CITY OF BURTON
COUNCIL BUDGET WORKSHOP MINUTES
JUNE 11, 2013, 5:00 P.M., COUNCIL CHAMBERS
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The Workshop is called to order by President Martinbianco at 5:25 p.m.

MEMBERS PRESENT: Smith, Ellenburg, O'Keefe, Haskins, Heffner, Martinbianco and Wells.
MEMBERS ABSENT: None.
OTHERS PRESENT: Mayor P. Zelenko, G. Burke-Miller, Controller, G. Kray, DPW Director, Fire Chief D. Halstead, Police Chief T. Osterholzer, and J. Adams, City Clerk.

PURPOSE OF THE MEETING: Discussion and recommendations on budget adjustments within the proposed 2013-2014 City of Burton Budget.

PRESENTATION:

Mayor Zelenko said there was some discussion regarding I.T. Right last night. We've had the opportunity to talk to Dan Egleston who is the owner of I.T. Right. He told us that $20,000 cannot possibly cover the cost of a City our size and he would prefer to consult, not manage.

Mr. Martinbianco turned the meeting over to Finance Chairman Councilman Smith.

Mr. Smith said tonight we are going to start at the beginning of the Budget, with the exception of Police, we are going to wait to the end for that to try to get a good feel of where we are at in the process of eliminating an $866,000 deficit from this year's budget. I would like to open it up to Council Discussion and we are going to be discussing the General Fund first.

COUNCIL DISCUSSION:

Mr. Martinbianco said a question relative to some recent developments at the State level regarding EVIP and the potential increases that have been sent forth to the Governor's office for a signature, relative to a 4.8% increase in Statutory Revenue Sharing, in addition to a 2.6% increase in Constitutional and what dollars that might with the increases proposed, be brought in during the realm of this fiscal year.

Mayor Zelenko said the other thing we are waiting for is what effect the elimination of the sales tax on aviation fuel is going to have on the revenues and how it will affect revenue sharing.

Mr. Martinbianco mentioned the price of commodity fuel.
Mayor Zelenko said we are talking about just the tax.

Mr. Martinbianco said he is talking about the sales tax increase when gasoline over the counter is $3.59 a gallon and now it is $4.19 a gallon, .50 cents times .06 cents means their collecting an additional .03 cents a gallon times a bazillion gallons that we sell here in the State, in the height of vacation season, just to speak to this time of year. So there could be an offset and some non-incremental decrease because of the release of the aviation tax.

Mr. Martinbianco stated further, my guess is that the sales tax increase should go up somewhat accordingly if gas prices stay the way they are. Our share of State Shared Revenues will actually increase instead of decrease. At this point I would call the two items that we just discussed a wash. Even if you included a 5% increase in EVIP, I think that we meet categories, at least category B, which would be full qualification at that point.

Mayor Zelenko said that's true. I don't know if there are any additional EVIP requirements to filing to EVIP to add to that. As usual we are kind of left at the mercy of the State government. But as soon as I know anything I will pass that right along.

Mr. Martinbianco expressed to Mayor Zelenko that she has been more than gracious about doing so and thanked her. Under the revenue side, the only other topic would be franchise fees. I know there have been widespread discussion at all levels, relative to keeping that number about where it is at. It has been pretty stable; at least I would like to think it is going to stay that way throughout the year.

Mr. Wells said I also had a chance to talk to Mr. Egleston at I.T. Right today. I was surprised to say that we had talked to someone from the City about 30 minutes before I called. He was very nervous with getting involved in something political. I told him there was nothing political just a City trying to save its Police force and looking for ways to cut costs, plain and simple. We did not talk about costs but said he could come in Thursday, Friday of this week or Thursday or Friday of next week to talk to the Council as a whole. I left it in his hands to call Mr. Smith, as the Finance Chair, and set that meeting up. I would like to see what they have to offer. I just thought it was strange and the gentleman was very concerned with getting involved in the middle of a political trap. He said we don't do politics, we do governmental websites, and we do governmental I.T. They are sanctioned by the State and Federal government with LEIN program and got everything. We talked about other municipalities that use them that are very satisfied. Their accountability rate is 100%. That is pretty high. Like I said taking all the politics, there is nothing political about anything that we are doing today. This is all about numbers, plain and simple. The politics is what got us into this mess. I will be quite honest with you and most of you know it. This is all about numbers and how do we keep this City safe. That is my number one priority and I think all of us fall into that same line.

Mr. O'Keefe said he would go on record, as our main dilemma is revenue for the last five years. Property values have plummeted and that is a direct result of what kind of property taxes we get and if anyone is a Burton resident, just go back five years ago and see what you are paying on your property taxes and look what you are paying this year and it is a big, big difference.

Mr. Wells said lets go back to General Fund. One of the items I have listed here that will save $47,860 approximately, I don't think any of us really know, is to eliminate all conferences and workshops. And when I say eliminate, take them out of the Budget now, see how things progress. If something comes up later that we feel is necessary to send an individual from the City Council or from the Administration, they can always come to City Council and we can transfer the money to make that happen. We don't want to get ourselves in a position to not be informed about certain things, but that is almost $50,000 right there, just in one simple line item that I think is kind of taken advantage of from year to year; conferences and workshops.

Mr. Martinbianco asked Mr. Wells if that goes across all General Fund line items.

Mr. Wells stated correct.

Mr. Heffner asked if that is $47,000?
Mr. Wells said it is $47,860 according to the numbers we had here.

Mr. Heffner said I remember one conference and workshop alone that I attended, that I brought $50,000 back to the City, which equated into $191,000 in savings.

Mr. Wells said that is fine and if you can promise you could do that on every conference we will send you on every one of them.

Mr. Heffner said you have been to probably as many or more than me.
Mr. Wells said he hasn't been to one since 2008.
Mr. Heffner said New Orleans.
Mr. Wells said yes when this thing hit.

Mr. Heffner said I just know that if, by what you are saying, if I wasn't allowed to go to that one conference, we would have been out that $50,000, which turned into $191, 000, which is going to save the City money year after year with the LED lights that we purchased. It just doesn't make sense.

Mr. Wells said it makes a lot of sense. We appreciate you bringing it back. There have been many conferences that we haven't brought anything back. Like I said we can take it on a conference-by-conference basis.

Mr. Heffner said you have to get out of your hotel room and get out there and look and see what is going on at the conference. You've got to network and meet people from other communities, from all over the Country and they are the ones with the information that says, "Hey, you might want to go check this out. We did this in our City and it really worked out great."

Mr. Wells said he has a telephone and Internet that he can do the same thing on.
Mr. Heffner asked him what he brought back to the City with that telephone and Internet.
Mr. Wells said who knows.
Mr. Heffner said none of us do because you haven't brought anything back.

Mrs. Ellenburg said she feels like some of the conferences, like we have the I.T., we have conferences for a lot of programs that are new and I think these conferences are going to help them understand them. I am with Mr. Heffner, I do attend. I know going to D.C. pounding on our Congressmen all the time to make sure that our railroads. We finally did get them done and it was a phone call but our constant reminder to get these done and they were pushing. Every time you go back out and push some more they get back on top of it. We do learn lots of new things and find out how other Cities are trying new different ideas and we bring them back.

Mrs. Ellenburg said even if it is just our self, showing new leadership within our self and the importance how to maintain good things for our City. I understand maybe coming to Council but I think education is really important for all of us, especially now. Everything we learn and bring back is going to help the City. So that is my kind of spin on it. I see both sides but I feel education, we are already cutting education with our children and I am not a child but I think I learn something every time I go to a conference. Whether I bring it back verbally to you, I bring it back in my own actions and how I prepare myself for Council.

Mr. Wells asked if you had to pay for those conferences with your own money, would you go and get reimbursed, if you brought back some enterprising idea like you did.

Mr. Heffner said he goes to those conferences and spends thousands of dollars of his own money because the City pays for his room and education. I pay for my way there and my own way back and my food.

Mr. Wells said a couple thousand dollars?

Mr. Heffner said several thousand dollars because he also misses work. I have to take time off of work to go to these conferences. When I took this job I dedicated myself to this job to better myself, and the City employees that go to these all get things out of it and bring new things to the City. Now if you aren't getting anything out of them, then you probably shouldn't go.

Mr. Wells said I don't go because I don't feel we can afford it. I don't think we can look at our Police officers and say you are going to pay this much on your Pension and we are going to go pay a couple thousand dollars going to a conference. I know what goes on at the conferences, but I am not going to sit up here and B.S. anybody. Yeah there is some networking. It is $50,000 you can vote to do it or not, plain and simple. That is the end of my conversation.

Mr. O'Keefe said he would support Mr. Wells' motion, I guess or hand-straw vote, or whatever we are trying to do. Let's just get it out in the open and vote on it and then we will know exactly what we are dealing with.

Mr. Martinbianco said we can't take any action but we can take a straw poll to kind of get a flavor for the wishes of the Council but relative to that so that we can figure on it being included or not being included, it will be one of those two things.

Mr. O'Keefe said we just have to get down to drastic action or we will be here for two days and we are kind of bogging down as it is. Again, I think we just say yes or no and go on to the next thing.

Mr. Heffner expressed wouldn't that be like taking a vote.

Mrs. Ellenburg replied yes.

Mr. Heffner said I don't think we can do that.

Mr. Martinbianco said we have always had some agree or disagree or some measure of consensus. The Controller, it would be unfair to her if we're going to look at this document and we are not going to take any action, which is not taking action because the final document is still in a state of preparation and will be so until we get done doing whatever it is we do best tonight. So my guess is that I wouldn't worry about it if you think there is a question in protocol, take a straw-ballot and call it a day.

Mr. Smith asked Mr. Martinbianco what are his thoughts?

Mr. Martinbianco said he is in agreement with that. I think leaving it open-ended for those conferences might be of some merit. I wouldn't have a problem because the justification will be there and I don't think you will have a problem with Council people stepping up and making that suggestion.

Mr. Smith said he would support Councilman Martinbianco. I agree with both Councilmen. I have seen the method of it and have left ourselves opened to go to a conference. It is just going to have to be done as a one on one basis. I am going to put down here $47,860 in potential savings on the conferences at this point in time.

Mayor Zelenko asked if this is just in General Fund.

Mrs. Burke-Miller asked if we doing it across the board?

Mr. Smith replied, across the board.

Mayor Zelenko asked for clarification - across the board, city-wide, all departments?

Mr. Smith said all departments. We are now down to $818,462.

Mr. Martinbianco said we have had much discussion in relative to Parks & Recreation. Some of the ambitious projects they have successfully entertained, some of the community events that have been smashing successes, I think for the most part. But then we did also have a discussion about the Parks & Recreation Director's salary. The current year we're talking $5,200 and the proposal that was recommended by the Mayor for $15,000, and I would like to see that reduced down to $10,400.

Mr. Wells said I can't support that.

Mr. O'Keefe said I am sorry I've got to stay with the present salary of $5,200.

Mr. Heffner said I support Mr. Martinbianco. I have seen the work of the Parks & Recreation Director. She does some good things for this Community.

Mrs. Ellenburg said she gave her thoughts at the last meeting. I don't want to see $10,000 but I would go to $7,500. That is at least showing thank you and giving her some praise of what she is doing and then look at it again next year.

Mr. Heffner expressed you will notice she is not in attendance tonight.

Mrs. Ellenburg said I did see her go out the door. It is not a dispute that she's not working hard, it's just that all of everybody's working hard and we're all struggling and we are all trying to take the pennies and it just adds a little bit more to the pot.

Mr. Heffner said she is out raising money for Parks & Recreation as we speak.

Mrs. Ellenburg said she wouldn't have to accept it if that wasn't in her area of money she was wanting.

Mr. Wells said we used to have a Parks & Recreation person that did that for nothing, for years when it first was going when it was in its infancy. There was a lot of work that was involved with that and with the Kelly Lake project, we had to fight and go to Court to get that. I don't know how you can hound our employees into taking no raises and no fringes and then give a $10,000 raise to somebody. It boggles my mind. Once again, it is nothing personal, and I can understand if Mrs. Bigsby doesn't want to do that job. I can understand it and I don't know if we will get someone else to step up and do it for nothing. That is my thought on it. Things just don't make sense. We are pinching pennies here. Mr. Wells asked Mr. Smith for the total.

Mr. Smith replied $818,462.

Mrs. Ellenburg said right now we are looking at $62,000 for our match money for our project that we got. I feel that we need a director and I think that Bette has proven herself in raising money and doing events. Like Mr. Heffner said, she is out selling and stuff like that. I think we need some sort of director to keep us in the direction we need to earn that money and cut that money down. You know at least they are helping. They did raise $5,000 this year to go toward that. They are doing a lot for the community. I don't think you will get someone for free, I just think that what I am offering is a reward and we are patting her on the back saying she is doing a good job. She understands this budget, she understands that we are hurting and I think she would still, add just giving her a little bit of a tip, will tell her that we appreciate her and we are thanking her. So that is my proposal, $7,500 and like I said, if she doesn't want to accept it, she will be able to tell the Mayor, and the Mayor will be able to look for someone else who would be interested in that position.

Mr. O'Keefe said I could stay even.

Mr. Smith said this is the hard part, because I know Bette is doing a phenomenal job for Parks & Recreation. I have seen her put in many, many hours here late at night. But where I struggle with is I know there is a lot of other employees in the City of Burton doing the same thing, going above and beyond the call of duty that have accepted a pay freeze. I don't know how I can separate the two, but I think if you were to talk to every employee in the City of Burton, they would all tell you they are giving 100% to their job and to this City. We already have morale issues in the City of Burton because of our financial situation, and to give one employee a raise over another right now would just make it a worse situation. So my thoughts are we keep it at $5,200 and she is doing a great job, it has nothing to do with her job performance, it's trying to make sure that everyone feels like they are getting a fair shake.

