

CITY OF BURTON
COUNCIL WORKSHOP MINUTES
MAY 7, 2008, 6:30 P.M., COUNCIL CHAMBERS
www.burtonmi.us

The Council Workshop was called to order by Council President Tom Martinbianco at 6:35 p.m.

MEMBERS PRESENT: Tinnin, Wells, Ellenburg, Conley, Haskins, Heffner and Martinbianco.
MEMBERS ABSENT: None.
OTHERS PRESENT: K. Foster, Controller, D. Heidenberger, Assessor, J. Adams, Deputy City Clerk.

**PURPOSE OF THE MEETING: COUNCIL WORKSHOP TO DISCUSS THE
PROPOSED 2008-2009 CITY OF BURTON BUDGETS,
AS FOLLOWS:**

- | | |
|--------------------------|-------------------------|
| 1. General Fund Revenues | 5. Rubbish |
| 2. Assessor | 6. Capital Improvements |
| 3. Council | 7. Public Service |
| 4. Mayor | 8. Parks & Recreation |

General Fund Revenues

Mrs. Foster said for the General Fund Revenue side, the taxable value increased with an aggregate of .75%, which equates to an additional \$27,400 in revenue for General Fund. Typically, this increases from 3 to 4% so it is a very small taxable value increase for the year. She confirmed with Comcast that our franchise fees would be continuing. The legislation changes that occurred do not impact this at all and she has budgeted for those. Overall this budget has a decrease of 7.34% for this year's amended budget total. It is pretty status quo. Fees have decreased because of lack of building.

Mr. Martinbianco noted there was no audience present. He stated Finance Chairman Danny Wells would conduct the remainder of the workshop tonight.

Mr. Wells asked Mrs. Foster to clarify the increase over last year's.

Mrs. Foster stated it is a decrease of 7.34% that is over this year's amended totals as of December. It is such a big decrease because through December there were a lot of amendments due to line item budgeting. Last year's actual revenues for General Fund were 7.3 million dollars, and this year's budgeted total is 7.4 so if you are looking at that, there is a slight increase.

Mrs. Tinnin inquired concerning interest income for the previous year.

Mrs. Foster responded interest has dropped. At the beginning of this fiscal year she was getting about 5.25%. The CDs she renewed the other day got 2.63%, so she had to throttle it back. Last year she was getting in the 5% range for the entire year.

Mrs. Tinnin questioned the collecting of delinquent personal taxes.

COUNCIL WORKSHOP MINUTES

MAY 7, 2007 / 6:30 P.M.

PAGE 2

Mrs. Foster said we are still collecting our own. In General Fund, this represents the current year tax collections. Delinquent personals that are from prior years are with Trust & Agency.

Mrs. Tinnin inquired concerning lease fees. She stated budgeted is \$29,500 but is estimated at \$54,000.

Mrs. Foster replied that Council approved an extension on the Proper Street Tower, and with that extension we received a \$27,000 one time payment. That is why it is so high for this year.

Mr. Martinbianco thanked Mrs. Foster for the March 31st report. He stated interest in penalty on taxes appears to be 10% in the coming year and is it our expectation that this trend will continue. Mrs. Foster replied yes with the economy.

Mrs. Foster addressed State Shared Revenue. There was a proposed 4% increase in the statutory portion which would equate to \$20,000 more. She included that amount and believes it is still on the table at the State level. Of the \$20,000, 16,600 was put in the Mayor's department for a vehicle because it could easily be removed if it does not come to pass, and the other 3,600 is in elections.

Mr. Martinbianco asked Mrs. Foster how soon they would know if they are to receive the \$20,000. Mrs. Foster replied when the State budget is adopted.

Mrs. Martinbianco inquired concerning fire inspection fees.

Mrs. Foster said this year's estimated was lower than it normally has been. We have always estimated around \$25,000 and some years it has been more than that. There has been a real push since January on these inspections, so I think what I put in for the estimated \$17,000, we will actually receive closer to \$25,000.

Mrs. Tinnin asked if part of this is going towards Dennis Lacey's salary.

Mrs. Foster said initially inspections were supposed to fund his salary. It is within the fire budget.

Mr. Martinbianco expressed that the \$297,000 contingency deficit falls way short of the 3-31-08 estimate of \$642,000.

