

CITY OF BURTON
REGULAR COUNCIL MEETING MINUTES
MAY 7, 2007, 7:00 P.M., COUNCIL CHAMBERS
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Council President Gary Isham led the Invocation and Pledge of Allegiance.
Council President Gary Isham called the Meeting to order at 7:00 P.M.

MEMBERS PRESENT: Isham, Wells, Cross, Tinnin, LaDuke, Conley, and Major.

MEMBERS ABSENT: None.

OTHERS PRESENT: Mayor C. Smiley, G. Kray, DPW Director, and J. Adams, Deputy City Clerk.

Cross moved and Wells seconded the following motion:

Approve and authorize the minutes of the Regular Council Meeting on April 16, 2007 at 7:00 p.m.
Motion carried 7-0.

ADMINISTRATIVE REPORT:

Mayor Smiley asked that something be worked out for Mrs. Johnson's budget time. We will meet anytime that Council chooses.

Mayor Smiley stated that Item #7 can be done this week or next. If approved, it will require a transfer from General Fund for the \$25,000 that was not a budgeted expense. Item #8 is coming out of the allocation we received from the new millage money. We received \$50,000 already, but Item #7 will require a transfer.

COMMITTEE REPORTS:

Mr. LaDuke said the Finance Committee met and we had some great discussion on a number of topics. We had a report on the Fifth Third Bank and the Committee asks that the DPW contact the bank and see if we can resolve the issue, and if not, get an opinion from our attorney to shut them off until they come to the table. We also talked about Fenton and Vassar Rd. water and sewer projects. We recommend that on the sewer projects DPW continue with the design. It is almost completed, advertised and bid, and it will come back with a cost so we can take a look at that.

We discussed water rates. From the information we received, the County has about 30 cents of the proposed 55 cents that we need to pass on to keep even with the County. To maintain our current services it is going to take an additional 25 cents. The majority of the Committee recommends we move forward and approve these water rates tonight. It is never popular, but we are elected and appointed to make tough decisions. If you look at the gas pump prices and everything we deal with in our daily lives, costs are going up, and it is not any different in our local government.

Mr. LaDuke said they discussed briefly Ordinance 68C, eliminating some of Council benefits and all elected officials. He would like to set a Finance Committee Meeting tonight to discuss 68C.

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AUDIENCE PARTICIPATION:

Tom Heckman, 5217 E. Maple, stated he received 2 quotes on his water problem and he would like to see a decision made tonight. One quote is for \$1,750 and the other is \$3,600.

Richard Richardson, 2226 Ridgemoor Ct., stated in the last 3 weeks he has seen 5 dead deer in his neighborhood. He would like to see archery hunting in Burton allowed within the guidelines of the State of Michigan.

Ed Carr, 2137 E. Scottwood, addressed concerns of dust from his unpaved road, increase to water rates, lawns not being mowed on either side of 2121 E. Bergin, school's garbage cans not taken care of, and speed bumps placed on his street if it is to be paved.

Mr. Isham instructed Mr. Carr to contact the school concerning the garbage can problem.

Warren Nimcheski, 2429 N. Genesee Rd., commented on his street being one of the unpaved unique gravel streets. The surrounding neighbors would not mind if the City put culverts in the main ditch, extend their driveways out to the road, and vacate that road. They would like to also see the south end of the street blocked off. Mr. Nimcheski said he could provide petitions if necessary.

Mr. Isham said Council worked diligently and came to a 7-0 vote to create the paving districts. The public hearings that we have to do by law were never scheduled. Our window of opportunity to get anything done this year is rapidly closing. Mr. Isham stressed that it will be at the top of the list next year to get those roads improved.

Bud LeGrande, 2105 E. Buder, expressed that the City needs to have a reserve in case of a disaster with sewer or water lines.

John Stapish, PO Box 190134, stated the older police stations years ago had outdoor blue globe lights that looked very impressive. He wondered if our city police department could consider doing that to look like the old-time police stations.

Margo Carr, 2137 Scottwood, spoke regarding five abandoned houses on her road.

Pauline Dargel, 6119 Hugh St., said in regards to Items #7 and #8 on the agenda, she asks where the architectural fees are to be paid from because there are 2 different firms. She questions the source of funding. For #7, the Police Administration Building, at the CD Needs Hearing it was indicated you could transfer within departments. She would like to see the Community Development money applied there. Mrs. Dargel also stated a lot of transfers are on the agenda tonight and she hopes Council does something different than having all items on a consent basis.

Lawrence Frasier, 4358 Barnes Ave., said earlier in the spring the City removed a section of pavement south of Morris where it was cracked and breaking up. He asked if it would be paved again this year.

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Mike Holzer from DPW was present in the audience. He stated it was due to a watermain break and it will be addressed.

Gary Card, 2098 Delaney St., asked Council that with the large agenda tonight, would they re-open audience participation for at least 10 or 15 minutes after the agenda.

