CITY OF BURTON

BURTON CITY COUNCIL MEETING

MAY 21, 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	6:15 PM
Duane Haskins	Vice President	Present	
Dennis O'Keefe	Councilman	Present	
Steven Heffner	President	Present	
Danny Wells	Councilman	Present	
Vaughn Smith	Councilman	Present	
Christina Conley	Councilwoman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Karen Moffitt, Controller
Mike Odette, Police Chief
Marvin Epperson, Fire Chief
Kirk Wilkinson, Assistant Fire Chief
Bette Bigsby, Acting Clerk

C. PRESENTATION & DISCUSSION

1. Budget Workshop topics:

President Heffner opened the meeting and turned it over to Mr. Smith, Finance Chair.

Mr. Smith asked Mayor Zelenko if she had anything to add.

Mayor Zelenko introduced the administrators.

Mr. Smith asked Ms. Moffitt how she was going to present the budget this year.

Ms. Moffitt stated she would be reviewing the changes to the budget.

POLICE FUND

The police fund is projected to use $148,900 expenditure over revenue. It is projected to have a beginning fund balance of $460,312, subtracting the excess, it is projected that at the end of next year the fund balance will be $311,412. Estimated revenue is about $5.5 million. The greatest portion of this is your current tax roll. Our taxable value went up 5.5% so that brings in approximately $263,000 more to the police fund. Delinquent personal property taxes has been adjusted based on what we collected last year because of the new tax laws. FANG is down by one so we are only expecting to collect $45,000 for that program. DEA Grant money revenue is new money coming in we can only budget $18,500.00 which is the limit allowed. For the next three grants: DCESP Hemp, PT-10-20 OHSP Safe Communities and OCDETF Point Blank grants, we are not anticipating receiving any money so, they have been zeroed out for now. District Court fees have been reduced by $10,000 based on the previous year. Police fees have been increased to $20,000. Sale of assets has been reduced to zero because we are not anticipating anything. Refunds and rebates has been reduced to $5,000.

Under expenditures, Administrative Salaries is the Police Chief which has increased. All other salary line items have been adjusted based on the contractual agreements. Two Police Officers were promoted to Sergeant since the creation of this document so we will need $124,600 additional to the Sergeant Salary line item. Instead of $335,200, it will now be $459,800. Salaries Permanent will then be reduced from 1,488,200 to $1,363,600 because that is where this money was originally budgeted. This is just a transfer; no increase or decrease at all.

Shared Salaries represent indirect costs of several positions that do work for the Police Department: Executive Benefits Representative at 37%, Purchasing Agent at 18%, Treasurer at 2%, Controller at 18%, Deputy Controller at 18%, Senior Accountant at 18%, Senior Collection Clerk at 1%, Collection Clerk at 1% and the proposed half time Collection Elerk at 1%, Chief of staff at 9%, Executive Assistant at 9%, Human Resource Director at 37%. The Maintenance man is 10% and IT Tech is 20%. These two positions are budgeted there but they are charged based on how much they actually work there. This is in Regular Salaries not Shared Salaries. We felt this was a more accurate way to budget this.

Discussion on the HR module and how these numbers are figured.

Mr. Haskins stated it seems a bit low for the Treasurer's Office.

Ms. Moffitt stated the Treasurer's Office invoices for things like Back to the Bricks and the Holy Redeemer Festival. They take in checks for court fees and grants. The Police Department receives money for copy fees and summarize it and send over to Treasurers Office for deposit.

Ms. Moffitt stated Overtime increased slightly. Overtime for Back to the Bricks went up slightly due to union contract increases.

Mr. Haskins asked if we were getting any reimbursement from Back to the Bricks.

Ms. Moffitt stated only what was given from DDA. We receive nothing from Flint or Back to the Bricks.

Ms Moffit continued with the following:

MERS retirement figures went down for the active employees but went up for the retiree unfunded liability. Those adjustments have been made based on actual figures from MERS.

Fringe Benefits includes the 9% increase figure for the healthcare is in there but due to hiring younger officers the benefits costs has decreased.

The Information Tech allocation was reworked. Information tech is an internal service fund. We gather costs that are applicable to each department. This is based on the number of computers in each department. It has not been updated in a couple of years and it changed the allocation. It went down about $10,000.00.

Operating expenditures reduce slightly based on prior year costs and what is anticipated this year. FANG was reduced to $90,000.00 due to reducing down to one officer. DEA and HIDTA expenditures are the same as revenue because you spend the money and then get reimbursed. Auto repair based on this year has been lowered by $5,000. Last year it was higher because we sourced out the work and it cost more. Auto wash line item was increased because rates increased.
Insurance line was increased due to a 2% increase in insurance rates.

