



CITY OF BURTON
BURTON CITY COUNCIL MEETING
MAY 22, 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	Late	6:35 PM
Duane Haskins	Vice President	Excused	
Dennis O'Keefe	Councilman	Present	
Steven Heffner	President	Present	
Danny Wells	Councilman	Late	6:55 PM
Vaughn Smith	Councilman	Present	
Christina Conley	Councilwoman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Rik Hayman, Chief of staff
Sue Warren, HR Director
Bette Bigsby, Acting City Clerk
Chief Osterholzer, Police Chief
Lt. Mike Odette
Chief Epperson, Fire Chief
Kirk Wilkinson, Deputy Fire Chief
Karen Moffitt, Controller

C. PRESENTATION & DISCUSSION

1. Police Department

Mr. Heffner opened the meeting and reviewed the items for discussion. Mr. Smith asked the Mayor if she had anything. Mayor Zelenko turned it over to Controller Moffitt to review the budget items.

Ms. Moffitt went over the revenue lines in the police budget outlining the difference between the 2017 - 2018 budget numbers and the projected 2018 - 2019 budget numbers. Current taxes increased by 4.57%. Slight rollback in police budget is \$2,000.00.

Mr. Martinbianco modified by rate expected to go up by 4.57% SEV gone up different rate. Revenue expected to go up by 4.57%. If hit 5% have to go for a truth in taxation hearing. Ms. Moffitt did not believe we would have to hold a truth in taxation hearing.

Ms. Moffitt reviewed the projected expenditures compared to the 2017-2018 budget. Police overtime increased due to the numbers from the 2017-2018 budget year.

Mr. Smith asked about the MERS increase. Ms. Moffitt noted the employer rate is 46.05% current year it is 41.55%.

Mr. Smith asked what the state is expecting from the City. What are they questioning?

Mayor Zelenko explained that we were denied the waiver so we wouldn't have to write a corrective action plan because we are already taking some steps. . MERS isn't taking into account the extra million dollars we are contributing each year. They want to monitor that we are sticking to the plan.

Mr. Hayman spoke about the number of retirees compared to the number of active employees. The cost of retirees' pension is 2.8 million dollars.

Mr. Smith stated he was not anticipating more going into MERS beyond the million dollars.

Mayor Zelenko explained that when employees who are not vested leave the city they are able to take out of MERS the portion of money they put into the program. That puts us behind a little more.

Ms. Moffitt explained the allocation for the Information Technology because last year they used fund balance but could not do that this year. Police legal line needs to be increased by \$15,000.00 because we have been using more. Utilities were increased based on use last year.

Ms. Moffitt stated there was an increase in the vehicle line because it was an estimated cost for three new police vehicles.

Mr. Heffner questioned the increase from \$48,800 to \$75,200 in the Information Technology department.

Ms. Moffitt explained it is an internal service fund. Computer leases, servers, technology costs are allocated to each department based on the number of computers. Last year the fund balance was reduced.

Mr. Smith stated the 2019 general fund increased by \$200,000.00 budget deficit in police fund \$288,000.00. Use increase to match payment in TIP funds. Putting projects together.

2.2 million dollars in construction. \$268,000.00 extra spent certain way.

Ms. Moffitt stated they were short \$50,000.00.

Roads - will need money for that department won't know what projects submitted get accepted. We need a special Council meeting to talk about roads.

Mr. Martinbianco asked what the police fleet looked like. He feels it is in the best interest to minimize expense what looking at in vehicles.

Chief Osterholzer stated whether he agreed or disagreed reducing our operating budget he and Lt. Odette looked devil's advocate added value. Wondering where they can cut and where they can't. I met with Supervisors and went over different aspects of the budget and had them give me the best case scenario and worst case scenario. I had originally requested 4 vehicles and the Mayor reduced it to 3. Six out of ten cars are over 100,000 miles several are over 140,000. Vehicles are always easy to cut. He firmly believed he needed 4. MML recommends 70-90,000 miles for a reason. Vehicles are \$170,000.00. I have a list of the miles. Six of ten are going to be over \$100,000 miles.

Mr. Smith asked if he took into account moving from 40 to 36 officers. Increased training costs. Chief answered yes. Have not been at 40 for a while. Mr. Heffner asked what kind of vehicles they were looking for. Chief responded all wheel Dodge Charger at a rate pf 38-40,000 the average citizen would pay we pay \$25,000.00 Dodge charger police interceptor \$8000.00 to convert over. No cost for cages and light bars they all convert over. The numbers go up and down with different vendors.

Mr. Heffner asked how they certify them safe do they get checked every month every week. Does mechanic do an 18 point checkup? - Mechanics are good at telling us what wrong suspension components wear out, overall drive train. Bumps and turns vehicle doesn't go where they want.

Mechanics have marked 3 that need to go. He has marked some vehicles he would remove for mileage. Some officers won't drive certain vehicles because they do not feel safe.

