CITY OF BURTON

BURTON CITY COUNCIL MEETING

JUNE 6, 2018

MINUTES

Council Chambers	**Budget Workshop**	**6:30 PM**

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by President Steven Heffner at 6:30 PM.

A. CALL TO ORDER

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

B. STAFF PRESENT

Paula Zelenko, Mayor
Rik Hayman, Chief of Staff
Bette Bigsby, Acting City Clerk
Alice Bryce, Treasurer
Brenda Moulton, Purchasing Agent
Charles Abbey, Deputy DPW Director
Karen Moffitt, Controller
Bill Fowler, Assessor
Kirk Wilkinson, Assistant Fire chief
Sue Warren, HR Director
Mike Odette, Lt.
Brian warden, Lt.

C. PRESENTATION & DISCUSSION

1. General Fund Departments

Ms. Moffitt said we have seven water and sewer laborers. They are charged between the two, dependant on what they are working on. There are two supervisors and some office staff. We have settled the Teamster's contract, I will be bringing in a budget amendment on the current year's budget, and possibly next year's if it is ready.

ESTIMATED REVENUES Dept. 0000 pg. 10

Ms. Moffitt said on page 10 of the General Fund, under Revenues, the current real and personal property taxes have been increased by 4.75% and the charge backs. The Interest & Penalties on Taxes was reduced from $147,000 to $120,000. Permits and License Fees were increased from $4,000 to $6,000. Franchise Fees were reduced from $475,000 to $450,000. The Lease Fees are increased from $37,000 to $41,600. The Local Community Station line item I decreased by $1,000. This is our reimbursement for our personal property taxes from the State. The State Shared Revenues increased to $2,731.274. This is an estimate based on what has been provided on the State's website. The Board of Appeals revenue line item was lowered from $10,700 to $8,000 because we have collected less in the prior year. Copy Fees were increase by $200 to $1,500. We have added a new line item for most of the race accounts. It was requested to separate each race into a separate fund.

Mr. Smith said there should be a separate line item for the Burton Race Series. This money is portioned out to all the races.

Ms. Moffitt said we set up a separate fund on page 22. These should be reviewed tomorrow. The races have all been zero'd out and we haven't collected any movie revenue so that has been reduced to zero. We are not receiving as much in the Memorial Day donations so this budget was lowered from 7,000 to 1,000. If we have received more donations, we can always amend the budget. Capital improvements was $20,000 this year and I have lowered that to zero. This was when there was an issue with funding the Deputy Clerk position. We were looking for funds and I think the clerk said we could transfer money out of her election equipment line item that was in the capital improvements fund to the General Fund and use that money to pay for that position. We figured we wouldn't need that this year because we can cover the cost of that position. In the Other Revenues line item, a lot of that is pilot fee's we collect, I lowered that from $18,000 to $15,000 based on what we are expecting to collect this year.

Mr. Martinbianco replied, you said pilot revenues are included in Other Revenues, did you mean Pilot Ordinance?

Ms. Bryce said this is payment in lieu of taxes. Such as Blackberry Creek, Lockwood and Burton Place. We lost one of the pilots which was Kings Lane.

Mr. Martinbianco said that was never brought to the Council for rejection.

Mayor Zelenko stated that's because it has been foreclosed on.

Mr. Martinbianco said did anyone get any communication that indicated the City of Burton would be interested in purchasing that note.

Mayor Zelenko said yes, it's in your mailbox.

Mr. Martinbianco said I want to make it part of the record that they asked us to do that. It's costing the taxpayer's money for them to go against what they agreed to in the beginning. It's wrong for them to come in, make extravagant profits and then walk away from a project.

Mr. Abbey stated when you lose the pilot; it goes back on the tax rolls. I would think we would gain not lose.

Mr. Fowler said the project was revoked by another authority. It was placed on the 2018 assessment roll. The assessment is approximately $6 Million. If we just looked at the General Fund operating four mills, that would generate about $14,400. If you look at your other millages, it will also generate revenue for your Police and Fire millages that were approved. Ms. Moffitt has made an adjustment of a $3,000 reduction in the pilot payments but has also made a projection in line 1.

