

CITY OF BURTON
FINANCE SUB-COMMITTEE MEETING MINUTES
JANUARY 24, 1992, 6:00 P.M., COUNCIL CHAMBERS

This Finance Committee Meeting is called to order by Chairperson T. Hammon at 6:10 P.M.

Members Present: T. Hammon, P. Zelenko and K. Cox.

Others Present: Mayor Charles Smiley; B. Walworth, Clerk; K. McArdle, Adm. Asst.; J. Major, DPW Director.

PURPOSE OF THE MEETING: Discussion and possible recommendation concerning Burton Neighborhood Housing Services; Ordinance No. 68-16 C and Other Matters That Might Arise.

PRESENTATION:

ORDINANCE 68:

Mayor Smiley explained the changes in the Ordinance as recommended by the Attorney. He said that the administrators will take a 5% reduction in pay when they go into the MERS program.

Mr. McArdle said that the actual MERS resolution now contains a reference to Section 38.1506 of the law on buying added time which covers the actual amount the employee would have to pay. (Section 38.1506 addresses a five percent employee cost of the member's annual compensation at the time of payment.)

Mr. Hammon asked for a five minute recess to review the changes.

BNHS:

Mayor Smiley said that the BNHS has made concessions by removing some of the fringe benefits on time off. He said that they are requesting an additional \$28,000 from CD monies and since the monies allocated to streets have not been totally used, he suggested the committee may want to re-allocate from CD street monies.

AUDIENCE PARTICIPATION:

No one wished to speak.

ORDINANCE 68:

Mrs. Walls asked if the Council would need a first reading again after the changes.

Mr. Hammon said that the Council can make changes between the first and second reading of an ordinance and that is why second readings are needed on all ordinances.

BNHS:

Shirley Hillaker, Director BNHS said that when she took over there was a small operating budget and after six months on the job she recommended they close as it was not fair to the employees to be hired on a month to month basis. She said that there have been no raises in three years and she needed the monies to finish out this year.

COMMITTEE DISCUSSION:

ORDINANCE 68:

Mr. Cox wanted to be sure that the proposal represented a true 5% reduction as of March 1, 1992. He was advised yes.

He asked if those that do not elect MERS will get the same total amount in salaries and fringe that the others will receive. He was advised yes.

Mr. Hammon said that the committee did not want the attorney rate to change.

Mr. Cox asked how long the attorney had been paying for fringe benefits. Mr. Becker indicated at least ten years.

Mayor Smiley said that he had no problem with the words "one time" in Section 6 as the lump sum would only apply once a year anyway.

Mr. Cox asked about a cap on MERS. Mr. Hammon said he would like to see what happens the first year and adjustments could be made in the next ordinance revision.

Mr. McArdle said that for this year the total should not be over 23.5% and would probably come in at 23.2%.

Mr. Cox suggested a 6.5% raise as a possibility with the administrators paying the difference on MERS.

Mayor Smiley said that he wanted to set the stage for future negotiations with a salary freeze and our payment of MERS.

Mr. McArdle noted that a new administrator goes back to the old salary when hired and would also get the MERS fully paid.

BNHS:

Mrs. Zelenko asked how many land contracts they were collecting on. Mrs. Hillaker said 40 or so.

Mr. Cox asked how many houses had been renovated last year. He was advised 18 or so.

Mr. Cox asked about staffing increases. Mrs. Hillaker said they had three people when she started and it was cheaper to hire an accountant and bookkeeper than to contract out. This was also true for other contracted services and they recapture the monies after the sale of the house.

Mr. Hammon expressed concern on the auditing costs incurred by BNHS.

He said that he wanted a contract between the City and BNHS as existed in the past spelling out the objectives and conditions imposed on each party.

He said he could not continue to tolerate putting sums like \$62,000 into the BNHS each year. He advised the Director not to go beyond the scope of the basic commitment and it should be a self sufficient organization.

Mrs. Hillaker said that the organization may not be able to function beyond this year.

Mr. Hammon said he saw no reason to give BNHS anymore money if they were going to phase out anyway. He said that they would have to correct the organization if they planned to continue and expect monies from the Council.

Mrs. Zelenko said that the Director should consider using help from the City to develop her budget and programs in the future.

Mr. Cox asked if BNHS could be self supporting. Mrs. Hillaker said that the program should not be subsidized by the poor and that when a neighborhood becomes self reliant then BNHS should move out and into new areas of concern. Mrs. Walls asked what happens to the payments if BNHS closed. She was advised that the county would take over the accounts. Mrs. Hillaker said that if the City could partially fund BNHS from next years CD funds at the same level as in the past that she would see if she could hang on for another year. Police Chief Clark noted that if BNHS closed then there would be erosion in many areas of the community and it is to all our advantage to do what we can to keep them open. Mr. Hammon said he wanted clarification with a contract between the two parties.

COMMITTEE RECOMMENDATIONS:

ORDINANCE 68:

Moved by Zelenko supported by Cox to recommend Ordinance 68-16 C to the total Council for July 1, 1991 to June 30, 1992. Motion carried 3-0.

BNHS:

The Finance Committee made no recommendation to the Council on BNHS.

Meeting Adjourned at 7:35 P.M.

Respectfully submitted

William R. Walworth,
City Clerk