Mayor Zelenko said I guess we are not clear on where you are at on that one.

Mrs. Ellenburg said we are leaving it the same.

Mayor Zelenko asked to clarify that they are leaving it at $5,200.

Mr. Smith said we are now at $808,662 and we are moving on to Major Streets on page 13 of the Budget.

Mr. O'Keefe said did we not have to discuss our quarter of projects for the Mayor because of the meeting coming up, the County meeting, did we not need to get some type of order.

Mr. Martinbianco said are you suggesting there was a question about a proposed amendment to the TIP agreement to move forward with that. Did you have an opportunity to talk to Mr. Nordberg?

Mayor Zelenko said no we have not.

Mr. O'Keefe asked if there was enough time as he thought it was time sensitive.

Mayor Zelenko said they have their meeting on the 19th. So we are working on getting that information together for you. You aren't going to be able to take any type of action on it until Monday night anyways.

Mr. Smith said and Local Streets on page 16.
Mr. Martinbianco said aren't we still on Major Streets?

Mayor Zelenko said you can still move ahead with what your ideas are with your Budget for Major Streets. Remember, the Budget is a moving document regardless of what you pass on Monday night for your Budget, you can change it. You can always change this document, once you set the Budget, you can always change it. You can change it the next week, the next day if you need to, just by coming together as Council and changing it, taking action.

Mr. Smith asked for any comments or suggestions to Local Streets, Page 16.

Mr. Martinbianco said it appears that 20% transfer through the NTF LRP transfer, 20% seems adequate. Are we cast in stone once we make that determination or can we change that as well?

Mrs. Burke-Miller said I believe you can change that as well because we did up a resolution last June when we adopted the budget for the current year. I believe we could change that again as long as we don't exceed 50%.

Mr. Martinbianco said just for clarification that $20,000 transfer out is the payment we are making for the three subdivisions on the loan from the sewer fund.

Mrs. Burke-Mille said yes that was the money that was borrowed from the sewer fund.

Mr. Heffner said is it $20,000?
Mr. Martinbianco expressed $20,475.

Mr. Smith said it is close to $275 on the total for the contingency.

Mrs. Burke-Miller said he is talking about transfers out of department 9099, the $20,475 that is a ten-year payment they made back to the sewer department.

Mr. Smith said the contingency I know we discussed this the other day.

Mayor Zelenko said it was last night.

Mrs. Burke-Miller said that is also payments on City owned properties, but that is going direct over into those SADs, into those special assessment funds.

Mr. Wells said we talked yesterday about some of the fringes that looked a little bit out of line. We talked about the BS&A software hasn't really caught up to where we are. We know, per Mrs. Burke-Miller's conversation last night that, for instance, in Administrative salaries for fringe benefits, they were $52,927 in 2011-2012. I think they were about $58,000 for 2012-2013. Is that correct Mrs. Burke-Miller?

Mrs. Burke-Miller said I believe it was around $61,000 last time and I took a look at it yesterday.

Mr. Wells asked we had budgeted $135,000 for that? Where does that money go when it is not spent?

Mrs. Burke-Miller said it falls down to your fund balance.

Mr. Wells said so is that already added in this year's fund balance?

Mrs. Burke-Miller said when we close out the current fiscal year, whatever is not used…

Mr. Wells said so we can expect to see approximately $70,000 going to the fund balance?

Mrs. Burke-Miller said it depends on what your actual revenues are minus your actual expenditures. This is just a budget. So wherever we end up in terms of revenues minus expenditures that is what will fall down there.

Mr. Wells said my point of having said that is we are budgeting $100,000 for this year and thinks we can take $30,000 out of the fringe benefits there and add that to the list. I think you could pretty much go through this budget and take a little bit out of every one of them.

Mr. O'Keefe said again maybe let's have a little discussion about what the program actually does and again you came up maybe doing the end game first, you know if this is the cost of the

Administration's salary. Management is spread over so many cost centers and it is a piece of them. Again, if you take away a huge amount of money, there is probably another cost center that is probably going to be short that money. Again, this was just a guide here of where to put the money. If you add them all up, we'll use yourself as a case, how many cost centers are you split between?

Mrs. Burke-Miller said there are maybe 6 or 7 cost centers.

Mr. O'Keefe said I think if you go retrieve your portion of the salary from each of those cost centers and add them all up, all 6 of them, you will come up with your annual salary and I think the fringe benefits, you are not going to end up with extra money at the end of the year. That is not how this game is going to be worked out. It is going to be spread over these cost centers and because we figured out how much the fringe benefits were and then put that into the software and divided it out. Again, yes, it might be wrong here, however, if this is a true way that the software is doing it, we are not going to have extra money, that is the way I see it anyways.

Mrs. Burke-Miller said that is the way I see it too. It is a database. I populated the database, once for every City employee, put in every single benefit they are entitled to and let the software do the calculations and let the pull it in through the Budget process or into the Budgeting software within the general ledger. It is a phenomenal tool and of course I am population a software module that is used by our HR Director and of course there is a level of accuracy, but there is even more accuracy when you know that other people are depending on it for other purposes as well.

Mr. O'Keefe said I think we need to look at it as directionally correct. Again, this is not going to be finite, it is not going to be right to the penny, and again I think that when we look at the monthly report…

Mrs. Burke-Miller interjected revenue expense…

Mr. O'Keefe said revenue expense, you see variances and I think if you add all those variances up and all the different cost centers you will be whole. I guess I have had a lot of experience with this back in my old job. All the branches took a piece of me and they had tier levels and they were charged so much.

Mr. O'Keefe stated further, I also had a marketing person, security person, a branch operations person and a maintenance person and they were all the same way. They were divided up and people would get caught up with looking at the dollar amounts that were different but again, my response was if you take all 40 braches times this out, you will have the salaries of these five people. You guys are a little different because you may be in one, one time but somebody else will be there the next time. It is, that's why that huge report is sitting in front of you, showing the matrix of where everyone is plotted. I hate to use the word trust, but again, I think that BS&A is a good enough reputable company that they do things right, hopefully at the end of the year we will look at this and say it worked out pretty good because it is the end game, it is not each cost center it is the end game. That is my take on it.

Mrs. Burke-Miller said this is the first year that we are using this and so it does look kind of strange when you are trying to compare the historical data with the new data and we may have to be a little flexible with it, but this is what it is, it is a Budget, a guideline. If I need to do a Budget amendment, I will certainly put something on the agenda.

Mr. O'Keefe said what it puts out at the end of the day, it is just what you pulled in. You're salary would be there, the Mayor's salary, both chiefs and whatnot, if they are spread over different cost centers. In an ideal world, it would be in one cost center and you could put your finger right on it and say, hey, there's their salary, but unfortunately it doesn't work that way.

Mr. Wells said if I could Mr. President, I understand completely what you are saying, I understand about the BS&A module, I understand it is a new product that we are using, but I can go back to 2009-2010, 2010-2011, and 2011-2012, that cost, those fringe benefits are only rising slightly and they have gone up more now because we have more people than in 2009-2010. You said yourself we have $135,000 for 2012-2013 and you are only sitting at $51,000, which historically continues along that line, so to budget $100,000 for that, that is $40,000 that we are holding in a line item that we can use somewhere else right now, that is my point. Historically, I don't care what module you are using, especially with everyone taking no raises and no fringes.

Mrs. Burke-Miller said and we are going to use it within Local Streets because Local Streets is dedicated for Local Streets. It can't be used for the Police.

Mr. Wells said I understand but that is $40,000 that we're budgeting. I don't think we can be $40,000 flexible in any one of these line items and like I said, it is across the board, it is all the way across this thing. So the BS&A has to have time to catch up, but that cost is not going to change by $70,000 just because we added BS&A, and if it does, let's get rid of BS&A and go back to the abacus and counting our fingers and toes and get it right. I mean we know what the numbers were in the past, that's my point. There is no reason to believe there going to triple like we budgeted for last year.

Mr. Smith asked if there are any other comments or suggestions or support from other members of the Council.

Mr. Martinbianco said per Mr. O'Keefe's comments, I think probably, at least in the case of this cost center and in the case of Major Street, that we'd leave those fringe benefits and let BS&A work or not work and it has a year to prove itself, how reflective it is on how those costs really are and how they will be apportioned. I understand my friend's concern. It does seem like quite a disparity and maybe there is some phantom costs that have by all appearances been built into that line item, but I suspect that once the software catches up it will probably give a pretty clear reflection of what is included all within that cost center.

Mr. Smith said any other comments or suggestions from Council regarding this? My view would be to give BS&A a year. I understand right where Danny is coming from. We will know after a year how truly effective this program truly is in its present format. And you may be right Danny, you either believe in this system or not and I want to give it a year and see how it works. We will now move on to Fund 206, Special Fire, Page 19 in the Budget. I would like to open it up to the Council, any comments or suggestions? We are still at $808,662.

Mr. Wells referenced Community Development, and asked Chief Halstead if he bought things with the CDBG monies.

Mr. Halstead replied yes.

Mr. Wells said he understood it was influx until the Mayor cleared it up last night that we were finally going to get the full allotment of that. You had some concerned firefighters that were looking for some nozzles.

Chief Halstead responded a number of different items were ordered that are dependent upon the CDBG funds.

Mr. Martinbianco asked how many calls the Fire Department gets for the Downtown Development Authority area on an annual basis.

Chief Halstead replied he can only go by the Station territory which I believe most of it is CDBG fund allocated. I believe we had roughly 250-280 runs in that area on average for a year.

Mr. Martinbianco said in the whole CD eligible area, and not necessarily in the DDA area.

Chief Halstead said correct, not in the DDA area. He would have to go back to the reports and look at each individual report to do that.

Mr. Martinbianco asked about the dramatic spike in I.T. supplies in this projected year and what is included within that.

Chief Halstead said mainly what is included is the fact we made each Station independent and dependent on the City. Prior to this, until we got the software and the computers, everything that was done at each Station was done on paper and brought into administration.

Chief Halstead stated further, we have never had a way to communicate between the Stations, administration or City Hall and in each Station had only one computer available. If you had a number of fire runs or a number of things happening, you had to have one person wait till the other ones were done. We have needed computers for quite a while and we need to train the officers on how to write reports and documents. Now each officer has a computer.

Mr. O'Keefe said he was at a meeting with 911 Consortium and they touched upon all the fire stations in Genesee County. There are 350 computers now. Mr. O'Keefe asked if there was any funding from 911 for that system?

Chief Halstead said no, it is completely independent and belongs to Burton and part of the lease program we have. All of the rest of the computers are actually tied into 911, same as most of the police cars are. These are independent and within the Station and they can communicate from Station to Station, or Station to Administration; however they want. But they are not 911 computers.

Mr. O'Keefe said City of Flint is migrating to the 911 system and they are building a tower in 12th St. area for the City of Flint. When you guys are called into the City of Flint, especially if you are in a building, your radios will work better.

Chief Halstead said that is our high hopes because up to this point they have had to hook us up through their system, through a bank of transmitters that change 800 megahertz to 154 and it doesn't work real well.

Mr. O'Keefe said they got $1.8 million to build that tower so it should be happening soon.

Mr. Smith said we are on Fund 2026 Rubbish Collection and Disposal, Page 24.

Mr. Wells said we could probably move past that per the Mayor's recommendation last night till we know who is taking over our account from Waste Management. I would like to know if it opens the door for us to re-negotiate the contract. We are the only ones that have Waste Management in Genesee County. There is a reason for that. Maybe they can offer us something.

Mr. Martinbianco said he wants to be clear on his comments from last night, getting an accurate account because of the homes either in foreclosure, not occupied, homes on the demo list or soon to be on the list, other abandoned properties, and all City Hall properties to make sure they are not on the list of chargeable expenses. Not so much because it is a pass-through, it is in fairness of those folks paying the tab, which apparently is going up this year. They had an increase in their contract rate because they talked about CPI. I don't know if they used changed CPI or straight CPI . They also failed to notify us of the rate change until several months after last year of the current year's budget was adopted, so that kind of put us behind the eight ball. As a result, the increase we would have to adopt is going to be according to the Controller, about $6.68 per stop.

Mr. Martinbianco stated further, I want to make sure they are not building additional costs in there based on properties that are not utilizing the service or there are commercial buildings/entities that are using the service and not billed properly and those costs are not spread. If we could get that information during the course of our conversation with them will be important.

Mr. Smith said we are still at $808,662.

Page 26, Building Department Fund, Fund 2049

Mr. Martinbianco stated it is the expectation because of the anticipated increase in expenditures, roughly $80,000 in a deficit. So it is the expectation that rather than show a contribution from the General Fund, we leave the General Fund intact and take out the fund balance to satisfy this.

Mr. Smith said the overall budget, the beginning fund balance for the year 2013-2014 was $200,680.47. As Councilman Martinbianco mentioned, $80,602.36, will leave an ending fund balance $120,078.11. That goes without the benefit of the budget.

Pg. 27, Senior Citizen Center Fund, Fund 2069

Mr. Martinbianco said he is still sharing a concern regarding the timeliness of the Senior Center millage revenue that we get. It is showing a $14,000 decrease from what our projection from this year is and about $12,000 less than what it was two years ago. He asked if that was part of the County-wide movement to help centralize some of the services they are choosing to provide.

