CITY OF BURTON

BURTON CITY COUNCIL MEETING

JUNE 5, 2019

MINUTES

Council Chambers	**Budget Workshop**	**6:00 PM**

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by President Steven Heffner at 6:00 PM.

A. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Duane Haskins	Vice President	Present	
Dennis O'Keefe	Councilman	Present	
Steven Heffner	President	Present	
Danny Wells	Councilman	Absent	
Vaughn Smith	Councilman	Present	
Christina Conley	Councilwoman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Rik Hayman, Chief of Staff
Sue Warren, HR Director
Karen Moffitt, Controller
Alice Bryce, Treasurer
Charles Abbey, Deputy DPW Director
Bette Bigsby, Acting Clerk
Ann Abbey, Deputy Assessor

C. PRESENTATION & DISCUSSION

1. Budget Workshop on the following topics:

General Fund Departments

Mr. Haskins called the meeting to order and turned it over to Mr. Smith the Finance Chairperson. Mr. Smith asked the administration if they had anything before getting started. They stated they did not.

Ms. Moffitt stated that at the previous budget meeting she had made a comment about the water fund having to take money from savings. The money is coming from the water fund savings account. They have money in the checking account and savings account in the past we have used the checking account to pay all the bills but because of the shortfall we have had to take money out of the savings account to pay the bills. It is not the General Fund savings account. Mr. O'Keefe stated there was still no balance in the checking account. Ms. Moffitt stated it was correct. At some point in time there is going to be zero in both accounts.

Looking at the general fund five year forecast. Looking at projections for next year we are looking at excess of revenue over expenditures of $406,300.00. Looking at a beginning fund balance of $1,537912.00. Leaving us with a year end balance of $1,944,212.00 surplus deficit spending more than bringing in added to police an fire transfers and because they are using fund balance.
Will need to transfer more to those funds. The next few years we are ok but because we have to transfer more we are estimating an increase in state revenue and property taxes it compensates for that.

Looking at the general fund we are projecting $6,132,400.00 in total expenditures of $5,726,100.00. we are estimating an excess of revenue over expenditures of $406,300.00. The detail for the revenue, property taxes budgeted 4 mills and that is based on 5.5 percent we do not have a Headlee rollback this year. That will not effect our mileage rate. Permit and license fees are increased by $7,000.00 looking at the current year and prior year. Franchise fees we currently need to change that I think when I lowered this I think we had a received a check from the cable company. We also collect fees from AT&T which I don't think I took into consideration. We probably need to increase that up to $400,000.00 our fees are reduced slightly but not quite that much. The lease fees lowered because of last years collections. When I looked into that it only considered 11 months they don't pay consistently 39500.00 each year from Comcast.
State shared revenue from state website only used 98% because it is only an estimate. Liquor fees increased up to $19,000.00 administration fees taxes slightly up to $290,000.00 because it is a percent. Copy fees increased up to $1,900.00 based on prior year collections. Other revenue decreased to $12,000.00 based on prior year collections. $6,185900.00

Expenditures

Under Council budget the Board Or review budget we increase up to $3,000.00 because of the rate increase office supplies increased up to 1500.00 more expenditures needed. Information tech allocation based on new allocation broke out postage. Starting to charge some thing to postage threw in $100.00. Legal was increased by $10,000.00 based on prior year. Membership and dues tend to always go up from year to year so we added a thousand there brining that balance up to $13,000.00. Training increased by $2,000.00 with the idea we would have new Council members. Insurance went up 2%. Left $50,000.00 for specialized internal control review.

Mayor's Office

Increased salary for Mayor. Should have been increasing the salary based in CPI figured out what the CPI has been and figured out a salary based on that. Salaries permanent went up based on new allocations. Retirement MERS rates given for respective salaries. Fringe benefits 10% increase for health insurance. Figured in a certain percent for back pay for CPI over the year. Back pay for over the years. Postage we increased by $100.00 because of the rate increase. Memberships and dues by $500. Vehicle repair increased because the car is getting older and having issues and needing repair. Training was increased by $2,500.00 with the idea that the new mayor may need some training. Gas and oil increased by $100.00 based on prior and current year costs. Office equipment increased by we need new chairs in this building and file cabinets.