Mr. Heffner stated the front end part can be replaced. Vehicle will feel brand new. Gone route were we skipped replacing vehicles it has come back to bite us. Maintain 3-4our fleet has been steady. Find out how we can cut into the \$326,000.00. Something wrong mechanic can fix it. Been purchasing new vehicles every year. He personally didn't see anything wrong with skipping a year. 30-40 years ago they were built better. Mr. Wells asked for clarification on the dollar amount requested. Mr. Wells stated he could agree with purchasing three vehicles.

Mr. Wells stated he knows cars last longer now but we are talking about a different kind of car. Performance driven vehicles.

Mr. Wells stated we need to regularly replace cars. If we want a police force active and proactive we need to keep that turnover going.

Mr. Wells stated less than 50% than what car is worth not worth fixing?

Chief stated it is different for police cars if car on way not going to spend money on a vehicle I am not going to get my money's worth. Mr. Wells asked who handles disposing of vehicles

Ms. Moffitt stated the purchasing agent. Mr. Wells asked if there was a buyer out there waiting for cars to come.

Mr. Heffner asked how much we get when we put them up for bid. What is the high end. Mr. Hayman stated between \$3-5000.

Mr. O'Keefe stated when he first come on Council we were always shooting from the hip 5 year forecast for police, fire DPW plan to manage fleet. Chief has supported request very good safety money into older vehicles going to support 3.

Chief should budget for this year and next year skip patrol cars detective cars for 7-8 years try and anticipate. I try to do my budget for this year, next year and the next year. Strategic planning is important.

Mr. Smith stated the Revenue and expenditure report for April 30, 2018 gas and oil appropriated \$75,000.00 April 30 2018 \$44,791.00 left this year.

Chief said he had discussed this with Ginger because gas and oil are always the unknown.

Karen stated since we have filled the Deputy Controller position entries for the monthly cost and inventories fuel costs behind trying to catch us up. When we buy fuel it goes into an inventory account. Fuel inventory account fuel used by various April \$59,346.94.

Caught up to October on Mechanic logs Account payable and payroll person was off for 8 weeks. Karen was covering. Position was vacant we are behind on payroll assisting caught up Jodi. Part of the reason going behind was the payroll person on sick leave. Besides the position being vacant. Deputy controller trying to get things caught up.

Mayor gave an overview of past years usage.

Mr. Heffner stated they were in the ballpark with \$75,000.00. Mr. Heffner and Mr. Martinbianco would support 2 vehicles. We are already going to be down \$63,000.00. On a typical basis stop and go high speed interaction doesn't square with what I see sitting in a area doing a speed trap don't see wear and tear comes into play except when occasion of high speed chase except in winter. We have a \$63, 000.00 mouse hole have to make up. We have not gone through completion of police contracts yet. Still going to be upside down about \$38,000.00. He applauds the Chief for going line to line on his budget.

Mr. Smith stated he was looking at fund balance computation and 2 general fund projection summary 2019 projected \$1,000,346.61 fund balance floor is \$741,259.00 long term money doesn't start kicking in 2021. Every year we are going to be over the fund balance policy.

Ms. Moffitt states that based on computations Mr. Fowler and I used which is 65 million dollars times 50% taxable value times 50 % for the IFT exemption times 4 mills it is about \$ 65,000.00 for the General fund. Mr. Fowler said that sometimes the taxable value doesn't always reflect cost in property reduced it another 50% I reduced it down to \$30,000.00. Put in General fund in \$8000 for fire 1.5% increase in taxable value overall. Projecting a tax 2% increase in revenue sharing.

Mr. Wells asked if there was a drop dead date for the contract. When is the next meeting? Mr. Smith said there could be a couple of hundred thousand more in salaries. We assume it is going to go up. Anticipation is that it is not going to be before July 1, 2018. State looking for pension arrearages. Wondered what state is going to use as base template. How they can draw same conclusion. Good case for Mr. Sneller and Mr. Ananich to come in and explain the groundwork.

Mayor state they Municipal stabilization board look at each community and base it on each community. No cookie cutter. Mr. Martinbianco wants to know what logic they use. Mr. Wells stated the county is falling behind 15 million dollars a year.

Straw poll on cars:

Mr. Smith - 2

Mr. Heffner - 2

Ms. Conley - 2

Mr. Martinbianco - 2

Mr. Wells - 3

Mr. O'Keefe - 3

Mayor suggested taking notes until the end.

Drug law enforcement fund. Plant seed for the next couple of year. There have been changes in the drug forfeiture law. While we have been very responsible there are other departments in the state that have not been. The new law has made it very easy for criminal to hang on to their drug money. Because of the new law we have changed drug forfeiture back over to the County. When we can get it we will get our slice of the pie. Anticipate drug forfeiture will be getting lower. Need a new finger print machine for our department. Originally bought with Grant. Reached out and Davison will pay half. Was able to do in current year. Small chunk remaining there.

