CITY OF BURTON

FINANCE COMMITTEE MEETING

JANUARY 18, 2016

MINUTES

Council Chambers	Regular Meeting	6:00 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Chairman Vaughn Smith at 6:07 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Dennis O'Keefe	Councilman	Present	
Vaughn Smith	Chairman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Rik Hayman, Chief of Staff
Teresa Karsney, Clerk
Ginger Burke-Miller, Controller
Doug Bingaman, Treasurer

C. AUDIENCE PARTICIPATION

None

D. MINUTES APPROVAL

1. Finance Committee - Regular Meeting - Oct 5, 2015 6:00 PM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Dennis O'Keefe, Councilman
SECONDER:	Tom Martinbianco, Councilman
AYES:	Martinbianco, O'Keefe, Smith

2. Finance Committee - Regular Meeting - Dec 21, 2015 6:00 PM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Dennis O'Keefe, Councilman
SECONDER:	Tom Martinbianco, Councilman
AYES:	Martinbianco, O'Keefe, Smith

E. COMMITTEE DISCUSSION ON THE FOLLOWING ITEMS:

Mr. Smith asked since we are discussing these at the 7:00 p.m. City Council Meeting why are we having this Finance Meeting.

Mayor Zelenko stated she called the Finance Meeting because she wanted to make sure the Finance Committee was well informed on what is going on with these deficits in several funds. She said the City needs to do a deficit eliminations plan to submit it to the State of Michigan so you don't risk holding of your State Shared Revenue. She stated Mr. Bingaman and Mrs. Burke-Miller are here to answer any questions you may have. We do need to approve this tonight to meet the State deadlines at the end of the month.

Mr. O'Keefe feels this would be redundant to discuss this now and then again at the City Council Meeting. He said he reviewed all the information that was supplied with the agenda and thinks he would rather have the discussion with the full Council.

Mr. Martinbianco stated he agrees with Mr. O'Keefe that he would like to discuss this with a full Council. He feels the Amy Street project has nothing to do with the State. This is an internal item that we funded.

Mayor Zelenko stated I will let Mr. Bingaman and Mrs. Burke-Miller explain this to you. Mr. Bingaman will not be able to stay for the City Council Meeting.

A. Amy Street Capital Projects Fund Shortfall Elimination Plan To approve and authorize the Mayor and Controller to adopt a resolution for a shortfall elimination plan for the Amy Street Capital Projects Fund to be attached to the 2014-2015 City of Burton Audit.

B. Major Street Fund Shortfall Elimination Plan To approve and authorize the Mayor and Controller to adopt a resolution for a shortfall elimination plan for the Major Street Fund to be attached to the 2014-2015 City of Burton Audit.

C. Building Department Shortfall Elimination Plan To approve and authorize the Mayor and Controller to adopt a resolution for a shortfall elimination plan for the building department to be attached to the 2014-2015 City of Burton Audit.

   Mr. Bingaman stated that part of the shortfall in the building fund is because of the demolition program. He stated that we have been taking the uncollectible receivables from demolitions and turning them over to a collection agency. When we do that we set up a reserver of uncollectible revenue and reduce the revenue when it goes over to the collection agency. If and when they collect it then we put the revenue back on the books. Part of the shortfall in building department fund the uncollectible revenue from the demolition program.

   Mr. Smith asked if we are talking about the $7,846.87 in the building department.

   Mrs. Burke-Miller stated the $7,846.87 is partially from the demolition program because we had to reduce our revenue. These have been with the collection agency for some time and are just uncollectible which was about $40,000 but it also includes health insurance actual claims made exceeded illustrative rates from Blue Cross Blue Shield. In addition, due to the GASB requirements of reporting pensions the City made an accounting correction after many years of having 12 months of MERS in the fiscal year but having accrued June MERS paid in July into the prior year. At some point the City needed to absorb 13 months to properly account for the right time frame of expenditures into the right year. She stated she spoke with Doug Deeter from Rehmann and decided to clear this up in the 2014-2015 fiscal year so we are correct in the future.

Mr. Smith stated he thought we contracted the demolitions out.

Mrs. Burke-Miller stated what she is explaining here is there were several items that made up this shortfall and when you added them up this put us over in the building department fund. But the reason we are asking for transfer of $100,000 is because we budgeted thinking we were going be in the black by $75,200. When we worked through all the numbers in our budget, the revenues minus expenditures, we thought we were gong to have a positive amount. When we ended this fiscal year, we ended with this negative amount and the State wants a deficit elimination plan and for us to use their template. So when I used their template starting off with the negative number, worked my way down, I discovered that we had the contingency in there for $69,900 and that was an amount we anticipated we would dip into the fund balance. We were depending on what we were projecting, as to being in the black, that we were going to use that in the current fiscal year. That is why we are asking for a budget transfer of $100,000.