Nancy Card, 2098 Delaney St., addressed concerns with water rate increases. She feels there has been 3 raises this year and questions why it cannot wait till at least July to find out what the County raise is going to be. Mrs. Card said at a previous meeting she brought up the subject of bankruptcies in the City of Burton. She has been working on this issue off and on with the water department employees for at least 3 years. At some point she would like an answer from somebody.

Mr. Isham expressed he would look into answers for her.

COUNCIL DISCUSSION ACTION:

Moved by LaDuke and seconded by Major to add as an agenda item #17 to: Approve and authorize the creation of a City Council negotiating team for the purpose of negotiating with Teamsters 214. Motion carried 6-1. Wells – no.

Moved by LaDuke and seconded by Major to add as an agenda item #18 to: Approve and authorize the use of the Council's labor attorney for the purpose of contract negotiations and review as determined by the Council negotiating team. Motion carried 6-1. Wells – no.

Moved by Major and seconded by Tinnin to: Table agenda Items #7, #8 and #9 until the Regular Council Meeting on May 21, 2007 at 7:00 p.m. Motion carried 7-0.

Moved by Major and seconded by Cross to: Table agenda Item #14 to the Regular Council Meeting on May 21, 2007. Motion carried 7-0.

COUNCIL DISCUSSION:

Mrs. Tinnin spoke concerning the Finance Committee Meeting to discuss the water rate increase. She sees discrepancies in the revenues compared to the information Mrs. Foster gave them that evening. There are a number of issues in the operating revenue that are not included in the total operating revenue compared to the budget we have before us. It does not include tap-in fees, capital contributions, front foot fees, labor charges, equipment rental sales, material repair and maintenance, and late charges.

Mrs. Tinnin stated further she is concerned we are not operating with a sufficient budget or, operating with a deficient budget. We increased the rates last year and the Comptroller indicated with the rates not going into effect until September of last year, we really would not know until we closed this year, which is in July till September of this year where we stand with those rate increases. We have had a lot of different projections.

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Mrs. Tinnin said the budget amendment showed a surplus in water of \$107,800. Mr. LaDuke stated in his memo to the Council after the Finance workshop, that the water rates from July 1st through March 31st, the projections are a \$422,995 deficit. This year's budget proposal had showed a projected deficit of \$335,000, so there are a lot of different figures. She called the City today to find out where we stand in uncollected water balances. She was told there wasn't really a break out and water and sewer were combined. As of April 20th, the balances that are uncollected are \$396,000. The portions are combined and sewer pays back water. She asks how do we account when sewer goes to recapture money paid back to water.

Mrs. Tinnin stated salaries and fringes is always a concern when it equates to what salaries are. We also have used the water account for various projects and some of it out of operational surplus. My concern is we are using water and sanitary sewer unappropriated surplus and surplus accounts to further the expansions of our systems, and are we in compliance with BOLT. We need to get a legal opinion on where we are going futuristically with expanding our water and sewer systems and continue to use these monies as we have in the past.

Mrs. Tinnin addressed Winding Creek and stated recently they were given final plat approval by the Planning Commission. She has concerns because in the Planning meeting minutes it says their lender has taken away their funding till they get into a more profitable area. The applicant says they are starting to put in 4 model homes, but yet they are asking the City to put in 2 to 3 million dollars to extend relief sewers for these developments, yet they can't get a building permit because there are no relief sewers available.

Mrs. Tinnin stated when you are out of the capacity due to an abundance of development in one area of the City, and no additional building permits can be granted, is it proper to take the dollars necessary out of unappropriated sanitary and water surplus to pay for the additional new service that area is going to demand. Are we in compliance if we use these funds.

Attorney Joliat said he understands the issue and he does not think the law has changed since he wrote the opinion. If you want to have the opinion updated with the specifics, he would be happy to speak to Mr. Austin. He does not know if Mr. Austin will do it or himself.

Mrs. Tinnin said she was told we have done this in the past but is concerned about doing something that could be challenged. I think that is where we are headed if we continue to use unappropriated surplus monies. We have already approved design, surveying and easement acquisitions for some of these areas that need the relief sewers, but yet we do not have the funding mechanism in place so that we know how we are going to go forward. To me that is not development with a plan.

Mrs. Tinnin stated further, our water and sewer funds are fragile. She wants another legal opinion to tell her these inland developments that need relief sewers cannot be financed from our unappropriated surplus.

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Mr. LaDuke said his report he gave to Council on the water is self explanatory, but during the presentation of the administration, it did project that the sewer, and I don't have any reason to discount what our controller is stating, that if we continue from now through June 30th with our current water rate, we are in excess of \$422,995 in deficit. It is clear to me that we are deficit spending in a budget that we shouldn't be deficit spending on, and the same with sewer. Part of the information that was given to us was in 1985, 1986, and now we have a letter from the County saying it is going to go up 19.1 cents again. In 2007 the Council failed to pass those pass-thru water rates on in 2005 and 2006 and now, we have potentially the same problem of being what position the State is in today. We all know the financial crisis the State and schools are in. We can sit here with heads in the sand and do what is popular, and deplete our fund balance and offset any increase, or we can as leaders that we are elected to lead, make tough decisions, and at least pass on current account.