Drug forfeiture money to prosecutor's office money. If money available. We split with them. Does not include FANG. DEA task force. If we put an officer out we pay wages and vehicle but we get our share of any drug forfeiture money. Could be a great program to get into.

K-9 fund. Our K-9 Program been very valuable. The big fundraiser we had several years ago when we purchased our dog we have been able to sustain him. This year's budget we are eating up that money. This is the last year we will be able to support it without using General Fund money.

Police/Fire Sculpture fund transfer in from rubbish fund. Waste Management donates \$5,000.00. Mr. Heffner stated that the Council last year they voted that it was supposed to go to the Veteran's memorial. Want this years' dollars to go to Veteran's Memorial park.

Mr. Wells spoke about the maintenance at the Veteran's Park. Have not had a city maintenance person for six months.

Mr. Heffner asked if a budget amendment was needed to move the money from Police/Fire sculpture to Veteran's Memorial in the 2017-2018 fiscal year.

2. Fire Department

Current real personal property taxes increase by 4.57% increase in taxable value. MRF rollback lose \$300.00. Took out revenue for FEMA grant don't expect this year. Took revenue and expenditure figures out. Local community's stabilization line item adjusted based on amount from last year, added a budget for interest income because we didn't have one.

Expenditures increased part time firefighter line item for anticipated part time firefighters. Contract calls for 1.5% increase for 2018. MERS lines adjusted to what we estimate the rates to be, fringe benefit line for 15% increase in healthcare.

Ms. Conley asked why the building maintenance and supply line went up \$20,000.00. Mr. Martinbianco asked when we did Fire station 1 & 3.

Question on the cost of new garage doors. Station 3 rollers no good starting to rust out. Doors never as heavy duty as they should have been. All the tracks should be 3 inch for tracks and rollers. Doors painted so they didn't look so bad. The bottom of the station starting to rust out. Supports in doors when shut walls shake.

Principal and interest on debts are according to the actual figures on the debt schedule. The Fire Chief had asked for a transfer of \$150,000.00 out to Fire capital projects Mayor is requesting \$50,000.00. That has been reflected.

Revenue over expenditure projected to be \$49,375.00.

Mr. O'Keefe stated that in most other areas we depleted fund balance. Would this be an idea of maybe taking that fund balance and putting toward a new fire truck? Gave great report on fire trucks last year. We are going to have needs coming up soon. Rainy day savings account.

Mr. Wells agrees with Mr. O'Keefe. Buildings aren't getting any younger. Start putting some of the money away and maybe next year we can start looking at a ladder truck. There would be a lot of training once we got that truck. Like to put some money away. How long would it take to get once ordered? Chief Epperson stated it would take 18 months. SCBA gear is 13 years old and that is taking priority for us. Looking at financing options for these. Will continue to write grants for ladder truck and SCBA. Last three years turned down for ladder truck and last two years for SCBA. SCBA a big safety issue.

Mr. Wilkinson stated every year after turn down he calls the FEMA office and they explain why they didn't meet the criteria. Part of the problem is that we do not have a ladder truck. Most grants are to replace the vehicles. Last year we did not get high enough rating on the grant for SCBA.

Mr. Wells asked if anyone had a used one (fire truck) for sale. We would have to keep it for a significant amount of years. They have sunk a ton of money into it before they can even qualify.

Grants very competitive. Have all information on financing the SCBA. New ones carry a 15 year warranty.

Mr. Heffner wanted to talk about transfer from General Fund. It says transfer in from General Fund \$929,200.00 he wanted to reduce that by \$100,000.00 and make it \$829,200.00 and reduce in fund balance \$100,000.00 making it \$203,230.00 and that will make the transfer in from General Fund a wash. Mr. Martinbianco suggest \$50,000.00.

Mr. Smith - \$50,000.00

Mr. Heffner - \$50,000.00

Ms. Conley - \$50,000.00

Mr. Martinbianco - \$50,000.00

Mr. Wells - \$50,000.00

Mr. O'Keefe - Rather see go for fire truck.

Mr. Wells asked if there was a current quote on SCBA's? The projected cost is \$350,000.00 for 50. We have to make some updates to our fill station. Total project \$360,000.00. If we order can we pay so much per year? One institution for up to 8 years at \$52,000.00 per year. Mr. Heffner had to leave.

Mr. Wells asked if the purchase of the ASCBA's was in budget. Mr. Wilkinson stated he was pretty sure they were going to get the Grant and was denied a month and a half after budget submitted. Karen suggested looking at 5 year projection she did fill in the expense. Discussion centered on paying for SCBA outright versus making installment payments. Could take 12 weeks to get them.

Mr. O'Keefe requested moving this to a meeting when all Council members are in attendance. Move it to June 14th meeting.

3. Related Capitol Improvements (PD & FD)

Meeting was adjourned at 8:50 PM.