CITY OF BURTON
REGULAR COUNCIL MEETING MINUTES
JANUARY 5, 1998, 7:30 P.M., COUNCIL CHAMBERS

Invocation and Pledge of Allegiance was led by Councilperson Alta Walls.

The Regular Meeting was called to order by Ted Hammon, President, at 7:30 P.M.

MEMBERS PRESENT: Centilli, Cox, Cross, Hammon, Martinbianco, Walls and Zelenko.

MEMBERS ABSENT: None.

OTHERS PRESENT: Mayor Charles Smiley; C. Abbey, Personnel Director; J. Major, DPW Director; R. Hamilton, City Attorney; B. Becker, Treasurer/Controller; G. Webster, Clerk.

Cross moved and Zelenko seconded the following motion:

Approve and authorize the minutes of the following meetings: Regular Meeting of December 15, 1997 at 7:30 P.M., Special Council Meeting of December 18, 1997 at 7:00 P.M. and Special Council Meeting of December 18, 1997 at 7:15 P.M., as printed. Motion carried 7-0.

ADMINISTRATIVE REPORT:

Mayor Smiley announced the Audit Workshop would be held January 26, 1998 at 6:00 P.M. in the Police Training Room.

The Mayor said there were no problems over the Christmas holiday and wished everyone a happy New Year.

The Mayor was contacted by a Comcast Cable representative to inform him that they were unable to adjust the January bills in time to reflect the 5% increase in our franchise fees. They could charge 6% on the February bill and readjust it to 5% on the March bill to be able to collect the required fees. Also, they suggested starting the increase in February.

The Mayor has sent Council members a letter explaining water rate increases from Genesee County. The Finance Committee will review the possibility of passing on rate increases to residents. If it is determined the increase is warranted, the Legislative Committee will need to make ordinance revisions.

COMMITTEE REPORTS:

Mr. Cox would like to hold a Finance Meeting next week to discuss the transfer of general funds to pay outstanding bills for the Veteran's Memorial.

AUDIENCE PARTICIPATION:

None.

COUNCIL DISCUSSION:

Mr. Martinbianco said the weather has affected the local gravel roads. There are numerous streets in need of immediate attention, including Vineland and S. Eugene.

Mr. Major said the streets will probably be graded later this week. Currently, the roads are too wet from all the rain. He has received numerous complaints on the roads.

Mr. Martinbianco asked Mr. Becker if the Comcast Cable franchise issue had to be addressed through the Council.

Mr. Hamilton said the revision of Ordinance 20-A 6c did address this issue. The company is just asking for an additional month deferral period before enforcing the fee, due to a bill scheduling delay.

Mr. Becker was concerned that if the 6% was added to the February bill, we would receive complaints from Burton residents. From a financial stand point, it wouldn't be a burden on the City because we receive the money quarterly.

Discussion continued on this issue.

Mr. Centilli suggested that Comcast explain the delayed franchise fee adjustment in detail on the bills. This would help customers understand what was being done.

Mr. Hamilton said this issue could be addressed in the billing process. We should ask Comcast to add an explanation to the February bill indicating that the 5% increase on franchise fees went into effect January 1st and the additional 1% fee is reflected on the current bill.

Mr. Martinbianco agreed we should send them a letter indicating that the agreement was for 5% commencing on January 1, 1998 and we expect them to comply with our contract.

Mr. Hammon asked that the City Clerk and Treasurer contact Comcast.

Mr. Cross set a Legislative Meeting for Thursday, January 8th at 10:00 A.M. to be held in the Council Chambers. He would like to review the items on the Legislative list and discuss the two proposed police ordinances.

Mr. Cox set a Finance Meeting for Monday, January 12th at 10:00 A.M. to discuss the Veteran's Memorial transfer of funds.

In reference to Item #4, Mr. Cox asked if there were any changes or new information on the COAM contract. He has not received any updates.

Mr. Abbey said there has been no changes. The contract was discussed in executive session and it was determined that the Council felt uncomfortable about four issues. Mr. Cox, Mrs. Walls, Mr. Cunningham and Mr. Abbey met for further discussion on these issues. One issue on health care was addressed and a few minor economic changes were made. The main issue was the pension. COAM is not willing to discuss this matter at all. They want to take their chances in arbitration.

Mr. Hammon said the Council chose not to act on the COAM agreement. He wanted to know if there was a need or a relevance for it being placed on the agenda.

Mr. Abbey said it was by the recommendation of our management council and our City Attorney that we need to take action on the COAM agreement. The bargaining unit has taken action on the tentative agreement and now it is our turn to respond. It is time for the City Council to take action on this contract. If the City Council does not approve the contract, the next step will be 312 arbitration.