Mr. LaDuke stated further, he has asked tough questions to the DPW staff. He thinks there can be some belt tightening and it is in the future and coming. To eliminate a deficit is why the Committee does wish to go on. Mr. Major stated in the meeting that if in June, this deficit has corrected itself, we as a Council can look at those rates and roll it back. Until we at least operate on a balanced budget, I think we are fiscally irresponsible as a group to continue to take out of our fund equity. I can't see any other way than to continue to drain our fund balance and then we have over a multi-million dollar facility in the ground and we have very, very limited resources to repair a major break.

Mr. LaDuke said they discussed raising the sewer rates, and felt as a Committee that the sewer department could offset any increase in sewer rates. Instead of adjusting a certain amount for sewer and a certain amount for water, we looked at the fund that needed it the most and recommended the water get an increase and the sewer remain, and take any surplus or any excess deficiency out of the fund balance, which is in excess of 9 million dollars. The majority of the Committee felt that just interest alone in that sewer fund should offset the cost of any money we take out. We shouldn't deplete the fund any further, because we are gaining interest in rates of about 8% now. It is moving up, surely not where it was years and years ago, but it is moving to generate funds.

Mr. LaDuke said he would like to add to the agenda tonight two resolutions. One is to approve and authorize the creation of a City Council negotiating team for the purpose of negotiating with Teamsters 214. The second is to approve and authorize the use of the Council's labor attorney for the purpose of contract negotiations and review as determined by the Council negotiating team.

Mr. LaDuke said he is requesting this because we need to move this union contract ahead. We have one unfair labor practice that we are defending ourselves on.

Mr. Cross asked who is the negotiating team.

Mr. Isham said Mr. LaDuke, Mr. Major and Mrs. Tinnin, the Finance Committee members. I think they are all well rounded and will bring quite a bit of experience to the table. I have a background in labor negotiations myself.

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Mr. Wells stated they are setting a precedent here. He asked if they are going to have this same team negotiate with all the other unions when their contract comes up.

Mr. Isham said we will take them one at a time. The creation of this bargaining unit was kept very low key and I was blind-sided by it. It has never been about if they can organize, it is about the language that was agreed upon at the table and the economics of that collective bargaining agreement.

Mr. Wells asked Mr. Isham what he could have changed had he known about from the inception.

Mr. Isham said the Charter says we approve all contracts. If this Body is going to approve the contracts, they should have some input to what is going into that contract.

Mr. Wells responded that we have the opportunity to do that. We just have chosen not to do it to this point. Now we are almost \$10,000 into a contract that no one has even tried to negotiate.

Mr. Isham said there was an article in the Burton News on the proposed budget, and there is a quote about how this is going to cost the taxpayers tens of thousands of dollars. If there had been communication from the other branch of government, we wouldn't be here discussing it today.

Mr. Wells asked what kind of communication were you looking for.

Mr. Isham responded what is going on, and Mr. Major responded the formation of a union.

Mr. Isham said they took and mirrored what the Police Department had, which took them from 1973 to 2007, and they wanted to mirror that collective bargaining agreement. Negotiations are about give and take, just as this proposed budget is about give and take. I have a problem with giving an employee that has been here a year or two years that took them 37 years to get.

Mr. Cross stated point of order. He believes they are getting into contract discussions in public and believes it is inappropriate.

Mr. Isham said they are not discussing negotiating. He is making a point that if there had been better communications we would not be here today.

Mr. Wells stated he has no experience with unions. Mr. LaDuke and Mr. Major was involved with the union and it seems like a conflict of interest to have them negotiating this contract that basically, Mr. LaDuke wrote.

Mr. Major responded to Mr. Wells that it is not accurate and he has nothing to do with that.

Mr. Isham said the decision has been made by the majority of the Council that this is the direction we are going to proceed.

Mr. Wells said if they have the votes that is fine, but he thinks we are wasting a lot of money and time.

Mr. Wells asked if Mr. Spender has ever been involved in any labor negotiations like this before.

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Mr. Isham said to the best of his knowledge, he has been a labor attorney for 30 plus years.

Mr. Wells said everything he has seen is that he is involved in pensions and not labor disputes.

Mr. Wells asked what was the criteria to hire him, did they see a resume from him or do background checks.

Mr. Isham said they had people in place that spoke to several attorneys. We decided to keep it local and I had contacted other members of the building trades that have used Mr. Spender for negotiations.

Mr. LaDuke expressed to Mr. Wells, that this was the meeting he left early and they discussed qualifications of both people they were going to consider. Mrs. Conley was given the task by the Chairperson of the Committee to investigate and contact both of them. She did a fine job.

Mr. LaDuke said it was discussed at the Finance Meeting about the President getting with the Mayor to set up a Strategic Planning Committee. Mrs. Tinnin stated we have no direction. We definitely need a strategic plan for the City. We need to look where we want to be in the future, a legitimate strategic plan with a vision statement, and something where we can look at this document in two years and say, this is how this strategic plan is going to work and this is how we are going to fund sewer, this is how we are going to fund water, roads, addition to Fire Station 3, etc.

