CITY OF BURTON
COUNCIL WORKSHOP MINUTES
MAY 16, 2001, 3:00 P.M., COUNCIL CHAMBERS

The Council Workshop was called to order by Bob Centilli, Council President, at 3:00 P.M.

MEMBERS PRESENT: Bement, Brawner, Centilli, Cross, Martinbianco, Tinnin and Wells.

MEMBERS ABSENT: None.

OTHERS PRESENT: B. Becker, Treasurer/Controller; J. Major, DPW Director; R. LaDuke, Assistant DPW Director; H. Throop, Street Supervisor; R. Riess, Water & Sewer Supervisor and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: COUNCIL WORKSHOP TO DISCUSS THE CITY OF BURTON PROPOSED BUDGET FOR THE YEAR 2001-2002.

1. WATER
2. SEWER
3. MAJOR STREET
4. LOCAL STREET
5. MOTOR POOL
6. INSPECTION DEPARTMENT

PRESENTATION:

Mr. Becker stated that all of the departments listed above make up the Public Works Department. The sewer debt was discussed at the last meeting. At the first meeting he advised the Council that the Inspection Department would be discussed at this meeting.

Mr. Becker commented that Mr. Lowthian received the Headlee Tax information from the County just today. He will advise the Council what affect this may have on the City at the Truth and Taxation meeting that will be held prior to the adoption of the budget.

COUNCIL DISCUSSION:

<u>Water Department:</u>

Mr. Riess explained that the proposed budget is 6.7% lower than last years. There are no major changes in operation, but you will see an increase in contractual services. The water service taps will be contracted out because of the volume of work. There will be a decrease in water purchase and charges, due to our on-going battle with the County. The water loop bond payment has ceased, so there is a decrease in this area.

Mr. Riess said on the revenue side there is a slight decrease in water sales because of the track record with purchases from the County. We are showing a total elimination in hydrant fees of $150,000. These costs will be spread over a number of other funding mechanisms, one being service charges. We are proposing to increase our service charges that we presently invoice to a resident for service charges. It will be a combination of fees, such as tap-in fees, meter fees, service charges, inspection costs to offset the $150,000.00 hydrant fee.

Mr. Cross asked, with the removal of the fire hydrant fee, how would we pay for the water used now to fight fires when we hook up with the trucks.

Mr. Riess said there never has been a funding mechanism for fighting fire. This has just been a public service aspect for the water budget. The hydrant fee was originated to fund hydrant maintenance and also to oversize watermains for fire fighting capacity.

Mr. Becker commented that any water used for fire sites is not charged back to the fire department. He gave a brief history of how the water, used for fighting fires, is billed.

Mr. Riess said some of the service fees that we are proposing to increase are service charges, non-payment shut-off, winter on and off charges, special meter reading charges, water line inspections, emergency repairs and cross-connection inspections.

Mr. Cross asked for a copy of the proposed increases.

Mr. Becker said on the revenue side, our development has driven the frequency of the connections to the water system. There are some subdivisions which still have properties that are not connected, as well as Lapeer Heights going in this Spring. Mr. Becker addressed the issue of the $1,000.00 tap-in fee, which was recently imposed by the County.

A lengthy discussion continued regarding the County tap-in fee.

Mrs. Tinnin asked for a copy of the information the County sent to the City regarding the increase in tap-in fees.

Mr. Major commented that Ward Chapman, Attorney was supposed to investigate and see if Mr. Wright had the authority to make these increases, as the Board of Commissioners appoints him.

Mr. Centilli asked how many permits were issued prior to the deadline.

Mr. Major said there were many permits issued. Blackberry Creek picked up 228 permits all at one time.

Mr. Martinbianco inquired about the $40,000 transfer on the revenue side.

Mr. Becker explained that the $40,000 on the revenue side is the last year of collected special assessment district monies above and beyond what our obligation was to the County. There will be only a one-time injection. On the expenditure side, you will begin to see that we are making principle payments on the revenue bond that we floated ourselves. Remember that water department borrowed from sewer department years ago and now the only loan between the two funds is for Maple Road extension.

Mr. Martinbianco asked if any more has been discussed regarding a water study or is the administration still waiting for Council initiative.

Mr. Major replied it is still at the Council level.

Mr. Becker said the Council would be seeing some of the contracts from the County, which are 30 and 40-year commitments. The reason you haven't seen them yet is because of revisions being made and it is currently with Mr. Hamilton. If they aren't approved by sometime in July, we will be considered a secondary customer and the tap-in number goes up. Discussion continued concerning this issue.

