the money. When she took the parks over she started a playground safety equipment checklist and there are some needs that must be addressed.

Mr. Heffner said the restrooms at Kelly Lake are a priority. The Parks and Recreation Commission needs to get paid for their time. This is the only Commission that has to spend money to be here. He proposed they make $40.00 a month.

Mr. O'Keefe said the other Boards receive $40.00 a meeting and asked why we should compensate the Parks and Recreation Commission any differently.

Mr. Wells said they should also be compensated if they go to classes.

Mr. Martinbianco said there is no line item for Conference and Workshop.

Meeting adjourned at 6:10 p.m.

ly