Mr. LaDuke asked Mr. Isham to get with Administration and set a meeting to have a couple members of Council, a couple members of the Administration, some members of the audience, members of the school districts, students, seniors, but to get a well rounded committee, and develop a strategic plan that has a mission statement, so we can move this city forward. How can we bring development into the City of Burton, and our strategic plan should outline ways to do it.

Mr. Isham acknowledged that he will follow through and set that up.

Mr. Cross addressed Mr. Richardson's comments on bow hunting. He would like the Legislative Committee to take a serious look at it.

Mr. Isham acknowledged Mr. LaDuke wants to set another Finance meeting, and Mr. Wells will look at setting a Legislative Committee meeting.

Mrs. Tinnin said Mrs. Card gave a document about the write-off of a water bill. She will give a copy to administration. She would like the status on what happened when a resident's water account was actually turned off. It was a large amount, and it happened back on October 31, 2006, so we should have some kind of status on that. She would like some kind of written response on the \$396,000 that are outstanding as of April 20th in water and sewer, how can it be broke down so we know how much is water and how much is sewer, and if sewer is paying water, how is that money then recaptured from the person that owes both accounts.

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Mrs. Tinnin responded to audience comments on lawns not being mowed and abandoned houses. She stated to call the DPW with addresses to inform them. Mrs. Tinnin asked Mr. Kray to update them on Mr. Heckman's situation.

Mr. Kray said Mr. Heckman has some water in his back yard. He has photographs with him. In 1995, there was lot split requests by Rizzo Development. Mr. Heckman mentioned his concern of additional water coming onto his property because of that development. There was a plan to run a swale ditch behind some homes that front Maple Road to run the water to the east. The ditch is non-existent now. It is causing a back up of water on the corner of the Mahlor's and Mr. Heckman's property. That is the extent of my knowledge on it. I have been involved with it for about a month.

Mrs. Tinnin asked Mr. Kray for his recommendation or if there is a way to remedy this situation through the DPW.

Mr. Kray said he would like Mr. Major's input on it.

Mr. Major asked why this situation is here and why they want to transfer the money. We have taken that money out of drains-at-large in the past and corrected 3 or 4 situations that I was personally involved in, and we never brought them to the City Council. DPW administration just took care of it.

Mrs. Tinnin said they did put extra money in the budget this year for ditching. I would think some of those dollars could be put towards this.

Mr. Major recommended if we have the money, to take it out of drains-at-large.
Mr. Kray acknowledged he will investigate funding that out of drains-at-large.

Mr. Isham said the City of Burton made a commitment to this resident to make it right. You have 2 bids and lets take care of this gentleman.

Mr. Wells addressed again the union issue. He stated it has dragged on for 3 years. It seems like we already wasted a lot of money and time. He asked Mr. LaDuke to see what he could do to make things happen as soon as possible.

Mr. Wells said he appreciates the job the Finance Committee did on the water rates. The report was fantastic. He spoke with Mrs. Foster today and has no reason to believe her numbers are incorrect, especially when I look at our auditors report. They are consistent and in line. Unfortunately we have to do something. He appreciates what Mrs. Card stated.

Mr. LaDuke re-iterated the County rate increases. If the department is run in an efficient manner than this is what it is going to take. We have ourselves in a bind, the economy has us in a bind, and as leaders we have to take care of it. I stand by our recommendations.

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Mr. Wells stated he agrees also. On the asset statement, it does not show any more unfunded mandates either, which is what kind of got us in this pinch to begin with. They keep coming at us with those and we have to do something, we are getting into our savings account now and we have already spent almost a million dollars.

Mr. Major stressed they are coming and there is going to be rate increases because the State is going to pass those mandates onto us. Mr. Major asked Mr. Holzer how far away are we.

Mr. Holzer replied it is not just us, Detroit puts on mandates, they are going to pass them onto the County. Detroit has to test the water and every agency they sell it to which includes Flint, then the County then us, we buy our water from Detroit through Flint through the County, we still have to do all the unfunded mandate testing of the water system. One set of tests we have to do for 18 months is \$6,000 for one set of samples. We have to do 14 different samples on a monthly basis. Some are done monthly, some quarterly, some are bi-annually. We do a radium test on our wells, and just that one sample is over \$1,400.

Mr. LaDuke said it starts in Detroit, Detroit sells to Flint. One would assume that those residents would get the best deal on the water. It goes from Flint to the County to the City. City of Flint customers pay more per 100 cubic feet after we raise this rate 55 cents. Their own customers, number 2 in the chain, pay substantially more. There is a cost of running a water operation. I think our residents on average is getting a pretty good price for their water when City of Flint is paying more.

Mr. Wells said to keep in mind that the County is the one that sends out these bills, not the City of Burton. When you say the bills are coming in and then they take the water bill out of the sewer bill, that is not our doing. We are trying to fix that so we can do our own billing. They are fighting us on it because they charge us for it. I made a couple of calls on this, and they say they are doing it to make it easier for the customer, so they only have to write one check. So you have your sewer and water bill together and we have to pull the water portion out.