Mr. Heffner mayor Mobile is a 2009. Mayor has been due a new car for many years. Mayor Zelenko stated it has about 60,000 miles on it. It is a very uncomfortable ride and is very uncomfortable to drive so I usually use my own vehicle. Mr. Martinbianco stated go buy a new one and build a garage for it. Mr. Heffner stated we should look into it If we don't do it this year we should look at it next year. It is a Buick Lucerne. We could move the current one around the fleet. The Assessors car needs to go. Mr. Martinbianco precurser for the future. He would like to know where that make up CPI comes from. Is that going to be an ongoing things. Outside what the charter allows for what is going to happen in the future. When the salary commission approved an increase for the Mayor and Council back in 2005 initially they added CPI to the Mayor's salary when Mr. Smiley was still Mayor. When I became mayor the CPI rolled into the base which was $72,000.00 when I became mayor it had gone to 74500.00 and the CPI was never added in the whole time I have been mayor. Mr. Martinbianco wanted something from the attorney on how to handle a raise. Mayor stated it is not a raise it is back pay. Mr. Haskins you as the current city mayor. He remembered when all that went on. Salary commission met they met again in 2011 and wanted to keep the same arrangements.

Mr. Martinbianco stated it has been going on a long time. It didn't happen last year or the year before. Mayor Zelenko stated whatever the CPI is this December that will get rolled in to the mayors salary in the next budget year. Mr. Martinbianco stated he is questioning the timeliness of it. They should have been informed last year or the year before. Mr. Haskins asked how it was missed. Mayor stated she did not want to point fingers but it was missed. Mr. Martinbianco wanted to charge on to the benefits line. Mayor stated that would be the 15% that was added to her 401K. That plus the back pay from the previous years. It would be a one time costs. We would pay her what we owe her. Then moving on we wouldn't have that but the salary would be what is on the salary line. Mr. Smith asked the total amount. Ms. Moffitt stated it was $41,158.80 and the ICMA is $6,173.82.
Mr. Martinbianco thinks it is ironic that it comes up at this time and this budget. He asked if they were one time budgets. Mayor stated it is one time for her to get caught up. Then the Mayor's salary would be what is listed. Mr. Martinbianco asked The salary commission has to meet this year in October. It could change July of next year. If they decide to stay where it is right now. You would add the previous years CPI to that.

Mr. O'Keefe stated the Mayor is running around the state in a 10 year old car. He made suggestion for Mr. Smith to add to his list a new car for the mayor. Mr. Haskins asked if it was possible to get in on the deal with the police vehicles. Mr. O'Keefe stated it was an excellent idea to piggy back to police deal. Discussion on the differences in a police Tahoe and a regular Tahoe. Mr. Smith added it to the list for the wrap up.

Mr. Martinbianco asked about the number of computers in the Mayor's office. Mayor stated there was 5 total in the Mayor's wing.

Elections

Increased overtime because next year is a presidential primary and we think we will need more money there. We increased the fees per diem because we will have to pay the election workers. Because of the actual rates. Retirement no rates that apply to election. Only paying for Active. Insurance went up 10% increase in health insurance. Supplies reduced looking at prior and current year costs. Information tech allocation increased Postage increased due to rate increase. Operating expenditures not budgeted in the past. Physicals and things add a small budget got that .

Training increased by $1000.00 new clerk will need to be trained. Equipment rental increased because of presidential primary. New equipment like need 3 laptops and bitlocker software program. Mr. Heffner asked if the new laptops would be leased like the others. Mr Haskins sated he thought the state would be a little lax on that because he bought a new laptop and it is already obsolete. Mrs. Bigsby stated the state has specific specifications. You are looking at again in 3 years. The ones we have are from 2008. There are 12 from 2008 and She is trying to rotate them out. There are two different computers. There are the look up computer and the election computers the look up computers are the ones from 2008. The other computers are from 2012. Clerks all over the state are asking for a possible grant for new computers. Mr. Martinbianco asked if he heard there was another body coming from the election department. Mr. Smith stated it was from the Treasurers department. The amount of training we have to do because of Proposal 3 changes. We still have 85 election workers to train.