Mrs. Burke-Miller said they have been keeping their funding level consistent. Originally, when Jean and I sat down to prepare this, she told me the number to use is $158,000. Since then, they came back and said lets go with $170,255.

Mrs. Ellenburg said with the closing of one of the Flint Senior Center and it is going to privatizing, will the amount of money they received from the millage be divided up amongst the other Senior Centers.

Please Note: Mrs. Johnson spoke from the audience. Conversation could not be heard from the tape.

Mr. Smith asked if there were any comments about the parking lot.

Mrs. Ellenburg said she knows it needs to be repaired. I think we budgeted for it. Like all the other parking lots, it is a safety issue and it is something that needs to be done. We don't want our seniors or anyone else hurt. It is a library too and we are responsible for that so I feel we leave it in there.

Mr. Wells said he understands there are semi-trucks parking in that parking lot overnight.

Mrs. Johnson said there is a neighborhood car that has a residential type trailer attached to it. They come and go. She has been trying to catch him on it. It is not a commercial vehicle.

Mr. Wells said we are not allowing semis to turn around in that parking lot and come back out to Grand Traverse as it will tear up a parking lot quicker than anything.

Mrs. Johnson said it is not allowed.

Mr. Martinbianco said with the increase in the millage revenue, we recognize an additional $12,000. Does that deduct $12,000 from the General Fund contribution and take that down to $118,000.

Mrs. Burke-Miller said you could certainly do that.

Mr. Martinbianco said we had a reduction in Community Development expenses of around $25,000 on the expense side.

Mrs. Burke-Miller said we decreased the amount on the revenue side to $12,070 but we decreased it as well on the expenditure side so those two amounts cancel each other out.

Mrs. Burke-Miller asked if they want her to decrease the contribution from General Fund by $12,000 rather than letting it fall to fund balance.

Mr. Martinbianco said it ends up being a wash doesn't it.
Mrs. Burke-Miller replied no she is talking about the millage - the extra money coming in from the millage we can decrease it.

A Councilperson said it would be a $12,000 increase.

Mr. Martinbianco said it would be static because you would increase the millage revenue and decrease the General Fund contribution.

A Councilperson stated that would work.

Page 28, Sewer Debt Retirement, Fund 3001

Mr. Martinbianco said to close it out and transfer $46,000 to General Fund. The Controller and I had discussion about that and she had equal conversation with our auditors relative to the disposition.

Mrs. Burke-Miller interjected and also with the City Attorney. He is willing to draft a letter with regard to that and it is his opinion that we could use it for that purpose.

Mr. Smith said we are now at $762,601.

Page 29, Major Street Debt Fund, Fund 3026

Mr. Martinbianco stated if we go to bond, we probably should leave this account open if we are going to go to bond to do any of that capital construction work.

Mrs. Burke-Miller replied correct.

Page 31, Capital Improvement, Fund 4001

Mr. Smith asked if the Mayor has seen any proposals for the phone system. There is $70,000 allocated. He asked the Mayor if she had the chance to see any of the proposals yet, what they are coming at.
Mayor Zelenko said just briefly. She hasn't actually seen the actual proposals, but we are underneath that amount.

Mr. Smith asked approximately.
Mayor Zelenko said she cannot give that information out at this point.

Mrs. Ellenburg said we talked about it yesterday, the $11,000 for the parking lot was added into that.

Mrs. Burke-Miller said it was $10,000.
Mrs. Ellenburg said she thought the estimates you got were $11,000 and $12,000.
Mrs. Burke-Miller said I have down here $10,900 and 11,800 were the 2 estimates, and last night we discussed moving $10,000 out of ADA Building Improvement Maintenance and moving that into the Library Expansion line item.

Mrs. Ellenburg said she had a chance to talk to the Friends of the Library and if it would make it where we could get a better bid and possibly they are in agreement to do the other part of that also, so with that the $13,000 if it would be agreeable to Council, to go ahead and finish that whole project and it might be able to get a better bid by doing both. So if that is something that can be done.

Mayor Zelenko said all we did was ask for a quote. She can do that.

Mr. Smith said it has moved from 9899 ADA to the Library Expansion Fund.
Mr. Smith asked for any comments or suggestions for Fund 4001 Capital Improvement.

Mrs. Ellenburg said for the park project, as the Parks & Recreation earns money, will that go into paying that down.

Mrs. Burke-Miller replied in the current fiscal year 2012-2013 she transferred the money per the Budget from General Fund over into Capital Improvements for this particular line item. It is holding there till you all use it.

Mrs. Burke-Miller stated further, if you would like we can set up a revenue line item within Capital Improvement to offset that, and offset the transfer then back to General Fund, if you want to whittle that down.

Mr. Smith asked Mrs. Ellenburg to explain the $63,163 and what it pertains to.

Mrs. Ellenburg responded the $63,000 is our match money. We received $250,000 for a grant. I think our match was 25%.

Mayor Zelenko said $57,000 was the match.
Mrs. Ellenburg said that is our match to receive the grant for our park for Kelly Lake. It is for the boardwalk to go through the wetlands. It will add a lot to our City. To get that size of a grant from the State is really good for us as a City. It shows improvement and we care about our City and show a lot for our residents. It is a lot of money, but we are receiving a lot of money for that also. It gets our community fired up. I think by doing a line item to get us interested in trying to raise some money to whittle at that and put it back in the General Fund. I am on board to try and do anything we can function wise to have this whittled down.

Mr. Heffner explained it is going to be a 14-foot wide boardwalk from the south side of the lake to the north side, right where the wetlands and lake meet. The center is going to have a pavilion without a top on it, a circular thing, it will eventually connect a path around the wetlands. It will be a good place for older people to walk. The amount of $57,000 is the match. The other $5,000 is some capital improvements.

Mr. Martinbianco mentioned the transfer back in from the General Fund and the re-establishment of the Fire Department line item. He asked if it is going to end up back in this budget.

Mrs. Burke-Miller stated no, it is not going to be in the 2013-2014 budget. That will be put on Council agenda to re-establish that in the 2012-2013 budget.

Page 33, Fire 2011 Capital Projects Fund, Fund 4145

Mr. Wells asked Chief Halstead what the dispute was with the commercial power washer.

Chief Halstead said he is not completely sure. We had difficulty with it from the start. The gentleman that came in to repair it, repaired it via long distance with his boss who was on a second line talking to the manufacturer who was telling him to cut wires and splice them, etc. Ultimately, after replacing a number of parts they changed the polarity. I believe they had the wrong amperage to start with. I am not an electrician, but when something doesn't work and you change the ameperage on it and it works, more than likely that was the problem. It has been working ever since.

Mr. Wells said 110 and it was suppose to be 220 or something like that.
Chief Halstead said I think they had it hooked up to 440 because it burned out some circuit boards and so on. So they probably had it hooked up to 440 but they claim to us there wasn't enough power at the pole.

Mr. Wells asked if they tried to charge us $30,000, is that the dispute.

Chief Halstead replied they didn't charge us anything.

Mr. Wells asked what the note was for that says "Fire Station improvement expansion commercial power washer dispute valued at $30,000."

Mrs. Burke-Miller said when she prepared the Budget, that was one of the outstanding things that we had out there. Plus we had one final invoice that is due out to the contractor and then we will be done with it. Most likely this $34,000 I have sitting in there is not going to be needed and whatever is excess will most likely be moved over into Chief's operating budget. We are just waiting for the final landscaping.

Chief Halstead said our final payout would be $28,000. I just got the bill for it, but I still have some items that I want the warranties in writing that all of these items will be taken care of or I am holding the $28,000. They already know that; I have been playing that game with them for quite awhile. We either get repairs necessary and done, or we will get them done somehow else and pay for it. They have committed to doing what they can to close the account out and take care of all the problems. The man is usually pretty much a man of his word.

Mr. Wells asked if everything is working properly there?
Chief Halstead replied so far yes. We still have some glitches but the same thing if you build a new house.

Mr. Wells asked if they had some flooding issues a few weeks ago.
Chief Halstead replied We have some condensation problems and a couple of leaks that with fittings, I don't know if they worked themselves loose after a period of time. They were tight when they finished the building and everything was working and all of a sudden we get a leak here and there. But we have no flooding – no large amounts of water.

Mr. Wells asked what kind of warranty we have on the pipes on the leaking problems.
Chief Halstead replied as long as I am holding $28,000 we have a lot of warranty.

Page 35, Sewer Fund, Fund 5090.

Mr. Wells asked if there are two positions already built into this budget.

Mrs. Burke-Miller said there is a note under salaries permanent, we included a promotion for one individual to Superintendent Sewer and to add ½ of a Foreman into this budget.

Mr. Wells asked if that was going to be two new bodies or people that are already there.

Mrs. Burke-Miller said right now it is just a proposed budget.

Mayor Zelenko said we have not advertised for the positions yest so we don't know what the qualifications are.

Mr. Wells asked if she is planning on adding two people to the Sewer Department.

Mayor Zelenko said it will probably be promotions from within, but she can't say that for sure depending on qualifications.

Mr. Wells said he is all for adding bodies out there but in order to do that, we will have to cut the Assistant Director's position. We definitely need the help out there and that would just about be an exact swap out there.

Mayor Zelenko said we would have issues with the Water and Sewer infrastructure projects that we have going because we will need that position for doing the paperwork and be that representative for the Department.

Mr. Wells asked if we have anyone else who can do the paperwork.

Mayor Zelenko said no.

Mr. Wells said he does not know how they can add two positions then. It has to be one or the other. We have major cuts to make and maybe we don't do either, maybe we cut a position and don't add 2 bodies, you are talking about approximately $130,000.

Mayor Zelenko asked where that helps General Fund. You have a lot of infrastructure, we have some grants coming in, the Drinking Revolvement loan we have committed to, a grant coming up in

October. Your fund balance in this right now – the net of revenues appropriations is $136,850.76. Cutting here is not going to help your fund balance. I don't think you realized that, talking about the Sewer Fund.

Page 37, Water Department, Fund 5091

Mr. Martinbianco asked when are user fees going up per the memo we got from the County.

Mayor Zelenko replied it would be after the September 1st billing.

Mrs. Burke-Miller said I know we talked about taking conferences and workshops out. She has a note here from one of her meetings with Mr. Kray and Ms. Moss with regards to training and due to the grants there may be additional training for the Water Department. You may consider leaving some dollars in there for that. She thinks they are going to need it in Sewer as well because of the S2 Grant.

Mr. O'Keefe said he would vote yes on both of those because I support the project and understand the project and maybe it is a little extra step but there will be a great deal of control on $48,000 to make sure our money is well spent. He suggests whoever the powers may be to send these people come to Council and get it approved.

Mr. Wells said I would think training is a separate issue than a workshop.
Mrs. Burke-Miller said we don't have a separate line item called training. Conferences and Workshops is basically your training/education for your employees.

Mrs. Ellenburg said being the facts we have so many projects and there is going to be a lot of education our people are going to use, I feel that they should both be kept with the $5,000 in there. Because coming to us and it is a short span of when these conferences are going to be and if they are training they have to come to us and if it is not at the right timing, we may have to call a Special Meeting. I feel to leave at the discretion of Administration to go through and leave the $5,000 for each training department, for Water and Sewer.

Mr. Martinbianco said To error on the conservative side, I would go with $2,500 under the conference and workshop line item in both the Sewer and Water and once that is gone, they can come back to Council for further adjustments if they can't make an adjustment within one of the other line items.

Mrs. Ellenburg asked if that is sufficient. I don't know how much the training cost is. She asked how many would go.

Mayor Zelenko said Ms. Moss has taken the lead on both of these projects, she may be able to address these questions

Ms. Moss spoke from the audience. (not audible on the tape)

Mr. Kray said a lot of the training is also safety training. We had a class today. Trench safety, things we need to do and learn.

Mrs. Burke-Miller said for the current fiscal year we have spent $2,500 to date on training in Sewer and in Water we spent $4,700.

Mr. Martinbianco said it sounds like the $2,500 in Sewer is probably adequate, but then you already spent $4,700 in Water training?

Mrs. Burke-Miller said water certifications – one was for $645.00.

Mr. Smith said if they say they need it, they need it. They are using it already.
Mr. Martinbianco said might as well leave it the way it is.

Mr. Martinbianco said for clarification purposes, we are going through the same logic with Salaries Permanent with the Water Department as we did with Sewer. You are going to have a promotion or someone is going to end up being the supervisor and someone will be the other ½ of a foreman – split between Water and Sewer.

Mr. Smith asked for the consensus of Council to leave it then.

Mr. O'Keefe responded, safety training yes.
Mr. Heffner said yes on education.

Mr. Wells said I think the line should be changed to training education, not a workshop.
Mrs. Ellenburg said that could be on all of us. All of them are considered training.

Mr. Smith said we can discuss that at a later date.

Mr. Smith expressed having a 10-minute break – to adjourn for10 minutes and start back up at 7:00 p.m.

Meeting recessed at 6:50 p.m.
Meeting resumed at 7:00 p.m.

Page 39, Information Technology Fundm Fund 6036

Mr. Wells said he would like to see us set up a meeting for Thursday night if possible with I.T. Right. Have them come in and make a proposal. We could eliminate the I.T. Director's position and look into saving an enormous amount of money, if what they are telling us is true.

Mr. Heffner said if we eliminated the I.T. Director's position, wouldn't we be in violation of our union contracts and wouldn't that open us up for lawsuits and litigation which in the long run would cost the City a lot more.

