CITY OF BURTON

BURTON CITY COUNCIL MEETING

DECEMBER 2, 2014

MINUTES

Council Chambers	**Committee of the Whole**	**5:30 PM**

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Councilman Vaughn Smith at 5:41 PM.

A. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Tom Martinbianco	President	Late	5:59 PM
Duane Haskins	Vice-President	Absent	
Dennis O'Keefe	Councilman	Present	
Steven Heffner	Councilman	Present	
Ellen Ellenburg	Councilwoman	Present	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Ginger Burke-Miller, Controller
Marvin Epperson, Fire Chief
Rik Hayman, Chief of Staff
Chrystal Simpson, Plante Moran
Sue Warren, Human Resources
Doug Bingaman, Treasurer
Teresa Karsney, Clerk
Pam Hill, Plante Moran

C. AUDIENCE PARTICIPATION

Waited on Audience Participation until after the presentation.

D. COUNCIL DISCUSSION

1. Forecast presentation by Plante Moran.

   Pam Hill and Chrystal Simpson from Plante Moran gave a presentation on the five year forecast. Plante Moran used the following Assumptions used in Forecast.

   Assumption consistent for all funds

   - Property Tax Revenue 2015 budgeted revenue and forecasted changes for year 2016-2020 based on the assessor's estimate of taxable value increase.
   - Revenues other than property tax revenue - forecasted to increase by inflation
   - Inflationary Increases - 2%
   - Heath insurance premium increases - 7%
   - Expenditures other that those detailed above were forecasted to increase by inflation
   - Voluntary OPEB let blank in template for management to utilize to determine what level of funding to approve.
   - Transfers from General Fund to Police and Fire currently set as consistent with 2015 budgeted amounts and increased by inflation each year.

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Assumptions Unique to Each Fund

General Fund

- Salary Increases - Averaged at 2.3% increases each year.
- Voluntary pension estimated at $1,000,000 per year beginning in 2015
- Master Plan assumed completion in 2016 for $60,000.
- Blight Elimination cost estimated to increase to $50,000, $55,000, $60,000, $70,000 and $80,000 for years 2016-2020.
- Appraiser position for Assessing Department to begin in 2016 for $40,000 and increase by salary increases above.
- Building maintenance estimated at $25,000 and ADA at $4,000 for 2016-2020
- Capital Needs

General Fund

	2013	2014	2015 (est)	2016	2017	2018	2019	2020
Revenue								
Property taxes	$ 2,303,432	$ 2,866,654	$ 2,510,745	2,554,683	2,598,238	2,642,651	2,681,301	2,720,516
Licenses and permits	5,997	6,532	5,200	5,304	5,410	5,518	5,629	5,741
Federal grants	32,357	-	-	-	-	-	-	-
State shared revenue and grants	2,381,159	2,441,511	2,526,000	2,576,520	2,628,050	2,680,611	2,734,224	2,788,908
Charges for service	369,706	283,254	392,100	399,942	407,941	416,100	424,422	432,910
Fines and forfeitures	127,253	100,106	100,000	102,000	104,040	106,121	108,243	110,408
Investment income	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Sale of capital assets	40,171	9,350	20,000	-	-	-	-	-
Other revenue	420,281	653,317	438,500	447,270	456,215	465,340	474,647	484,139
Transfers in	-	46,084	-	-	-	-	-	-
Total revenue & transfers	5,680,356	6,406,808	5,992,545	6,085,719	6,199,895	6,316,341	6,428,465	6,542,623
Expenditures								
Salaries and wages	647,320	604,811	713,200	729,604	746,385	763,552	781,114	799,080
New Appraiser position for Assessing Dept	-	-	-	40,000	40,920	41,861	42,824	43,809
Health insurance	111,933	120,358	128,783	137,798	147,444	157,765	168,809	180,626
Voluntary Pension Contribution	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Voluntary OPEB Contribution	-	-	-	-	-	-	-	-
All other personnel costs	337,910	251,479	409,917	418,115	426,478	435,007	443,707	452,582
All other operating costs	1,143,195	1,174,208	1,409,600	1,437,764	1,466,520	1,495,850	1,525,767	1,556,282
Blight Elimination cost	-	-	44,800	50,000	55,000	60,000	70,000	80,000
Master Plan	-	-	-	60,000	-	-	-	-
Transfers to Police Fund	2,637,650	3,391,000	350,000	357,000	364,140	371,423	378,851	386,428
Transfers to Fire Fund	662,364	565,000	642,000	654,840	667,937	681,296	694,921	708,820
Transfers to other funds	533,609	362,350	395,500	403,410	411,478	419,708	428,102	436,664
Capital outlay/ construction	3,606	1,200	247,900	965,400	502,500	505,000	500,000	500,000
Debt service	49,108	-	-	-	-	-	-	-
Total expenditures & transfers	6,126,695	6,470,406	5,341,700	6,253,932	5,828,801	5,931,461	6,034,096	6,144,291
(Shortfall) Surplus	(446,339)	(63,598)	650,845	(168,213)	371,093	384,879	394,369	398,332
Fund Balance - Beginning of year	2,680,584	2,234,245	2,170,647	2,821,492	2,653,279	3,024,372	3,409,252	3,803,620
Fund Balance - End of year	$ 2,234,245	$ 2,170,647	$ 2,821,492	$ 2,653,279	$ 3,024,372	$ 3,409,252	$ 3,803,620	$ 4,201,952