Assessing Department

Salaries Permanent has been increased because off the Deputy Assessor. Mers has been adjusted because of actual rates. Deputy Assessor in different Union. We are on a fixed rate for all divisions just spreading the cost. Fringe benefit line increased 10% health insurance. Postage increased. Training added $500.00 new training requirements. Mr. Martinbianco asked about the salary of the Assessor he thinks they raised it. Assessor still on contract basis. Shocking thing increase MERS active employees. Do to one position in SEIU. Switch in position AFSCME percentage is 5.15% and SEIU is 80% substantial increase. Mr. Martinbianco stated it was all in the contract. Deputy position. It appears more money to the assessors department the line for the other 6 positions are on a fixed cost. It is a fixed costs no matter how many in the union. Mr. Martinbianco stated if they are going from one bargaining union to the other they should be under the same costs. There is a fixed cost for each unit because the divisions have been closed.

Clerk

Salaries permanent reduced because of new salary allocations. Mostly because of the IT record clerk had been charged 25% to the Clerk's office. Now it is being distributed as to how that person is working. Mr. Heffner about filming the DDA meetings and the Park & Recreation meetings. Mayor Zelenko stated it is a scheduling thing that has to be done. We have increased the number of meeting he is videotaping. He has been working on the upgrade of the computers. Mayor Zelenko stated we would have to add to the Park & recreation and DDA for videotaping. We can only do the meetings that are in this chamber. Because we reduced the salary MERS and fringe benefits lines have been reduced. IT re

Memberships and dues increased $100.00 Auto allowance increased because IRS allowance increased.

Mr. Martinbianco under election we have a clerk and deputy clerk and clerical. How are those salaries broken down? The Clerk is charged 100% to Clerk department. The deputy clerk and records tech are 25% clerk and 75% elections. Mr. Martinbianco asked why that would be when you have elections every year but it seems most other function should be charged to the Clerk's office. Mayor stated there is a lot of work maintaining the database. Mr. Martinbianco wanted to know how IT is involved. IT is not involved that is why they took him out.

Controllers Office

Because of the new salary allocations the Controllers salary that was allocated to general fund went down slightly.

Treasurer's Office

Treasurer's salary had new allocations also included the increase made a couple of meetings ago. Salaries permanent adjusted allocation based on how the employees are working. The costs went up slightly because it included the .5 FTE position increased retiree and fringe went up because costs associated. Postage $1000.00 contractual services line decreased closed PO box eliminated lock box. Membership and dues increased.

Mr. Heffner stated they had talked about some increases in departments because there was going to be decreases in the treasurers department. Have to pull and look to see what the treasurers allocation was before. Clerk positions spend more time to water and sewer increased allocation to water and sewer. Added the .5 position increased slightly. Mr. Heffner stated he did not see the decrease. There was discussion on the changes in the way items are allocated across the budget.

City Hall

Salaries permanent went down because of new allocations. Mostly because of Collette's position now being allocated among other departments. IT increased because of the new allocation.

ICMA increase participation. Added all employees in separate retirement account. Because of the large number they are charging a few. Lowered janitorial base lowered legal. Insurance slight increase 2% utilities added the ERC payment. Lowered the ADA maintenance a little. Took out boiler and roof replacement added 11000.00 for security cameras. Debt payment lowered to align with debt schedule.

Mr. Smith asked about the $110,000.00 for attorney. Ms. Warren stated we have negotiations starting in January. Mr Smith feels it should not take aas much time because you are not starting from scratch. Mr. Heffner believes it should be lft in the budget.

Public Service

Gilkey Creek payment lowered street lighting some increases. Mr. Martinbianco asked how often do we go out for bid on weed cutting? It is believed to be every two years.
Public relations raise from $1,2000.00 to $2,500.00 for census. Hoping to get some participation and do some posters. Mr. Heffner stated he is looking for a volunteer for the census committee. Mr. Heffner believes Mr. Smith will end up doing.

Planning

Salaries permanent increased commission salaries retirement down slightly fringe reflect allocation and 10 health insurance. Traininf added $1000.00

Zoning

Salaries Permanent went down slight increase salaries due to increase. Adjusted MERS down because of salary decrease training $1000.00 T

Transfers Out

Major street didn't need
Local street 30,000.00
building fund eliminated.

RECAP

parking lot and gas tank for police
ladder truck
natural gas for motorpool
solar stop sign - accident statistics
mayors car
$48,000.00 for back pay
DDA and Park & Rec to meeting schedule for videotaping.

Body cameras for police department.

Meeting was adjourned at .

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