CITY OF BURTON
COUNCIL BUDGET WORKSHOP MINUTES
MAY 13, 2013, 5:00 P.M., COUNCIL CHAMBERS
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Chairman Vaughn Smith called the Meeting to order at 5:10 p.m.

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

MEMBERS ABSENT: None.

OTHERS PRESENT: Fire Chief D. Halstead, G. Burke-Miller, Controller and J. Adams, City Clerk.

PURPOSE OF THE MEETING: COUNCIL WORKSHOP TO DISCUSS THE PROPOSED 2013-2014 CITY OF BURTON BUDGETS.

1. **Fire**
2. **Fire Capital Projects**
3. **Sewer Debt Retirement**
4. **Burton Self Insurance Fund**

PRESENTATION:

Mrs. Burke-Miller went over the Fire Budget revenues.

Mrs. Ellenburg asked for clarification on what we sold for $25,000 under the sale of assets.

Mrs. Burke-Miller said Chief Halstead would like to sell 2 trucks that he is replacing and is hoping to get $25,000 for both.

Mrs. Ellenburg asked if they would be used for parts.

Chief Halstead said they are viable trucks that could still be utilized. We also have the training building on Dort Highway for sale.

Mr. O'Keefe asked if that was the old Genesee Welding Building and if it would be worth anything being on Dort Highway.

Chief Halstead replied that is the same building. The building itself is sound. The doors, framing etc. are rotting and weak, there is mold and the roof is horrid.

Mr. O'Keefe recommended letting a realtor have a chance at selling it.

Mrs. Burke-Miller read the expenditures aloud. She said Information Tech Supplies is at $40,176.81, which has jumped substantially because of the new computers and servers at each fire station. She said for building maintenance and supplies the current year projected activity is $48,000 and we are only budgeting $12,000. The reason is because we needed money in from the Capital Improvements for Chief Halstead to have the pavement fixed at all 3 Fire Stations.

Mrs. Ellenburg asked regarding the Information Tech Supplies, when we bonded for that was any of the computer technology included in that bond.

Chief Halstead replied it was. We had all the tech supplies in the bond as well as the cost of the building. We made the purchase of all the equipment and when they started putting it together the contractors were not doing an adequate job. The City computers were also changed to a lease program so the Mayor and Controller suggested putting Mark Udell's computers with the rest of them to be covered under 1 maintenance issue.

Mrs. Ellenburg said so the leasing company bought what we bought with the bond. She asked how much we got back from that.

Mrs. Burke-Miller said about $56,000. Anything left would be rolled back into the Fire Department.

Mrs. Ellenburg asked if there was a list of new equipment we would be getting.

Chief Halstead said it's mainly an ongoing maintenance issue more than anything else.

Mr. O'Keefe has learned that safety is important to him. He asked if there are things that are on the list that haven't been added to the budget.

Chief Halstead said he'll be having a company come in that would make sure all the tools are safe. His biggest issue is training. They are only training once a month now because of money.

Mr. O'Keefe asked if the $8,000 in the training budget is for the 1 day per month training.

Chief Halstead said yes and it covers if we purchase something for the training. The wages have to be folded in with the total salaries for part time firefighters. One of his biggest problems is he never knows at the beginning of the year how much it will cost for the rest of the year to fight fires. He would like to be able to spend the money more on training.

Mr. O'Keefe suggested looking at what needs to be done in training for the next year because training the firefighters is very important. He would be in support of tweaking the numbers to make that happen.

Mr. Wells asked if they got the 5 inch hoses put on.

Chief Halstead said they have a schedule for placing those on hydrants. The ones in commercial districts are pretty much complete. The hydraulic cutters are about 13 years old. He said MIOSHA would be fining the Department due to a run they had to Ice Mountain.

Chief Halstead said he would like to start sending out postcards to constituents they serviced so they can comment on the services they were given so we can better improve the service.
Mrs. Burke-Miller went over the Fire Capital Projects in regards to the new fire station building and improvements. The City has a debt of $10,000 left to pay DCC and a few landscaping issues to take care of. We will probably not need all of the $34,000 that was set aside.

Chief Halstead said there is an issue at Station 2 with the commercial power washer and explained the situation.

Mr. Haskins asked if there is any way to squeeze the money out to get a gator to transport the men quicker. It would probably be around $8,000-15,000 depending on the model.

Mrs. Burke-Miller said there would be a good amount of funds coming back to the department.

Chief Halstead would have to look at other priorities before looking at a gator.

Mr. Haskins asked the Chief his feelings on Deputy Chiefs using POV's. Could there be a cost savings to utilize money for other areas within the department.

Chief Halstead thought that would be too complicated. He did not think it would save money.

Mr. Haskins said the firefighters have to use their own vehicles.

Mr. Wells asked how many other cities allow there Deputy Chiefs to drive city cars home.

Chief Halstead said Grand Blanc does and multiple other cities.

Mr. Wells asked if the men are driving those cars all the time or just from home to the fires.

Chief Halstead said according to the contract they are allowed to use them when they want. He said each driver has a gas card issued to them and DPW has a record of how often it is used, maintenance records and how many miles.

Chief Halstead said these vehicles are handed down from the Police Station, which have a minimum of 110,000 to 130,000 miles.

Mrs. Burke-Miller suggested putting $24 for interest income and said we are receiving some interest income. There is about $46,000 sitting there.

Mr. Martinbianco said it doesn't make sense to him to put $24 in there. For sewer debt retirement, we have nothing left to retire. We shouldn't play games with what money is left. We should remove it and move it to where we can legally put it.