For Utilities, the ERC LED light replacement program was approved this year. We are realizing a savings but as part of that contract we are having to reimburse the company because they went through and replaced all the bulbs. Part of contract is we have to repay so they can recover their costs. The first few years is somewhat break-even. The utilities is projected to go down a little bit. All utilities are broke out to see the savings and ERC was moved to a separate line. Also, we moved the expected payment to a separate line so you can see how much we are paying to them.

Building Repair was increased by $5,000 due to things that need to be done because of the age of the building.
The Boiler Replacement was removed because it was done this year. There was $70,00.00 put in the budget to replace two police vehicles. Principal and interest has been removed because the last payment was made on the video cameras. We have had them for 5 years and the equipment is already aging. I put this in the 5 year forecast for the 2020-2021 budget. There is nothing in the budget for the 2019-2020 budget.

Mr. Heffner asked if our officers have body cameras and how much they cost.

Chief Odette said we do not have them currently and he would have to look into the price.

Mr. Haskins stated we put out a lot of money into the in car cameras. There were issues with them. Council did not get word back if those issues were resolved.

Chief Odette assured Mr. Haskins that the issues have been resolved. He stated the warranties expire when the lease is up. The cost to lease was $18,000.00 per year for five years.

Mr. Haskins asked if they were going to look at different cameras.

Chief Odette stated he was hoping to get through this year by nursing the equipment. He plans to look over the next year at new cameras and have an option for the next budget.

Mr. Haskins asked about the departments involvement with the DEA.

Chief Odette stated there were two officers in FANG over the last year. Reimbursement dollars are going down. The DEA came to the Chief and said that if they put someone in DEA they would pay the overtime up to $18,500 per year. Other departments around the County said the benefit was through forfeiture. The federal government doesn't accept forfeiture funds. It gets broken up into all the departments that participated.

Mr. Haskins asked if we have one officer full time in DEA.

Chief Odette said we do have one in DEA who went in October.

Mr. Haskins asked if the benefits of having someone in DEA out weighs the drawbacks with the way we are struggling to get new officers.

Chief Odette stated it was to early to tell at this time.

Mr. Haskins asked when the disbursement date was for any forfeitures.

Chief Odette stated he will look into this.

Mr. Martinbianco asked about the forfeiture law and how it relates to medical marijuana.

Chief Odette stated the forfeiture is done at the federal level. Also, marijuana is still illegal under federal law so, we will not be doing anything at the state level.

Mayor Zelenko stated we are still waiting for the administrative rules on how the legislature wants us to apply the law.

Mr. Martinbianco asked about the police vehicles, are we talking about patrol cars or SUVs?

Chief Odette said they are looking at two patrol vehicles. The Dodge Chargers are not holding up well. There is a lot of undercarriage damage because they are so low profile. They are going to transition over to a utility vehicle such as a Tahoe or Ford Explorer. It is going to be more expensive.

Mr. Martinbianco asked what was the boiler replacement cost from last year.

Chief Odette stated the cost was $52,000.

Mr. Haskins asked if the Explorers were more expensive than the Charger.

Chief Odette stated for a 2020 Chevy Tahoe the cost is $36,720. The costs for a 2020 Ford Explorer is $33,224 and the cost for a 2019 Charger is $24,926. The

Explorer is all wheel drive.

Mr. Haskins does not believe the Tahoe is advantageous. He asked if Chevy is coming up with a new police vehicle.

Chief Odette stated that at the time he was doing his research, the Tahoe was the only one General Motors had with the police package. He would need more added to the budget for the light bar, cages and other items for the transition.

Mr. Haskins asked about holding the money in abeyance for now. We can band-aid what we have so we can start to transition the old chargers with the new.

Chief Odette stated there are three vehicles currently with over 110,000 miles on them.

Mr. Haskins asked how high we are running them.

Chief Odette stated they are generally transitioned out when they get to 120,000-125,000 miles.

Discussion ensued on how safe police vehicles would be with higher mileage and the difference between Explorer and Tahoe.

Chief Odette stated we are using new cars as pool cars. We are trying to develop a healthy fleet. I would not recommend waiting on replacing the vehicles.

Discussion ensued on the amount of miles driven each day per shift.

Mr. Wells asked if we can cross train Police Officers to work in the DPW plowing snow since we are short staffed in the DPW.