Mr. Wells asked why we would be in violation of a union contract. We need to make cuts, we don't have any money. We have a document from an arbitrator saying we can't pay afford to pay our Police Officers. The City doesn't have any money. We need to find a way to save money.

Mr. Heffner asked Administration if his statements are false.

Mayor Zelenko said that would be correct. She read aloud "Teamster's Local 214, Administrative/Supervisory Unit, Article 10 Sub-Contracting, Section 10.1., For the expressed purposes of preserving work and job opportunities for employees covered by this collective bargaining agreement, the employer agrees that no work or services presently performed or hereafter assigned to any classification or division of the bargaining unit will be sub-contracted, transferred, leased, assigned or conveyed in whole or in part to any person or non-bargaining unit employees if it would cause the layoff of a bargaining unit member."

Mr. Heffner said we just approved those contracts, correct?

Mayor Zelenko stated that is correct.

Mr. Wells said he is not talking about a layoff, he is talking about eliminating that position and it happens every day in this town to union people, Teamsters, AFL-CIO. Look around, everybody is looking to save money. You want to talk about unions, look at the teachers; Atherton just laid off 22 teachers. Bentley just laid off 28 teachers. If we are going to save money, and keep our Police, keep our streets safe, we have to make cuts somewhere and they have to be from the top down. We can't cut anymore from the bottom.

Mr. Heffner asked Mr. Wells if he is willing to open us up to litigation.
Mr. Wells said we can be sued for anything and Mr. Austin has made that perfectly clear. We have a $200,000 legal bill to show for it.

Mr. Heffner asked how much a potential lawsuit could cost the City.
Mayor Zelenko said she didn't know but Mark Gaffney, the Business Agent for Teamster's, is in attendance tonight.

Mark Gaffney said some people refer to it as the union agreement, others a collective bargaining agreement. It is a contract, like any other contract the City makes. It is binding and the tenants, the words, the paragraphs of it, such as the Mayor just read, have meaning and the meaning here is, if the City were to try to eliminate the Department and layoff the individual to save money because you are in a terrible crisis, you would be in violation of that contract. I suggest you need to figure out other ways to save money, that may involve that Department, the IT Department as you are considering others, but it cannot according to that contract, include sub-contracting out the work to others and laying off that worker. We would bring a grievance and arbitration. That paragraph is good language and an arbitrator would uphold it. The City would have to pay back pay and bring the person back, and potentially have to cancel the contract they had made in the meantime.

Mr. O'Keefe said we have an addition of a full time person, computer technician and their fringe benefits. I would find that very difficult to support. Contractual services, I don't know the make-up of this, it is over $100,000. Mr. Wells and Mr. Smith did some due diligence on a company that might be able to help us. The addition of a computer tech and fringe benefits I will not support.

Mr. Martinbianco said he reluctantly agrees with Mr. O'Keefe's assessment of that situation. It occurs to me way back when we were in the middle of our semi crisis relative to the audit and computer things not running properly, we had collectively and requested the Mayor if the circumstance could have been averted. The suggestion was on-site additional IT staff would have been most helpful. Is it absolutely essential, given the light of the 2 groups – willing to come in and discuss what they might be able to do, could end up rolling into the contractual line item, but at this point it would be safe to say, at least in my judgment, to agree with Mr. O'Keefe and take out the salaries permanent line item and the associated fringe benefits.

Mr. Martinbianco stated further, the IT Department has gone from an ending fund balance of nearly $110,000 on June 30, 2012, slated to be down about $85,000 this year, and then the projected request was to spend almost all of that, leaving less than $10,000 in that reserve. What are you going to do next year when all the rest of your OPEB cost is going to continue to increase. The only thing you are going to be able to do is hit the Local Street, Major Street, Sewer, Water, General Fund, Motor Pool, Police, Fire, Building Department, Senior Citizen Center for their necessary contributions to support that, which are going to require increases on all those line items and related departments. I reluctantly agree with Mr. O'Keefe.

Mr. Heffner said I also agree with my colleagues on this one. Just as long as we are going to do no union busting, I can agree to us. We can always contract that out to this other company if they fit our needs.

Mr. O'Keefe said we have just one solid number. He asked what is dedicated to the new position for fringe benefits. We have $42,000, which we will take out.

Mrs. Burke-Miller said for fringe benefits, that breakdown is $38,000.

Mr. Smith asked for $42,000 and $38,000.
Mrs. Burke-Miller replied correct. I need to subtract that total off of the total expenditures and reallocate across all the revenues, and basically reallocate across the whole City. It is not going to affect 100% into General Fund.

Mr. Smith asked if there is any projection at all, what percentage.
Mrs. Burke-Miller said it is looking like half that amount will affect General Fund.
Mr. Smith said fringes or all salaries.
Mrs. Burke-Miller said both.

Mr. O'Keefe asked for the logic behind that, why 50%.
Mrs. Burke-Miller said she is looking up at the revenue area. It is probably more like a third.
Mayor Zelenko said I think you are asking is because some of that revenue will come from the water and sewer funds, which is not General Fund.

Mrs. Burke-Miller said we did an allocation and tried to do the best that we could in terms of the number of workstations.
Mr. O'Keefe asked if it is 50%.
Mrs. Burke-Miller replied she would be more conservative and say a third of that.

Mr. Smith asked if it is a dollar figure of 30-35.

Mrs. Burke-Miller stated about $24,000.

Mr. Smith stated it would result in a General Fund savings of $24,000.

Mr. O'Keefe said after we catch our breath after this process is finished, we do spend a lot of money for contractual services. If there is a smarter way to build a mouse trap and we can do it, I think we need to look at these other vendors that provide that service.

Mr. Smith said he agrees.

Mrs. Burke-Miller said contractual services is a hodge podge of several different things. It is our copier leases, toner, software maintenance, etc.

Mr. Udell spoke from the audience. He said it is also Comcast, not only City Hall but the Police/Fire Building, Fire Stations. Mr. Udell spoke further regarding software maintenance. He said upgrades involve additional funding. There are many things under contractual.

Mr. Martinbianco said if we had the $42,000 and the $38,000, comes up with $80,000 we are not going to spend. But you are saying what you are going to do is deduct the proportionate share from each one of those revenues that would come from those departments. The bottom line is we are still going to end up spending $76,000 out of reserves. We are going to end up with roughly a $10,000 fund balance

Mr. Wells said he would still like to bring IT Right in. I want to see what they have to offer. I know we can be taken to Court, just like our police officers were – in front of an arbitrator. The bottom line is we have to make some serious cuts. We have to make them in areas I don't think we are getting our monies worth. If we can bring someone in for less money and get more out of them, it just makes sense to me. If an arbitrator wants to rule against that I guess we don't have a choice. I keep coming back to the comment I had from my friend at the Attorney General's Office - what you allow to happen is going to continue to happen. We keep going down this road every year; it is crazy. It is nothing personal against Mr. Udell. It is a malfunction of the person running the show, there is no accountability there.

Mayor Zelenko said for the record, there are laws, provisions in labor contracts, and in our City Charter that collectively prohibit Council member from public derogation of our employees. You have an employee or their performance; it is to come to me and privately, not at a public meeting.

Mr. Wells said we have talked about it privately.
Mayor Zelenko said we have not talked about it privately.

Mr. Smith stopped the conversation.

Mr. Martinbianco said the conferences and workshop line item wasn't encumbered in the original one either. He suggests reducing it to $3,000. It looks like the projected activity for this current fiscal year is estimated to be about $2,000. If we cut it down to $3,000 there is additional savings there, which will be represented across the board as the Controller indicated.

Mr. Smith asked for any comments or suggestions for Mr. Martinbianco's suggestion.
Mr. Haskins asked for clarification as to where the $3,000 was going to be cut.
Mr. Smith replied on page 39, appropriations – conference and workshops, to drop it to $3,000.

Council was in unison to agreement. Mr. Heffner said they could always come back for more if they need to.

Mr. Smith said it puts us at $735,601.

Page 41, Motor Pool, Fund 6061

Mr. Martinbianco said as a housekeeping notation, we reduced Local Street Equipment Rental to $119,000, changed Sewer Equipment Rental to $80,000 and increased the Water Equipment Rental to $200,000. Everything else was stat.

Mrs. Ellenburg said she has those numbers too.
Mrs. Burke-Miller acknowledged she has those numbers too; changes that need to be made in here as well.

Mr. Smith asked Mr. Martinbianco to go over those numbers again.
Mr. Martinbianco said we decreased Local Street Equipment Rental to $119,000, we changed Sewer Equipment Rental to $80,000 and we increased the Water Equipment Rental line item to $200,000.

Mr. Smith asked if this has any impact on our number.
Mr. Martinbianco replied it does not.

Mr. Smith re-iterated we are at $735,601.

Page 43, Burton Self Insurance Fund, Fund 6077

Mr. Wells said Self-Insurance Fund it was noted in the budget that the health care has decreased 2%, prescriptions have increased 1% and dental has decreased 7%, but if I look at this and reading it correctly, it doesn't really show that.

Mrs. Burke-Miller said we also had a deficit in that fund if you recall and we had to increase the percentages that needed to be allocated across, so that is why you are seeing that.

Mr. Wells said we transferred the money to do it.
Mr. Martinbianco said it was part of the deficit elimination.

Mrs. Burke-Miller said we had to budget an additional 2% if she remembers correctly, across all of the departments to compensate for that. Although we have seen a savings from Blue Cross/Blue Shield, because we had a deficit from the previous year, we have to make up for that. The employees will see a benefit in terms of the dollar amount that they have to pay come July 1st and they will get a little extra back in their pay check. It is still being charged across to each of the departments.

Mr. Wells asked if the numbers from 2013-2014 are good numbers?

Mrs. Burke-Miller said they are good estimates.

Mr. Smith said we are still at $735,601 deficit. He asked Mrs. Burke-Miller if she will give the projected General Fund would be at the end of this current budget year of 2012-2013.

Mrs. Burke-Miller said per the proposed budget we are showing an ending fund balance $2.1 million, when you look at Page 10 of the proposed budget.

Mr. Smith said we have $2.1 million projected to have in our General Fund, which is basically our unrestricted or unassigned funds. Right now, staying where we are at, our General Fund is going to have to drop by $735,601. What you can do for a year, or maybe a year and a half, I am sure we are going to be hearing from Lansing. The reason I am saying this is the media has been touching on it. This is a very challenging time to be a Councilperson or a Mayor. We recognize we are dealing with peoples' livelihoods and families. We don't take this lightly - many of us have had sleepless nights on this.

Mr. O'Keefe asked to have discussion on Capital Asset requests. It is an attachment at the back of the book.

Mrs. Burke-Miller said it is on page 47.

Mr. O'Keefe said according to his notes when Mr. Kray spoke with us, this front-end loader he had parentheses by could possibly be a maybe. Mr. Kray could give us input on this machinery, and if it could wait a little while.

Mr. Kray said speaking to his Motor Pool manager and my head mechanic; we can work with this loader. There have been some repairs to it, some structural on the arms. I would like to see possibly $95,000 in this year's budget earmarked and then the second $95,000 to make the purchase next year, like we looked at with the lift station, very similar. Yes, we do believe we can get by for another year, possibly 2.

Mr. O'Keefe said we are looking for every dollar we can get and what may happen in a year or two, I don't think we have the capability of taking that kind of money and putting it away. I would be more up for if this is a lease able piece of equipment. If that is the case, in a year or 2 years if you need it, we could lease it. Forecast for the next 2 years, rates are going to stay pretty stable and I think we would be in still a fairly good lease environment

Mr. Kray responded that would be a decision to leave to the collective Body to lease or purchase.

Mr. O'Keefe said my recommendation is to take $181,000 out of the budget and keep it on the horizon. I think there are other ways of expelling our cash. It is a lease able piece of machinery. We leased fire trucks, cars in the past, I think this is something we could do.

Mrs. Burke-Miller said she would like to remind everyone, as you mentioned it is cash. These Capital Asset requests have not been built into the Budget per say, and they don't have specific line items like we had it set up last year. Technically they are assets, you purchase them with cash and then depreciate them over time. Even though we are showing it in Motor Pool and if you want to conserve your cash, that is fine. If you want to earmark $90,000 of cash this year you can do that as well. My point is it is not going to affect revenues and expenditures until you start depreciating those assets. If we do purchase it in the 2013-2014 budget year, from that point, we would have some depreciation but it would be maybe one out of 15 years worth, if we get 15 years life out of it.

Mr. Smith said with the roads, the shoulders have trees growing. He has the bobcat with the attachment of $55,000.

Mr. O'Keefe said he thinks that makes a lot of sense. Mr. Kray sold us all on that the other night. Mr. Smith said he is all for the bobcat with the attachment because of what it costs to have it done. I think it was over $100,000 for 2 sweeps. It is getting real bad out there.

Mr. Heffner expressed all the different attachments you can put on the bobcat. He asked if they know what size the bobcat is. He had an estimate sent over to me from MI-DEAL, close to $40,000 from MI-DEAL but that wasn't for the broom attachment, it was for the planer. It was a middle size one. He can forward on the e-mail if you would like to see it.

Mr. Kray replied to please do, we are looking at the mill and some sort of blade, possibly a broom. Mr. Heffner said jack-hammers, stump grinders, backhoes. You name it and the bobcat does it.

Mr. Haskins asked on backhoes if they didn't make attachments, sweepers and stuff like that. Mr. Kray said for backhoe, I don't know if they make a sweeper. You can get an auto ram, breaker, that is the only attachment I have seen on a backhoe besides the bucket.

