

CITY OF BURTON
COUNCIL BUDGET WORKSHOP MINUTES
JUNE 10, 2013, 6:00 P.M., COUNCIL CHAMBERS
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The Workshop was called to order by Council President Tom Martinbianco at 6:10 p.m.

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

MEMBERS ABSENT: None.

OTHERS PRESENT: G. Burke-Miller, Controller, Mayor P. Zelenko, M. Udell, I.T., G. Kray, DPW Director, S. Warren, Human Resource / Labor Relations and J. Adams, City Clerk.

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

- 1. Information Technology and Personnel Request**
- 2. Rubbish**
- 3. Building Department**
- 4. Capital Improvements**
- 5. Local Streets**
- 6. Major Streets**

PRESENTATION:

Mrs. Burke-Miller read line items of the expenditures for Information Technology and Personnel Requests totaling \$436,284.

Mr. Martinbianco talked about adding another person to the I.T. Department.

Mr. Udell said he spends more time working on phones, paperwork, etc., and that is what a secondary person would help with.

Mr. Martinbianco said his issue with this is by the end of the day you have another \$100,000 spent on an employee that maybe we could contract out at least for this next fiscal year for substantially less than that. There is a lot of talent out there possibly willing to do that on a contractual basis. He is not willing to support a full time person with fringes and benefits.

Mayor Zelenko said when the budget was put together Council agreed there were 2 bottlenecks, being the Controller's Office and the I.T. Department. She understands the budget fix we are in and they had put in the highest possible cost to help alleviate those bottlenecks.

Mr. Martinbianco said his expectation was to find a person with computer skills and accounting skills to help the Controller out so if you could merge that person then he has no problem.

Mr. O'Keefe said he is not convinced the City needs another I. T. person. He cannot support that.

Mayor Zelenko asked if they should take funding for that extra person out of the I. T. budget.

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Mr. Wells said he has called other municipalities inquiring about their I.T Department. There is one company out there that does most of the things we need done for about \$20,000. He said they maintain the technology center for the City's they work for. The staff is on call 24 hours a day, can upload meeting minutes, maintain the website as well as build websites. They are a preferred provider though the State of Michigan for BS & A and there are very few municipalities who have a full time I. T. Department. It doesn't make sense any more.

Mr. Smith has been to this company's website. They have a special relationship with BS & A and offer an e-mail mailing system to reach out to the residents. It at least deserves a look. He's not sure how much beyond that they can provide but they have a large staff with plenty of credentials.

Mr. Wells asked what township was paying \$85,000 for their I.T. person. He said this company can do everything we need for about \$17,000.

Mr. Martinbianco asked what their security clearances are relative to municipalities.

Mr. Wells had verified with the company that they fall under the State and Federal codes.

Mr. Martinbianco said if we choose to go this route you almost have to have a salaries permanent line item and the associated fringe benefits out of this budget and then increase the Contractual Services line item for that amount.

Mrs. Ellenburg said the City would need broadband to hook into this.

Mr. Smith asked if there were any plans for the City having wireless.

Mr. Udell said not at this time.

Mrs. Ellenburg asked how much that might cost.

Mr. Wells said it is the cost of a modem.

Mr. Smith asked Mr. Udell his reasons why the City has not gone wireless.

Mr. Udell replied it is not a necessity.

Mayor Zelenko said we have had our hands full with this conversion and new infrastructure. We would also need routers.

Mr. Smith said it would be great to be able to bring your laptop and tablets to the meetings.

Mr. Heffner said there are computers here no one is using other than Mr. Smith. He feels it was a waste of money.

Mr. Smith said he is willing to invest the time to learn it and that wireless is easy and convenient.

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You could get a Kindle Fire and read minutes online or get a laptop. Most places have wireless and it is not expensive to do. Part of technology is making things easy.

Mayor Zelenko said this is an effort Council all wanted.

Mr. Udell said that was not his effort; that was what Council wanted.

Mr. Smith said he is not criticizing what has been done but there is more portable technology and lower cost tools that we can use.

Mr. Udell said he doesn't want it to seem like he doesn't want WiFi or other things.

Mr. Smith said if you don't have a tablet most smartphones can read WiFi. We are not trying to diminish what has been done but the easier it is for the average person the more it will be used.

Mayor Zelenko said we have never been against it.

Mr. Smith said IT Right is an example of this and we need to look elsewhere because we just don't have the money to do this kind of stuff.