Mr. Wells said we did something similar with rubbish fees and put it back into General Fund.

Mrs. Burke-Miller went over revenues for Burton Self Insurance Fund with a total of $1,235,000. She will keep a close eye on this as we pay the bills so that they are billing each of the departments at an adequate rate.

Mr. Wells asked if she expected this fund to drop.

Mrs. Burke-Miller received rates from Blue Cross and they were down by 7% part of it because our agent fees were not included and our current group is relatively healthy.

Mr. Wells asked if the employees kept the money on the other account and don’t get it anymore.

Mrs. Burke-Miller said it depends on what labor group they are with. Retirees had to stick with the HSA.

Mr. Martinbianco said if government is required to get smaller and the retiree base gets larger these people are not going to be able to support the costs associated with that and at some point these folks would have to bring back that number so there’s an equilibrium. Part of the previous definition could have been solicited to be retirees as well then everyone is in the same pool together. Everyone should share the burden of that cost not just current employees. Whenever we sign that agreement and all the employees in place at that time and all the ones to follow are going to end up sharing the burden of that. That was always his understanding and wouldn’t have approved it with any other understanding. He said there has been ample discussion regarding 80/20 and hard cap. He asked at what point would there be better numbers that would more accurately reflect things. Cost was a motivating factor for the Council to go with hard cap because it seemed liked things were going to level out but in the case of Obamacare kicking in 2014 we have to make some hard decisions.

Mrs. Burke-Miller said back in December when she ran those numbers and figured in a 10% increase based on the hard cap the employees would be kicking in $169,000. When you figure those numbers with 80/20 with the employees paying 20% it would come to about $199,000 so there was about a $30,000 difference.

Mr. Martinbianco asked if the State realizes we operate on a fiscal year. They haven’t cared about anything we try to do to make things right. We need to get the word to the powers in Lansing. Someone at least needs to tell them how unhappy we are with the State’s decisions on some issues.

Mrs. Burke-Miller went over City Hall funds with a total of $433,073.

Mr. Wells asked what caused the fringe benefits to jump from $29,000 to $49,000.

Mrs. Burke-Miller said we brought back an employee and she is partially covering the reception desk and partially in the Treasurer’s Office.

Mr. Wells said because of the jump in fringe benefits from $55,000 to $105,894 someone must have gotten added to the Building Fund or someone got a substantial raise in fringe benefits. He asked to see the list showing what department the employees are paid out of.

Mrs. Burke-Miller said the cops are going to go from 18.72% to 27% out of their paycheck come July 1st. A couple of them have already lost their homes. They are hoping the arbitrator will say for us to increase our percentage. The only way we can give them relief is to take on more of a percentage.

Mr. Haskins said if these cops quit because of this that will hurt us worse because no one would be contributing. Our current cops that are working are basically funded. It's the retirees that are out there that these guys are paying for so they are losing their pay and their homes for everyone else who are already retired. They are not going to stick around.

Mr. Martinbianco said if an emergency manager ever came into Burton the first thing they might look at is containing the current costs including the cost of retiree healthcare. The next would probably be which retirement package they would end up with.

Mrs. Burke-Miller went over Public Service funds with a total of $648,350.

Mr. Wells asked why the drains at large have seemed to double since 2011.

Mrs. Burke-Miller said this includes Burton's portion of the Gilkey Creek bond payment of $48,000 per year. We have a drain amount being charged to the residents but is being passed through to the County direct so we don't have money coming in.

Mr. Martinbianco said the street lighting is going to end up being a killer and he is not a big tax and spend person but if we levied ½ a mil to erase ½ of that debt because street lighting is almost a mil and if we raise street lighting for ½ a mil we could justify it and would also pay ½. At the SEV we have right now we would never get a better deal price wise.

Mr. Heffner said the taxpayers are already being charged for it.

Mr. Martinbianco said the residents would only pay ½ of what it is worth.

Mr. Wells said the residents taxes will continue to go down and City will be less safe. If we have to start turning off street lights it will be worse.

Mr. Martinbianco said we have to rethink everything we do including being more meticulous in each service we offer. We are servicing the same amount of street lights with less and less people. We raised the sewer fee almost double per quarter and people grumbled about it but we had to do it because we had to pass it on.

Mr. Heffner said we can go to LED street lights and save 50-85% of this $464,000 and accomplish the same thing as well as have better lighting.
Mr. Martinbianco proposed we go out for a millage. You don't have to go to the vote of the people.

Mrs. Burke-Miller said when she first started at the City she checked into switching to LED and those lights are pretty much controlled by Consumer's. We pay for electric use but they are putting in more energy efficient lighting so she has seen these bills dropping.

Mr. Wells said this millage should have happened years ago but when he brought it up awhile back he was shot down. He was told by Consumer's Energy they are willing to do one street at a time just to see how the lights would work but it would take Administration coming on board.

Mr. Haskins would like to see the non-homestead taxes get tripled. When you have people who own homes in Burton and they rent them out they don't care about Burton. They care about their bottom line and making money so if we can bring people to Burton that live here we would be better off. The landlords are skating easy in the City of Burton.

Mr. Martinbianco said that is State mandated and not under our control.

Mrs. Burke-Miller went over transfers out, which cover the departments the General Fund supports.

Mr. Wells asked if the transfer to the Police Fund is a result of the arbitration.

Mrs. Burke-Miller said that is based on the budget. She has to develop the budget first for the Police Fund and then determine how much extra money is needed out from General Fund to help support it.

Mr. Smith asked the Council to evaluate $866,000 that we have to cut or go into the General Fund.

Meeting adjourned at 7:40 p.m.

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