Mr. Wells asked are we under an obligation to offer a pilot back to the next person that comes in there.

Mr. Fowler said the pilot's are transferrable, however the question will be whether or not MSHDA will allow participation in the program and whether or not there are federal funds involved.

Ms. Moffitt said there are other revenues that get recorded into the Other Revenues line item.

Mr. Wells asked what is the Liquor Fees line item for.

Ms. Moffitt said it's money that comes from the State.

Mayor Zelenko said I believe this is a portion of the tax revenue on liquor that we receive.

APPROPRIATIONS Dept. 1001-Council, pg. 10 &11

Ms. Moffitt said under Fringe Benefits we need to add $18,000 making this amount $67,500. Information Tech Allocation Increased from $22,400 to $34,600. Legal line item increased from $70,000 to $100,000.

Mr. Heffner said we need to add a new line item for specialized internal control reviews and put $50,000 in this.

Mayor Zelenko suggested rather than add a new line item, increase the Audit & Other Professional Services line item.

Mr. Heffner said I would like it to have it's own line item. At the end of the year, if the money is still there and we need it somewhere else, we could move it.

Mr. Martinbianco suggested cutting the money out of the City Council Newsletter.

APPROPRIATIONS Dept. 1071-Mayor, pg. 11

Ms. Moffitt said Retirement-MERS Retirees was increased from $15,500 to $22,300. Fringe Benefits was increased from $71,300 to $71,500. Information Tech Allocation increased from $8,200 to $12,500. We brought the Auto Wash line item down to zero and increase the Gas & Oil line item from $1,000 to $1,300.

Mr. Martinbianco asked where the money came from to pay Attorney Greenfelder. I do not see a line item here for legal.

Mayor Zelenko said that came out of the Council Legal and City Hall Legal line item in the previous budget.

Mr. Smith said the additional money came out of the General Fund balance.

APPROPRIATIONS Dept. 1091-Elections, pg. 11

Ms. Moffitt stated Salaries Permanent line item decreased from $68,900 to $67,400. Overtime increased from $6,100 to $9,700. MERS Active increased by $500. MERS Retirees increased by $3,000. Fringe Benefits increased by $500. Information Tech Allocation increased by $400.

Dept. 2009-Assessor, Pg. 12:

Ms. Moffitt said Salaries Permanent was increased from $141,700 to $147,300. The Information Tech Allocation increased from $6,100 to $9,400. Postage increased $300. Gas and Oil decreased by $500. Office Equipment was reduced by $200.

Dept. 2015-Clerk, Pg. 12:

Ms. Moffitt stated the Salaries Permanent line item increased from $29,200 to $32,200 based on the SEIU contract increase. Overtime reduced from $3,800 to $1,800. Retirement-MERS Active increased from $10,900 to $12,300. Fringe Benefits increased by $300. Information Tech Allocation increased from $3,100 to $4,700.

Dept. 2023-Controller, Pg. 13:

Ms. Moffitt said Salaries Permanent increased by $400. Retirement-MERS Active increased by $400. MERS retirees increased from $24,300 to $25,900. Fringe Benefits decreased from $28,700 to $27,800. Information Tech Allocation increased from $6,100 to $9,400. The Controller's salaries are split. 17% to the Controller Department, 20% to Police, 21% to the Senior Center, 2% to the Building Department, 6% to Water, 5% to Sewer, 5% to Local Streets, 3% to Major Streets, 1% to Motorpool and 20% to Fire.

Dept. 2053-Treasurer, Pg. 13:

Ms. Moffitt said Salaries Permanent line item increased from $38,000 to $45,200. MERS Active line increased from $800 to $6,800. MERS Retirees increased from $4,200 to $21,600. Fringe Benefits increased from $21,000 to $33,800. Information Tech Allocation increased from $95,000 to $110,100. Payment on Pension UAL increased from $976,000 to $1,000,000. City Hall Expansion/Lease Dept SE was lowered from $150,000 to $142,100.