Fire Fund

- Salary increases - 3% each year
- Addition of fire inspector for $60,000 in 2020
- Voluntary Pension Contributions left blank in template for management to utilize to determine what level of funding to approve.
- Capital Needs
    - Original budget for 2015 for capital outlay is $127,200.
    - Per Fire Chief, added $875,000 for ladder truck in fiscal year 2015 of which the city will pay 10% and rest will be federal revenue. Increase federal revenue from original 2015 by Federal grant portion of $787,500.
    - Added to capital for 2015 budget is the smoke house trailer for $62,000 of which $55,800 will be paid for by federal revenues - added to the federal revenue line.
    - Added to capital for the 2015 budget for hoses and $10,000 for nozzles.
    - CDBG Grant revenue anticipated for 2017 to pay for turnout gear of $60,000.

Fire Fund

	2013	2014	2015 (est)	2016	2017	2018	2019	2020
Revenue								
Property taxes	$ 520,468	$ 627,052	$ 533,407	542,742	551,995	561,431	569,642	579,611
Licenses and permits	6,062	2,550	2,500	2,550	2,601	2,653	2,706	2,760
Federal grants	-	22,735	865,800	10,000	70,000	10,000	10,000	10,000
State shared revenue and grants	-	-	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Investment income	-	-	200	-	-	-	-	-
Sale of capital assets	5,000	-	20,000					
Other revenue	51,398	53,132	38,000	38,760	39,535	40,326	41,132	41,955
Debt Proceeds	582,961	-	-					
Transfers in	695,062	565,000	642,000	654,840	667,937	681,296	694,921	708,820
Total revenue & transfers	1,860,951	1,270,469	2,101,907	1,248,892	1,332,068	1,295,705	1,318,402	1,343,146
Expenditures								
Salaries and wages	283,318	309,426	338,300	348,449	358,902	369,669	380,759	392,182
Fire Inspector	-	-	-	-	-	-	-	60,000
Health insurance	7,736	8,318	27,574	29,504	31,569	33,779	36,144	38,674
Voluntary Pension Contribution	-	-	-	-	-	-	-	-
Voluntary OPEB Contribution	-	-	-	-	-	-	-	-
All other personnel costs	114,197	94,757	182,426	186,074	189,796	193,592	197,464	201,413
All other operating costs	282,295	240,838	235,800	240,516	245,326	250,233	255,238	260,342
Capital outlay/ construction	654,533	97,913	1,089,200	122,000	75,000	175,000	400,000	-
Debt service	412,384	344,725	337,200	337,200	337,200	337,200	337,200	337,200
Total expenditures & transfers	1,754,463	1,095,977	2,210,500	1,263,743	1,237,793	1,359,473	1,606,804	1,289,811
(Shortfall) Surplus	106,488	174,492	(108,593)	(14,851)	94,275	(63,767)	(288,402)	53,335
Fund Balance - Beginning of year	(45,889)	60,599	235,091	126,498	111,647	205,922	142,155	(146,248)
Fund Balance - End of year	$ 60,599	$ 235,091	$ 126,498	$ 111,647	$ 205,922	$ 142,155	$ (146,248)	$ (92,912)