Mrs. Foster explained a lot of the transfers increased by that amount were due to line item. There are some things I was required to do transfers for that I don't think will be spent. It was for the time period from July to October 1 to fund additional overtime on a person, but an aggregate for the entire department by the end of the year I don't really need that transfer. Once she seen the deficit anticipated at \$297,000, in meetings with department heads we asked them to greatly reduce their overtime and purchase only things they absolutely had to have to try and recover this amount.

Mrs. Foster stated further, she may be estimating low on some of the revenues to where we will get additional revenues to make up the 297,000. We were in the same position last year and we were able to make it up.

COUNCIL WORKSHOP MINUTES

MAY 7, 2007 / 6:30 P.M.

PAGE 3

Mr. Martinbianco said a large share of that probably came from the police department with respect to overtime. Chief Benthall talked about changing to 12 hour shifts.

Mrs. Foster said they started a test of that this week with 4 sergeants.

Mr. Martinbianco inquired regarding Community Development.

Mrs. Foster said she did not get any information because it is a 3 year allotment. Seniors is out of General Fund now, and you will see revenue in Seniors. For the Senior Citizen Director's salary, they give an allotment every year for 3 years. We have a Fire Department allotment and Parks & Recreation that is budgeted in those departments. They have 3 years to spend it.

Mrs. Tinnin inquired concerning CD dollars. She stated we transferred money out of ditching and it is now in capital improvements.

Mrs. Foster stated they were transferred from ditching and then from another street project. They transferred those monies to the water CD. All that CD money combined is budgeted for a water project. We will be discussing with Mike Holzer water, sewer and capital improvements.

Mr. Wells referenced the franchise fees and asked if there has been discussion with Comcast.

Mrs. Foster stated she spoke to the Chief of Government Affairs that assured me these franchise fees would continue. He said legislation had no impact at all on the franchise fees we are receiving from them and it will continue at the same level.

Mrs. Tinnin asked Mrs. Foster the estimated General Fund balance for 2007.

Mrs. Foster said if we didn't make up the 297,000 that she currently estimated, it would end up at \$1,275,000. We started the year at \$2,022,000 in General Fund for a fund balance. If we make up the \$297,000 and break even, we would still be at the \$2,022,000.

Mrs. Tinnin asked for the percentage concerning operating expenses.

Mrs. Foster said 4 to 4 ½ months worth of operating. The auditors like to see it around 3. So you would have 3 months worth of operating expenses in fund balance.

Mr. Haskins questioned CD dollars and if it could go towards roads.

Mrs. Foster explained the 3 year CD allocations and Council designating various projects. The road department transferred all their CD monies to water for a water project. In prior years, water gave roads money to do a project. The new year will be the 2nd year.

Assessor

Mrs. Heidenberger said her budget stayed pretty much status quo. She did a reduction in the salary line item for the Assessor's salary. She doesn't believe anything was budgeted for the union people in the office for any increases. Pictometry was added because that will be coming due again. She suspects they will do a fly over in a year but it will hit this budget sometime next year. There was a little bit of a reduction in legal fees. Currently, there are 12 full tribunals left over from 06-07. She does not know the amount of 2008 until May 31st when commercial and industrial properties have to be into the tribunal.

Mrs. Heidenberger indicated further, there are about 40 small claims hearings and until June 30th she won't know how many appeals they will have. She hopes the money that has been allocated

COUNCIL WORKSHOP MINUTES

MAY 7, 2007 / 6:30 P.M.

PAGE 4

for legal fees will be enough. Attorney Mike Joliat is working with her on the full tribunals. An outside firm is doing the appraisal on the Delphi Plant.

Discussion ensued concerning the tribunals, litigation and other legal issues, employees under salaries permanent. Mrs. Foster said she did not include salary increases for anybody in this budget. For the disability and health she budgeted an increase of 10%. Life, optical and dental averaged to about 5% increases.

Mr. Martinbianco inquired concerning bidding out health benefits.

Mrs. Foster said they do get bids on health every year and the dental and there is a meeting next week for new health and dental. Optical is in the contract. Police now have a policy they are covered under. Everyone else has a \$500 reimbursement. That would be in the union contracts. We are also getting quotes on disability and there is a meeting at the end of the month. Most renew on July 1st.

Brief discussion ensued on pictometry. Mrs. Heidenberger said it has been a real valuable tool. It is also used a lot by the Board of Review members.

