

# CHARTER TOWNSHIP OF FLUSHING

6524 N. SEYMOUR ROAD

FLUSHING, MICHIGAN 48433

## SPECIAL BOARD OF TRUSTEES MINUTES

DATE: MARCH 13, 2014

TIME: 6:00 P.M.

PHONE: 810-659-0800

FAX 810-659-4212

WEB PAGE: <http://flushingtowship.com>

### ADMINISTRATION:

SUPERVISOR: Rian R. Birchmeier

CLERK: Julia A. Morford

TREASURER: Maryion T. Lee

### TRUSTEES:

Shirley D. Gage

Bonnie Jean Martinson

Scott R. Matzke

Scott P. Minaudo

### TOWNSHIP ATTORNEY:

STEVEN W. MOULTON PLLC

6258 W. Pierson Road

Flushing MI 48433

810-407-7658

**MEETING CALLED TO ORDER** at 6:00 p.m. by **SUPERVISOR RIAN BIRCHMEIER** with Roll Call and the Pledge of Allegiance to the American Flag.

**ROLL CALL:** Rian R. Birchmeier, Julia A. Morford, Maryion T. Lee, Shirley D. Gage, Bonnie Jean Martinson, Scott R. Matzke, Scott P. Minaudo, and Attorney Steve Moulton

**MEMBERS ABSENT:** None

**OTHER INDIVIDUALS PRESENT:** Fifteen (15) other interested individuals

**ADOPT THE AGENDA: MATZKE MOVED**, seconded by Morford to adopt the Agenda as presented.

### ACTION OF THE MOTION

#### ROLL CALL VOTE:

AYES: Minaudo, Matzke, Martinson, Gage, Lee, Morford, and Birchmeier

NAYS: 0

MOTION CARRIED.

### 6:07 P.M. - PUBLIC HEARING OPEN FOR PUBLIC COMMENTS:

#### **“Resolution for Approval of the Proposed Budget for Fiscal Year 2014-2015”**

In the Budget Process, legal requirements define the procedures to be followed and the specific information to be provided. The Budget must be balanced and it must be adopted before April 1, 2014, which is the beginning date for the 2014-2015 Fiscal Year.

1. **Joe Wisniewski, 8329 Apple Blossom Lane, Flushing MI 48433** – “read through the manual; the itemized budget prepared and submitted to the Township Board before its approval on or before 120 days prior to the beginning of the fiscal year; where is the discrepancy if it covers the whole fiscal year; also read that the proposed budget be out seven (7) days in advance, which he received; but arrived tonight and there is another budget different from the original budget – which is correct; the second budget was not published seven (7) days in advance; what is being voted on; will there be more comment time.”
2. **Jean Shingledecker, 7136 Johnson Road, Flushing MI 48433** – “who actually put the effort into putting the majority of the budget together.”

3. **Joe Wisniewski, 8329 Apple Blossom Lane, Flushing MI 48433** – “so in other words the statute is going to be violated because someone wants to go on vacation; the project should have been done on the dates required regardless of trips planned; the budget should have been done before the trip; the Treasurer prepares the budget not the Finance Director.”
4. **Jean Shingledecker, 7136 Johnson Road, Flushing MI 48433** – “the Supervisor should have had the budget prepared in November, can understand the frustration of having less than thirty (30) days to prepare the budget but someone had to prepare the budget. If the Supervisor would have done the job that he was elected to do initially, then she would not have had to scramble to get the budget done in thirty (30) days. Granted, it is not an easy thing, but if the person elected for the position would have done what they were suppose to do we would not be in this situation now.”

The Supervisor stated he did receive a document from the Finance Director who had received the document from the Treasurer in regards to the time frame on the Charter for preparing the budget. The Finance Director stated the original Charter had one hundred twenty (120) days prior but had been amended to remove the one hundred twenty (120) days to allow the Board to approve the budget up to March 31. Another Public Hearing can be held but there has to be a seven (7) day notice.

5. **Jean Shingledecker, 7136 Johnson Road, Flushing MI 48433** – “when was the Charter amended.”

The Treasurer explained that the time frame is still one hundred twenty (120) days; the person in charge is supposed to begin the budgeting process one hundred fifty (150) days which was in November and should have included input from the public.