Mr. Heffner said they do make attachments for the backhoe, the sweeper but they don't make the planer to go on the backhoe.

Mr. Kray said the idea of the bobcat is with the size of the unit, we are going to plan on driving it along and scrapping the material out of the gutter pan. The control you have with a piece of equipment that size, is far superior to trying to drive a loader down the road.

Mr. Heffner said the bobcat is going to last you 15-20 years.

Mr. Smith asked Council for a straw vote. Mr. Smith, Mr. O'Keefe and Mr. Heffner all expressed yes. Mr. Haskins said it is going to be more efficient than loading up the backhoe, take their word on it.

Mr. Martinbianco said his thought is the pickup truck expenditure is okay, I would wait a year for the front-end loader as Mr. O'Keefe alluded to, cut down the vbox spreader to one and purchase the bobcat with the necessary attachments.

Mr. Smith said he is comfortable with that. Mr. Heffner also agreed.
Mr. Heffner said whatever attachments we don't purchase for the bobcat, we can rent it, they are an hour away from dropping it off.

Mr. Martinbianco said under the water tower project to inspect, re-paint and improve the scada, isn't that part of what we are going to be doing within the scope of that project in the south end.

Ms. Moss spoke from the audience. (her voice is not audible on the tape)

Mr. Martinbianco asked Mrs. Burke-Miller how it is allocated, when we receive the dollars from the grant. Does that go into the water fund.

Ms. Moss replied from the audience. (her voice is not audible on the tape)
Mr. Martinbianco said the water tower, the requisite maintenance would fall under that.
Ms. Moss replied from the audience. (her voice is not audible on the tape)

Mr. Smith asked for any other comments or suggestions on Page 47, Capital Asset Requests.
Mr. Smith said the GMC Savannah, to replace 2 service trucks, $17,300.
Mr. Martinbianco said it is better to have one vehicle burning fuel than two.
Mr. Smith said he agrees.

Mr. Heffner said he would still like to look at what it would take switching them over to propane. I think it would be a nice cost savings in the long run.

Mr. Kray asked if it was a general comment fleet-wide.
Mr. Heffner replied wherever we could do it.

Mr. Kray expressed looking up a couple of businesses that perform that and look a potential cost savings, the initial investment and life cycling savings on it.

Mr. Kray said for the GMC Savannah, the idea is to have a vehicle where the interior is heated, where the service truck is not only the cab is heated so all the equipment, the meters that have to be stored in the cab or actually in the building. When the crew goes out they have to load up whatever they need for the day. They can't keep the vehicle stocked. This would allow us to keep the vehicle stocked and parked inside. When they leave, nothing would freeze because the entire interior of the vehicle is heated. The two service trucks would then be given to auction.

Mrs. Burke-Miller mentioned the Ford Focus.
Mr. Kray said the Chevy Cruise or whatever. Did it get a thumbs up.

Mayor Zelenko said Mr. Martinbianco suggested that we use a GM product.

Mr. Wells said every community around us is cutting, slashing, not spending. You keep bringing up this number but we keep on buying and spending.

Mr. Kray said the idea is to save money by using a high mileage car driving around the City several times a month rather than a pickup truck. That is a savings measure.

Mr. Wells said lets see the savings.

Mr. Kray said we will get the difference in miles per gallon and the number of miles we drive times the fuel.

Mr. Wells said the whole crux of where we are it and where we have been for the last 5 or 6 years, is coming up with some savings measures. We haven't come up with any. I haven't seen any. We keep spending and we are not getting in my opinion, a bang for our buck.

Mr. Martinbianco said we are talking about especially with respect to water and sewer, two enterprise funds that actually do generate revenue to a large degree, provide a quality service and investing in these kinds of replacements, as Greg mentioned in the long run, is going to end up being a relative savings. We look at it much like you, we are authorizing to spend $32,000 on vehicles, and in the long run between the depreciation of the vehicles, which you will end up with the end of the day, and then the savings they alluded to on fuel costs could end up being pretty substantial.

Mr. Smith said lets move on to Sewer, Woodrow Lift Station, replace at $250,000. Casto Lift Station set aside $84,000 to be replaced in fiscal year 2015-2016.

Mr. Martinbianco said is it my understanding that we are going to save or set aside or earmark about $84,000 a year in fiscal year 2013-2014, again in 2014-2015 and then in 2015-2016, we will have accumulated almost $250,000.

Mr. Kray said in 2015-2016, there would have to be the other $84,000 set aside. So yes, and there would be enough to do it in fiscal 2015-2016.

Mr. Martinbianco said earmarking that commitment in today's dollars thinking the price should be relatively close at that point in time. What other lift stations are in question. We had some apt discussions about a year ago.

Dave Marshke responded from the audience. (his voice is not audible on the tape)

Mr. O'Keefe said there are personnel addition scenarios in the Controller and Treasurer area. We did talk about the Treasurer's Department, Doug gave a great argument about having an additional person. We talked about the Controller's Office, we leaned more towards contract help which makes a whole lot of sense to me. We don't know if we need a person but we need some help.

Mr. O'Keefe stated further, we definitely want to come off well this year and we need to get caught up, but not necessarily a person.

Mr. Smith said he would like to look at contract help for the Controller. I think she is working under tremendous stress. With the implementation of the new BS&A system she is it. As you can see, we are still looking at $735,000. We have to be efficient in that department and we have to look at new ways of doing that. I think she is doing a fabulous job, we need to find ways to get her some help.

Mrs. Ellenburg and Mr. O'Keefe said they agree.
Mr. O'Keefe said this Council has given an endorsement and pledge a few months back if one needs help. We know it is a small department, it has been scaled big time down over the years. The CPA firm that has been supporting them seems to work until we find out differently I guess. We need to get it right the first time this year.

Mrs. Ellenburg said she agrees.

Mr. Haskins said I came in late and obviously there was some heavy discussion about the IT Department, union contracts and all that stuff. You bring up the deficit quite heavily. We have the deficit that we need to look at, as well as the MERS Pension fund we need to look at that is absolutely going nowhere. He believes there should be cuts. There needs to be a different avenue of how to change the revenue side around and regenerate it. We talked heavily the last Council Meeting about millages for the Police or upping the mils and I think there should be cuts in personnel. If the mils get increased or a millage gets passed for the Police officers, then at that point we can look at bringing people back and going back to the standard practice. We can't say it enough about the police officers bringing back half of their paycheck. How much more can we talk about it. On the back side of it, what are we doing to try and help it out. If we are not trying to make any cuts to re-adjust that, then we are not going to get anywhere on it and we will start losing our police officers. We spent close to $200,000 with other auditing firms between Plante & Moran, Tayor & Morgan and a temp service. That is a substantial amount of money. Mr. Haskins stated further, I think we need to look at what it takes to contract the Controller's spot out and how much it would cost. We have the BS&A system and the I.T. software people that can sit there and look at and they can run the BS&A. The Controller sat there yesterday and said she just plugs the numbers in and the BS&A software generates the numbers for the Budget. I think this is something we seriously need to look at. We are looking at a $700,000 deficit, plus the MERS Pension program being a total chaotic mess. I think we need to start looking at avenues like that to try and correct it. If we are going to the residents and ask them to increase the taxable levy around this City and increase the mils, I think we as Council and Administration need to show the residents that we are serious and doing all we possibly can.

Mr. Heffner asked if the Controller is a union position.

Mayor Zelenko said I could if you want me to, read the same article I read earlier. I see Mr. Gaffney has left. Yes, you would have yourself in an unfair labor lawsuit. But for the express purpose of preserving work and job opportunities for the employees covered by this collective bargaining agreement, the employer agrees that no work or services presently performed or hereafter assigned to any classification or division of the bargaining unit, will be subcontracted, transferred, leased, assigned, or convey in whole or in part to any other person or non-bargaining unit employed if it will cause the layoff of a bargaining unit member.

Mr. Haskins said I have a little bit of knowledge on that. We have already violated that. We already contracted out with $200,000 worth in more than one department.

Mayor Zelenko said we did not displace a member.
Mr. Haskins said no we did not.
Mayor Zelenko said we could contract work out as long as we do not displace a member and take away her work.

Mr. Haskins said I agree 100% but the bargaining unit allowed to do so without hiring new personnel in, so therefore, we created a past practice with it.

Mayor Zelenko said she disagrees, a completely different issue.

Chief Halstead said Mr. Wells brought up a point a few minutes ago that we are not the only City suffering. But I can guarantee we are the only City with 4.7 mills being collected. Because the Councils prior to this, and Mr. Martinbianco you go back a long, long way. Mr. Wells goes back quite a ways and the Mayor. The Councils have never had the fortitude to bring the millage up. Compared us with other areas – 13 mills in Fenton, 13 mills in Flushing, 18 mills in some areas, 27 mills in Bay City and that doesn't count Police and Fire millages. It is like being at home and when my budget runs out and I have 4 kids and I get to the point where I have to figure out which one I have to give away in order to make my house run, I better get a part time job and figure out a way to get some more revenue in. This nickel dime stuff we are doing here with $700,000 deficit plus what we are talking about losing police officers, this is wrong. We better go out there and get some money. You guys can do it, you had it in the paper you could.

Mr. Wells said I am all for it. Every millage that has come up I have been for. Here is the problem, the millage money comes in for Police, it is part of General Fund so part of the millage that comes in doesn't get funded by General Fund any more, we don't gain any ground. Any millage we have to go for now has to be designated for the Police. A part of that has to be designated to pay down their pension fund. That is the only way I will vote for a millage. The abject waste in the City nullifies any millage that we get. It doesn't make any sense.

Chief Halstead expressed don't you think you have control over some of that waste.

Mr. Wells replied evidently I don't.

Chief Halstead said what I am saying is that the Council is the Legislative Body that controls the finances. Whether or not you get a mil that covers General Fund, whether it is up to 5 mills to cover the General Fund or less, the Police Department is bleeding. The more we fool around, the deeper the wound and we are putting a band aid on it and it isn't going to work. I believe you have the Fire Department that would help you, the Police Department would go out and we would beat our feet off trying to make this thing work. If the Council would be the one to step forward to say we have to have it or we are going to lose police officers.

Mr. Smith said I am up for re-election and I will work right with you. I have already been speaking with residents, I probably spoke to 40-45 residents going out getting my petitions signed. I would talk to them and explain the situation and not one person refused to sign my petitions. I told them they would be seeing information in the media in the coming months. Most People read the papers and watch tv and realize that there is a scarcity of money in the area, they just don't know the particulars. If we use our time wisely, I think we have a good chance of informing our residents as to the challenges we face. We are going to be at a cross roads next year, we as a City, residents are going to have to decide what type of City they want. Do they want a City where we have become the wild-wild west and residents are fearful so they leave and then the businesses leave. That is where we are headed. For me, I would rather be voted off the Council, I have been here since I was 5, I have seen the good times and the not so good times now, and I would rather be voted off the Council and be able to talk to my family and friends and people I went to school with and say I may didn't want to do it, but I was honest with you. I am all for that even today. We have to be honest with our residents. Our job as a Council and administration is to get a handle on exactly what type of money we need to keep the City solvent long-term. Right now we just talk we have a problem, we don't have our arms around exactly what we need to do to make MERS right for the employees. We made promises, I am a retiree myself and I know how important the pension check is for you to get that every month. Our challenge is for all of us in this room, is to expect from us, what are we going to be dealing with and then for us to go out and talk to the residents or we wouldn't be up here. This is going to be a little bit different election for November for us that are running. I am going to be talking about the millage, anyone that will listen to me. We are not even sure when that can be done no matter what I am going to be talking about the millage.

Mr. Wells expressed to Chief Halstead that six years ago I was the only one that brought up street lights. Nobody would go with me. That would have brought in $500,000.

Chief Halstead individually as Council people I know where your heart is, every one of you. But as a group when the 4 are up for election, when the Mayor is up for election, we have problems. I have been here 17 years and 30 years in Flint before that. So I have seen it numerous times. I am saying we have to take the bull by the horns. That is just how I feel and I don't think I am way wrong either, you guys have said it before I even said it in the newspaper. You have said it in the press. I think we owe it to the citizens and to ourselves and to you guys. Your comment about well if we get the money and we can't trust the City to spend it. I think we have to be careful of how we judge that, it is like saying I am not going to will my kids the money because they will blow it. We have to trust one another, you are the Legislative Body you have to trust it.

Chief Halstead stated further, so we get the money in and we heal the Police Department and if we have some funds leftover then we will heal some other places that are hurting.

Mr. Wells said I have been touting a millage, I hope we can get the rest of City Council to go with it. I hope we can put it on by November but we are not helping these guys right now and that is the bottom line. If we can get a millage and get it passed in November. I have positive results. I am talking to people and they are all for it. It has to be just for the Police Department. I don't know how we do that, we are going to have to get some language drawn up that says this money stays in the Police Department and General Fund has to fund itself, and part of that money has to pay down the pension costs because by and large, that is the problem – the MERS is the problem. I haven't been sugar-coating it to anybody and people understand it. By July 1st, we have to help these people and we are not going to do a millage before July 1st.

Mr. Martinbianco said the best case scenario, if you can get it on a November ballot, you are still not going to reap the rewards until July 1st of next year when they put it on the summer taxes. So you still have a lag and affect an entire year.