Dept. 2065-City Hall, Pg. 13:

Ms. Moffitt stated the Salaries Permanent increased from $38,000 to $45,200. MERS Active increased from $800 to $6,800. MERS Retirees increased from $4,200 to $21,600. Fringe Benefits increased from $21,000 to $33,800. This was due to the reorganizing position in City Hall. Information Tech Allocation increased from

$95,000 to $110,100. The Payment on Pension UAL increased from $976,000 to $1,000,000.

Dept. 2071-Public Service, Pg. 14:

Ms. Moffitt said the Gilkey Creek Interest was lowered by $200. Street Lighting increased by $1,000. Weed Cutting-Tax Reverted Property increased from $16,000 to $37,000.

Mr. Heffner asked why do we not have anything in the LED Street Lighting Program line item. Our costs continue to rise.

Mr. Hayman stated he will speak to Mr. Slattery about this tomorrow.

Dept. 6090-Parks & Recreation, Pg. 14:

Ms. Moffitt said the Retirement-MERS Active decreased from 400 to $200. The Retirement-MERS retirees increased from $1,000 to $1,300. Fringe Benefits decreased from $7,000 to $2,000. Information Tech Allocation increased from $1,100 to $1,500. Maint. of Grounds reduced from $14,000 to $12,800. Equipment Rental reduced from $14,000 to $12,700. Training & Memberships was reduced from $3,000 to $1,000. Trick or Treat Trail was decreased from $5,000 to $4,500. Pizza with Santa was reduced from $3,000 to $2,500. Movie Expenditures is zero and the expenses for the different races have been reduced down to zero due to these being moved to a separate fund.

Dept. 8001-Planning, Pg. 14 & 15:

Ms. Moffitt said Retirement-MERS Active reduced from $500 to $300. Retirement-MERS Retirees reduced from $2,700 to $1,400. Fringe Benefits reduced from $18,300 to $16,500. Supplies & Postage increased from $500 to $700. We added a Legal line with the amount of $10,000. Mr. Abbey stated this is mainly for the blight elimination program and Medical Marijuana. We need to know exactly what we have invested in these type of things and keep a better track. There will be addition cost such as legal and notifications.

Mr. Martinbianco asked about the Planning, Zoning and Parks & Recreation commission members compensation and raising this from $40 to $50 per month.

Ms. Moffitt said Training line item was increased from $650 to $1,000. Notices line item went up from $500 to $600.

Dept. 8005-Zoning, Pg. 15:

Ms. Moffitt stated the Overtime line item increased from $400 to $700. Board Salaries decreased from $2,500 to $2,400. Retirement-MERS Active reduced from $500 to $300. Retirement-MERS Retirees reduced from $2,600 to $1,400. Fringe Benefits reduced from $17,100 to $16,500. Training line item was increased from $650 to $1,000 and the Notices line item was increased from $800 to $1,000.

Dept. 9099-Transfers Out, Pg. 15:

Ms. Moffitt said we added a Transfer to Major Streets line item with $150,000 to cover the costs in that department. Transfer to Fire Department Fund needs to be reduced from $929,200 to $879,200 and while doing that, we will need to reduce the transfer out on the General Fund Budget. With these few changes, adding the $50,000 for the Specialized Internal Control, we need to add $70,000 to expense, which brings our net revenue over expenditures to $129,699. Transfer to Police Fund was reduced from $500,000 down to $200,000. Transfer to Building Department was increased from $94,000 to $200,000. They had eroded their fund balance so in order to balance that fund we needed to increase the transfer.

Mr. Abbey stated we are comparing our fee structure for permits, etc. to what other municipalities charge. Our fees are extremely low. We are trying to review this and see what our actual costs are to perform these inspections, etc. We are not covering our costs in some areas.

Meeting was adjourned at 9:17 PM.