Mrs. Heidenberger expressed due to health issues, she will be out for an extended period of time. She will be doing some work at home and will come in on some weekends. She may bring Stacey in an hour a day or she may have to limit hours to the public. Stacey will have to do field work but there isn't much construction going on out there. Mrs. Heidenberger stated further, she will probably be back September or October when we are really busy.

Mr. Martinbianco asked if Mr. Joliat could brief Council on where some of the businesses are at on Court issues. Mrs. Heidenberger replied that Mr. Joliat could in an executive session. We should know something after next week as far as what we are going to do with the old Delphi Plant.

Mr. Wells asked Mrs. Foster what figures she used for gas this year.

Mrs. Foster said she is hoping the figure shown will be enough. With Police and the Motor Pool she may have to look at it again for final amendments.

Mr. Martinbianco referenced the legal expenses and stated \$25,000 is a fair amount given where we are at the fiscal year through 3-31-08.

Mrs. Foster indicated that up through this fiscal year, any legal bills that were not police related, all went to the Council line and that is why it is so high in the prior year. Beginning July 1, she started putting only items that were Council initiated in Council, the rest of the legal fees are going under City Hall now.

Mr. Martinbianco said he is somewhat concerned with insurance.

Mrs. Foster explained that in 2002, we had a big increase in our liability insurance. What was budgeted for that year, the allocation for those various departments was going to be a lot higher. Mr. Becker decided to charge the departments what he budgeted. The difference was allocated to

COUNCIL WORKSHOP MINUTES

MAY 7, 2007 / 6:30 P.M.

PAGE 5

everybody pro rata. We took the difference between the prior year insurance, the current year, and took that particular department's share and pro rated the increase to everybody. This year she is trying to get those costs to what they actually are and she did that in this budget.

Mrs. Foster stated further, in this year she budgeted a 5% increase. The actual cost was \$88,000 in last year's total for Council. This fiscal year's calculated amount was \$96,600. The Mayor's office was charged last year \$1,500 and the actual cost for that department was \$430. The Assessor was charged \$760 and the actual cost was \$241. She was trying to re-align these expenses.

Discussion continued concerning insurance and going out for bids.

Mrs. Tinnin expressed conference and workshops looked really low.

Mrs. Foster said the year we are in, it went way over what was budgeted. Last year \$600 was spent.

Mr. Wells said he thinks it is important everybody goes, but maybe not everyone go at the same time.

Mr. Martinbianco stated it looks like \$1,400 was allocated per capita which is not a bad number. Mrs. Ellenburg said for new Council members it is important to go and it was very helpful to her. Discussion ensued concerning bringing conferences on-site, membership dues for MML and National League of Cities.

Insurance and benefits for Council was discussed. Mr. Wells feels Council taking insurance or benefits should not be a topic that is brought up anymore. Mrs. Tinnin stated there are public that feel part time Council members should not be taking it. Discussion continued concerning benefits.

Mayor

Mrs. Foster expressed that on the revenue side they will see an amount for vehicle. If the 4% increase does not come to pass, it will be removed. In the personnel changes, we hired the Personnel Director and the Executive Benefits rep. Joyce Centilli was formerly 100% out of the Mayor's. She is now being allocated just like the Personnel Director, where 50% is out of the Mayor, 10% is water, 10% sewer, 10% local, building and local and major. Mr. McArdle is allocated the same way.

Mr. Martinbianco asked if it is under salaries permanent. Mrs. Foster acknowledged yes, salaries permanent is 50% Mr. McArdle, 50% Mrs. Centilli and 100% Mrs. Moulton.

Mr. Martinbianco questioned the fringe benefit increase.

Mrs. Foster said last year was when the monies were removed for Mrs. Moulton and Liz Moss. They were then allocated to all departments. That is why there is such a difference. They were allocated based on the total payroll cost by department.

Mr. Wells inquired regarding a computer and desk for Council.

Mrs. Foster said she thinks Mr. Udell has the computer already. He is looking at some type of stand and where to place it. Discussion continued concerning an area for Council to use.

COUNCIL WORKSHOP MINUTES

MAY 7, 2007 / 6:30 P.M.

PAGE 6

Mrs. Tinnin asked what would be done with the Mayor's older vehicle. Mrs. Foster replied it would be put back into the Motor Pool fleet. In the past, the DPW Director drove it and then his vehicle would go to somebody else unless it is no longer very useful and we would sell it at the County auction.

Mrs. Tinnin questioned further the \$3,350 amount in miscellaneous.