Treasurer Doug Bingaman spoke from the audience. (voice was not audible on the tape)

Mr. Haskins said I don't think there is one person sitting on this Council, and I don't mean to speak for everyone else, I am just going off the last meeting we agree 100% . I think we made it clear in the last meeting it is time to go to the residents and see what we can do. The problem is our police officers are losing their homes, they can't pay their bills, they are struggling to make ends meet. We have to do something now to correct that. That is why I was stating if we can do different cuts in different departments to sort of put a band aid on the situation to see if we can get more money in and when it does, bring it back and refill the positions. We have to do something. There are 15 police officers right now that can't afford to pay their bills and struggling to feed their families right now. They put their lives on the line every day they check into duty. It is not right Chief. It is no different than your firefighters. I am not out to bash anybody. I didn't say a cross word about one person. I am looking at dollars now to get this corrected until we can get help from the residents. I don't think I should be a bad guy for trying to do that.

Mr. O'Keefe pass an article to everyone and stated this is the Flint Journal, June 6th, Thursday, front page, Flint named most violent City again. The first 5-7 minutes somebody getting shot all the time. Not in our City, Flint. However we have about 9 running miles with the City of Flint which I think Mr. Smith noted it the wild west. He was moved a couple of weeks ago when Chief Halstead talked about Flint and how you were raised there and it was the north end. They have been talking for years and years about taking their City back. We didn't lose our City yet. I think we need to make a bold move. I think this is really important and look at it, I am going to talk about a proposal. Our police officers, what really bothers me is the one man cars. It has to be done and I understand the policing of it, however, when we have only 3 at any given time and it is 2:00 a.m. in the morning it is a scary thing. Especially if one is in the south end and needs help and one goes to back up that guy and one guy is up in 09 and maybe he runs into problems, what are we going to do. I had the fortune of living next door to Terry Thompson for quite a few years.

Mr. O'Keefe stated on 4th of July, I don't remember the year, it was about 10:30 p.m. at night. Terry was in his uniform, I was just getting home. We walked over and talked for a few minutes, we were kind of tuckered out and went to bed. Every night Terry had 09 at that time, he would come through about 11:30 p.m. and he would take his light and he would shine it right on our bedroom window and it really lit up the window. I made a comment that night and said Terry must be busy tonight. My wife got up the next day and ran to the bedroom and she you have to come here and look at this. I looked out and there were 6 police cars and 4 of them were State Police cars. She said what happened. I said you won't believe how bad this is going to be, and it was. Mr. O'Keefe stated further, I have some control on some of the things that happen in this City. I am not going to have a Herrick or Thompson on my watch, it isn't going to happen. I have a proposal – a kind of 2 step proposal and I think it is something we as Council really need to look at, it is for the Police Officers. In my proposal, I am proposing to hire 4 Police Officers. We don't have manpower. I sat next to someone at the 911 meeting – who will remain nameless – he is in law enforcement, he does live in the City of Burton, he kind of give me hell today and he talked about how the ranks have dropped 42 and now we are down 32, 3 people at night. I think we need to hire 4 police officers. In defense of what is happening to the west and for the safety of our police officers out in the street. It is going to cost money, no question about that. This is another short-term thing, I would like to suggest we could pay a stip-end to our police officers. What I am going to propose, you guys are 20% MERS – I propose it is a 5%, that will take you down to 15. I know we have other City employees here that will say what about us. The police officers at 15% is still paying more than anybody in the City. The MERS is a serious problem. I would hope then, that is when the short term ends, long term like Chief Halstead said, we have to go to the residents, and inform them of what is going on and have a good plan together. Shooting from the hip, people want to know where that money is going. We have to be able to tell them we have to put it in the right place. How are you going to pay for these 4 officers, it cost about $97,000 for your MERS contribution. Your new guys are about $70,000 apiece.

Chief Osterholzer said $72,000 if you bring them in at the lowest rate with no experience.

Mr. O'Keefe said the stuff we chopped tonight, I think we are just going to have to add to the deficit. I relate this if you were at your kitchen table paying your bills and all of a sudden it was a real bad month. That is what you have a savings account for. Keep this General Fund with any more money in it than we have to. Yes, at some point in time somebody might put a little lever and say we are going to be insolvent here soon. Yes we might be, but I think it gives us one year to take everybody up here, people over there, and all of you folks and we have to get out there and explain to people what is going on. Mr. Smith has spoke to a lot of people and told them the dilemma. Everybody I come into when I paint the picture the way it really is and try to give them a good explanation on things, they are all for helping out.

Mr. O'Keefe stated further, I still consider myself a sane individual; again this is going to cost the City some money. It is probably unprecedented to have a budget cutting session, cut and then throw another ¼ of a million dollars on it. That is my vote and I am sticking with it.

Mr. Smith said I totally agree with Councilman O'Keefe, we are at a cross roads. The residents have to decide what type of city they want to live in and raise their families in. He is up for election, I am and Danny is up for election. I am willing to tell. It is a risk. If the residents say no, it will probably be out of all of our hands. We will be ceremonial whoever is up here. I am willing to risk that. We have too good of a City to lose it. I am not going to lose it without a fight. I know you guys know how to fight.

Chief Osterholzer said I am at a loss of words sometimes at the support we get. I am truly blessed, we are truly blessed to have a public safety partner in Doug Halstead and all of the support you have given us. When you talk about going out for a millage, I think it is most important that number one, we are all on the same page. It is going to take all of us working together, unified, saying the same things, working hand and hand, going to door with a police officer, councilperson, fireman, DPW guy and explain it to people. That is how you conduct open houses as well. I am confident we can do if we can all get on that same page. I am very appreciative of the fact we are here discussing a short term fix. What we can legally talk about, or negotiate, or can't, I am no expert on that. I would defer to Sue and the Mayor. I know these guys are here tonight like they were last week, ask for help and maybe get some hope. I would defer to the Mayor what we can and can't discuss but any suggestions or ideas, I think we should get through our budget and then really start having talks here. When you talk about adding 4 Mr. O'Keefe, I love it. Giving us 4 would really be adding 2, as you know to replace Detective Bade and Sgt. Coe. Those 2 combined cost us about $232,000 and with pay outs probably a little more. If you looked at $144,000 for 2 officers to replace them, that still leaves about $88,000 left in savings, minus pay outs, and probably some small but it gives us a good idea. So you can almost pick up 3 for the price of those 2.

Mr. O'Keefe interjected Chief I meant 4 new officers.
Chief Osterholzer stated 4 new officers on top of the 2 to replace. I am sorry I didn't understand. Mr. Smith if we could move through our budget, we have to do that at some point then we can start looking at the end result. I can't convey to everyone here how much your support means to us and how we truly do need to get some kind of hope to them to hang in there.

Mr. Smith said we begin looking at the Police Budget on Page 21.

Page 21, Police Budget, Fund 2007

Mr. Martinbianco said given the tenor of Mr. O'Keefe's comments we probably need to look at the expense side first and then we will go back and take a look at what we are proposing as guessimated really.

Mr. O'Keefe said he talked to legal counsel today and yes, this is something we can do.
Mr. Martinbianco asked for clarification.

Mr. O'Keefe said basically it would appear as a stipend for Police officers to go towards their MERS. Apparently, your union would have to be involved too. There would be some signing off on a few documents. Basically, about $97,000 would go in. It wouldn't really be a salary because you are going to get this for one year, it will go towards your MERS.

Mayor Zelenko interjected we are risking public negotiating of a contract.
Mr. Martinbianco expressed and we are still in arbitration with yet another case.

Mayor Zelenko said I think the Chief put it very eloquently that we need to get through the budget. You can address this in a couple of weeks, and let us crunch the numbers so we can get those accurate numbers for you, and let us meet with the respective bargaining units so they are represented and let administration to their job. By what you said and the tenor I am getting from Council, I feel confident we have your blessing to go in and make these arrangements and these offers, but we can't sit here in a public meeting and negotiate a contract, or aspects of their contract. I am starting to feel a little nervous, I do appreciate where you are coming from. I think if we get through the budget, I think you can throw estimates into your budget if you want to, and you are perfectly within your line to do that. That you want to put certain amounts in the budget to go towards a short term solution, if you want to word it that way, and then we come back before you in a week or so with the actual amounts and what we have been able to sit down and discuss. At this point, I am a little nervous that you are getting into public negotiations session, which you can't do.

Mr. O'Keefe said, again I discussed this, this afternoon with our labor attorney.
Mayor Zelenko responded I did as well.

Mr. O'Keefe said my big thing was to get this up on the table tonight, that the detail we will work out later. If you have any resumes out their guys, lets take a little time. I think you can see that the administration, City Council, and you can see the residents are behind you. Try to stick with us here.

Mr. Martinbianco addressed Mr. O'Keefe and said your thinking and logic is to add 4 additional officers.

Mr. O'Keefe said $280,000.
Mr. Martinbianco said $290,000 if you want to round numbers. You are suggesting increasing that line item from $1,435,063 and increasing that by $290,000.
Mr. O'Keefe stated right.
Mr.Martinbianco said that resulting number is $1,725,063.

Mr. Wells asked does that cost include fringes, benefits and everything; the $72,000.
Mr. O'Keefe said yes. It will be split between the two.

Mr. Smith said it is one way or the other. If we don't do anything in a year and a half or so, we are somewhat taking a little bit of a gamble.

Chief Osterholzer stated It is important that we put it out there, we need to do it and work together. You have 30 people sitting in this room that will walk side by side with everybody up there and with administration here. I am convinced we can do it. We can't take our foot off the gas. This has been talked about for a long long time and this is the time to do it. I don't want to give anyone false hope and have it not even attempted.

Mr. Wells said I have had discussions with some of our retired officers and officers with other law enforcement municipalities. What Dennis is saying about Herrick and Thompson, that is a huge concern. There is no way in the world, and I have been having tough times, you can't concentrate 100%. So you walk into these sometimes and you forget your training. Some of them said you can almost smell it, there is just a feeling. These guys and gals are in a position right now where they are not 100% focused, and there is no way they can be. I understand it, I didn't think of it that way, but once those guys start talking to you about it, they have been there, they know what it is like. They know what mentality they have to be at to do their job correctly. I understand we had some problems in the south end last weekend and we had 3 officers down there on third shift. That is not a safe situation. It can't happen.

Chief Osterholzer said I agree 100%, if you remember the budget hearing, I was being serious when I said we are only one blown knee from having a 2 man car out there for the entire City at some points in the summer. It always seems to happen during the summer but it does. I hate the fact we put 3 officers minimum staffing out there - that is ridiculous. As soon as we get 2 cars tied up on a domestic, we run tons of domestics, we have one guy floating out there, and we can tell them guys don't put yourself in harm's way, wait till there is backup. I listen to it every night, when somebody needs help they are going. The idea Mr. O'Keefe and all of you of putting more officers out there, absolutely.

Mr. Wells asked what is a 5% stipend do
Mr. O'Keefe said what it does, they were going to 20% it is going to back their contribution back to 15%. They are still the highest in the City, the next unit is at 12%. Both Chiefs have talked, you have talked, the magic is not right here. This is more of something that maybe a good faith offering, and also a safety offering, and then we have to get out there. Mr. Wells said you said it a couple of times, we need to get what we need. I think we only have one shot at it. We have to really sell the residents and get it passed from the first time. Mr. Austin is looking at the Charter and what we can do, I know the Mayor has looked at some things, she has some ideas. I think everybody does. Lets get all those ideas and momentum and lets get them in one direction, and get this going and get it passed by our residents – then we will be out of the woods. Mr. Smith said you got about a year and a half and then we are going to have some real financial difficulties. I think this money is well spent tonight, I think it is the right thing to do. If we don't do that, we Put up our subdivisions that we own. We apparently have a buyer for one of them. Again, people are not going to move to this City. We talked about the roads and trying to get those fixed.

Mr. O'Keefe said the Mayor has had 2 studies, one on the Sewer and one on the Water, we have a plan there. Before everything crystalizes and really comes to attrition, I think we can do it but it is going to take everybody in this room to be a cheerleader and get the word out and get a millage that the Chief said, when other cities are 13, 14, 18 mills. I didn't know Bay City was as high as it was. We are in the dark ages, this is ridiculous. You can tell people to look at their tax bill, Lansing has something to do with it too, they have not played fair or nice and it has hurt this City, like other cities. I think we are strong enough. I lived here a long time. I lived in the same house for 40 years. I bought the house when I was 21 years old, I had no idea I would live there that long. The reason I live there is because I like living there and I like living here, this is my home.

Mr. O'Keefe stated further, I am going to tell you right now, no bad guys, no gang-bangers from Flint are going to come into Burton because we have the best stopping them right at the City limits.

Mr. Smith called for a 10 minute recess.
Meeting recessed at 8:35 p.m.
Meeting resumed at approximately 8:51 p.m.

Mr. Wells suggested they add $290,000 into salaries permanent for the addition of 4 more police officers.

Mr. Martibianco said the split would go between salaries and fringe benefits.

Mr. Wells stated that is correct. I suggest the 5% after we figure out the legalities of how we do that, that we make a transfer and we can do that after the Budget.

Mayor Zelenko said she believes that is the way to do it.

Mr. Wells said then we get on our bicycles and get something going on a millage. As soon as we can get a meeting together, we can figure how much we want to go for. I don't want to be here next year and the year after.

Mr. O'Keefe expressed you won't be.

Mr. Smith said we were at $735,601 is a deficit and we are going to add $290,000 to that deficit coming out of the General Fund. Whatever that 5% is, I believe is approximately $97,000. It will be about …..

Mrs. Burke-Miller said about $1.1 million dollars.

Mr. Smith said $1.1 million dollars is going to be utilized from the General Fund.

Mr. Martinbianco said at this point, $1,025,610 until we have further discussion and clarification relative to the stipend proposal we will have to take up with Council.