Mr. Smith asked what is the salary permanent of $79,400? It starts with the negative fund balance of ($7,846.87).

Mrs. Burke-Miller stated the ($7,846.87) was the ending balance for fiscal year 2014-2015. You are asking about salary permanent, that would be the employees salaries in the building department.

Mr. Smith asked so we didn't hire someone to take the buildings down.

Mrs. Burke-Miller stated yes but there is still a cost related to the demolitions. So even if we contracted it out there is still a cost to the City to demo a building.

Mr. Smith asked if this is for the management of the demolitions process.

Mrs. Burke-Miller stated yes were are incurring cost but we can not collect on it. Our audits would not allow us to show more revenue because the likelyhood of collecting on them were low.

Mr. Bingaman stated that we have some in collections for almost two years and are not collectible. The collection agency has a better resource to track people down then I do. Also if the company is an LLC it is almost impossible to collect on these items.

Mr. Martinbianco asked if the administration is looking into a policy changes to safe guard in the future.

Mayor Zelenko stated that is why we want to tie this to blight elimination for our demolitions. We are working for this in the next budget plan for you to consider in the next fiscal year.

D. Budget Transfer To approve and authorize the Mayor and Controller the following transfer related to the Building Department Shortfall Elimination Plan within the 2015-2016 fiscal year: Increase General Fund Transfers Out - Transfer to Building Department 1001-9099-999.2049 $100,000 Increase Building Department Contributions from General Fund 2049-0000-691.1001 by $100,000

   Mr. Martinbianco stated we are talking about the shortfall from the 2014-2015 audit to satisfy our auditors and this transfer is now talking about the current fiscal year.

   Mrs. Burke-Miller stated like I said earlier that we budgeted to dip into fund balance for the expenditures in 2015-2016 fiscal year and since the 2014-2015 fiscal year ended in a negative balance we didn't have a fund balance. We need to supplement this from General Fund by $100,000. By working through the template from the state I figured that's what we would need for the 2015-2016 fiscal year.

   Mr. Martinbianco asked about the blight elimination grants from the federal government.

   Mayor Zelenko stated that's why we budgeted money for blight elimination so we had money for our matching purpose for these grants. We are currently working with the land bank on that grant. The land bank has to own the property in our city to qualify for that grant. They will look more favorable on us if we have some sort of match dollars or donating to the cause.

E. Motion to recommend the four items above to City Council for their full deliberation.

RESULT:	**CARRIED [UNANIMOUS]**
MOVER:	Tom Martinbianco, Councilman
SECONDER:	Dennis O'Keefe, Councilman
AYES:	Martinbianco, O'Keefe, Smith

Meeting was adjourned at 6:29 PM.

CITY OF BURTON

FINANCE COMMITTEE MEETING

OCTOBER 5, 2015

MINUTES

Council Chambers **Special Meeting** **6:00 PM**

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Chairman Vaughn Smith at 6:00 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Dennis O'Keefe	Councilman	Present	
Vaughn Smith	Chairman	Present	

B. STAFF PRESENT

Teresa Karsney, Clerk Amanda Doyle, City Attorney

C. APPROVAL OF MINUTES

1. Finance Committee - Special Meeting - Feb 18, 2015 3:00 PM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Dennis O'Keefe, Councilman
SECONDER:	Tom Martinbianco, Councilman
AYES:	Martinbianco, O'Keefe, Smith

2. Finance Committee - Special Meeting - Jul 29, 2015 5:00 PM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Dennis O'Keefe, Councilman
SECONDER:	Tom Martinbianco, Councilman
AYES:	Martinbianco, O'Keefe, Smith

3. Finance Committee - Special Meeting - Aug 25, 2015 3:00 PM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Dennis O'Keefe, Councilman
SECONDER:	Tom Martinbianco, Councilman
AYES:	Martinbianco, O'Keefe, Smith

4. Finance Committee - Special Meeting - Sep 21, 2015 5:30 PM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Dennis O'Keefe, Councilman
SECONDER:	Tom Martinbianco, Councilman
AYES:	Martinbianco, O'Keefe, Smith

D. AUDIENCE PARTICIPATION

None

E. COMMITTEE DISCUSSION ON THE FOLLOWING ITEMS:

A. Line item Budget Amendament Limits

Mr. Smith stated purpose of meeting is because we passed a line item budget, the administration has to come to us to move money and we wanted to see if there is anything we can do to help them out with these small transfers.