Mr. Riess addressed the issue of water construction. He said they would be completing some infrastructure on Potter Road, Fair Lane and Middlecroft. Also, if funding allows, we are still looking at connecting up Dort at Cheyenne and Menominee. These are the two projects proposed for this budget. The amount of $160,000.00 in CD money will be spent in the south end.

Mr. Martinbianco asked if the construction would be done in-house or bid out.

Mr. Riess stated that the projects would be bid out. The improvements in the Potter Road area would complete that square mile with water with the exception of one-half mile on Davison Road.

A brief discussion was held concerning mobile home park water billings.

Sewer Department:

Mr. Riess said the entire budget shows a 4% increase in revenues and expenditures. On the revenue side most of that increase is in interest income and a slight increase in sewer usage fees. Everything else is status quo on the revenue side. In the expenditure side we are proposing to add one new employee. That position would be used to inspect infiltration in-flow in the sanitary sewer system. He would be going from house to house inspecting sump pumps, roof drains, perimeter drains and attempting to eliminate that burden on the sanitary sewer system. If the communities don't try to eliminate the infiltration, the County has alleged that they are going to fine them for the excess water. We have also included a part-time inspector on a seasonal basis to assist in that same task to try to get through the houses within three to four years. The fringe benefits increased for the new employee. The balance of the budget is close to what it was last year.

Mr. Becker commented that the sewer tap-in rates would be increased. We also are folding the computer tech wages into the sewer department budget. Finally, we have been made aware from MML that the State Appeal Court ruled in regards to whose responsible for the liability of sewer backups. Because of that ruling, they will no longer insure sewer back-ups, as in the past, without having an additional rider on the policy. We are going to utilize that for the time being. We understand the State Supreme Court will hear the State Appeal Court decision and if this is rejected, we hope to get back to where we were before. This Court decision has caused a financial burden on several cities in the State.

Mr. Riess said under sewer construction, Dortch Drive sanitary sewer is proposed to be around $600,000.00 with a pump station. The rest is for maintenance.

Mr. Becker gave a brief review of the pickup utilized in this department.

Major Street:

Mr. Becker said that as a result of the population increase, we would also have a gas and weight tax increase. The amount that is proposed is $1,162,000.00, which was using the old population number. With our new population numbers, we may get an additional $90,000.00. This is the best guess we have at this time. Mr. Becker commented on the Act 51 monies multiplier and how this would affect our additional funds. He said on the expenditure side, we have one major street bond issue we are still paying off. We have various other expenses and we are transferring 25% of the Act 51 monies from Major to Local Streets, which has been a practice since we became a City. This fund balance is fairly healthy.

Mr. LaDuke reported on the Major Street operation. He commented that Howard Throop is retiring in July, as well as Marshall Weidenhammer. We tried to keep the same cost projections in this budget. We have added and subtracted from the Inspection and Road Departments to come up with our staffing needs. Overall it saves another $9,400.00. He said he had a draft for the Council. He said with Mr. Throop leaving, that we would be loosing a lot of experience. Mr. LaDuke gave a brief update on the street sweeping, crack and seal process and construction.

Mr. Major said we are working with Genesee Township in regards to the cost of Potter Road paving. He said they would like to do the same as what was done on Vassar and Maple Roads. This would be a construction project for next year.

Discussion was held at length in regards to the resurfacing of Belsay Road. Also, the issue of local control versus county roads was discussed in depth. Other county owned roads discussed were Lapeer Road and Atherton Road.

Mr. LaDuke said he would be discussing the issue of whether or not to take over the county roads and what benefit it would be to the City. We would have more control and could service our residents better. However, one issue of consideration is whether we can afford it or not.

Mr. Centilli asked how long it would take to for a study to be done by a consultant.

Mr. Major said it could take possibly one or two months.

Further discussion continued regarding the take over of the county roads.

Mr. Bement said he sees the two main issues as being water and roads. He asked if there is money available to do studies, if feasible, or does the money have to be in this budget.

Mr. LaDuke said he thinks it is the Mayor's intention to take some of the additional monies from the census and ask the Council for a road study.

Local Street:

Mr. Becker stated that the Census would generate $21,000.00 in Act 51 monies in local streets. We will get another $22,000.00 transferred down from major streets. This will give an impact of about $43,000.00 more in revenue because of the census. The biggest items are construction and surface maintenance. All of the construction is community development funded.