Chief Odette said he would not recommend that.

Mr. Wells stated we are a Chevy town and he would like to stay with a Chevy.

Mr. Heffner would like to discuss the LED program. I was under the impression that they put in the lights and we split the savings.

Ms. Moffitt stated there is a detailed schedule. There is not as much savings in the beginning because you are paying for the lights. Over the years we save more and they recoup less. Our estimated savings is about 63% in electricity costs this year which is almost $24,000. We will no longer be replacing light bulbs or doing maintenance.

Mr. Heffner asked if an additional $30,000 would be enough to get the Tahoe.

Chief Odette said it would be close.

Mr. O'Keefe stated he would like to stick with a Chevy so he is in favor of the Tahoe.

Discussion on 4-wheel drive, mileage and pricing. Council decided to allocate an additional $30,000 to the Police Vehicle line item.

Ms. Moffitt stated for Drug law enforcement, it is unclear how much receive in forfeiture money. It is just an estimate.
The Canine Fund mostly operates on donations so we are not sure what to budget. We feel $100 is reasonable and $1,300 in the fund.

Mayor Zelenko stated Our K-9, Knox is coming up on 10 years. His service life is coming to an end. Looked at the cost of sending another handler to K-9 school and that would be approximately $13,000.00 including officer and dog. He has been a valuable tool for the department. All the money was raised by donations.

Mr. Heffner asked what is done with the dog once he is retired.

Chief Odette stated they reside with the handler until they pass on.

Mr. Heffner stated K-9 is city property and he disagrees with this.

Ms. Moffitt stated for the Police fire sculpture fund there will be nothing budgeted at this time. Capitol assets in the police department include an above ground gas tank. Insurance has doubled this year because our tank is 30 years old.

Mr. Haskins asked about the price of fuel and possibly using a local gas station.

Mayor Zelenko stated we did have issues with the current tank in the last year. It is still being monitored. We can check into it.

Discussion on using the tank at DPW. The tank at DPW is 27 years old. We need to make sure we don't have to do any soil mediation before we do the parking lot.

Ms. Moffitt stated resurfacing the police parking lot and side walks is estimated at $100,000.

Chief Odette stated both the sidewalk in front and at the employee entrance are deteriorating and in dire conditions.

Discussion on costs of curb, gutter and drainage.

Mr. Heffner stated that with all the roads have to be fixed, how do we justify the cost to the public for a parking lot.

Mayor Zelenko talked about worker's comp costs and how our costs are going up for injuries.

Mr. Heffner said he can't support a parking lot. He thinks we could fund more roads to work on.

Mr. Martinbianco stated he thought we appropriated money a couple years ago for the sidewalk.

Mr. Haskins wants to keep the parking lot in the budget for now. This is a liability issue.

Mr. Wells reminded the Council that since we are talking about it at an open meeting it shows we are aware of it and are liable for the injuries that happen there.

Mr. Martinbianco stated this should be on the insurance carrier.

Mr. Heffner asked Mr. Abbey how difficult it would be to have the DPW guys come back to the yard a half hour early to patch the police parking lot.

Mr. Abbey stated as far as patching the holes, that's not a big deal. That is not the problem at the Police Department. We have done very little work around the city buildings since we built the buildings. There are a lot of problems over there. We hired someone to fix the drains and I asked him to look at the back of the building. He asked if Mr. Abbey knew how much work was over there. The outside of the building needs a lot of work. The curbs and the concrete is heaving. The west end of the parking lot there is a manhole that is sucking now and caving it in.

Mr. Heffner asked how they were repairing the manholes.

Mr. Abbey stated we cut out around cut the curb three foot around it lift and raise the castings to whatever level for the positive flow. Then rebuild the bricks in the bottom then taper your flow so you get positive flow. We have big issues with storm drains.

Mr. Heffner asked how hard it would be to cut out a section of the parking lot and replace it with new asphalt.

Mr. Abbey stated it wouldn't be a big deal with one or two. The front parking lot is not terrible but curb and cement work is horrible, dangerous and almost illegal. Mr. Abbey has two quotes. The first quote was around $26,000 for the flat work around the back door and all around the front. Mr. Abbey feels the police parking lot can be repaired but at some point it is good to mill it and replace it.

Mr. O'Keefe stated we need to have a bit more planning for over there. They have to dig up a gas tank and we need to come up with a plan. We are going to have to dig up the 27 year old tank as well.