Mr. O'Keefe stated that most of the transfers are only accounting transfers. The money is there but it is just in the wrong account. Basically we don't want to have to keep approving small amounts. Would like to set up a floor that the administration could move the money without their approval for the small amounts.

Mr. Smith stated that we had several transfers that were under $100.00. Do we set a level of $2000.00 or less, how do the other members feel. Can we legally do that.

Mrs. Doyle stated that she has researched this matter. Council can do whatever they like as long as you stay within the General Accepted Accounting principals. She has reviewed the City Charter, the ordinance book, Home Rule City Act and the Uniform Budgeting and Accounting Act. You can have a line item budget and still set a floor to move money around.

Mr. Martinbianco had in mind around $1,000.00 only from a stand point of the capital projects that the DPW, Police and Fire have. Typically these items are big money transfers for these departments and I feel it shouldn't be any higher than $1,000.00. We are trying to show our expenditures are being curtailed in the areas Council thought best and that we don't have a lot of ideal cash sitting around in participator line item. This would act a performance budget. Any dollars larger than that would mean you missed your calculations in the budget by a lot. There are times when we have severe weather, when we have water main breaks or a pump station go down that we would need to move more money.

Mr. O'Keefe stated he was looking at around $500.00 but would go to $1,000.00. The value added to me is I can see what is going on. He feels $1,000.00 is a reasonable amount and can still operate. If it is over a $1,000.00 I think the Council should have that knowledge and know why it is being moved. We are staying more informed in this budget process.

Mr. Smith said there was only a few items over a $1,000.00.

Mr. O'Keefe stated those are the ones we need to see and there should be an explanation.

Mr. Smith feels the system is working and can go either way on the amount.

Mr. Martinbianco stated and to the administration's credit, it is working. They have been able to identify those specific line items and said we are shy here. I just don't feel we should pull money from projects that are going to need the money to cover expenses now like the Bristol Street Bridge project which we need in 2016.

Mrs. Karsney stated that the Controller would like to know if we could make it effective with the September 2015 revenue and expenditure report.

Mr. Martinbianco and Mr. O'Keefe feel these budget transfers should just go on the Council agendas instead of going to Finance and explaining it, then go to Council and explaining it again.

B. Motion to make a $1,000.00 threshold on transfers effective September 1, 2015.

RESULT:	**CARRIED [UNANIMOUS]**
MOVER:	Tom Martinbianco, Councilman
SECONDER:	Dennis O'Keefe, Councilman
AYES:	Martinbianco, O'Keefe, Smith

Meeting was adjourned at 6:19 PM.

CITY OF BURTON

FINANCE COMMITTEE MEETING

DECEMBER 21, 2015

MINUTES

Council Chambers	Regular Meeting	6:00 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Chairman Vaughn Smith at 6:00 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Dennis O'Keefe	Councilman	Present	
Vaughn Smith	Chairman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Rik Hayman, Chief of Staff
Doug Bingaman, Treasurer
Ginger Burke-Miller, Controller
Racheal Boggs, Clerk's Office
Sue Warren, Human Resources

C. AUDIENCE PARTICIPATION

None.

D. MINUTES APPROVAL

Minutes were not approved during this meeting.

E. COMMITTEE DISCUSSION ON THE FOLLOWING ITEMS:

A. Discussion and possible recommendation to Burton City Council on the Fund Balance Policy.

Mrs. Burke-Miller presented a draft of the City of Burton Fund Balance Policy. She stated we can change it if we need to. She asked for the Finance Committee's thoughts.

Mr. Smith stated implementing something like this will keep the city at a comfortable financial range. It is very judicious of us and shows financial responsibility.

Mr. Martinbianco stated the objective is to tell the council what you want to do and we will give you the resources to do it.

Mr. Smith said when the administration does the budget, they will need to take this into account.

Mr. O'Keefe said we have had good conversations about this over the past year. He likes the three year average and percentage as opposed to the flat dollar amount.

Motion to send Fund Balance Policy to City Council for approval.

RESULT:	**RECOMMENDED [UNANIMOUS]**	**Next: 1/4/2016 6:00 PM**
MOVER:	Dennis O'Keefe, Councilman	
SECONDER:	Tom Martinbianco, Councilman	
AYES:	Martinbianco, O'Keefe, Smith	

B. Discussion and possible recommendation to Burton City Council on Late Fees on Water and Sewer Bills.

Mr Smith stated this idea began with a Burton resident who is on SSI. She states by the time she gets her bill, she doesn't have time to prepare to pay it. He stated he received his personal water bill on November 30th and it was due December 15th. The late fee if paid after the 15th was around $11.00. He would like to explore some options to make it a little easier for our residents.