The Supervisor stated the budget had been done. . . . .

6. **Jean Shingledecker, 7136 Johnson Road, Flushing MI 48433** – “if the Supervisor claims the budget was done within one hundred fifty (150) days like it was supposed to be, why are we here now?”

The Treasurer explained there was a Resolution for the budget but it did not have all the requirements; the comments should have been made; didn't realize a budgeting process was going on at the meeting. A Budgeting Process is more than just passing a Resolution at a public meeting; it is getting everyone involved in the process; making plans; figuring out what has to be spent; what you might aspire to do; build goals etc.

7. **Jean Shingledecker, 7136 Johnson Road, Flushing MI 48433** – “the bottom line is that it wasn't done and wasn't adopted for whatever reason.”

The Supervisor stated the budget had been approved. . . . .

8. **Joe Wisniewski, 8329 Apple Blossom Lane, Flushing MI 48433** – “we have a document here seven (7) days before, is there another document that already exists that supersedes the budget which appears to be the case; in other words did we disapprove that budget and have this budget going forward; another budget was brought seventeen (17) days before the end of the month and then substituted another piece of paper on the night before for the next budget that the Treasurer wanted approved; what is going on.”

The Treasurer stated that Mr. Wisniewski had cited the law for one hundred fifty (150) days which the Budgeting Process is suppose to start; the department heads and staff have meetings to review the past expenditures and predict what will be needed, etc.; then one hundred twenty (120) days the budget comes to the Board. No one had any input into the budget.

There was some confusion as to whether the budget had or had not been approved at the September 2013 Board of Trustees Meeting per the Budgeting Process.

- 9. Larry Birchmeier, 8585 N. McKinley Road, Flushing MI 48433** – “if the meeting was so bad, the Attorney would have said “no good”; the Attorney did not say anything about it wasn’t right; he must have agreed that it was done right.”

The Attorney responded to Mr. Wisniewski’s comment: the one hundred fifty (150) day period prior to the start of the next fiscal year, is the internal process where under the Statute, the Superintendent or the individual that is in charge of the budgeting process is to meet with department heads and gather the information to put together the initial proposed budget. Within that time line the Supervisor put together a budget that was proposed and acted on at the September 2013 Board Meeting.

- 10. Joe Wisniewski, 8329 Apple Blossom Lane, Flushing MI 48433** – “so we do have an approved budget that is done.”

Per the Attorney, “Yes”, we do have a budget but not properly so. We are doing now what we should have done earlier in terms of having a public hearing so that the “Public” can have some review and input of that proposed budget. At the September 2013 Meeting, we did not go through the process. The required components in terms of the revenue generated, what the millage rate was going to be .5 mill for General, 3.114 mills for Police, the Headlee Rollback, but in terms of details that you are looking at now with regards to what were we going to do going forward in the next fiscal year, we didn’t have any “public comment” on that part of the budget even though it was a public hearing.

The Treasurer has been told by numerous individuals including Michigan Townships Association (MTA) that we have to do the budget again to do it legally.

- 11. Jean Shingledecker, 7136 Johnson Road, Flushing MI 48433** – “the only thing on the September 13, 2013 Board Meeting Minutes was the taxation; it was called a *Truth In Budgeting Public Hearing* but the only thing the Board did was to vote on the taxation so there isn’t a budget; has to disagree with Mr. Supervisor there isn’t a budget and the budget wasn’t approved at the September 2013 Board Meeting.”

Per the Attorney, there was a written budget in a format similar to the proposed budget at the meeting (September 2013) that was voted on and approved. The budget wasn’t noticed out to the public seven (7) days ahead of the meeting in the detail that the Statute requires. Under the assumption that the information that had been provided everyone had received seven (7) days prior was sufficient, that the explanatory column was something that was added but not required. *MCL 42.35 requires detailed estimates of all proposed expenditures for each function in office of the Township showing the expenditures for corresponding items for the current and last preceding fiscal year.* Up to that point, the Township could get by with numbers and with reasons for the increases and decreases recommended as compared with the appropriations for the current year. The explanatory column is a required element of the information to be provided along with the numbers. Since that wasn’t done, in his opinion, if the Board is going to do the budget correctly in accordance with the requirement of the Statute, the budget in this form with the explanatory information needs to be provided at least seven (7) days prior to the hearing.