Mr. Wells said we see the revenues declining and you are not going to fix it by throwing money at. We brought in all this new software and computers to streamline things to make it easier and the prices continue to increase. To add more people to that doesn't make any sense. There has to be some accountability in each department. We have to see results from the people that are working there. He said in the opening page of the budget it urges the Council to consider strategies for generating revenues and reducing the level of services. The Mayor has already brought someone to work with Mr. Udell that wasn't in the budget and we are no further ahead than before.

Mr. Martinbianco said that person was brought in under Contractual Services so that is okay. We have been doing that on an ongoing basis.

Mr. Wells said with the previous Administration when Mr. Udell was called to fix their computer a work order was made up. Somewhere along the line there is still a list of work orders.

Mr. Udell said he does work orders as often as he can, which are by importance. He said in the meantime he has to put fires out here and there and it is difficult to keep up with a work order list.

Mr. Haskins said to go with IT Right would be roughly \$20,000 and all the issues would be addressed and they would run the infrastructure programs throughout the City.

Mr. Smith reiterated what IT Right does. The employees that operate the hardware are good ones.

Mr. Heffner suggested contacting Flint Township to see how this is working for them.

Mr. Haskins said if we could go with them at \$20,000 that would drop our \$436,000 budget.

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Mrs. Burke-Miller went over Rubbish line items equaling \$1,629,355 and expenditures totaling \$1,591,354.64.

Mr. Martinbianco asked how many stops they make and are we billing commercial stops if there are any. He said tax charge backs need to be subtracted from the number of stops. Waste Management failed to notify the City of the rate change until several months after the budget was adopted and after the new fiscal year began. He assumes this year's rates include an increase for the prior fiscal year as well as the current. He said they didn't charge whatever the CPI was at the time.

Mrs. Ellenburg asked if we ever put in a commercial fee for garbage.

Mr. Martinbianco said when we adopt the budget it is however much per stop. He explained what costs should be adjusted and why. He thinks we should gear it back to \$1.5 million.

Mayor Zelenko said Waste Management contacted the City and they are doing a 30 day transition.

Mrs. Burke-Miller said when doing a budget you give your best guess. We may not hit \$1.5 million but if the expenses are greater than the revenues we may have to ask for money to be moved in. For the current year she said \$165,000 is expected back from the County and we have one more invoice totaling \$65,000 to pay. She predicted we will end up with a positive \$49,800 at the end of the fiscal year so General Fund should not have to help out the Rubbish Collection Fund.

Mr. Martinbianco thinks that is inaccurate. The prediction was that the projected activity through the end of this fiscal year would have us upside down \$58,000.

Mrs. Burke-Miller said she is looking at the actual numbers where we are today in terms of revenues and what we had going delinquent to the County. She looked at what we paid out and are expected to payout through the end of this month so there may be tax charge backs of an additional \$16,000 so Mr. Martinbianco is correct. She anticipates us coming out in a positive situation.

Mrs. Burke-Miller read the line items for the Building Department totaling \$150,400.

Mr. Wells said there shouldn't be so much of a discrepancy in salaries and fringes.

Mrs. Burke-Miller said you can't help when MERS is increased. She went over expenditures totaling \$231,002.36.

Mr. Haskins asked what the \$22,097 on salaries permanent was.

Mrs. Burke-Miller said it's probably because we had estimated \$20,000 for projected year activity.

Mr. Haskins said we went from \$18,000 in 2011-2012 then in 2012-2013 we went to \$20,000 and now projected for 2013-2014 we went to \$22,097. He asked unless there is a raise wouldn't the salary be permanent.

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Mayor Zelenko said we are projecting \$20,000 in the activity. She said BS & A calculates the percentages across the board.

Mrs. Burke-Miller said there are no revenues for Capital Improvements and read the expenditures totaling \$256,298.22. She indicated the Burton Memorial Library needs a parking lot, which is estimated at \$30,000 and \$15,000 is requested for window replacement.

Mayor Zelenko said she received 2 of the 3 quotes we requested on the parking lots. Just the existing parking lot, not the expansion came in at \$10,400 and the other is at about \$11,800. We are going to have to replace the top inch of the parking lot and do repairs because 2 people have gotten injured and we had to pay through our insurance. The 3 wooden bay windows on the west side of the building are rotting and leaking. We own the building and are responsible for repairs.