Mr. Smith said tentatively he has $1,025,795.
Mr. Martinbianco said that is close enough.

Mr. Martinbianco asked for explanation of the vehicles.

Chief Osterholzer said overall our vehicle fleet since Lt. Warden implemented a new policy as to how we operate, is in much better shape. However I provided the documentation for our budget hearing we have 2 up there around 120,000 – 140,000 miles I would like to replace this year with 2 new vehicles. The idea behind it, is it sets us up very well for the following year. I would never want to skip patrol vehicles because we see what it does to us. It costs us more in the long run in vehicle repair. However, our DB fleet is going to be needing replaced by probably next year. Chief Osterholzer stated further, we can make it stretch this year. If we buy these 2 vehicles this year, it sets us up well for next year. To skip patrol cars, and we can actually get 4 DB cars at the price of 2 police cars, fully marked units. That was my initial proposal. The reasoning behind the Tahoe as I explained, was the supervisors vehicle actually being able to carry all the equipment, we truly needed to and wanted to, as far as active shooter response. All the other responsibilities as far as accident stuff, first aid, and that is where we left it at our budget hearing. There was money in there for one patrol car fully outfitted. I think we discussed, I don't have those figures in front of me at the moment, adding additional monies is all up to you folks. Given everything I heard up to this point, I was going to let you bring up vehicles and not ask myself.

Mr. Wells asked there are no vehicles in there right now.
Mr. Smith replied there is one in there right now and he was looking at the other one as well. It was around $20,000 plus extra to prepare it.

Mrs. Burke-Miller said we had 2 vehicles in there in the 2011 –2012 budget and that was $75,000. That was fully equipped and completed outfitted. So we budgeted $35,000 in there.

Mr. Smith asked for the 2013-2014 budget?
Mrs. Burke-Miller responded yes.

Mr. Smith said that is to get one so two of them would be……
Chief Osterholzer interjected the State bid price under MI-DEAL for the Dodge Charger was $23,297, then you have to figure the changeover from a Dodge to a Ford it came to about $10,000 a vehicle. The Tahoe was $25,345, $3,000 more than a Charger.

Mr. Smith that would be?
Mr. O'Keefe stated $48,642.

Chief Osterholzer stated and then the cost to outfit them, which we knew going into this year we were going to dip into our vehicle maintenance repair to cover the remainder of what was allocated last year. We kind of planned on that.

Mr. O'Keefe said support.
Mr. Wells said go with the Tahoe.
Mr. Smith said I don't have a problem with that.

Mr. Wells asked Chief Osterholzer what is the addition of 6 new officers do to your training.

Chief Osterholzer said it is a lengthy process to get them interviewed so we already go the okay from the Mayor not to hire but to put out and start getting in applications and we have been swamped. At any point we can start our hiring process just to start weeding them out to get down to where we want to look at them. Once we start training, 6 will be a handful. I would probably ask Lt. Warden to address it a little more. Our training process is about 4 months. Figure from the day they actually hit the road, 4 months before they are out there on their own.

Mr. Wells said I am talking about cost those.
Chief Osterholzer said the cost to train them is the FTOC, the field training officer cost we incorporate into comp time so our guys don't make additional dollars as far as that. The cost to outfit them our uniform budget will not handle 6 officers. We have done really good on saving our equipment and re-utilizing equipment that is well conditioned and we will do the best we can but I can tell you that $12,000 won't cover it. Training cost as far as any additional trainings and classes we send them through, a lot of those will come through the LEORTC, if you remember I told you our 302 State dollars go to that. Stuff they need to pick up that they didn't get in the academy we would be able to initially do that way. We don't spend training monies outside of LEORTC except for specialty classes. Logistically, it is going to be tough but I think you have a commitment to make it work.

Mr. Wells said we don't have to add any additional funds across any of those.
Mr. O'Keefe said uniforms.
Chief Osterholzer said uniforms is $12,000.
Mr. Martinbianco said $6,000.

Chief Osterholzer said he is thinking of last year's budget was $12,000 to $15,000. We would have to obviously up that. Chief referred to Lt. Warden.

Lt. Brian Warden spoke from the audience. (no voice was audible on the tape)
Chief Osterholzer said a vest alone is $600.00 and they have to be custom made, so there is $3,600 of that $6,000 uniform budget right there. It is safe to say we need to bump that up to at least $12,000 to make sure we some costs and then of course we will do the best we can in issuing used uniforms. Some of the stuff can be re-used, gun belts, holsters, if it is in serviceable condition and we save all that stuff when officers retire. We take all the uniforms, we have a full inventory of spring coats, winter coats and we keep all that stuff that is still serviceable. We will do the best we can but I know we will spend $3,600 on ballistic vests alone.

Mr. O'Keefe said we put you in a bad position and you are kind of shooting from the hip here. Maybe you and your Command Officers can sit down and think this through. All of us want to do it right. Get with Ginger and we will know on Monday night then.

Chief Osterholzer said we can sit and talk but I think you have put us in a good dilemma. Can we take on the hiring of 6 immediately is a far better dilemma to have than the opposite. I am sure we can work through it, even if it is a staggering some of the starting times when we actually get people on board.

Mr. Wells said when he first came on City Council, he use to take a ride with some of the cops. I think it would be good for some of the Council people to start that process again.

Chief Osterholzer said I have opened it up before. I discussed it with some of you. It is just a matter of calling me and let me know a date that works. Day shift is busy but it is a lot of reports, a lot of accidents. I would rather you had a true idea of what it is like to work the City of Burton.

Chief Osterholzer stated further, you pick a Friday or Saturday night in the summer and we will show you what police work in the City of Burton how busy they really are. We would welcome that because for you guys to make informed decisions as to what we do, when I say minimum staffing of 3, it drives it home when you see 2 guys tied up on a domestic arrest and you see others going on a 2 man calls by themselves. So we would welcome it.

Mr. Wells said it is a good program and that is where I learned a lot. Chief Whitman allowed me to ride with some guys. It was very eye opening.

Chief Osterholzer said we may ask you to sign the waiver form like we do for other ride alongs, but I think everyone would welcome it.

Mr. Martinbianco asked we are going to increase the line item for uniforms from $6,000 to $12,000.

Mr. Smith asked for clarification.

Mr. Martinbianco said the request was to increase the uniform line item to accommodate the new officers, raise it from $6,000 to $12,000.

Mrs. Burke-Miller asked where we are at on the vehicles.

Mr. Wells said he thought we said one Tahoe.

Mr. Martinbianco said when the Chief was here earlier, he said if he had his choice between the Tahoe and the Charger, if he had to pick he would take the Charger.

Chief Osterholzer said I think we were asking for an additional vehicle back at that point when we talked at the Budget Hearing. The Charger was in there and this is what it would take to get the Tahoe. If you give us money it is only a $3,000 difference. It would be appropriate to have discussion with my patrol Lieutenant and see where exactly we have the biggest need. I do think we want to get a Tahoe out there for those reasons I specified. Off the top of my head if I had to make a choice, I really need to have a better handle on the mileage of the fleet, but obviously that Tahoe for a supervisor vehicle jumps to the front of my mind, if you are asking me to make a choice.

Mr. O'Keefe asked Chief Osterholzer if you are going to have 6 more officers and in 4 months they will be on their own, is there going to be enough cars for them to drive.

Chief Osterholzer responded yes, once you go from 3 officers driving to 4 officers, maybe 5, 6 a night, it definitely makes a difference. The Lieutenant has done a great job managing our fleet, the officers have done a great job of being responsible to their vehicles and following protocols. That is something we can work through and take a look at next budget year. That is my own personal opinion.

Mr. Smith asked Mr. Martinbianco to clarify figures.

Mr. Martinbianco said so far we added $6,000 to the increase in the uniforms. If it is the choice of Council to add an additional police vehicle we are looking at another $28,000.

Mayor Zelenko said you want $28,000 on top of the $35,000 that is there for vehicles so they can get 2 vehicles.

Everyone was in agreement on those figures.

Mr. Heffner said I think it is a great idea to get more police officers on the street. How are we going to pay for all of this?

Mr. O'Keefe said we can do it for one year. After that you have a large problem. That is why step number 2 is you have to get with the residents and talk with them and educate them and give them a good proposal.
Mr. Heffner said shouldn't we go to the residents first and ask them and once we get their okay, hire 6 new officers. I think it is a great idea and we need it, I just think you are taking a chance of the millage getting shot down if we start force-feeding the residents.

Mr. Wells said we are taking a chance either way. We are taking a chance on loosing some long-time officers that we got tens of thousands of dollars into training for that know the neighborhood very well. We are taking a chance of their safety out on the streets. Right now because they are not able to fully concentrate on their job. We take chances every day. That is the nature of this job. We have to look at these numbers, look at the situation and make sure the residents are safe. We certainly don't want a situation where people start getting knocked off in the City of Burton like they are in Flint.

Mr. Heffner asked how fair would it be to those 4 new officers. I understand 2 are replacements.

Chief Osterholzer replied I think it is a very fair question and I gave it a lot of thought when you guys first brought it up because who wants to be the Chief of Police that hires 4 new guys and turns around and lays them off in a month. Yes it is a risk. Anything we are doing here is taking a risk. But the risk you are showing tonight, you are willing to take, says a lot to these residents and definitely does to these officers.

Chief Osterholzer stated further, I think I would be hesitant and I would definitely have spoke up and told you I don't think it is a good idea until we know. If I didn't believe in my heart that I think all of us working together in this room could pull this off, if I didn't think we could do it, I would tell you lets wait, that is just my own gut. I think we can do this, if we do it the right way and work together and are unified on it. It has been a long time coming as we have lost so much on property value, lost revenue sharing dollars, and other cities have adjusted. I know we are all proud of the fact we operate on 4.7 mills and provide the services we do but I think the time is now and if we approach it right, I believe we can do it. I don't want to be the Chief who lays off 4 and if I didn't believe that, I would tell you that right now.

Mr. Heffner said I just don't want to get into a situation where we are making promises we just can't keep. I am not against it; don't take it wrong. Back in 1990 and 1991, when they started the MERS program there are some questions that should have been asked back then. It wasn't asked and you know the situation we are in with that. It scares the hell out of me.

Mr. Smith said it is risky, we are potentially losing as Councilman Wells mentioned, an experienced police force. We live next to the most violent city in the Country, according to the FBI. As far as long term, if we stand pat and stay where we are at within 3 years, it is going to be out of our hands anyway, shorter now. I would rather spend this time informing the residents what their choices are. This is really their money, we are just trustees, rather than us bury our heads in the sand and suddenly the money is gone and the residents saying what happened. We are giving them the opportunity to have a voice here. Our challenge will be to inform them and to give them the amount of funds we need to keep the City viable and vibrant. People are not going to live here or invest here if it is not a safe place to raise their kids and live. Right now we have 32 officers, we are going to lose two.

Chief Osterholzer said as of the 21st we will be down to 30 working officers.

Mr. Smith said a thin blue line of 30 officers basically keeping our city safe along a 9-mile corridor. That is a testament that they have been able to do the job so far. While they are doing this job, every year they are making less and less money. How do you ask people to risk their lives and keep us safe and then have that on the back of their mind. As a Councilperson, when I make a decision, whether right or wrong, I can look that resident in the eye and say this is why I did what I did. You may disagree but this is why I did what I did. This is one I don't think I will have any trouble looking them in the eye. Come November, my thing when I am out campaigning, I am sure I will be with Councilman O'Keefe, this will be an unusual campaign in Burton because we will be talking not so much about ourselves, but about our City and the situation our City is in.

Mr. Smith stated further, so this is going to be a little different. I am going to explain it and if they choose to go to a different direction as a community, then I have done everything I can. I have informed them. I would rather be voted off this Council than be here with a dangerous City and a ceremonial capacity. Within 3 years or less, this is where we will be. This is a gamble no doubt. I have faith the residents are going to respond if we inform them what is at risk and what it is going to cost.

Mr. Wells said the bottom line we are doing what every other municipality and most businesses are doing in this community and State right now, we are buying time and trying to make a good decision using traditional efforts we have seen in the past. We have called on our citizens in the past. We know they want to be safe. I hear it every day too. We have people that are irate that we are even at this point. They wonder what the heck we have been doing up to this point. How come we are just now hearing about it? Basically we are buying time. I think we are using our heads, time will tell. At least it will not be another MERS program. That will break us before this decision.

Mr. Martinbianco asked for the estimated fund balance at June 30th for this fund, this year. It is safe to say we could deploy some of those assets, it is not going to cushion it much, but it will soften some of the blow from General Fund if we took $100,000 out of that reserve and moved it over. Is that a comfortable level of residual?

Mayor Zelenko expressed no – but none of this is comfortable.
Mr. Martinbianco said $100,000 would help soften the blow from at least part of that standpoint.

Mrs. Burke-Miller said she is looking at just 2007 Fund and I am not looking at General Fund.
Mr. Martinbianco said that is what I am talking about. That is the one you projected because when we did last year's it seems to me it was $60,000 was going to be left in it and now it looks like $302,000. So if we took $100,000 out of that, it will be somewhere still with a couple hundred thousand dollars left in that fund. I would suggest doing that to help soften some of the blow and get us under a million.

Mr. Heffner asked Chief Osterholzer on a percentage or estimation, what kind of assets do they use down in the DDA area.

Chief Osterholzer said when I think about the DDA area, I don't know the actual parameters of it, I think of the downtown Saginaw Street are but how far that goes to either side, if someone could enlighten me first.