Mr. Wells stated further the \$396,000 you say we are behind, but I don't see where that would make a difference at all in operating. It is still going to cost us the same to operate. We have to kind of figure we are going to get that money sooner or later. That is money that is owed to us. He understands that for the unappropriated surplus we are not in violation of BOLT.

Mr. Joliat said my opinion laid out how the Supreme Court applied it. The decision whether the City was in violation or not had to do with the consultant's report. It is not a legal issue what you are using the money for. The legal issue is what you can use the money for. We did not do a factual investigation to determine how it was being used. That is for your consultants, auditors and your own staff to figure out.

Mr. Wells said he doesn't have the paperwork, but he believes Mr. Austin said on 3 different occasions, the way we are doing it is not in violation of the BOLT ruling. I don't know how else we could do it unless we special assessed everything we did and have people pay it back. Right now the way we are doing it is basically the way our forefathers set it up, and they were visionaries.

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Mr. Wells stated further they looked down the road and said in 50 or 30 years they are going to have to start replacing some of this stuff so we need to build a little balance. That is what has been going up until this point and now we are going backwards a little bit. We have to stop that backwards trend because we have neighborhoods where the estimated life of those pipes are 50 years.

Mr. Major said he doesn't think that is an issue on replacement. Laurie is after the expansion. Even the expansion though is providing a relief to sewers that you can call a reconstruct, but it provides a relief instead of a reconstruct. You could pull out the old ones, put in a larger new one and call it reconstruct and you probably would be appropriate under BOLT. It is just a terminology issue and not a violation.

Mrs. Tinnin said she would like a legal opinion if you would allow me, stating are you reconstructing or are you actually installing new capacity for those specific areas. If you are reconstructing and it is going to benefit, perhaps it could fall under maintenance, but the problem is we don't have a written concrete plan on what we are doing. Mrs. Tinnin asked who it is benefiting.

Mr. Major said I am being benefited because we don't have to go back into that City Charter and raise that 5 mill that Headlee is eating to death, and these folks out here are going to have a tax increase.

Mrs. Tinnin exclaimed you are raising every fee as it is and what is the difference.

Mr. Major said I guess you have to separate your fees. The sewer fees were not raised, the water was. The other fees are operational.

Mrs. Tinnin said if you are going to go this year and say that the BOLT decision does not forbid you from using surplus monies to put in relief sewers, and then turn around next year as Mr. LaDuke said in his quote to the newspaper, we have determined as a Committee, the majority of us feel we don't have to raise sewer fees this year, but they are going to have to be looked at next year. So we are going to take the money out of the sewer fund this year to provide for relief sewers, but next year we are going to hit you up and tell you, we should have done it last year.

Mrs. Tinnin said further, you went back to 2005 and trying to say the County passed on rate increases but we didn't do it. If we were going to do it we should have in 2005. You are going to go retroactively and tell the people now that what we didn't do in 2005 we are going to do now. Do they deserve that.

Mr. LaDuke replied that the lack of action in 2005 caused us to raise rates higher today than we have to. Those running for mayor have the choice next November if they are successful, to recommend lowering all these rates. I know it is unpopular, and it is going to be difficult for someone that steps up to the plate and does their job to be unpopular. I am willing to do it because it is not about me, I want to know if the rest of the people out here that are going to run for office are willing to do it. We are going to be in the same situation that the State is in, cutting, cutting, cutting.

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Mr. Wells said we need to have that fund balance. I would like to send to the Finance Committee a motion to roll back the tap-in fees. I think that is where we went wrong. We didn't raise the water rates enough and we started funding the water bills out of our savings and then we raised the tap-in fees, which was what we were using to build that savings account up, and nobody is tapping in. Now we have people in Lapeer Heights and Seeley Subdivision that want to tap into water but it is cheaper for them to re-dig another well. They keep reading about the poison in their wells and they don't really want to do that so now they are torn. We kind of put our taxpayers in a catch 22 by raising those tap-in fees and there is no reason to do it. What are we doing when we charge somebody a tap-in fee.

Mr. Major replied putting money in the bank account for reconstruction of the sewer and the water mains. The County did not help us out. They killed Lapeer Heights. But to their benefit, I guess they needed it to be able to continue their trunk mains and their interceptors sewers so the County can survive too.

Mr. LaDuke said we will put it on the agenda.

Mrs. Conley said in September 5, 2006 there were only 6 people here when a dime was in front of us. We went down to a nickel because Laurie wrote him a letter and he said that is all we needed for our water increase. Laurie, myself, and Jamie Curtis voted yes, Bob Bement, Danny and you voted no. That is why the water rate did not pass then for a nickel.

Mrs. Conley stated further I was at the Genesee County Drain Commissioner office on Monday and talked to John O'Brien and he said it needed to be raised 16% and that was including the August 7th rate. So from a nickel to 55 cents does not make sense. We need to do more research and there was not any pass-thrus on some of these years. I have water rates from July 1999 to the present. If we would have done a little bit at a time we wouldn't have to put all this 55 cents at one time.