Mrs. Ellenburg said the library really wants to do the other side of the expansion, which will make the person who donated the property happy to see us moving forward. They probably have enough money to do the other side. She knows someone willing to give an estimate on the windows.

Mr. O'Keefe asked Mr. Heffner about a game plan for raising money throughout the Community for the portion of the Kelly Lake grant we have to pay. He heard the construction would start this year. He asked what we can do to knock that \$63,000 down.

Mr. Heffner responded that Parks & Recreation has raised some money. He recalls Mr. O'Keefe was going to raise money and Mr. Wells said he was going to sell planks. He said it is not easy to make that much money selling cans of coke.

Mr. Wells said he brought up several ways to raise money but he's not on Parks & Recreation.

Mrs. Burke-Miller said Coca Cola sent an e-mail to her explaining they are doing a Parks & Recreation Grant competition where you vote for your favorite park and win cash prizes for each place.

Mrs. Ellenburg mentioned ELGA is always on board to help with fundraisers.

Mr. Martinbianco asked for clarification on purchasing election equipment.

Mrs. Adams said there is yearly maintenance on the M-100's.

Mrs. Burke-Miller said it is not that she is always buying it we are just establishing it in that column as the budget. She said some voting booths need to be purchased because some are unstable and a safety hazard.

Mr. Martinbianco asked what more we would need to do for \$14,000 regarding ADA.

Mayor Zelenko said there was some issues with the elevator lift and whether we have to put more signage up on the front door.

Mr. Kray said just for the lift we have to sign it so it directs people to the 1st and 3rd floor.

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Mayor Zelenko mentioned curbs and sidewalks as well. There is a big chunk out of the City Hall curb and some trip hazards.

Mr. Kray said there are some areas needing to be ground down at City Hall as well as at the library.

Mr. Martinbianco asked about the Assessor's computer systems.

Mrs. Burke-Miller said that project is pretty much complete.

Mr. Martinbianco asked why \$9,000 is being requested.

Mrs. Burke-Miller said that is the remaining balance.

Mayor Zelenko said the phone bids are coming in under \$70,000, which is adequate.

Mr. Martinbianco said in the current fiscal year there was a transfer from IT to go into Capital Improvements for about \$68,000 and none for this next year. He thinks if we do not put a new salary person with the fringe benefits at a minimum we could cover the anticipated \$28,000 technology upgrade and use the residual to pay the BS & A software additions in the installment payment totaling about \$70,000. This may help preserve what is left in Capital Improvement Funds.

He is not thinking about a library expansion into the other property other than maintaining it. He asked what funds the Friends of the Library raised and what are they willing to contribute.

Mrs. Ellenburg said they are willing to help and could probably contribute about \$5,000.

The Meeting recessed at 7:40 p.m.

The Meeting resumed at 7:55 p.m.

Mr. Heffner asked what the problem is exactly with the library parking lot.

Mr. Kray said the top inch is starting at the sides and flaking off inward. It needs that layer removed, surface prepped, tacked and capped.

Mr. Heffner asked how much of the \$13,800 did the Friends of the Library raise.

Mrs. Ellenburg said about \$10,000 prior to this amount by paying the house removal, carpet and other improvements.

Mayor Zelenko said the Friends of the Library are convinced the majority of this amount was what they have raised and they wanted to use this amount for the expansion of the parking lot.

Mrs. Ellenburg said the amount spent on the house removal they didn't know that was coming out of this line item. They thought since it was City property that the City was taking care of that demolition, not the library. They don't have a budget.

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Mr. Heffner asked where the money to do the parking lot is supposed to come from.

Mayor Zelenko said that is why they were asking the Council for an additional \$11,000 on top of the \$13,000 they wanted to use for the expansion of the parking lot.

Mr. Heffner asked if it could be crushed limestone or concrete, which is ADA approved instead of asphalt.

Mr. Kray thinks that would be a nightmare to maintain.

Mrs. Ellenburg said the DPW already said no to these other options. Because of the structure, it had to be asphalt according to the Ordinance. She asked what the medical claims were about. She said on behalf of the library the City should have had to pay for the carpet but they didn't come to the City and ask for it. They raised it themselves and that was a safety issue as well. It is not just maintained by us but by the County too so we can fix it or wait until the County tells us to.

Mayor Zelenko said some people were getting injured in that parking lot. We have a contract with the Genesee District Library basically saying we will take care of the facility's maintenance.

Mr. Haskins asked if we could get away with resurfacing for now and look at the expansion later.