Mayor Zelenko said it is pretty much just the South Saginaw from Maple to Hemphill.

Chief Osterholzer said the south end of Burton is definitely because of the dense population. We definitely spend more time policing in the south end of Burton. Along that strip if you are saying a quarter of a mile on each side, I am going to take an educated guess of at least 20%, just on that strip and then just go a quarter of a mile each way.

Chief Osterholzer said if you were just to say the south end of Burton, it would have been much higher. Along the DDA strip, I think 20%. Chief said Lt. Odette looks at the crime statistics and the breakdowns of our districts when you put them together when we re-vamp. Would you say that is close?

Lt. Odette spoke in the audience. (no voice is audible on the tape)

Chief Osterholzer stated just the Saginaw Street and just the businesses, probably about 10 to 15 %.

Mr. Heffner said he proposes taking $100,000 out of the DDA Budget and move it over to the Police Budget. There is $214,000 in that fund right now and it has been that way for years. If you look back at your old budget book, in 2012, 2013, their fund was at $207,000. I think it would be a good investment in that end of town to take $100,000 out of there and move it to the Police. I am a taxpayer in the DDA, and I would not be against. I can't speak for all of them down there, but I am not against it.

Mr. Smith asked the Mayor what our options are with the money.

Mayor Zelenko said it just needs to be spent and justified in the DDA district.
Mr. Smith asked if $100,000 could be justified.
Mayor Zelenko replied there are other communities that do pay some of their Police out of their DDA. I don't know about $100,000.

Mr. Heffner said that might be a little high.
Mayor Zelenko said 15% would probably be more realistic to consider, if 15% of their time is there.

Chief Osterholzer said Lt. Odette just made a very good point. We spend approximately $24,000 each yar policing Back-to-the-Bricks and they gave us $8,000 towards that but all $24,000 of that is spent on Saginaw Street, DDA district alone. Calls for service probably 10%. We do a lot of traffic enforcement when we have time, a lot of 3rd shift patrol and search and a lot of your stuff comes off Dort Hwy. and Saginaw Street. If that helps with your decision.

Mr. Heffner asked if $50,000 was a more reasonable number.

Mayor Zelenko said I think that is still a little on the high side; 15% of their balance would be $32,000.

Mr. Heffner said that barely covers Back-to-the-Bricks.

Mayor Zelenko said they have already designated $7,500 to Back-to-the-Bricks.

Chief Osterholzer said I don't know what to say is reasonable or not. I think they would want some input on it obviously, and maybe we don't really need to hear their input.

Mr. Heffner said we are hurting and looking for every dollar we can find.
Mr. Martinbianco said you could justify $35,000 in that area.

Chief Osterholzer said I could look them in the eye and say we spend $35,000 a year policing the DDA district. I can do that without question.

Mr. Martinbianco said I would suggest move from $7,500 to $35,000.
Mr. Smith, Mr. Heffner and Mrs. Ellenburg all expressed support for that.

Mr. Wells said I don't know that we can do that without DDA voting on it. They put the money in there themselves and it is not the City's money.

Mr. Martinbianco said we have to approve that budget.

Mr. Heffner stated that is City of Burton money. A lot of them are not even City of Burton residents.

Mr. Wells said their businesses are in the City of Burton and they put the money in there.

Mr. Heffner said I pay the tax myself.
Mr. Wells asked are you on the DDA?
Mr. Heffner replied on the Board, no I am not..
Mr. Wells said to ask them nicely, don't just take it.
Mr. O'Keefe said that is a good idea.

Mr. Haskins said I understand they are DDA and they formed that committee and did all this downtown development authority. There was a point in time where they designated so much money to the Police Department. Every year they felt the coverage they were getting wasn't justifying the dollar amount they put in. I don't think the DDA should be penalized and charged for something any other business on Center Road or Bristol Road is getting just because they have a special fund that they call DDA. He is all about doing what we can for the Police Department but he doesn't think they should be going after the DDA money without talking to them and consulting with them and seeing exactly where we can go with it. I don't agree just saying there is $214,000 here that they have been paying into for years, lets go ahead and take it. That is my opinion.

Mr. Heffner said we are not going to take it all – just what the City is paying out for Back-to-the-Bricks and a good Friday and Saturday weekends happen down there from time to time.

Chief Osterholzer said he likes the input from Mr. Heffner and Mr. Haskins point of consulting with them. Lets remember that Back-to-the-Bricks is not something that they asked for, it is forced on them and us. We are stuck with it. He agrees with Mr. Haskins that maybe there should be some involvement there. I don't need the entire Saginaw Street district upset with the Police to where they have some influence now when we go back for a millage push.

Mr. O'Keefe said absolutely. Sit down with them. I think they will see the light.

Mayor Zelenko said the DDA's next meeting is July15th at 8:30 a.m. here at City Hall.

Mrs. Ellenburg said she feels we should attend the DDA meeting on the 15th with a presentation and basically what they are going to be getting for their $35,000. I feel they should be paying a percentage and 15% is a good number.

Mr. Haskins said is for savings, that is not what they bring in a year. If you are going off what they bring in a year 15% that is totally different than what they have in savings. The dollar amount will be totally different. When they contribute to Back-to-the-Bricks my understanding is that is a 1/3 of their budget for the year.

Chief Osterholzer said I think keeping the big picture in our scope here as far as what we hope to do, that would be in our best interest for us to approach them at that meeting and discuss it and have their input.

Mr. Martinbianco asked the Chief, when you did approach them at their last meeting relative to them offering the $7,500, was there much discussion about that.

Chief Osterholzer stated yes, the Mayor and Ginger could tell you from sitting with me. There was a lot of discussion. Some are for it and some are dead set against because they believe the money, they will tell you bricks and mortar is the term they used, they will stick it to this was for bricks and mortar to improve sidewalks and do awning projects. Yes we are going to get some resistance. Some speak more vocal than others. I think it would be appropriate to invite all the DDA members and not just their Board to a meeting to discuss it. Some are going to be opposed to it, very much so.

Mayor Zelenko said I think what you do is have your Finance Chair or your Council President go to their next meeting and request having a meeting with them – a workshop with them.

Mr. Heffner asked all the DDA taxpayers or just the Board?
Mayor Zelenko said it is a meeting open to the public; anybody can come. With that DDA Board, yes.

Mr. Heffner said I like the Chief's idea of getting everybody paying that tax, even people that don't sit on the Board, to come and put their input in.

Mr. Haskins said if the millage passes, they would pay even more tax.
Mr. Heffner said they should at least have a say in it; it is their money.

Mr. Wells said it is not worth kicking a sleeping dog when we have a millage coming up. To me that $15,000 or $20,000, or whatever you are talking about. Lets go out for the millage and recruit their help to do that. There are some pretty influential people down there and there is a lot of votes down there.

Chief Osterholzer said they are going to catch wind that we had this discussion and Mr. Wells that might be a very good idea to say we really considered this and thought long and hard about it but lets work together to get this passed first and then talk about it down the road. That might be the much better idea.

Mr. Heffner said I was just trying to look for some revenue for the Police Department.

Chief Osterholzer said I agree with you but in the big scheme of things, Mr. Martinbianco's comment of the how much it would be versus the damage we could potentially do, I don't know if it is worth it. We can still move forward with the plan and if they approve it, always add it to the Police Fund later, in the General Fund.

Mr. Smith stated we are $959,795 at this point in time. I agree, we are going to need everybody, as many people as we can to make this a successful effort. I would be glad to go to the meeting if everyone is comfortable with that.

Mr. Heffner said if you have time go on line. The Ann Arbor DDA just gave some money to Ann Arbor to put on a couple more police officers to patrol their downtown area. That happened in the last couple of weeks.

Mr. Wells said it is a very pro-active city that has tons of money. We were up in Midland last weekend and it is night and day. The parks and trails and Ann and I went hiking through Midland and I would love to have that here. They have 3 consecutive parks linked by 7 miles of trails along the river and all covered by WiFi. You can plug in your Blue Tooth in and walk the whole thing. eople are roller blading, skating, walking and riding bikes. Every quarter mile is a sign this is paid for by Dow Chemical, we don't have that. We need a CS Mott.

Mr. Smith said we are at $959,795 out of General Fund. It will leave us a little over a million dollars.

Mr. Heffner asked what we started at.
Mr. Smith replied $866,000, we actually added to the debt. Within 3 years it doesn't matter. We have to go to the residents, as we have no choice.

Mr. Heffner said we are going to the residents; we are heading that way. My opinion is you go to the residents first before you spend the money.

Mrs. Ellenburg asked Controller Ginger Burke-Miller if this is going to matter.

Mrs. Burke-Miller said she absolutely agrees with Mr. Heffner, you don't spend money until you have a certainty you are going to be getting it. Whether it is getting a loan on a house, you just don't go spending money you don't have. We are stuck with what we currently have. But like you all said, any cuts we make it like amputating a body part at this point.

Mrs. Burke-Miller stated further, but I can't see us adding to it at this point. I have absolutely a ton of respect for the officers in this room and could never do the job you all do. I can't imagine the things you have to face on a daily basis. But I can't see spending the money right now without getting the approval of the residents.

Mr. Heffner said we should take care of the officers we have now, go out for the millage, get the money in our pocket and then go out and hire.

Mrs. Burke-Miller said it shows responsibility to the State that you tried to do it in an appropriate manner.

Mrs. Ellenburg asked if we have enough time to get the language on the ballot for November,

Mayor Zelenko said we have until August 14^{th}. She will need to have legal counsel on the language.

Mr. Smith asked if we could do 2 different proposals, one with the current level of officers, and one with 4 additional officers.

Mayor Zelenko said you need to decide if it will be a Police Millage solely. Not sure what direction you want to go. I will need to have legal counsel on the language on how we actually word that. I will do my best to have something for Monday night.

Mrs. Ellenburg asked if Mr. Austin could do a millage for a tax levy and deviate a certain percent of that to the police.

Mayor Zelenko said she would find that out.
Mrs. Ellenburg said we have to fix other things too like MERS and the Police and other things that are happening. If it fails, my understanding is you can't go back for this for 2 years. It has to be successful and reasonable, but you don't want to do it again. We haven't done it in 40 years. I believe the residents are ready for it. They want their services and they want police.

Mayor Zelenko said my biggest concern is if we are going to step forward and do this, we all have to be united. It has to be every member of Council, the Police Department, every administrator in the City. Because you have such a short time of getting that information out to the voters, we are going to have to scream it loud and often about how important this is, if this is the route we want to go. We have to all be together on it. You really have a short time to have that information out there so you are reaching enough voters.

Mrs. Ellenburg said I think we are pretty fortunate because we don't have a Primary Election, so 100% can hit the doors with this.

Mayor Zelenko said Mr. O'Keefe, Mr. Smith and Mr. Wells already said it is not about them this election year; it is about the City. We will do the door to door.

Mrs. Ellenburg said it won't be just them going door-to-door.

Mayor Zelenko said one thing I have to caution you on, having done some millages and consolidation for schools, you have to be careful on the amount of taxpayers dollars you put on this. You can put it towards the information but you can't use taxpayers' dollars for opposing or supporting a ballot initiative. We may want to consider a consultant to help us through this. I can find some of that information out for you as well.

Mr. Heffner said in my opinion, we made some promises for these officers and if we overwhelm it with too big of a tax, everybody is going to lose. If you go for the grand slam, you are going to be lucky to get a foul ball.

Mr. Smith expressed having 2 initiatives on the ballot. Let the voters choose.
Mayor Zelenko said those are types of questions we need to ask a consultant on. This issue is big and for us to do it right we need an expert helping us with this. I think we need to talk to a consultant about how we do that. Let me get with a couple of people and find out and get you some information.

Mr. Smith said we are at $959,795 and it has $209,000 for the 4 officers. Do we take that off?
Mr. Wells said no.
Mr. O'Keefe replied no, absolutely not.

Mr. Haskins said there are new positions still allocated in the budget; they go. Use that money towards new officers. That would offset it somewhat, if they were still in here. I don't know I missed the first part of the meeting so I don't know if the new positions that were allocated in here are still in here or not. But if they are, they need to go and allocate it towards the Police. If this doesn't pass, at that point in time we need to look at lay offs in other departments. If no one is willing to lay off or look at layoffs right now currently, and this doesn't go through the ballot we need to look at other layoffs and try and keep our police officers, if no one is willing to do them now.

Mr. Heffner said we have to have balance in the City. The DPW has value just as well as the Police Officers. When the sewer is not flushing and nobody to count the tax money that is coming into the City that seems to be a problem too. When the Clerk can't hold elections that is a problem. We have to keep a balance.

Mrs. Ellenburg said I don't think we answered what our Controller stated.
Mrs. Burke-Miller said you have a couple of options. You can put these additional costs into the Police budget and then have it there in the event you passed the millage. I would recommend at that point obviously you could spend it. You could build it in there, leave it in there and then just wait and see and if we don't get the millage passed then you don't have to spend it. Because you build it in doesn't mean you have to spend it; it is just a guideline.

Mrs. Ellenburg said to me that is what we have to do.

Mr. Wells said we sat here all night. You have my vote.

Mr. Smith said to keep it at $959,795.
Mr. O'Keefe said it is what it is.

Mr. Heffner re-iterated you can't spend it before you get it.

Mr. Smith thanked everyone for coming tonight. He stressed to everyone to inform family and friends that are Burton residents what you heard tonight. They need to know so they can make a decision.

Meeting adjourned at 9:45 p.m.

Julie Adams, City Clerk,

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