Mr. Abbey stated he had a problem with a single gas tank for the city. Unless you are going to upgrade the tank out back they would be here every other day filling the tank. There is a cost to that. The police run 3-4 cars 24/7.

Mr. Haskins asked how often the tank got filled. Is it filled at the same time as DPW?

Ms. Moffitt stated the police tank is filled once a week and the DPW tank is filled once every other month sometimes once a month.

Mr. O'Keefe stated the DPW one is 27 years old. We have been talking about this for 35 minutes. Let's have them go out and get the information and come back and make a decision.

Mrs. Conley asked would like to find out what is going on with the tanks before we discuss the parking lot.

FIRE BUDGET

Ms. Moffitt stated they were budgeting $1.5 million in revenue and $1.7 million in expenditures. The projected beginning revenue is $439,296. Expecting to end year with $277,896 at the end of the year. Revenue increased 5.5% or $31,000. NO FEMA grant at this time. Fire suppression and permits is new estimating $5,000. Sale of assets $100 not anticipating much. CPR class revenue no budget previously added $500.

Ms. Moffitt provided the following changes to the Fire Department budget: First salary line item is the salary for the Chief based on the new ordinance. Salaries permanent increased based on new allocations maintenance and records tech in IT estimating based on hours worked for each department. Chief has made a few budget transfers since he needed money in a few lines. Part-time firefighters he transferred $5,400 to gas and oil line to cover overage. Shared salaries was reevaluated according to spreadsheet. MERS rates went down for active employees. Fringe benefits 10% increase in healthcare. Overall costs went down $20,000 due to FICA. IT Tech allocation increased and recalculated. More was allocated based on number of computers using. Safety wear and health $10,000 moved to contracted service line item. Increase $10,000 for new computer software current software not being supported. New software more efficient. Gas and oil $5,400 transferred into this line from part-time firefighter line. Insurance line increased due to 2% increase in insurance rates. LED separated out. Sewer payments line increased $2,000 because of increased costs. Equipment repair increased $5,500 based on what was paid in previous year. Building maintenance and supplies reduced $10,000 replaced a couple doors last year but going to replace one at station 3 this year. Training materials reduced and transferred to new equipment line so they can purchase a new thermal image camera. Principal and interest on bonds, lease and loans according to debt schedule. Transfer out to capital projects increased by $100,000 the idea is to purchase the ladder truck. They have received quotes for financing.

Mr. Heffner stated for the ending fund balance of $277,896, why did we end up with such a huge fund balance?

Ms. Moffitt stated we always budget for high need in the fire line.

Mr Heffner asked how much from last year rolled into this year.

Ms. Moffitt stated net of revenue over appropriations is $243,865.

Mr. Heffner asked why are we taking $879,200 from general fund when $277,896 is in fund balance.

Ms. Moffitt stated it was just left the same but we can change it.

There was discussion on using the fund balance toward the fire truck.

Mr. Haskins asked if there was a up to date revenue and expenditure report. It looks like 83% or $832,726.96 balance. I am curious where we are going with that.

Ms. Moffitt stated look at part-time firefighter line item. Payroll lags a month behind. We still have a capital lease payment and interest which is made toward the end of the year. We also have salaries and benefits and utilities to pay for. There are still costs out there.

Mr. Haskins asked it if has already been expended out of the year to date balance.

Ms. Moffitt stated anything listed there has already been paid.

Chief Epperson stated we are down in our numbers to forty. There were no major storms this year so we are down in our payroll. However, fires are going back up.

Mr. Heffner asked if we are having a hard time attracting new firefighters.

Chief Epperson said, yes. It is this way nationwide for paid on call firefighters.

Mr. Heffner stated we have to think outside the box. We may want to look at Grand Blanc Township. They often respond to fires quicker than the City of Burton. Maybe we need to close down Station 1 and create an agreement with Grand Blanc Township to cover that area. We could also do that with Station 3 and Genesee. It's something to think about for the future because times are changing.

Mr. Haskins stated we can make it a full time department.

Mr. Martinbianco suggested contacting other municipalities who have merged and ask how it is working.

Mr. Wells will not support shutting the department down. It has been a point of pride for our city. The GM plant is bringing people to Burton. Maybe the people moving in will want to be firefighters.

Chief Epperson stated currently we have 40 paid, on call. With the two Chiefs, it's 42 total. We reached out to the schools and just obtained eight applicants. This would bring us to 50. I think we need a total of 55-60 to service the city well. That is our goal. The new advertisement we used this year is working well and targeting younger candidates.