The Treasurer felt the minimum requirement was that things be done legally; not sure if there was a clear understanding on everyone’s part of what was expected. A budget has to be adopted. The next step would be to set another date for a Public Hearing and go through the process again.

- 12. Joe Martin, 8320 N. McKinley Road, Flushing MI 48433** – “if the budget is going to be held off and reviewed again, is this going to be a group effort or just between” you (the Treasurer) and Karla; appears from his side that the budget was not done in a group effort.”

The Treasurer stated that everyone’s input had been suggested. . . . .

**13. Joe Wisniewski, 8329 AppleBlossom Lane, Flushing MI 48433** – “after reviewing the budget that came out seven (7) days in advance, and after adding up the columns for the Pension Contribution is coming in at \$250,000 (MERS); the expenditure for MERS is \$350,000 which is \$100,000 short just in contributions to make up what goes out and \$3,000,000 in the hole on the pension system; isn’t there something in the budget that requires one to review, as a matter of fact I believe the last MERS report shows an additional quarter million dollars above and beyond to what you are supposed to be getting now; someone needs to go through the MERS reports because it looks like when you are putting in \$250,000 and taking out \$350,000, you are \$100,000 short every year which compounds the problem. If you don’t have all the money in to get a return on, you are even worse off. In the Budgetary Process, he would like to see where the liabilities are. We don’t fund retirement health care at all; there are lines that we pay out of Operating funds that we pay retirement health care. The Water Fund Assets are shown every month. He would like to see how much the liability is every month for pension and health care.

The Finance Director stated that it is required by GATB 45 to determine the liability. . . . .

**14. Joe Martin, 8320 N. McKinley Road, Flushing MI 48433** – “still waiting for an answer as who sits down and determines the budget.”

The Treasurer has brought the budget issue up at Staff Meetings, has gone to people’s desks and inquired if they had reviewed the budget, has stood in the Supervisor’s open door and ask for input, emails have been sent out asking for any financial obligations committed to the road commission or to water and waste services. We are getting up to the end of the fiscal year and didn’t know what had been planned for roads or the water system. The Building/Grounds/Bids Committee has reviewed the Budget.

**15. Joe Wisniewski, 8329 Apple Blossom Lane, Flushing MI 48433** – “ not sure who is on what Committee anymore because things are changed around every month; the Treasurer should be the Treasurer, the Clerk should be the Clerk, and the Supervisor should be the Supervisor; people on the Board as Trustees overlook what the three (3) elected officials do who work full time in the township; that is what Trustees are for, to keep an eye on them, not to start putting people on contract negotiations who have never contracted negotiations in their life, except maybe a mortgage.”

The Finance Director inquired if the Board would like for her to include the Amendments, if they are approved during the 7:00 p.m. Special Meeting, to be reflected in column 2 on the Proposed 2014-2015 Budget for the next Public Hearing.

The Treasurer stated that everyone on the Board is equal and all have the same vote and are considered responsible for the budget and all are supposed to have input and should not be one person shutting everyone out. The public can continue to inform the Board as to goals they may have.

**6:55 P.M. PUBLIC HEARING CLOSED FOR PUBLIC COMMENTS.**

**MINAUDO MOVED**, seconded by Martinson, to close the Public Hearing.

**ACTION OF THE MOTION**

**ROLL CALL VOTE:**

AYES: 7

NAYS: 0

MOTION CARRIED.

**BIRCHMEIER MOVED**, seconded by Martinson, to add “Board Comments” to the Agenda.

**ACTION OF THE MOTION**

**ROLL CALL VOTE:**

AYES: Matzke, Martinson, Gage, Lee, Morford, Birchmeier, and Minaudo

NAYS: 0

MOTION CARRIED.