Mayor Zelenko stated we may have a logistical issue with the company we use to print our bills if we extend the late fee time period to 30 days.

Mr. Bigaman said there would be no adverse affect by changing the due date if all our residents were billed quarterly. However, we have about 1,100 monthly customers; they would receive inaccurate bills. If we changed the billing date to the 30th, anytime a customer paid after the due date or after the 25th of the month when we send the file to the printer, we would be sending out a bill for one amount when they actually owe something else. Currently, we have an unofficial grace period of about 5-6 days.

Mr. Smith asked what the interest rate is for a late fee.

Mr. Bingaman stated it is a 10% penalty. He recommends reducing the penalty instead of changing the due date.

Mr. O'Keefe said it doesn't sound like we have much wiggle room with the 15 days. He thinks 10% seems a little steep and he would be in favor of reducing the penalty.

Mr. Martinbianco said 10% is a large amount to employ on the residents. He suggests reducing the penalty to 5%.

Mayor Zelenko stated if this is in an ordinance, we would need to do an ordinance change.

Motion to send late fee change from 10% to 5% to City Council for approval.

RESULT:	**CARRIED [UNANIMOUS]**
MOVER:	Tom Martinbianco, Councilman
SECONDER:	Dennis O'Keefe, Councilman
AYES:	Martinbianco, O'Keefe, Smith

C. Discussion and possible recommendation to the Burton City Council on break-out of employee wages, benefits and MERS.

Mayor Zelenko said we may want to do a workshop on the break-out of MERS benefits.

D. Discussion and possible recommendation to the Burton City Council to approve and authorize the Mayor and Clerk to enter into a Sale Agreement with D & D Holdings in the amount of $615,000.00 for city owned lots in Mallard Ponds and Cross Creek and to include the additional terms & conditions regarding city owned lots in Burton Estates.

Mr. Dinha of Clarkston stated he made a purchase agreement to purchase three developments: Mallard Ponds, Cross Creek and Burton Estates. He is interested in building houses on each one of these lots. He has found the market to be much stronger for condos as opposed to single family homes. He feels Burton Estates will be problematic. He would like to propose to the city that he purchase the other two developments and build houses a few at a time in Burton Estates and see how it goes. If successful, he would purchase the remaining lots. His interest only lies in Burton because he would control all three developments. If he was not able to get Burton Estates, he wouldn't want the other projects due to the risk. He is asking the committee for a three year period.

Mr. O'Keefe asked if Mr. Dinha intends to buy three more lots if the first three houses go well.

Mr. Dinha stated he would invest the money from the first three houses into the purchase of two or three more lots.

Mr. O'Keefe asked the City Attorney for clarification about the special assessment on the purchase agreement.

Attorney Doyle stated the total price; cash payment and assumption of special assessments will not exceed $615,000.00.

Mr. Conn stated this is essentially the same contract as before. The difference is we are stretching out the payment program and lot purchases for Burton Estates. It also stated if another buyer comes along he will have the first right of refusal.

Mr. Dinha said their logic is if someone comes along and wants to build, he doesn't want to tie up progress in the city. He stated we should have a period of time to act or pass on it.

Mr. O'Keefe asked what timeframe is anticipated.

Mr. Dinha stated he hopes to get started within 60 days.

Mr. O'Keefe asked if the Attorney and Mayor were supporters of the contract.

Attorney Doyle stated she feels comfortable with this agreement from a legal standpoint.

Mayor Zelenko stated yes, she would like to go forward with it.

Mr. Martinbianco asked what are the next steps, financially.

Mayor Zelenko stated our intent all along was to get the property on the tax rolls and try to make enough on the purchase to try to pay down the bonds.

Motion to send sale agreement with D & D Holdings to City Council for approval.

RESULT:	**CARRIED [UNANIMOUS]**
MOVER:	Dennis O'Keefe, Councilman
SECONDER:	Tom Martinbianco, Councilman
AYES:	Martinbianco, O'Keefe, Smith

E. Discussion and possible recommendation to the Burton City Council to approve and authorize the Mayor and Clerk to enter into the Michigan Uniform Video Services Franchise Agreement with Comcast of Flint.