Discussion ensued on a mentor program for young people who are interested in being firefighters.

Chief Epperson stated we are always looking at things in a different way and we will continue to make the department the best that it can be.

Mr. Haskins stated the world has changed. The demographics all the way around have changed. Families have both parents working to just be able to keep up. It is difficult to attract people. The prestige and respect has to be brought back. When Flint was having trouble they called Burton because we fought fires the same way they did. Instead of thinking of closing our department, we should ask other municipalities to start using us. We have quality men and ladies in the department with excellent training.

Chief Epperson stated the dedication, hardwork and professionalism of the on-call Firefighters in his department is better than the full time department he came from.

Mr. Heffner asked how many years before we will need a new station at Station 1.

Chief Wilkinson stated we will new a new station at Station 3 before Station 1. Station 3 will not house a new fire truck, it will not fit. Station 1 is rotten at the ground, it is in bad shape too.

Mr. Heffner asked for the approximate cost of Station 2.

Chief Wilkinson stated around $3 million. Although Station 1 and Station 3 would be nowhere near that elaborate.

Discussion ensued on cost and lifecycle of a new station, ladder truck and the loss of agreement between Grand Blanc Township and the City of Grand Blanc.

Mr. Smith asked how much we owe on the bucket truck.

Ms. Moffitt stated $28,219. It will be paid off this year. This is in Motor Pool not the Fire Department.

Mr Smith stated he is looking for money. How about the fire hall. It shows as of next year that will be paid for.

Ms. Moffitt stated the budget has already been adjusted for the bucket truck and there is a new schedule for the bonds that we refinanced.

Fire Capital Projects budget

Ms. Moffitt stated for revenue we are projecting $151,000. This is $1,000 from interest and $150,000 coming in from the Fire Department transfer. We are spending about $39,000 on the previous fire truck loan. We are expecting revenue over expenditures of $111,600 which adds to the beginning fund balance of $113,623 for an ending balance of $225,223. We are suggesting the purchase of a ladder truck. We would like to use $200,000 from the fund balance as a down payment on a loan. The estimated cost of the truck is $1,020,000 which has gone up from $975,000. Financing this for 15 years, our annual payment would be just under $74,000 at 3.99%. By maintaining the $150,000 transfer each year, we will be able to make the payment on the ladder truck while building the fund balance in this fund for future truck replacements.

Discussion on using money from the Fire Department fund instead of General Fund to make the down payment on the fire truck.

Mr. Smith asked what other debt do we have that will be maturing in the next few years that we could use to put toward the $74,000 annual payment.

Chief Epperson stated we have two engines that are financed now and will be paid off within four years.

Mr. Smith asked how old the ladder trucks in Grand Blanc and Davison are.

Chief Wilkinson stated Davison just had theirs refurbished a few years ago and it is about 22 years old. Grand Blanc's is between 15-18 years old. The biggest issue is the delayed response time because you don't call for mutual aid until you are on scene and realize you need it. Burton Place for example was a 20 minute response time. Chief explained the difference between a ladder truck and a bucket truck.

Discussion regarding the current debt for the two engines that are being financed, other Fire Department equipment and timeline of when first payment would be due on the new truck.

Mr. Smith asked how many different ways we can use the ladder truck.

Chief Wilkinson stated it can be used as a ladder and pumper truck and it will be used as a pumper truck quite frequently. The largest ladder we have currently is a 24 foot extension ladder. You cannot safely use it to reach the roof of Lowes, Home Depot, Meijer, Walmart, any apartment building, Burton Place, the new GM facility, or anything else with more than two stories, including a house. The ladder will be used a lot more than what most people think.

Mr. Heffner asked if we can add a fee or special assessment to the buildings that this truck may be used for.

Discussion regarding potential fee, use of mutual aid for a ladder truck and the past 20 years of statistics regarding the use of a ladder truck in various areas throughout the city.

Mr. Smth asked about the safety enhancements of using a ladder truck.

Chief Wilkinson stated there is a water monitor on top of the ladder. You control it from the ground and it is safer for a rescue situation. Also, it can be hooked to a hydrant and a sprinkler system to boost the pressure of the sprinkler system in a building.

City Council decided to keep the ladder truck on the list for the budget.

Ms. Moffitt stated there are also additional tornado sirens on the list.

Chief Wilkinson stated we currently have one at each Fire Station, one at the corner of Center and Atherton and one at Bristol and Belsay. The next proposed siren will be at Davison Road across from the roadside park.

Meeting was adjourned at 9:17 PM.

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