

CITY OF BURTON
FINANCE SUB-COMMITTEE MEETING MINUTES
JANUARY 21, 1998/9:00 A.M., COUNCIL CHAMBERS

The Finance Meeting was called to order by Keith Cox, Chairman, at 9:00 A.M.

MEMBERS PRESENT: Cox, Cross and Martinbianco.

MEMBERS ABSENT : None.

OTHERS PRESENT: Mayor Charles Smiley; B. Becker, Controller/Treasurer; and G. Webster, Clerk.

PURPOSE OF THE MEETING: Discussion and Possible Recommendations Concerning:
1. Veteran's Memorial Transfer of Funds.

PRESENTATION:

Mr. Becker reviewed the financial status of the Veteran's Memorial. He said there was a transfer of funds in the Spring of 1996 that provided allocations of \$15,000.00 to initiate that project. At the end of 1996, a portion of those funds were spend on preliminary issues. The remaining dollars were carried over into a Capital Improvement fund. The funds were put into Capital Improvements because the project was going to be carried over more than one fiscal year, similar to the Memorial Library project. The Mayor continued to update Council through administrative reports. There were ongoing contributions of material, labor and money. The 1996-1997 fiscal year ended after the memorial deadline. There was a flow of funds in and a flow or funds out. Most of bills were paid about June. During the last year's budget session, he advised Council there was a shortfall. We have continued to collect plaque sales. Most of the new revenue has stopped. We needed to pin point the deficit and then ask for a transfer to zero out the accounting line item.

Mr. Cox inquired about more recent information concerning the Veterans Memorial.

Mr. Becker said there has been minimal movement in the fund since June of 1997. He will provide any additional details that are needed.

AUDIENCE PARTICIPATION:

Pauline Dargel, 6119 Hugh, spoke in reference to ongoing Veteran's Memorial donations and the replacement of brass plates.

Mr. Cross said errors made on the original engraving were mostly due to the information being submitted on the applications forms.

Mayor Smiley said the \$500.00 donor's names will be added to a plate on the back wall of the memorial. Any balance of funds after the plates are paid for will go to pay for the monument.

Mr. Becker said donations are being put in the Trusted Agency Account.

Mr. Martinbianco asked if any funds would be returned to the General Fund through donations.

Mr. Becker said all donations are designated for the project.

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AUDIENCE PARTICIPATION:

Al Hindes, said the Veteran's Memorial is worth approximately \$650,000.00. He thanked the City for the original \$15,000. He said there has been a lot of hard work and donations contributed to the project, and hopes more donations will be collected through fund raisers and other projects. He said the City is very proud of the Memorial. It has added beauty to the City and been very good for business. He was in favor of the City transferring the dollars for the project.

Bob Centilli, 4479 Lawnwood, contractor of the Veterans Memorial, reviewed donated costs of labor and material for the project. He often had many out of pocket expenses such as gas, oil, lumber and other materials. He did not charge anything to build the memorial and had a loss of income, due to the time he invested in the project. He is very proud of the memorial and he wanted it to be built to last over time. He said the plastic plates needed to be redone due application mistakes and durability of the material involved. The brass plates will last for the life of the memorial.

Mr. Cox said everyone is appreciative and proud of the memorial. He said the discussion today focuses on the transfer of funds.

Laurie Tinnin, 2340 Harmony Dr., spoke in reference to new names being added to the plates.

Mayor Smiley said names will be added to the plates as 60 new names are submitted. He said the new brass plates, with the cut off date of July 1997, will go on the wall as soon as the weather permits.

Mr. Centilli said names could be put in plastic until the brass plates are added.

COMMITTEE DISCUSSION:

Mr. Martinbianco wanted to know if there was a program set up for those people who are financially unable to pay for plates.

Mayor Smiley said there have been some anonymous donor of plates. If there is a veteran who is unable to pay, we will try to find a way to have the name added. There has been a shortfall in this project of \$26,000.00.

Mr. Martinbianco said while there was some prior notice, there has been a \$26,000.00 shortfall. He wanted to know why the shortfall amount went from \$9,200 to \$26,000 and why more dollars were spent without Council authorization.

Mr. Cross agreed with Mr. Martinbianco's comments.

Mr. Becker said the construction costs have been identified in Capital Improvements because it's a project that lasted more than one year. All the donations have been added to the Trusted Agency account under that particular line item. We transfer the money from the Trusted Agency account to the Capital Improvement fund to cover ongoing bills. We currently have \$5, 223.00, as of the end of November, in donations from July 1, 1997 in the Trusted Agency account. That was taken into account in coming down to your bottom transfer line. The money hasn't physically been moved over there yet. He continued to explain, in detail, the budgeting revenues and expenditures in connection with the project.

Mr. Cross said he was not questioning the accounting of the project. He wanted to know the process in connection with the transfer of funds.

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Mr. Becker said he would have preferred to address some of these issues in the last budget. He wanted to know at what point the project would be closed. He said this transfer could be done in June, 1998 with the other transfers, but he would like to finish this project with the \$26,000.00 transfer. This decision could be deferred until June and the number could change again. Ongoing maintenance costs were previously budgeted in the Parks and Recreation fund. In the future, he would like to see new items that are added to this project included in its own Parks and Recreational operational budget.

Mr. Cross agreed an operational budget should be added for the memorial.

Mr. Becker said the same type of accounting was done with the Memorial Library. We were always going towards a moving target and City contributions were involved. All the City contributions were not recouped. That project is done and people are happy with it. It is not an issue.

Mayor Smiley said Council was aware that there would be a shortfall. The project fell short \$26,000.00. He thinks that's excellent considering the special features there were added and the total worth of the Veteran's Memorial.

Discussion continued on the procedural issues of transferring funds.

Mr. Cox said they intended to pay the bills. He did have concerns with the time and how they were paid. He doesn't have a problem with the transfer as recommended. However, in the report back to Council he will give his concerns in reference to method and procedure of this project.

Mr. Becker asked if Council had approved the Veteran's Memorial project.

Mr. Cox said yes.

Mr. Becker said the project had an opened ended amount with the intent that most of the funding would be done through donations. He suggested what could be done in the future, to alleviate some of the concerns that we are addressing today. There should be a set cost in advance, if the project goes beyond the estimated cost, then we could come back to Council for a determination of the project's cost and needs. It would be helpful to have a Council person assigned to these unique projects. He said the same form of accounting was used on the Memorial Library.

Mr. Cox agreed with these statements. He would have liked this project handled in that fashion. He said this has been a learning experience for everyone involved.

Mr. Martinbianco asked if the \$26,000 transfer would take care of this issue. He asked for clarification of the \$1,000 out of pocket expenses for Mr. Centilli. He said the attorney didn't have a problem with this because he was paid the money during the course of the project.

In reference to Mr. Centilli, Mayor Smiley said there was no problem with this issue.

Mr. Becker said the \$26,000 amount might be slightly less than that amount. Some smaller donations have been trickling in occasionally.

Mr. Cross had some concerns and ask if the money would be returned to Drains at Large, if more donations were submitted.

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Mr. Becker said the funds would go into the Trusted Agency account for the Memorial. If Council would like

that done differently, they should let him know.

COMMITTEE RECOMMENDATIONS

Moved by Martinbianco, seconded by Cross to recommend to full Council the transfer of \$26,000 from Drains at Large to the Capital Improvement fund Veteran's Memorial line item. Motion was carried 3-0.

Meeting Adjourned at 11:20 A.M.

Gayle Webster
City Clerk