Mr. LaDuke said there are $225,000.00 in CD dollars. The proposed projects for this budget using CD dollars, is Jolson Street from Columbine to Saginaw; Morris, from Fern to South Bendle and Euston between Norton and Allen, finishing up the north/south roads. This takes up the CD dollars. In local streets, we have $315,000.00, for two sweeps, costing about $20,000. There is $80,000.00 for surface maintenance and $210,000.00 for reconstruction. These figures don't include the extra dollars from census figures. He said a decision has not been made as to which streets would be reconstructed. The worst street was Schafer Drive. None of the roads drive poorly. My suggestion is to evaluate the roads and keep the money in the budget and do something at a later date. We could use the funds in Meadowcroft Estates, which takes a 50-50 match. Another road is Cashin Street, which was done years ago. We are not having paving petitions come in any more. Mr. LaDuke continued to give an update on the conditions of several of the local streets. He said he would come back to Council after evaluating the streets and decide where the money could be better used.

Discussion continued regarding the maintenance of several of the local streets and the Act 51 monies requiring the City to match funds..

Mr. Martinbianco asked if the crack sealing would be continued. He was advised yes. He also stated he would like to see Meadowcroft Estates completed.

Mr. Centilli asked how many miles of graveled roads are left in the City.

Mr. Throop commented that there are about 17 miles of gravel roads in the City.

Motor Pool:

Mr. Becker explained that the Motor Pool function is to take money in from other funds and purchase and maintain a fleet used by other departments. The revenues come from other departments that use the equipment. There are no changes in the revenue side. On the expense side, we are maintaining the existing personnel, so this a status quo situation.

Mr. LaDuke stated that the Supervisions Salary is now budgeted in several departments, where it wasn't shown this way before. This is a status quo budget. We have a good fleet of vehicles, thanks to the Mayor and City Council.

Mr. Becker explained the breakdown of the salaries of the various employees. He said the depreciation expense goes up and down because of our new fleet. We have discussed the possibility of a motor pool expansion potentially being under the same bond issue with the City Hall expansion.

Mr. Becker referred to the vehicles and equipment listed on page 46 of the budget and gave an update on the type of equipment we have.

Mr. LaDuke said there is a need for another vehicle during the winter months. Everyone that has a CDL license could have worked if we had enough equipment. This vehicle will be used as needed.

Mr. Brawner asked that if the City should take over the roads, would we still be purchasing road graders.

Mr. LaDuke said the bigger trucks are better for using in snow removal. We may replace our loader next year. There are three good graders at the present time and we will never not have graders because of maintaining the side of the roads.

Inspection:

Mr. Becker said Inspection falls under the General Fund and is considered a pass through account. Anything spent here is primarily funded by construction projects from other areas.

Mr. LaDuke commented that they are still finishing up from last year, both major street and subdivision work. During the winter we picked up work from Lockwood and Whisper Ridge. When Marshall Weidenhammer retires, we will eliminate one position in the inspection department. We need two, but not two all of the time. If the budget goes through as recommended, Mark Eickhoff would be the Assistant and he would be funded 60% out of the Inspection instead of 100%and would also be funded out of the road department. We will have CD work after July 1st and will be watching Consumer Energy work with Phil Panchula. We will be more aggressive on inspections. It's hard to tell what kind of work we will encounter.

Mrs. Tinnin suggested cross-training the employees.

Mr. LaDuke said this is one of his goals, to cross-train the road crew and inspection crew.

Mr. Major said they try to do that now, but plan to do more in the future. Some of our street employees are not trained but we plan to cross-train.

Mr. Brawner asked if the two new laborers would be cross-trained. He was advised yes.

Mr. Becker said there would be one more meeting, which is the final amendment meeting. If any changes are needed someone will have to incorporate which amendments will get into the final amendment package.

Mr. Bement confirmed that the budget would be presented at the second meeting in June.

Mr. Becker explained that the Truth and Taxation Public Hearing would be held prior to the passage of the budget. He hopes to have the amendment package to the Council Members prior to the second council meeting in June.

Mrs. Tinnin inquired about what the cost of Ordinance 68-C would be. A lengthy discussion followed concerning this issue.

Mr. Becker stated that Council would be given another version of Ordinance 68-C before the first of June.

Meeting adjourned at 5:07 P.M.

Cheryl M. Ladd, CMC
Deputy City Clerk

CML