Mayor Zelenko thought that was fair but we still need to replace 3 windows.

Mrs. Ellenburg said she thinks it is sad they are arguing about parking lot repairs and the Friends of the Library need to leave their money in there.

Mr. Heffner asked why we would leave \$13,000 in here if there is a need for it.

Mayor Zelenko suggested leaving \$4,000 in the ADA requirements and move \$10,000 down. She has priced bay windows at \$5,000 apiece.

Mr. Heffner asked if the \$13,873 is a savings account that is not going to get touched.

Mayor Zelenko said that was her impression she got from Friends of the Library. They were talked into putting their money into this library expansion.

Mr. Heffner said \$10,000 of that came from us.

Mayor Zelenko said that may be. It was spent on the removal of the house, the rest of the carpet and an interior paint job. We need to step up and fix the parking lot.

Mr. Wells said the whole purpose of us taking over that property was to expand the parking lot and that was to fix the existing one so they match. He said Friends of the Library wanted to add a separate building to store books in.

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Mr. Martinbianco was okay with the \$10,000 moving out of ADA and moving it to the \$13,873 line item. He said start with the parking lot and if there is money left over then do the windows and if anything is left then leave it alone and find out about expanding the parking lot.

Mrs. Burke-Miller went over revenues for Local Streets totaling \$1,142,635.

Mr. Wells asked if the Community Block Grant money has been held up.

Mayor Zelenko said HUD has since come up with their final number of \$1.7 million so we can plan on the same allocations as the previous year.

Mr. Martinbianco asked about the decrease in State reimbursements for Right of Way Maintenance.

Mrs. Burke-Miller said it has been trending down. We had budgeted for the current year \$70,000 and we've only brought in \$56,017.

Mr. Martinbianco asked why we would budget \$120,000 if we wouldn't even be close to that.

Mrs. Burke-Miller replied we had actual activity of \$167,000 in 2011-2012. Not having all of the data, she put in the projected activity of \$137,000 at which time the Mayor recommended \$120,000.

Mr. Kray said he and Mrs. Burke-Miller compare the numbers and where they are throughout the year. They do their best calculation with what they are looking at.

Mr. Martinbianco didn't think they should budget any more than \$70,000.

Mrs. Burke-Miller said we brought in 2 payments in September 2011 as well as June 4, 2012. This year we only brought in 1 payment at the end of May. We need to call the State and see what is going on.

Mrs. Burke-Miller read over Surface Maintenance line item totals of \$341,846.

Mr. Ellenburg asked if the chloride is doing the sides of the paved roads and then dirt roads.

Mr. Kray replied only gravel roads about 2-3 times per year. We have 13 miles of gravel roads. He thinks 3 times is sufficient and there were years we could only do 2. It depends on the rain amount.

Discussion ensued regarding the kind of limestone used and other options.

Mrs. Burke-Miller read over line items for trees and shrubs totaling \$24,400 and drainage totaling \$92,247.

Mr. Wells asked the reason why these departments have a sharp decline compared to the prior year.

Mrs. Burke-Miller said it is primarily salaries and fringes probably because of the allocation through the BS & A and HR module that looked back at our previous year's labor distribution.

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Mr. Wells said for 2011-2012 drainage we were at roughly \$58,873.59 and now we are about 40% higher this year. He asked if this is because of the BS & A module.

Mrs. Burke-Miller said for drainage we budgeted \$293,164 for the current year and we have only spent to date \$57,000, which is right on par with 2011-2012. She and Mr. Kray estimated \$130,000, which is not quite as high.

Mr. Wells said maybe there is an opportunity to cut something here if we are going to be consistent.

Mayor Zelenko said this is the area we were going to step up our ditching and draining efforts so that is why they budgeted a little more.

Mr. Martinbianco said this is in respect to Local Streets not Major.

Mrs. Burke-Miller went over Traffic Signs line items totaling \$35,815.

Mr. Martinbianco asked since we didn't account for the CDBG separately could we be penalized.

Mrs. Burke-Miller said when she started working at the City the money was being accounted for in the General Fund so she spoke with Plante & Moran on possibly changing that into its own separate fund to show some revenues coming in certain areas and accounting for it in each fund itself.

Mr. Martinbianco verified it would be run through General Fund but would itemize the line items in each department for which that is expensed.

Mrs. Burke-Miller read over the Winter Maintenance line items totaling \$89,940.19, Roadside Cleanup totaling \$8,771 and Administrative Salaries totaling \$189,242.