Attorney Doyle stated in November of 1985, the city adopted ordinance 20-A-4. Subsequently throughout the following years, it was amended several times. Effective January 1, 2007, the Michigan Uniform Video Services Local Franchise Act began requiring a uniform franchise agreement from companies such as Comcast which meant when our contract was up after the 30 years, we cannot renew it. We can cancel or enter into another agreement. The only difference between the previous agreement and this one is the franchise fee which began at 3% and is now 5%. PEG fees (Public Education and Government) on page six of the agreement is an option to take a percentage up to 2% of the 5% franchise fee and set it aside for PEG dollars.

Mayor Zelenko stated the way she understood PEG dollars from the past is that they pass that cost along to the residents. We live stream our meetings and I don't think this will benefit our residents.

Mr. Smith asked if we table this, what are the ramifications?

Attorney Doyle stated we would not have cable service beginning in January.

Mr. Martinbianco stated this is a monopoly; there are no competitors and no other option for us.

Mr. O'Keefe asked if we commit to not having the PEG dollars can we modify it at some point in time.

Mayor Zelenko stated she didn't see an expiration date on the agreement.

Mr. Hayman stated this is all governed by the FCC so the real reason there is no competition is because of federal regulations. He feels we have no other choice.

Mr. Martinbianco stated he doesn't support this. He thinks there are other options.

Mr. O'Keeke recommend to send this to City Council and Mr. Smith seconded the motion.

Motion to forward the Franchise Agreement with Comcast to City Council for approval.

RESULT:	**RECOMMENDED [2 TO 1]**	**Next: 12/21/2015 7:00 PM**
MOVER:	Dennis O'Keefe, Councilman	
SECONDER:	Vaughn Smith, Chairman	
AYES:	O'Keefe, Smith	
NAYS:	Martinbianco	

Meeting was adjourned at 7:15 PM.

Finance Committee
4303 S. Center Road
Burton, MI 48519

SCHEDULED

Meeting: 01/18/16 06:00 PM
Department: Controller's Office
Category: Budget
Prepared By: Ginger Burke-Miller
Department Head: Ginger Burke-Miller

AGENDA ITEM (ID # 2085)

DOC ID: 2085

Amy Street Capital Projects Fund Shortfall Elimination Plan To approve and authorize the Mayor and Controller to adopt a resolution for a shortfall elimination plan for the Amy Street Capital Projects Fund to be attached to the 2014-2015 City of Burton Audit.

ATTACHMENTS:

- Amy Street Capital Project Deficit Elimination plan 06302015 audit (DOCX)

City of Burton Legislative Body Resolution and Deficit Elimination Plan:

WHEREAS City of Burton's **Amy Street Capital Project Fund** has a $191,065 deficit fund balance on June 30, 2015; and

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury:

NOW THEREFORE, IT IS RESOLVED that the City of Burton's legislative body adopts the following as the **Amy Street Capital Project Fund** Deficit Elimination Plan:

BE IT FURTHER RESOLVED that the City of Burton's Mayor submits the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

DESCRIPTION	2015-16 PROJECTED ACTIVITY	2016-17 PROPOSED BUDGET
Fund 4146 - AMY ST PAVING CAP PROJ 13-008-P		
ESTIMATED REVENUES		
Beginning Fund Balance	$(191,065.36)	(171,893.20)
TRANSFER IN FROM FUND 3146	25,473.93	25,475.00
Totals for dept 0000-	(165,591.43)	(146,418.20)
TOTAL ESTIMATED REVENUES	(165,591.43)	(146,418.20)
APPROPRIATIONS		
Dept 0000		
INTEREST ON LOAN	6,301.77	6,301.77
Totals for dept 0000-	6,301.77	6,301.77
TOTAL APPROPRIATIONS	6,301.77	6,301.77
NET OF REVENUES/APPROPRIATIONS	(171,893.20)	(152,719.97)

ADD CLERK'S CERTIFICATION

Amy Street Capital Project Fund

Shortfall $191,065.36

Solution: The City will be collecting assessments from the Amy Street residents over 15 years. The assessment will end in the year 2028. The City found it more cost effective to borrow money from its Sewer Fund than to go out to bond for such a small project. The City had a deficit in this fund last year as it was the first year. Until the City finds another funding source, this will continue into the future.

Finance Committee
4303 S. Center Road
Burton, MI 48519

SCHEDULED

Meeting: 01/18/16 06:00 PM
Department: Controller's Office
Category: Budget
Prepared By: Ginger Burke-Miller
Department Head: Ginger Burke-Miller

AGENDA ITEM (ID # 2086)

DOC ID: 2086

Major Street Fund Shortfall Elimination Plan To approve and authorize the Mayor and Controller to adopt a resolution for a shortfall elimination plan for the Major Street Fund to be attached to the 2014-2015 City of Burton Audit.

