

Village of Bellaire

ADMINISTRATION AND PERSONNEL COMMITTEE

David Schulz, Chairman

Butch Dewey

Laurie Sexton

COMMITTEE MEETING MINUTES

Thursday, February 11, 2014

2:00 p.m.

1. **Call to Order:** Chairman Schulz called the meeting to order at 2:07 pm.
2. **Attendance**
 - Members Present:** David Schulz, Laurie Sexton (2:13), and Eugene (Butch) Dewey.
 - Members Absent:** None
 - Staff Present:** Lori Lockett Clerk, Cathy Odom, Treasurer.
 - Others Present:** None
3. **Approval of Agenda:** The agenda was approved.
Motion by Dewey, seconded by Schulz, to approve the agenda as presented. Motion carried by voice vote.
4. **Approval of Minutes:** The Administration Committee minutes of February 4, 2014 were approved.
Motion by Schulz, seconded by Dewey, to approve the minutes of the February 4, 2014 meeting as presented. Motion carried by voice vote.
5. **Public Comment on Agenda Items:** None presented.
6. **Old Business:** None presented.
7. **New Business:**
 - a) **Wages:** Payroll is the largest expense item in the budget. Committee discussed possible wage increases and calculated effects on budget depending on amount of increase. Dewey asked about the 2013 inflation rate. Schulz advised 1.5% nationally; Michigan 1.6% according to information available on line.
 - b) **Budget:** Schulz advised that Cathy had emailed the updated proposed budget with corrections for the committee's review. Adjustments were made to address the issues raised. Committee went on to review different areas of the budget including property and buildings. Quotes have been submitted by KISS Carpet for new commercial grade carpeting for Village offices, entry, and council chambers. Question on whether hallway was included in quote. Cathy advised she is obtaining a second quote for all areas from Home Depot for comparison.

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Committee reviewed revenue and expenses on updated proposed budget, making adjustments for additions to the budget. Discussion occurred about DPW items including the purchase of two generators, the purchase of a pontoon for maintenance of the equipment in the lagoons, the hiring of a new employee. Sexton inquired about the funds for replacement of equipment and whether there were any. Discussion about the cost of hiring a third public safety officer included the wages expense and fringe benefits required under applicable provisions of the Affordable Care Act.

Committee reviewed department fund balances to determine whether any appropriations needed to be made.

Once the review of updated proposed budget was completed it was found that expenses exceeded revenues by approximately \$293,000.00. Committee would not recommend covering this amount from the fund balance.

Committee then reviewed proposed budgets by department to determine where expense reductions could be made. Committee considered cost saving measures and strategies including not hiring the seasonal DPW employee; not purchasing all requested equipment; not hiring a third public safety officer; renegotiating reimbursement for plowing M-88; and limiting the installation of new carpeting to certain areas of the building.

After lengthy discussion, and based on certain assumptions for cost sharing of local road improvements, items in the proposed budget include the employee health insurance coverage approved at the Village Council meeting on February 5, 2014; a new DPW position; a wage increase of .40 per hour; and two generators for the lift stations. The proposed budget will not include provision for seasonal mowing; the hiring of a third public safety officer; or the purchase of a new well. After adjustment were made, the amount expenses exceeded revenues was reduced to approximately \$46,000. This deficit would have to be covered by the fund balance.

Motion by Schulz, seconded by Sexton, to send revised budget to the Village Council with a separate list itemizing what is in the budget and what has been reduced or removed. Motion carried unanimously by voice vote.

8. **Discussion Items:** Dewey advised that the Property & Building Committee met earlier and they will be bringing recommended changes to the Parkside lease and some other issues for the Village Council to consider either at the budget meeting on February 26, 2014 or at the next regular meeting March 5, 2014. Discussion between committee members that this item will be placed on the February 26 agenda. If the budget meeting runs late, these matters will be tabled until the regular meeting.
9. **Communications/Informational:** None presented.
10. **Member/Public Comment:** None presented

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11. Adjourn: Meeting adjourned at 4:17 p.m.

Minutes compiled by:
Lori Lockett, Clerk

Approved: _____

Date: _____