Mr. Wells asked what we contracted out for in 2012-2013 that was \$1,440 more in 2011-2012.

Mrs. Burke-Miller replied we bumped that to the total of what was budget for the year. The actual to date is only \$100.

Mr. Wells asked about the jump in Administrative Salaries.

Mrs. Burke-Miller said we had budgeted in the 2012-2013 for \$29,393 and to date we have used \$12,793 due to the HR Module.

Mr. Wells would like Mrs. Burke-Miller to call BS & A to clarify why we budgeted for a certain amount and the module shows something different. He said the actual in 2011-2012 was \$7,000 before we had that module and it tripled last year and is going up another 30% this year.

Mrs. Burke-Miller said looking at the actual payroll the numbers include Mr. Kray and Ms. Moss, Ms. Warren and Mrs. Centilli are coming through the payroll module into Local Streets for their allocations. She can change it if you want. She is depending on a system to do this for her.

Mr. Wells said we are looking for abnormalities we may be able to bring down and put elsewhere.

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Mrs. Burke-Miller said it would have to show up somewhere else because these are based on people's salaries.

Mr. O'Keefe said Ms. Warren wasn't here in 2011-2012 so her salary wasn't counted and that could be a piece of this. We bought the software to save time and money.

Mr. Wells said he is aware of all that and if we had that report he asked for a few weeks ago we wouldn't have asked these questions and we could see exactly where people are getting paid from. He said we have had this report before.

Mrs. Burke-Miller said it takes her too much time to create it. She is 1 person and cannot do everything that is asked of her. She read over Contingency, Special Assessments and City Owned saying hopefully we wouldn't have to pay this year and that we get some of these properties moving. In terms of transfers out, \$20,475 was a payment borrowed for the Sewer Fund for assessments on the City owned properties.

Mr. Martinbianco said under the current year document under Administration there is another line item under Department 4090 Contingency. There is no contingency and no separate 4090 Department under the current year budget. He asked if that was just created to pay what we owe.

Mrs. Burke-Miller said she would research that. She read the revenues for the Major Street line item totaling \$2,438,985.71 and the road construction projects totaling \$670,000.

Mr. Martinbianco asked what to do to effectuate an amendment to TIP in order to move projects around. He said there was a previous consensus in agreement that Center Rd. from at least Atherton Rd. to Lippincott is one of importance. We need to move the Center Rd. Project to this year.

Mr. Heffner has some people willing to bat for us to get that project moved up. The money we will probably lose in engineering cost we will probably make up a big majority of that in maintenance savings.

Mrs. Burke-Miller read the line items for Surface Maintenance for a total of \$438,450.

Mr. Heffner asked what the equipment rental included.

Mr. Kray replied the patcher, crack sealer, dump trucks and pickup trucks.

Mrs. Burke-Miller went over the line items for Trees and Shrubs totaling \$17,500 and Drainage at \$154,316.

Mr. Heffner asked if there is a ditching plan in place for this year.

Mr. Kray said they prioritize the projects and work on them as priorities dictate.

Mrs. Burke-Miller read the line items for Traffic Signs totaling \$107,386 and Pavement Marking totaling \$75,000.

Mr. Heffner asked if something could be done about the marking on the corner of Lapeer and Belsay Roads.

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Mr. Kray said they would add pavement markings when the contract is done.

Mrs. Burke-Miller read over the line items for Winter Maintenance totaling \$211,420.

Mr. Smith referenced the salaries being down but fringes are up.

Mrs. Burke-Miller went over the line items for Roadside Cleanup totaling \$21,872.

Mr. Wells said we need to look at having the roads cleaned and make cuts somewhere else.

Mr. Kray said if approved they plan to use the bobcat to loosen the material in the gutter pan and use the vactor to vacuum it up.

Mrs. Burke-Miller went over Administration line items totaling \$164,595.

Mr. Wells said the discrepancy in the salaries and fringe benefits are incredible. He said no matter who they are he has never known anyone to make more in fringes than they did in salary. It doesn't make sense.

Mrs. Burke-Miller replied the current year had \$75,000 at that point. She said on a quarterly basis Jackie takes the dollar amounts and fringes and allocates it across. It won't be as bad as this looks.

Mrs. Burke-Miller said Transfers to Local Streets total \$397,677.

Meeting adjourned at 9:40 p.m.

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