Police Fund

- Salary Increases - 0% for 2016 through 2018 and 3% for 2019 - 2020.
- Voluntary Pension Contributions left blank in template for management to utilize to determine what level of funding to approve.
- Template set up with section for entering numbers of new officer which will calculate increased expenditures in the year added based on the following:
  - Wage of $50,000 determined based on estimated of current cost for 2016 and increased by wage increased as noted above through 2020.
  - Fringes of $33,092 determined based on estimate of current costs for 2016 and increased by benefit increases as noted above.
- Grant revenue anticipated for video in 2016 of $24,000 and replacement of bullet proof vests in 2017 of $20,000.
- 42 total offices estimated from January 2015 through 2020
- Change to 2015 budget numbers related to the other personnel line - it was decreased by $350,000. $50,000 was moved to capital outlay for vehicles and $300,000 was removed as the 1.5 officers (3 officers for half of year ended 2015) wages and fringes was estimated separately for 2015.

Police Fund

	2013	2014	2015 (est)	2016	2017	2018	2019	2020
Revenue								
Property taxes	$ 1,052,269	$ 1,247,611	$ 4,527,342	4,606,570	4,685,107	4,765,192	4,834,884	4,919,494
Federal grants	348,986	332,928	223,500	251,970	277,009	282,550	288,201	293,965
State shared revenue and grants	-	-	-	-	-	-	-	-
Charges for service	23,093	-	-	-	-	-	-	-
Fines and forfeitures	74,742	71,396	75,000	76,500	78,030	79,591	81,182	82,806
Investment income	-	120	200	120	120	120	120	120
Other revenue	144,177	86,414	125,500	128,010	130,570	133,182	135,845	138,562
Transfers in	2,637,650	3,391,000	350,000	357,000	364,140	371,423	378,851	386,428
Total revenue & transfers	4,280,917	5,129,469	5,301,542	5,420,170	5,534,977	5,632,057	5,719,083	5,821,375
Expenditures								
Salaries and wages	1,879,113	1,939,800	2,076,600	2,076,600	2,076,600	2,076,600	2,138,898	2,203,065
Additional Officers Wages	-	-	75,000	150,000	150,000	150,000	154,500	159,135
Health insurance	328,409	353,128	377,847	404,296	432,597	462,879	495,281	529,951
Voluntary Pension Contribution	-	-	-	-	-	-	-	-
Voluntary OPEB Contribution	-	-	-	-	-	-	-	-
All other personnel costs	1,083,653	1,274,257	1,661,653	1,694,887	1,728,784	1,763,360	1,798,627	1,834,600
Additional Officers Fringes	-	-	49,639	99,277	102,460	105,791	109,277	112,930
All other operating costs	973,482	900,653	1,019,300	1,039,686	1,060,480	1,081,689	1,103,323	1,125,390
Capital outlay/ construction	86,207	153,643	138,500	324,000	144,000	124,000	124,000	160,000
Total expenditures & transfers	4,350,864	4,621,481	5,398,539	5,788,746	5,694,921	5,764,319	5,923,907	6,125,070
(Shortfall) Surplus	(69,947)	507,988	(96,997)	(368,576)	(159,945)	(132,262)	(204,823)	(303,695)
Fund Balance - Beginning of year	584,091	514,144	1,022,132	925,135	556,560	396,615	264,353	59,530
Fund Balance - End of year	$ 514,144	$ 1,022,132	$ 925,135	$ 556,560	$ 396,615	$ 264,353	$ 59,530	$ (244,165)

Meeting was adjourned at 7:13 PM.

Forecast presentation by Plante Moran.