Mr. Isham said you are absolutely right, unfortunately every time Detroit has passed the increase on, and the County has pass the increase on, the City of Burton has failed to pass the increase on. Facts are facts. We are often left with making the unpopular decisions, but that is why we are here.

Mr. Kray said the document Mrs. Conley is referring to, he put together. The document July Water Rates 1999 to Present, you will see we passed through within 1 or 2 months of the County raising our rates, every rate they have raised to us we passed thru to the customers the next month or 2 months, with the exception of the 2005 rate, which was actually passed on to us March 27th of 2006, after Council initially raised the water rates to \$2.53. That rate and the April 27th rate, where they passed on 5.3 cents, neither one of those 2 increases were in the proposed \$2.53 increase. By passing on that 10 cents, at that same meeting where the 5 cents failed, the reason it did fail was because those that voted no on the 5 cents felt that 5 was not enough, 10 is what was needed because of the two recent increases by Detroit. The one that they failed to pass on and finally told us about in March and in April we needed a dime. That was our attempt to pass on the 2005 and 2006. The previous increases by the County in 2001, and in 2003, were passed on the next month by City Council. So we passed on every County increase.

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Mrs. Conley asked why 2004 was not put on there.

Mr. Kray said if 2004 is not on there, it is because he could not find a rate increase in '04.

Mrs. Tinnin said Item #13 is not a correct method to amend an ordinance. You have to state the article, ordinance number, section, readiness to serve, all commodity. There is nothing here breaking down what you are doing. She questions the wording "and in the future the City will automatically pass thru all County water rate increases". She feels it is a terrible mistake to use that wording. It is still up to the municipality to determine whether their operations can absorb that rate increase. It is not an automatic.

Mr. Isham said Mrs. Tinnin's point is duly noted. It coincides with what Mr. LaDuke has asked me to do as well. Sit down with the Mayor, put a team together for some strategic planning for a vision for this city. That would include increases in water and sewer. Where do we want to be 5 years from now, 10 years from now. It is a great idea and I will certainly follow up with the Mayor and see if we can get it rolling.

Mr. Cross mentioned Commissioner Jamie Curtis in the audience. He asked Mr. Curtis where we are at with old Genesee Rd. The County was willing to deed it over to the City.

Mr. Curtis said it was for a \$1.00 and he sent a letter to the Mayor.

Mr. Isham said Council received a copy of the letter.

Mr. Cross asked that Items 1 thru 18 be voted on separately tonight.

Mr. Isham said 2 weeks ago at our Council meeting, he made a request from the administration in line with Mrs. Tinnin, a written resignation from Mr. Abbey. He also requested the administration provide a current in-depth status report on Mr. Abbey to the Council within the next 2 weeks, and he failed to receive that. He is left with no choice but to take the necessary steps to require the information this Council requested.

Mr. Isham stated for the record he wants to know why Nancy Card never got a reply from anyone at the City. It is unconscionable to think someone has to wait that long for a yes or no. He will do a follow up at our next Council meeting.

Mr. Major said the Council President took the heat for gravel streets not moving forward this year. It is not his fault and I know the staffing is a situation back there and that is probably more than anything else. These special assessment projects cannot be done this year because we can't get the first payment on the July taxes for this year and try to get it bid. The best we are going to do is get it packaged up over the winter and have it get on the taxes for 2008. Probably with the help of new employees or going straight to consultants because I know you can't do it all by yourself.

Mr. Kray said regarding the engineering, we would have to put together a select group of streets into one package and move forward with the hearings. Construction wise it would be possible, funding wise I cannot speak to that.

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Mr. Major said construction wise yes, but we won't have the money in the bank for the bond sale or have it on the invoice side of it at the County to come on the taxes this year.

Mr. Major stated he is upset about an article in the Flint Journal newspaper, that the Council is at fault for all this stuff. It is not correct even to the minor point of a \$20,000 deficit for the Council's legal expenses. Mr. Major said City Council legal expenses are everybody's expenses within the departments and not just the City Council's. So that is wrong. An amount of \$180,000 in the motor pool deficit because of the building department. The Controller's office should not allow a \$180,000 to go into the red without something being sent to the City Council. I know we get the budget reports but when do you finally say hold it city operations, we are \$180,000 in the hole. Something has to be straightened out there. An amount of \$80,000 he wants to eliminate from Council's benefits. We could save a lot more because if it is elected officials, it is all elected officials. I think that is a budgetary item to take a look at.

Mr. Cross asked Mr. Kray to look at old Genesee Rd. to get that property and see what it would cost us to extend those driveways out to Genesee Road. We have an opportunity to pick up that property which we didn't have before for a \$1.00.

Mr. Kray asked if the City was picking up that property or private residents.

Mr. Cross responded we would have to pick it up and then divide it to the residents.

Mr. Kray asked Mr. Cross if he wants the City to pay to extend their driveways.

Mr. Cross responded he wants it looked at both ways to see what it would cost. Either we pick it up or the residents.

Mr. Major said it would probably be a cheaper special assessment to extend the gravel driveway then it is to pave the street.

Mr. Cross said when we do budgets, let's break it out by items what Council spends each time.

