CITY OF BURTON
BUDGET WORKSHOP MINUTES
MAY 10, 1999, 6:15 P.M., COUNCIL CHAMBERS

The Budget Workshop was called to order by Vice President, Paula Zelenko at 6:20 P.M.

Mr. Cox conducted the Budget Workshop.

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

MEMBERS ABSENT: None.

OTHERS PRESENT: Mayor C. Smiley; J. Major, DPW Director; H. Throop, Street Superintendent; R. Riess, Water Superintendent; B. Becker Controller and G. Webster, City Clerk.

PURPOSE OF THE MEETING: REVIEW OF THE 1999-2000 PROPOSED BUDGET FOR THE FOLLOWING DEPARTMENTS:

1. Major Streets
2. Local Streets
3. Motor Pool
4. Water/Sewer
5. Sewer Debt

General Comments:

Budget workshops were scheduled for the following dates.

May 12, 1999	5:00 P.M.	Capital Improvement; Rubbish; Community Development; Special Assessment; Self Insurance
May 25, 1999	3:30 P.M.	Public Safety
June 1, 1999	5:00 P.M.	General Fund

Another budget session will be scheduled at a later date to review budget amendments.

The budget needs to be adopted by the second regular meeting in June. Most salary and fringe benefits have been incorporated into the July 1st budget. Dental coverage, life insurance and health insurance will reflect an increase. Worker's compensation will decrease.

The rubbish contract will expire June 30, 2000. The consumer price index escalator will reflect an increase in these fees. Mr. Becker would like the 1.7% increase in rubbish costs to be approved at the first regular council meeting in June. He was hopeful that the balance of the budget would be approved at the second meeting in June.

Major Streets: Page 20.

Revenues will be revised due to the tentative numbers of Act 51- Gas and Weight Tax dollars at the State level. The current year estimate was pretty accurate and there is a surplus of funds in this area. The City predicts a surplus for the next couple of years. Expenditures of Major Street funds were reviewed. The Transfer to Major Debt was $169,365 for the current year. It will be $305,625 for the upcoming year due the bond and interest payment from the motor vehicle bond that was sold last year.

Major Streets: Page 117.

Mr. Throop reviewed Major Street construction projects for the current and upcoming year. The department has aggressively pursued road construction projects and will spend $2.5 million in bonds. Council approved roadwork includes Fenton Rd., Dort Hwy and the I-69 guardrail. Court Street will be widened to five lanes in front of the Lowe's Store. The City's portion of that project is $56,000. The City has the flexibility of adding additional road projects on a cash basis due to the fund balance.

The largest proposal to be determined is the Davison Rd. widening project. Our cost would be $400,000 if we decide to pursue the issue. Other future projects, such as, Lapeer Rd from Center to Genesee were discussed briefly. The Council would like an update of any future projects.

Contractual Service increased to $100,000. This includes street sweeping and maintenance items. Winter maintenance reflected an increase in salt use. That was partly due to the incorporation of additional streets and a hard winter season. Major Streets and Water and Sewer budgets will share a new civil engineering technician. There are no other major changes throughout this budget.

Local Streets: Page 19.

Local Street revenues are up about 3%. It is difficult to determine the amount of funds that will be generated from taking over some major county streets. All other factors on the revenue side are very consistent. Some money was set aside from community development funds for street improvements. Mr. Becker is projecting a small fund balance for the current and upcoming year.

The proposed Meadowcroft Subdivision street maintenance project was discussed.

The cost of chloride will increase by 20%. Chloride is used on the gravel roads three times a year.

Motor Pool: Page 124-125.

There are no substantial changes in Motor Pool revenues. Equipment rental rates and the addition of subdivision streets will reflect an increase in revenue.

The Motor Pool expenditure side remains somewhat constant. A new mechanic was added to the motor pool and he is doing a good job on repairs. As fire trucks are replaced, maintenance cost will go down. This area will be sharing an individual with the sewer department for wintertime equipment maintenance. The projected surplus will continue to grow at about $30,600 a year.

Motor Pool Equipment: Page 128.

Mr. Throop reviewed vehicle and equipment maintenance, sales and replacement schedules.

Sewer Department: Page 120.

Discussion was held in reference to the Lapeer Heights and Seeley Subdivision water project. Residents have expressed interest in hooking up to City water and there is a need for new wells in the area. The City is required to spend approximately $830,000 in bond money within the next 18months. The Department of Public Works recommended the continuation of the Lapeer Height water project. Mr. Cox suggested adding water lines to Roberta St. to provide a safety feature to the area. This project will be added to the next council meeting agenda.

Mr. Becker reported sewer revenues remained status quo. The same user fee structure will be used for new subdivisions.

Water Department: Page 122-123.

Water rates will not be raised this year. Mr. Becker reported water revenues would remain status quo. The distribution of water customers grew by about 6%. There has been approximately 300 new water customers added this year. In addition, modular home meters were discussed.

In the area of water expenditures, our master meter costs have leveled out at the County. Incorporated into these costs are the 1998 revenue bond costs. We are able to absorb these costs and still reflect a balance budget. The Belsay Rd five-year loan is almost completed. There are no other major changes accept in contractual services. Twenty-five percent of the civil engineering technician's salary will be funded from this area. The salary of this position will be approximately $35,000 and be shared by the Water/Sewer and Major Streets Departments. Mr. Major reviewed a wide variety of duties that the technician would be responsible for doing. The Contractual Services line item will increase from $10,000 to $50,000 for the proposed water study. This study will help to determine the feasibility of the City supporting a water system. Discussion was held on the potential for an alternative water system.

Mr. Riess gave an update on new meter reading equipment that is available. The entire City's water meters could be read in two days, instead of the lengthy process currently being used. He predicts the transition of new equipment will take 2 ½ years. Eventually, monthly water bills could be issued. However, this would prove to be labor intensive in the collection area.

Capital Projects: Page 127-128.

There are water operating projects and community development projects associated with this area. Two CD projects would be looping Fern Street from Kosta to Judd Rd and replacing Fern St. from Bristol to Judd. This would total $200,000. We only have CD money for about $135,000. Other projects would cost about $166,000. One project would be a replacement at the corner of Bristol and Dort. Another would be for distribution looping along Kleinpell. Potter Rd is on the list of future projects.

Sewer Fund: Page 120-121.

The revenue side of this area remains status quo. The same user fee structure will be used for new subdivisions.

The expenditure side will reflect 50% of the new technician's salary. The main reason for vactor replacement and TV inspection equipment is to accommodate the aggressive sewer maintenance program. Thirty-one miles of sanitary sewer lines were added to the City last year. After next year, all existing homes in the city will have access to sewer lines.

Capital Line: Page 128.

Genesee Rd. will be incorporated into the $160,000 for various sewer improvements. Mr. Riess reviewed some upcoming maintenance projects. Due to the dry summers, tree roots have caused some additional joint damage that will need to be repaired. In the current budget, one position provided for a sanitary sewer man in the summer and motor pool man in the winter. The new mechanic is doing a fine job and most work is being done on site.

Sewer Debt: Page 22

The millage is going from 2.10 mils to 2.0 mils. There will be a deficit in this area in the current and next budget year. The Fund Balance for the Sewer Debt is projected at $127,337. To the average taxpayer, this is about a $4.00 decrease.

AUDIENCE PARTICIPATION: There was no audience participation.

MEETING ADJOURNED AT 8:30 P.M.