**PUBLIC COMMENTS:**

None

**BOARD COMMENTS:**

1. **MARTINSON:** obtained the Resolution for the 2013-2014 Budget for the previous board, from the Finance Director, which had all the information and was approved on September 13, 2012 so the Budget can be done early; a comment was made that Carl Liepmann did the Budget but it was not mentioned that Supervisor Peck did two (2) or three (3) Budgets while in office – not the Treasurer; Martinson talked to Cindy Davis from MTA because she was concerned as to how the Township got a “Budget Officer”; and when Martinson reviewed the minutes from February 13, 2014, the motion was made under “Policies”, *Supervisor’s Duties*, and nothing was mentioned about having a “Budget Officer” and the Treasurer being the “Budget Officer”; Ms. Davis thought it was a conflict of interest and very poor internal control having the Treasurer being the person that works with the Budget; the Department of Treasury and some statutory duties are such that it protects us because the Clerk keeps account of how our money is spent, the Treasurer is responsible for handling the money and taking it to the bank, and the Supervisor has oversights along with the rest of the Trustees. No one person or department should be responsible for more than one of the functions and that is what we have allowed the Treasurer to do; it isn’t very wise to do; when voted February 13, 2014 it was a 6 to 1 vote, could have done a 5 to 2 vote with the Supervisor voting and the Treasurer could not have done it because the Treasurer did not give up the responsibility per the statutory duties. Another issue under “Revenues” - \$140,000 coming from the Water Fund, when Martinson reviewed the issue again, it states at the bottom of the Budget transferred to Water \$139,700 – is this transferred to the Water Fund or from the Water Fund. (Per the Finance Director – transferred to the Water Fund because it is a reimbursement of estimated expenses that the General Fund has incurred during that particular period.) Martinson can’t see ninety-two (92) hours a week being spent for people taking care of the Water Fund – example: the Supervisor spending twenty-five (25%) percent of his time on water issues when he is only spending one (1%) percent of the time.
2. **LEE:** she would like to invite anyone that would like to come that she will share the Uniform Budgeting Manual with you, will share the Charter Law, and point out to you why things happened as they did. Lee was following the direction of the MTA and was told that it was the Board’s responsibility to do the Budget and it was the responsibility of the Board to involve the employees, the citizens, and work together to create the vision that the Budget should reflect. Lee would be happy to share the information with anyone as her door is always open. Another Budget Hearing will be scheduled. A Special Board Meeting needs to be scheduled. Next year, the Board will start at one hundred fifty (150) days, it will go to the Board on the one hundred twentieth (120<sup>th</sup>) day, and continuing the process and we will adopt the Budget properly. When you involve more people, it is more time consuming; one person doing the Budget can have it completed with a “snap of the finger.” Thanks for coming tonight and please continue working with us and we will get a Budget.
3. **MINAUDO:** Thanks for coming tonight.
4. **BIRCHMEIER:** the Attorney confirmed that the Public Notice has to be out to the Public seven (7) days ahead of time; how fast can the Notice be published; nothing can be done this week so it will have to be the week of March 24.

**BIRCHMEIER MOVED**, seconded by Minaudo, to schedule a Special Meeting for Tuesday, March 25, 2014 at 6:00 p.m. for the approval of the *Resolution of the Proposed Budget for Fiscal Year 2014-2015*.

**ACTION OF THE MOTION**

**ROLL CALL VOTE:**

AYES: Martinson, Gage, Lee, Morford, Birchmeier, Minaudo, and Matzke

NAYS: 0

MOTION CARRIED.

**5. BIRCHMEIER:** the Treasurer has stated that communication is something which the Supervisor lacks; he has been trying to do a better job of communicating with the Treasurer; it is a two-way street and he can compromise; the Supervisor has been approaching the Treasurer in person and at her office; the Supervisor did ask the Treasurer a question today but he has been sick all week and wanted some information; she (Treasurer) stated that it was too late to answer any questions. (It was recommended to review the tape)

**6. THE NEXT REGULAR SCHEDULED BOARD OF TRUSTEES MEETING WILL BE THURSDAY, MARCH 13, 2014 AT 7:00 P.M. AT THE FLUSHING TOWNSHIP HALL.**

**ADJOURNMENT:** SUPERVISOR BIRCHMEIER adjourned the meeting at 7:11 p.m.

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JULIA A. MORFORD, Clerk

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RIAN R. BIRCHMEIER, Supervisor

APPROVED DATE: \_\_\_\_\_

03 13 2014 SPEC Regular 6:00 P.M.