Mr. Cross gave an example of the attorney bill at \$6,847.80 and Council spent \$266.70 of that. We were charged as Council \$6,581.10 for all the other departments.

Mr. Cross asked how many streets are going to be done in the south end under CD dollars.

Mr. Kray said he did not know.

Mr. Kray asked Mr. Cross for clarification on old Genesee Rd. that we want to look into deeding over the property, and those residents would not have to pay a special assessment to pave that street.

Mr. Cross said to see what the cost is and Council will determine if we are going to go into a special assessment or if we have local street funds. I am looking at cost versus paving.

Mr. Kray said they save the special assessment, and we give them land and pave their driveways.

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Mr. Cross said paving will cost them a lot more money. When we give them that land, they are not getting anything free. They will have to pay higher taxes.

Mrs. Tinnin said she would like to amend Item #3 to approve and authorize Plante & Moran to provide audit services for the fiscal year July 1, 2006 through June 30, 2007. Just make it a one year contract now because we have a request in to have an independent audit and Mr. Austin is not here to discuss where we are at with the forensic audit for Pebble Creek. I would like to have his input before we decide what we are going to do with this auditing firm this year.

Mr. Wells said he does not support that. Mrs. Tinnin just made her own point that we have an independent auditor that she already wants to bring in.

Mrs. Tinnin said the letter suggested we either go back to our auditing firm or ask the local audit division. We don't have Mr. Austin here with us tonight to address where we are at with that situation.

Mrs. Conley said she would support Mrs. Tinnin.

Mrs. Tinnin said she would like to make it a one year contract right now.

Mr. Cross said he talked with Plante & Moran today and they did not know they were on the agenda. Mr. Harburn said we still have the right each year to drop the firm if we want to even though we make it for 3 years. They give us that so we will maintain their costs at this level. But if you were to go each year, they can't raise their rates.

Mrs. Tinnin stated she withdraws her motion.

Mrs. Tinnin commented concerning Item #7. If this is approved, we should request that the administration put on that this will require a transfer of \$25,000 from General Fund. I was told 95% is Police and 5% for Fire.

Mr. Cross stated he was present at the bid opening.

Mrs. Tinnin said Mrs. Dargel brought up a point of who is paying the architect, and there are 2 different architects.

Mr. Major asked if before he got on Council, did they bring a contract for architectural services to you by these 2 firms. How were they hired without a contract before the City Council. Mr. Major said his position is he is not voting on anything unless we approve some contracts for these architectural services.

Mr. Kray said he will look into it.

Mr. Major expressed that both items should be tabled.

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Mr. Cross asked if anyone was present for the bid opening for action item #10, and if anyone was notified to be there.

Mr. Isham acknowledged that he was notified.

Mr. LaDuke said there are lot of transfers and why doesn't the original budget cover these. We truly are not getting the reflection of a balanced budget.

Mr. Wells said it is a projected balance budget. Normally they would not come to us but Council has requested a line item budget.

Mr. Major said hopefully they are keeping \$1,750 in the drains-at-large budget to take care of Mr. Heckman before they transfer it all out.

Mr. Wells stated on Item #12, when Council does their budget, they need to take a hard look at street lighting because it keeps going up and up. Motions have been made before to separate it out and I really don't want to do that. It is one of those things that you can get in a hole real quick the way Consumers Energy's prices is increasing.

Mr. Major said Consumers is beating us up and Headlee is hitting that same 5 mill operation and where is it going to go.

Mr. Wells said we are over \$300,000 and now we are transferring almost \$50,000 into that fund.

Mrs. Conley stated for Item #13, the wording "and in the future the City will automatically pass through all County water rate increases", should be taken out because it takes 5 votes to transfer money.

Mr. Isham said they are going to deal with it as it is written.

Mrs. Tinnin expressed that it is not a proper way to put Item #13 on the agenda. She asked Mr. Joliat for his advice.

Mr. Joliat said if rates are set by ordinance, increasing those rates has to be done by amending the ordinance.

Mr. Major said water rates are set by resolution. We amended the ordinance to allow these by simple resolution.

Mr. Joliat indicated if that is what the ordinance reads it is okay.

Mr. Wells inquired concerning Item #14. He asked if it was approved at the Planning Commission.

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Mr. LaDuke replied that it was denied, 9 to 1. The majority of the Board felt it was too open-ended and didn't feel it was worth pursuing at this time. We felt there is still a lot of work to be done on this ordinance change. I would send it back to Legislative with some changes if they want to reconsider.

Mr. Major said lets table it indefinitely and put it back to Legislative.

Mrs. Tinnin said it was brought to her attention that a PUD ZC #302 was before the Planning Commission, and ZC #303 was for the site plan review. The May 1st meeting they were suppose to be scheduling the public hearing. So how can we now approve the setting of a second public hearing when on May 1st they were just scheduling the public hearing.

It was decided to table Item #14 and see if it was procedurally done correctly.

Mrs. Conley inquired to Item #16, if Mr. Kray receives more pay and has more responsibilities. Mr. Major asked if he is the Public Works Director now.

Mr. Kray said he has more responsibility. He is acting director of DPW.