ATTACHMENTS:

- Major Streets Deficit Elimination plan 06302015 audit (DOCX)

City of Burton Legislative Body Resolution and Deficit Elimination Plan:

WHEREAS City of Burton's **Major Streets Fund** has a $827,652 deficit fund balance on June 30, 2015; and

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury:

NOW THEREFORE, IT IS RESOLVED that the City of Burton's legislative body adopts the following as the **Major Streets Fund** Deficit Elimination Plan:

BE IT FURTHER RESOLVED that the City of Burton's Mayor submits the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

DESCRIPTION	2015-16 PROJECTED ACTIVITY	2016-17 PROPOSED BUDGET
Fund 2002 - MAJOR STREETS		
ESTIMATED REVENUES		
Beginning Fund Balance	(827,652.48)	(500,116.43)
RIGHT OF WAY PERMIT FEES	5,000.00	5,000.00
51 GAS & WEIGHT TAX	2,094,513.64	2,100,000.00
Estimated add'l MTF per MDOT schedule		606,005.80
OTHER STATE REVENUE SOURCES	222,000.00	222,000.00
ST OF MI ROW MAINTENANCE FEE	78,500.00	78,000.00
FEDERAL/STATE CONST. MATCH	0.00	0.00
CONTRIBUTION FROM LOCAL UNITS		
MATERIAL SALES	5,000.00	5,000.00
INTEREST INCOME		
REFUNDS & REBATES	100.00	100.00
REIMBURSEMENT INCOME	800.00	1,000.00
TRANSFERS FROM OTHER FUNDS	2,030,000.00	1,000,000.00
MISCELLANEOUS	10,425.14	25,000.00
LOAN PROCEEDS		
TIP Revenue for Center Rd		1,057,564.00
CONTINGENCY/DEFICIT		
Totals for dept 0000-	3,618,686.30	4,599,553.37
TOTAL ESTIMATED REVENUES	3,618,686.30	4,599,553.37

Dept 4051-CONSTRUCTION		
I-69 RECONSTRUCTION/REPAIRS	6,427.33	6,427.33
CENTER RD (COURT-DAVISON)	4,350.00	4,350.00
LAPEER (BELSAY TO VASSAR 2013_2014)	261,200.00	261,200.00
ATHERTON (DORT_CENTER 2013_2014)	9,974.68	9,974.68
BRISTOL RD BRIDGE 2013_2014	52,735.00	52,735.00
CENTER RD (ATHERTON TO LIPPINCOTT)	55,312.99	55,312.99
BELSAY RD. (COURT TO DAVISON)	1,000,000.00	1,000,000.00
POTTER/CASTO ROADS (2015-2016)	700,000.00	700,000.00
Totals for dept 4051-CONSTRUCTION	2,090,000.00	2,090,000.00
Dept 4063-SURFACE MAINTENANCE		
SUPERVISION SALARIES	37,000.00	37,000.00
SALARIES PERMANENT	146,200.00	146,200.00
FRINGE BENEFITS	168,500.00	168,500.00
MATERIAL & GRAVEL	50,000.00	50,000.00
CONTRACTUAL SERVICE	80,000.00	80,000.00
EQUIPMENT RENTAL	180,000.00	180,000.00
Totals for dept 4063-SURFACE MAINTENANCE	661,700.00	661,700.00
Dept 4068-TREES & SHRUBS		
SUPERVISION SALARIES	1,600.00	1,600.00
SALARIES PERMANENT	3,000.00	3,000.00
FRINGE BENEFITS	5,200.00	5,200.00
CONTRACTUAL SERVICE	20,000.00	20,000.00
EQUIPMENT RENTAL	3,200.00	3,200.00
Totals for dept 4068-TREES & SHRUBS	33,000.00	33,000.00
Dept 4069-DRAINAGE		
SUPERVISION SALARIES	4,000.00	4,000.00
SALARIES PERMANENT	25,600.00	25,600.00
FRINGE BENEFITS	30,100.00	30,100.00
MATERIAL	9,550.00	9,550.00
CONTRACTUAL SERVICE	18,450.00	18,450.00
EQUIPMENT RENTAL	41,000.00	41,000.00
Totals for dept 4069-DRAINAGE	128,700.00	128,700.00
Dept 4074-TRAFFIC SIGNS		
SUPERVISION SALARIES	2,000.00	2,000.00
SALARIES PERMANENT	7,500.00	7,500.00
FRINGE BENEFITS	7,800.00	7,800.00
OPERATING SUPPLIES	1,500.00	1,500.00
MATERIAL SIGNS	3,000.00	3,000.00