Mrs. Foster said it is for swearing-in ceremony costs, flowers sent on behalf of the City, plate renewals, and catering for an event. Anything that would not fit in one of the line items would come out of miscellaneous. Car washes and liability insurance for his department is charged to this line item.

Rubbish

Mrs. Foster said typically, we have 100 new stops every year. So far this year there are 10. She did not want to anticipate an increase of 100 stops with building being down. At one time General Fund transferred some money into rubbish and it was transferred back. She looked at reducing the rate further and subsidizing the fee. She budgeted \$10,950 for next year; and currently, she has \$10,300.

Mr. Martinbianco inquired regarding the community education line item.

Mrs. Foster said they were going to do some mail outs on recycling. Anything they had to mail out related to rubbish collection or spring clean up.

Mrs. Ellenburg expressed the possibility of having correspondence added with the water bills to save money. Newsletters and communication was discussed further. Mr. Martinbianco said he would like to take that amount out. Mrs. Foster said if you remove it out, it would increase the fund balance. Brief discussion ensued concerning reducing the rubbish rate. It was a consensus to removed the \$10,000 figure for community education.

Capital Improvements

Mrs. Foster said last year the Fire Department and the Elections Department took remaining budget monies at year end and transferred for a specific purpose. These monies until they are spent are designated for certain projects and they carry forward from year to year. We have park projects and we received a donation many years ago to explore an aquatic center. In election equipment were monies transferred out of the election department last fiscal year to purchase new lap tops for the elections. The ADA building improvements had monies remaining in City Hall ADA improvements. Instead of losing it we transferred it to capital improvements in case there are any on-going things that need to be addressed.

Mrs. Foster said for library expansion, the friends of the library gave us a check for \$5,000 and the City put in some money last year. She allocates the interest to all these projects every year and it is up to \$16,000. There was Fire Station improvement expansion money left last year in the Fire Department budget that was transferred over here. They also had some equipment monies that were unspent transferred. We did those at year end last year.

COUNCIL WORKSHOP MINUTES

MAY 7, 2007 / 6:30 P.M.

PAGE 7

Discussion ensued concerning the library's need of expanding their parking lot.

Public Service

Mrs. Foster stated over this year's allocation is a decrease of 18%, but in this year's we had allocated an additional \$100,000 for police vehicles.

Mr. Martinbianco said drains-at-large year to date through March 31, we are looking at \$86,000 and it is estimated current year at \$75,000.

Mrs. Foster stated these estimates were worked up in December. We don't receive the drain bill until March. That fluctuates from year to year depending on the improvements they do. Last year it was \$62,000 and the year before that was \$72,000.

Discussion ensued concerning land acquisition for Fire Station 2, street lighting in many cities are charged to taxpayers, weed cutting, Memorial Day Parade and police vehicles.

Parks and Recreation

Mrs. Foster said they requested to have someone at their meetings to take minutes.

Discussion ensued concerning meeting minutes, the make up of the Commission, if it is working, maintenance of grounds, DPW caring for multiple sites, and parks' projects.

Mrs. Foster said in the Parks projects, some of the items mentioned in the budget request were to move the skate park, explore the possibility of a BMK bike track and to start trails at Covert Cove.

Council questioned where they want to move the skate park. Mr. Heffner stated it would be at the Consumers Energy right-of-way just east of Bendle High School by Whittemore Street. Mrs. Tinnin asked how many neighbors surround this area and Mr. Heffner indicated a few. Mrs. Tinnin stated that whatever the proposals are, it should be publicized to the public so they have an opportunity to comment and get some information.

Mr. Heffner said he would like to see a community center.

Mr. Martinbianco said when you start talking about community endeavors like that, you really need to establish a community foundation administered through the Community Foundation of Greater Genesee County. Mr. Martinbianco mentioned donations through this Foundation.

Discussion ensued concerning the T.N. Lamb Bendle School, the need to tear it down due to asbestos problems, and to consider it a possible site.

Mrs. Ellenburg asked if the fringe benefits is for the person taking the minutes.

Mrs. Foster acknowledged yes. Mr. Heffner said the pay amounts to \$235 a month.

Mrs. Ellenburg reiterated the need for expanding the parking at the library.

Meeting adjourned at 8:50 p.m.

COUNCIL WORKSHOP MINUTES

MAY 7, 2007 / 6:30 P.M.

PAGE 8

jra