Mr. Wells commented on Item #17. He feels Council is setting a precedent here that we are going to regret later on.

AUDIENCE PARTICIPATION ON ACTION ITEM #17 AND #18: None.

COUNCIL ACTION:

Cross moved and Conley seconded the following item:

1. Approve and authorize the Attorney Billing (Richard Austin) from April 11, 2007 through May 2, 2007 in the amount of \$6,847.80.

Motion carried 7-0.

LaDuke moved and Conley seconded the following motion:

2. Approve and authorize the Attorney Billing of Spender & Robb, P.C., 1289 S. Linden Road, Suite B, Flint, MI 48532, from March 29, 2007 through April 20, 2007, in the amount of \$2,287.50.

Motion carried 7-0.

Wells moved and Major seconded the following motion:

3. Approve and authorize Plante & Moran to provide audit services for the fiscal years ended June 30, 2007, 2008, and 2009.

Motion carried 7-0.

Wells moved and Tinnin seconded the following motion:

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4. Approve and authorize a budget transfer of \$5,000 from Major Street – Winter Maintenance Salaries Permanent to Major Street – Traffic Salaries Permanent.

Motion carried 5-2. Cross and Conley voting no.

Wells moved and Major seconded the following motion:

5. Approve and authorize a budget transfer of \$7,500 from Local Street – Winter Maintenance Salaries Permanent to Local Street – Winter Maintenance Equipment Rental.

Motion carried 5-2. Cross and Conley voting no.

Wells moved and Major seconded the following motion:

6. Approve and authorize a budget transfer of \$7,500 from Local Street – Winter Maintenance Fringe Benefits to Local Street – Winter Maintenance Equipment Rental.

Motion carried 5-2. Cross and Conley voting no.

Tabled until the Regular Council Meeting on May 21, 2007.

7. Approve and authorize the low bid of US Construction, 2346 W. Warren, Detroit, MI 48208. The low bid of \$25,000.00 for the building improvements to the Police Administration Building.

Tabled until the Regular Council Meeting on May 21, 2007.

8. Approve and authorize the low bid of US Construction, 2346 W. Warren, Detroit, MI 48208. The low bid of \$25,000.00 for the building improvements to the Burton Senior Center.

Tabled until the Regular Council Meeting on May 21, 2007.

9. Approve and authorize the Mayor and Clerk to enter into a contract with US Construction, 2346 W. Warren, Detroit, MI 48208. The amount as specified on the bid proposal.

LaDuke moved and Conley seconded the following motion:

10. Approve and authorize the acceptance of the low bid and allow the Mayor and Clerk to enter into a contract, contingent upon the submittal and approval by the City Attorney of the required bonds and insurance documents, on behalf of the City of Burton with Bartman Excavating, 4068 Dowdall, Flint, MI 48506, in the demolition amount of the following:

1) 1269 Forest	\$3,220.00
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Motion carried 7-0.

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Wells moved and LaDuke seconded the following motion:

11. Approve and authorize a budget transfer of \$12,000 from Public Service – Drains at Large to Public Service – Street Lighting.

Motion carried 6-1, with Conley voting no.

LaDuke moved and Wells seconded the following motion:

12. Approve and authorize a transfer of funds in the amount of \$30,000 from General Fund - Contingency to Public Service Street Lighting.

Motion carried 6-1, with Conley voting no.

LaDuke moved and Major seconded the following motion:

(Finance Committee Recommendation)

13. Approve and authorize the Finance Committee's recommendation to pass on a 55 cent water rate increase per 100 cubic feet, with the understanding rates will be reviewed by June 30, 2007

to determine if adjustments are needed, and in the future the City will automatically pass through all County water rate increases.

Motion carried 4-3, with Cross, Tinnin and Conley voting no.

Tabled until the Regular Council Meeting on May 21, 2007.

14. Approve and authorize the setting of a 2nd Public Hearing for Zoning Case #303, Ordinance 19 Section 5.37 Text change (Site Plan Review) on Monday, May 21, 2007 at 6:00 p.m.

LaDuke moved and Tinnin seconded the following motion:

15. Approve and authorize the Mayor's appointment of Robert Spose, 4090 Maplewood Meadows, Grand Blanc, MI 48439, to the City of Burton Building Authority Board of Commissioners, to fill the unexpired term of Dan Putnam. Term expires June 2008.

Motion carried 7-0.

LaDuke moved and Major seconded the following motion:

16. Approve and authorize Gregory Kray as the Street Administrator for the City of Burton and all transactions with the State Department of Transportation Department, pursuant to Section 13(7) of Act 51.

Motion carried 7-0.

Cross moved and Major seconded the following motion:

17. Approve and authorize the creation of a City Council negotiating team for the purpose of negotiating with Teamsters 214.

Motion carried 6-1, with Wells voting no.

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Major moved and Cross seconded the following motion:

18. Approve and authorize the use of the Council's labor attorney for the purpose of contract negotiations and review as determined by the Council negotiating team.

Motion carried 6-1, with Wells voting no.

Meeting adjourned at 9:10 p.m.

jra