CONTRACTUAL SERVICE	75,000.00	75,000.00
EQUIPMENT RENTAL	3,800.00	3,800.00
R.R. CROSSING LIGHTS/SIGNAL REPAIR/MAINT	20,000.00	20,000.00
Totals for dept 4074-TRAFFIC SIGNS	120,600.00	120,600.00
Dept 4077-PAVEMENT MARK		
CONTRACTUAL SERVICES	150,000.00	150,000.00
Totals for dept 4077-PAVEMENT MARK	150,000.00	150,000.00
Dept 4078-WINTER MAINTENANCE		
SUPERVISION SALARIES	5,200.00	5,200.00
SALARIES PERMANENT	63,900.00	63,900.00
FRINGE BENEFITS	42,800.00	42,800.00
MATERIAL-SALT	110,000.00	110,000.00
EQUIPMENT RENTAL	120,000.00	120,000.00
Totals for dept 4078-WINTER MAINTENANCE	341,900.00	341,900.00
Dept 4081-ROADSIDE CLEANUP		
SUPERVISION SALARIES	2,500.00	2,500.00
SALARIES PERMANENT	8,200.00	8,200.00
FRINGE BENEFITS	8,500.00	8,500.00
EQUIPMENT RENTAL	10,000.00	10,000.00
Totals for dept 4081-ROADSIDE CLEANUP	29,200.00	29,200.00
Dept 4082-ADMINISTRATION		
ADMINISTRATION SALARIES	5,000.00	5,000.00
SALARIES PERMANENT	42,000.00	42,000.00
FRINGE BENEFITS	22,500.00	22,500.00
INFORMATION TECH. SUPPLIES	2,500.00	2,500.00
SUPPLIES	4,000.00	4,000.00
AUDIT	3,700.00	3,700.00
CONTRACTUAL SERVICE	13,686.92	13,686.92
LEGAL	2,000.00	2,000.00
MEMBERSHIP & DUES	1,000.00	1,000.00
TRAINING	1,000.00	1,000.00
EQUIPMENT RENTAL	13.08	13.08
INTEREST EXP CENTER RD LOAN	47,400.00	47,400.00
Totals for dept 4082-ADMINISTRATION	144,800.00	144,800.00

Dept 4085-TRANSFER TO LOCAL STREET		
MTF/LRP TRANSFER TO LOCAL STREETS	418,902.73	418,902.73
Totals for dept 4085-TRANSFER TO LOCAL STREET	418,902.73	418,902.73
TOTAL APPROPRIATIONS	4,118,802.73	4,118,802.73
Fund Balance (deficit) June 30	(500,116.43)	480,750.64

ADD CLERK'S CERTIFICATION

Major Street Fund

Shortfall $827,652.48 consists of $809,404.64 plus prepaid expenditures of $18,247.84.

Solution: The City of Burton anticipates that it will receive $1,057,564 from the Genesee County Transportation Improvement Program (TIP) as this was MDOT Control Section STU 25049, Job NO. 121491A. The City received assurance via email from MDOT that if the City chose to advance construct this project, that the City would receive the money in 2017. The City is uncertain as to when in 2017. For the purposes of this plan, we assume it will be received within 60 days after our fiscal year ended June 30, 2017.

Building Department Shortfall Elimination Plan To approve and authorize the Mayor and Controller to adopt a resolution for a shortfall elimination plan for the building department to be attached to the 2014-2015 City of Burton Audit.

ATTACHMENTS:

- Building Department Deficit Elimination plan 06302015 audit (DOCX)

City of Burton Legislative Body Resolution and Deficit Elimination Plan:

WHEREAS City of Burton's **Building Department Fund** has a $7,847 deficit fund balance on June 30, 2015; and

WHEREAS, Act 275 of the Public Acts of 1980 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury:

NOW THEREFORE, IT IS RESOLVED that the City of Burton's legislative body adopts the following as the **Building Department Fund** Deficit Elimination Plan:

BE IT FURTHER RESOLVED that the City of Burton's Mayor submits the Deficit Elimination Plan to the Michigan Department of Treasury for certification.

