CITY OF BURTON

BURTON CITY COUNCIL MEETING

MAY 3, 2021

MINUTES

Council Chambers	**Public Hearing**	**6:30 PM**

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by President Steven Heffner at 6:37 PM.

A. MEETING INFORMATION

Burton City Council Public Hearing-Budget FY 2021-2022
Hosted by Racheal Boggs

https://cityofburton.my.webex.com/cityofburton.my/j.php?MTID=m9e06cb25d9aa57bf43dc571cba35c9a8
Monday, May 3, 2021 6:30 pm | 30 minutes | (UTC-04:00) Eastern Time (US & Canada)
Meeting number: 182 046 9548
Password: PH2021 (742021 from phones and video systems)

Join by video system
Dial 1820469548@webex.com
You can also dial 173.243.2.68 and enter your meeting number.

Join by phone
+1-415-655-0001 US Toll
Access code: 182 046 9548

B. CALL TO ORDER

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

C. PRESENTATION

Mayor Haskins stated this is my second proposed balance budget since being elected. I am proud to announce that we were again able to put growth into the general fund by $760,000. With all the unknowns related to Covid, the growth may not continue to be sustainable. With the additional money, we are hoping we can work with the council to get more roads done and work on the local streets as well. Our MERS and OPEB are doing great now. We were notified by the State of Michigan Department of Treasury that we no longer have to file a corrective action plan for our unfunded liabilities. They still have not released the guidelines for how we can spend the American Rescue Plan money. As long as we can keep moving forward with the improvements that were set forth, and being able to increase our fund balance to protect the City in the future so we do not end up in the situations like we did in the past, I think these are huge mile markers for the City. It is proven that the City Council and the administration working together to accomplish these things will continue to move us forward.

D. OPEN PUBLIC HEARING

Public comment may be sent to publiccomment@burtonmi.gov. Comments received prior to the meeting will be read into the record.

No public comment.

1. Public Hearing on Proposed Budget for Fiscal Year 2021-2022

   Mr. Smith stated I had a chance to review our budget. Things are looking very promising. I wanted to touch on a few points from a perspective of our personal taxes. The real estate market is booming right now, and much like the great recession this is important because it is money that could impact this. We looked at an extra $125,656 in personal property taxes and the state shared revenue increased by an additional $224,864. This is long term money. The $350,520 is new this year. The police millage tax produced $265,509. The Fire Department was up by about $31,000. When I looked at the revenue, I wanted to point out the expenses. The amount of expenses last year was $5,897,000. The expenses this year are $5,812,157. So not only do we have the extra $600,000 plus, thanks to the administration doing a wonderful job, our expenses actually went down. That is a good problem to have. Historically our ending fund balance has been between $1.8 and $2.2 million dollars. We have projected for the end of this year for $4.3 million. We have some decisions to make.

   Mr. Heffner asked, what is our ceiling?

   Mr. Smith stated $720,000 for our fund balance policy. We are way over it. I spoke with one of our commissioners, they are under theirs at the county level.

   Mr. Fenner stated you said the ceiling. The $720,000 is the recommended minimum. Is there a ceiling? Do we get penalized once we reach 100% of an annual amount?

   Mr. Heffner stated we set that threshold ourselves. It gives us six months of extra spending.

   Mr. Fenner stated the $720,000 does. That is just the minimum though.

   Mr. Smith stated if you get to that point an alarm should be going off. There is nothing legally that says you cannot go beneath that.

   Mr. Fenner stated we are in a good position to do some things with the money and stay comfortably above the minimum.

   Mr. Smith stated prior to the police millage, when looking at the budget, and we were cut down to 79 employees, we had no fund balance policy. We had $600,000 in the general fund, we had cut everything out of that years budget and were still in the red by $900,000. That police millage saved our City from going into receivership. At times it is tough, I commend everyone for their hard work. We are in a good position now. How do we best leverage that money to make it work for the residents.

Mr. Heffner stated when we approved the budget last year, we had cut almost $700,000. Where do we stand on that money now?

Mr. Smith stated I have looked at the expenses year after year. The expenses over the year for the entirety are actually down. When I look at the totalities for 2019-2020 our fund balance was $2,954,581 and our fund balance right now is $3,582,687. With the extra $760,000 it is up to $4.3 million. It is growing. These are projections, the CAFR will give you the actual money that was earned and spent.

Mr. Heffner stated I was looking for an actual number of how much is left of the $700,000.

Mr. Smith stated the only way to get the actual number is from the CAFR. But if you look at the budget, we are up. I would estimate around $400,000. Things have happened that we did not anticipate. We had funds come in that we were not anticipating. If you look at the budget, it shows we had an increase of 8.9% and that is held down by Headlee which is the 5% thing. With the cost savings from the administration and the additional monies coming in, we are actually a little off from where we thought we were going to be. I do not have the exact amount.

Mrs. Conley stated I agree with my colleagues that we need to give back to the residents. I would like to see it go to streets, parks, blight and our Veterans Park. When we go through the budget book we will decide where it will go but if we have any money it should definitely go to the residents. If the residents are listening now, let us know what you would like to see.

Mr. Smith stated when we are making the decisions remember that the $2.1 or $2.8 million that is coming in for Covid has strings to it. This money is free, however the council wants to use it. We need to look at it as what can we use our money for and what can we use the Covid money for.

Mrs. Conley stated we won't know what we can spend the Covid money on when we are doing the budget.

Mr. Smith stated correct, that is what I am trying to remind the council of. I would suggest having a few workshops with the administration on how best to use this money so we can get their suggestions. The better we can communicate with each other the stronger the City will come out of this.

E. CLOSE PUBLIC HEARING

Meeting was adjourned at 6:55 PM.

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Public Hearing on Proposed Budget for Fiscal Year 2021-2022

COMMENTS - Current Meeting:

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