Mr. Centilli asked if the contract had to be approved or denied at tonight's meeting.

Mr. Abbey said it did need to have Council action tonight.

In reference to Item #3, Mr. Cross asked what connection the water storage system behind City Hall has with the water pressure and support of the south end system.

Mr. Major said it has nothing to do with the new water tower and the south end system. Both of these systems are isolated and work independently. We have to equalize the pressure in the south end by installing a new elevated tower. This is the most economical way to deal with the situation, so the south end system will not explode.

Mr. Cox spoke in reference to the pension benefit structure in the COAM and POAM agreements. Costs have risen from $300,000 to over a $1,000,000 in six years for benefit packages. He thinks we are pricing ourselves out of a City. He said there are issues with the current pensions that everyone is aware of and that needs to be remedied. He can't financially or morally support the proposed contract.

Mrs. Walls asked for clarification on any changes that had been made.

Mr. Abbey said there have been some changes but not in the pension. He said Mr. Cox was correct when he said COAM and POAM have similar pension packages. Residency requirements have been added for all new employees in recent contracts. He said we will deal with the pension issue with POAM through the new employees. We will put new hires back into the defined contribution plan. There is a cap on that cost and the process will eventually work out over time.

Mrs. Walls wanted to know if Mr. Cunnigham had discussed the proposed contract with his people.

Mr. Abbey said he did poll the members. They will not give any concessions on the pension issue.

Mr. Centilli asked about ramifications of the union going to arbitration and winning their case.

Mr. Abbey said based on past practice of arbitration awards and advice from our legal experts , we stand to lose a substantial amount. If it is approved, benefits will cost us $52,000 over the coarse of this contract. However, if we go to arbitration, it will cost $30,000, with the likelihood of an unfavorable settlement. He said this problem was not created by this administration. It was created a long time ago. We will only be able to resolve this problem over time with new employees.

Mr. Martinbianco said the City has offered a fair package and he thinks we have given up more in negotiation than COAM.

Discussion continued on Item #4, in reference to the proposed COAM contract.

Mr. Cox said this is an economic issue. It will cost the City $52,000 over the entire contract. This is a 250% increase in the last six years and is a weight on everyone's shoulders. He said it was not necessarily created by this administration, but he thinks the approval of this agreement would be making another mistake. If this package was fair and equitable, we wouldn't be in the situation we're in now.

Mr. Cross said the other unions didn't get a lucrative contact. COAM shouldn't get one either.

Mr. Abbey said we're not giving them a lucrative contract they already have a lucrative contract. If we lose in arbitration, we will also be giving up future employees and then we might not ever be able to solve this problem.

Discussion continued on this issue.

Mr. Centilli wanted to know if the contract was denied tonight, would it go to arbitration.

Mr. Abbey said that was correct.

COUNCIL ACTION:

Walls moved and Centilli seconded the following motion:

1. Approve and authorize the Attorney Billing (Richard Austin) from December 10, 1997 to December 19, 1997, in the amount of $1,718.00.

Motion carried 7-0.

Walls moved and Zelenko seconded the following motion:

2. Approve and authorize the Mayor and the Clerk to sell and/or dispose of land described as: 59-29-400-006, Legally described as A parcel of land beg at SE cor of Sec th W 398.31 ft th N 0 deg 19 min 40 sec W 281.84 ft th E 398.31 ft th S 0 deg 19 min 40 sec E 285.08 ft to place of beg except S 185 ft of E 250 ft Sec 29, with full easement rights retained by the City of Burton for future overhead and underground utilities, T7n-R7E, City of Burton, Genesee County, Michigan.

Motion carried 7-0.

Zelenko moved and Martinbianco seconded the following motion:

3. BE IT RESOLVED, relative to the 1998 Revenue Bond Issue: R-98-1 (Water Tower Replacement), "The City may, in the future, issue bonds in connection with the capital improvements being paid for in part by the appropriation discussed herein, and for all other appropriations specifically relating to the heretofore mention water tower replacement, and, to the extent such bonds are issued, the City fully intends to be reimbursed for such costs temporarily advanced."

Motion carried 7-0.

Centilli moved and Zelenko seconded the following motion:

4. Approve and authorize the Mayor and Clerk to enter into a three year contract with COAM, effective July 1, 1997 through June 30, 2000.

Motion denied 4-3 with Cox, Martinbianco, Cross and Walls voting no.

Meeting Adjourned at 8:15 P.M.

Gayle Webster
City Clerk

GW/cml