DESCRIPTION	2015-16 PROJECTED ACTIVITY
Fund 2049 - BUILDING DEPARTMENT FUND	
ESTIMATED REVENUES	
Beginning Fund Balance	(7,846.87)
PERMITS & LICENSE FEES	103,112.00
CONDEMNED HOUSING	
INSPECTION FEES	15,005.00
ABANDON PROPERTY REGISTRATION FEES	5,610.00
WEED CUTTING REVENUE (INVOICED OUT)	24,814.00
SOIL EROSION SERVICES	2,550.00
INTEREST INCOME	
REFUNDS & REBATES	
COMMUNITY DEVELOPMENT	
CONTRIBUTION FROM GENERAL FUND	250,000.00
MISCELLANEOUS	
CONTINGENCY	
Totals for dept 0000-	393,244.13
TOTAL ESTIMATED REVENUES	393,244.13
Dept 2061-BUILDING	
ADMINISTRATIVE SALARIES	20,125.00
SALARIES PERMANENT	79,400.00

FRINGE BENEFITS	93,500.00
OFFICE SUPPLIES	1,000.00
INFORMATION TECH. SUPPLIES	9,800.00
POSTAGE	200.00
OPERATING SUPPLIES	5,300.00
CONTRACTUAL SERVICES	4,200.00
LEGAL	2,500.00
MEMBERSHIP & DUES	300.00
TRAINING	1,500.00
UTILITIES	4,000.00
EQUIPMENT RENTAL	10,000.00
BAD DEBT EXPENDITURE	20,000.00
CONDEMNED HOUSING	60,000.00
WEED CUTTING EXP. TO BE BILLED OUT	25,000.00
SOIL EROSION SERVICES	1,100.00
BLIGHT ELMINATION EXPENDITURE	45,000.00
OFFICE EQUIPMENT	100.00
Totals for dept 2061-BUILDING	383,025.00
TOTAL APPROPRIATIONS	383,025.00
Fund Balance (deficit) June 30	10,219.13

ADD CLERK'S CERTIFICATION

Building Department Fund

Shortfall $7,846.87

Solution: Transfer an additional $100,000 from General Fund due to the fact that the City budgeted to dip into fund balance by $69,900 but that anticipated fund balance was absorbed by demolitions that are very likely uncollectible and as such cannot be recognized as revenue. Also, health insurance actual claims made exceeded illustrative rates from BCBS. In addition, the City made an accounting correction after many, many years of having 12 months of MERS in the fiscal year but never having accrued June MERS paid in July into that prior year. At some point the City needed to absorb 13 months to properly account for the right time frame of expenditures into the right year.

Finance Committee
4303 S. Center Road
Burton, MI 48519

SCHEDULED

AGENDA ITEM (ID # 2088)

Meeting: 01/18/16 06:00 PM
Department: Controller's Office
Category: Budget
Prepared By: Ginger Burke-Miller
Department Head: Ginger Burke-Miller

DOC ID: 2088

Budget Transfer To approve and authorize the Mayor and Controller the following transfer related to the Building Department Shortfall Elimination Plan within the 2015-2016 fiscal year: Increase General Fund Transfers Out - Transfer to Building Department 1001-9099-999.2049 $100,000 Increase Building Department Contributions from General Fund 2049-0000-691.1001 by $100,000

ATTACHMENTS:

- Building Department Deficit Elimination plan 06302015 audit (DOCX)

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MISCELLANEOUS	
CONTINGENCY	
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TOTAL ESTIMATED REVENUES	393,244.13
Dept 2061-BUILDING	
ADMINISTRATIVE SALARIES	20,125.00
SALARIES PERMANENT	79,400.00

FRINGE BENEFITS	93,500.00
OFFICE SUPPLIES	1,000.00
INFORMATION TECH. SUPPLIES	9,800.00
POSTAGE	200.00
OPERATING SUPPLIES	5,300.00
CONTRACTUAL SERVICES	4,200.00
LEGAL	2,500.00
MEMBERSHIP & DUES	300.00
TRAINING	1,500.00
UTILITIES	4,000.00
EQUIPMENT RENTAL	10,000.00
BAD DEBT EXPENDITURE	20,000.00
CONDEMNED HOUSING	60,000.00
WEED CUTTING EXP. TO BE BILLED OUT	25,000.00
SOIL EROSION SERVICES	1,100.00
BLIGHT ELMINATION EXPENDITURE	45,000.00
OFFICE EQUIPMENT	100.00
Totals for dept 2061-BUILDING	383,025.00
TOTAL APPROPRIATIONS	383,025.00
Fund Balance (deficit) June 30	10,219.13

ADD CLERK'S CERTIFICATION

Building Department Fund

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