CITY OF BURTON

BURTON CITY COUNCIL MEETING

SEPTEMBER 6, 2016

MINUTES

Council Chambers	**Committee of the Whole**	**6:00 PM**

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by at 6:00 PM.

A. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Absent	
Duane Haskins	Vice-President	Late	6:35 PM
Steven Heffner	President	Present	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Late	6:42 PM
Dennis O'Keefe	Councilman	Present	
Ellen Ellenburg	Councilwoman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Ginger Burke-Miller, Controller
Rik Hayman, Chief of Staff
Teresa Karsney, Clerk

C. ADMINISTRATIVE REPORT

Mayor Zelenko turned the meeting over to Mr. Smith who requested the meeting.

D. AUDIENCE PARTICIPATION

None

E. COUNCIL ACTION

1. Discussion of Book Dollars and Sense.

   Mr. Smith read from the book Local Government Dollars & Sense 4th Edition. Tip # 60 Management Response to Warning Signs is Critical. "Warning signs, are declining population base, change in age or income of the population, impact of collective bargaining, impact of inflation on labor-intensive services, erosion of the tax base, slow growth in revenue from on-going sources and management's response to these trends."

   Mrs. Burke-Miller stated the population base was declining for a while but now it is currently growing with the new builds in the city. Also with possibility of new businesses moving into the area. The baby boomer's are the biggest portion of our population and as they age and start retiring that will effect income of our population. Impact of collective bargaining is yet to be determined. Impact of inflation on labor-intensive services, health insurance has been going up. Yes we have had some erosion of the tax base but it is coming back per conversations with the Assessor. She answered the following questions that were listed under the Tip #60.

- An operating deficit for the current year - depends on how you define a deficit. If you are saying did we dip into fund balance? Yes, we have dipped into fund balance because we did some advance construction on some roads. If you are saying a deficit is we went into a negative and depleted all of our fund balance, no we have never done that.
- Two consecutive years of operating fund deficits - No, in 2015 we added to our fund balance.
- A current year operating deficit that is larger than the previous year's deficit - Since we added last year this does not apply.
- A two-year trend of increasing short-term debt outstanding at the fiscal year end - Yes our short term debt has been increasing because we have been leasing trucks.
- Property taxes greater than 90 percent of the tax limit - Unsure what this was so we contacted the author and this has to do with flexibility. Is more a policy discussion for the governing board? What it is pertaining to, do you tax at the maximum levy?
- Debt outstanding greater than 90 percent of the debt limit - No we are just under 10% of our debt limit.
- Total property tax collection less than 92 percent of the total levy - No
- A trend of decreasing tax collections (two consecutive years in a three-year trend) - No
- Declining market valuations (two consecutive years in a three-year trend) - When I spoke with the Assessor, he said yes in 2009, 2010 and 2011.
- Expanding annual unfunded pension obligations - No because we have been putting extra money into our pensions unfunded obligations.

Mr. Smith read Tip # 68: Identify the inhibitors to Solving the problems. "This is where governing body leadership is vital. Unions, businesses, homeowners and other special interest groups whose help is needed to solve problem tend to sit back and wait for other to commit. Elected officials have to exercises political courage by telling it like it is and recruiting these groups to make the needed sacrifices."

Tip # 70: Examine Revenue Estimates. "Too often elected officials will make major expenditure cuts without checking revenue projections. It could be that while the expenditures are estimated fairly, the revenues are estimated conservatively. This may force the elected body to make unnecessary cutbacks. As a general rule, staff member "low ball" revenue estimates."

Meeting was adjourned at 6:58 PM.

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Burton City Council
4303 S. Center Road
Burton, MI 48519

SCHEDULED

Meeting: 09/06/16 06:00 PM
Department: Clerk's Office
Category: Discussion
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

AGENDA ITEM (ID # 2673)

DOC ID: 2673

Discussion of Book Dollars and Sense.