

CITY OF BURTON
COUNCIL WORKSHOP MINUTES
MAY 17, 2000, 3:00 P.M., COUNCIL CHAMBERS

The Council Workshop was called to order by Bob Centilli, Council Vice President, at 3:07 P.M.

MEMBERS PRESENT: Brawner, Centilli, Hammon, Tinnin and Cross (entered at 3:55 P.M)

MEMBERS ABSENT: Martinbianco and Zelenko.

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

PURPOSE OF THE MEETING: COUNCIL WORKSHOP TO DISCUSS THE PROPOSED 2000-2001
CITY OF BURTON BUDGET.

1. Water and Sewer
2. Major Streets
3. Local Streets
4. Motor Pool

PRESENTATION:

Sewer Department:

Mr. Riess said the Sewer Department budget is status quo from last year's budget, with the exception of a 2.5% increase due to salaries. There are no proposed rate increases and we haven't heard about any increases being passed on to us by the County. We are proposing to install a sanitary sewer on Dortch Drive off Genesee Road near Walker Farms.

Water Department:

Mr. Riess stated that there is a proposed budget increase of about 6.4% over last year. He said he is asking for \$30,000.00, which more than normal, on the expenditure side for pipe- fittings and meters. This will allow us to accelerate our remote meter reading. We have recently gone from a remote reader that has to be read by a computer to a radio read type. The radio read allows us to drive down the street and get the reads. It has a range of approximately 600 feet and with some enhancements, some reads can be gotten within a half-mile range. We currently have 100 of these installed along Bristol Road. When we did the reads last month, it took us two minutes to read 100 meters. We have 6000 accounts and it will take a few years to change over, but the extra cost will come back to us in labor and equipment. The increase in contractual services was in-house because of the computer guru while getting our equipment up and running. There are no proposed rate increases from Genesee County and Detroit only passed a 1% increase on to Flint. To our knowledge there are no projected increased being passed along to the County and from the County to us. Basically everything else is the same.

Capital Improvements:

Mr. Riess explained that the balance of the bond issue will be spent in Lapeer Heights Subdivision. The watermain replacement has basically been folded in to accommodate the balance of the Lapeer Heights Subdivision. It was broken into two divisions and after the bids were received, we have enough money to do Division A with a little maneuvering of the funds.

Mr. Becker noted that the boring equipment is 20 years old and we will be replacing this with new. The 15-year old Backhoe will also be replaced. He said although there are no usage fee rate increases proposed, that has increased because we will new connections, primarily from Maplewood Meadows #4 and #5, Also, with the \$750.00 inspection and approval fee, we are hopeful we will see a couple hundred new connections.

Mr. Becker then reviewed the expenditure fund and explained the increase in the revenue bonds.

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Major and Local Streets:

Mr. Becker said on page 20, the general recap of Major Streets, would let you see where the fund balance is and where it is going. One of the things you may want to know is why there is a \$548,000.00 deficit in the current year. You will find the reasoning for this further back in the budget book. The Gas and Weight Tax Act 51 expires September 30, 2000. There is a committee that has been formed and in place, by the Governor, for the past 18 months, but nothing has been done. We have tried to predict what our distributions are going to be. We also found from the State of Michigan, that the inclusion or take over of that ten miles of county roads, the revenues that we were to immediately see, there was a one year lag when they began to recognize the extra mileage. We hope to see the impact of that additional mileage in the coming budget.

Mr. Major said he appealed the revenue issue to the State Highway Department and has faxed all the information twice. They know they owe us some money. He explained further details concerning this issue.

Mr. Becker said on page 120 you can see what the expenditures are. The construction area shows different projects the Council has previously acted upon. The numbers in the budget reflect the entire expected cost of the City for those projects. He then asked Mr. LaDuke to explain from an operational standpoint.

Mr. LaDuke explained that Mr. Throop had scheduled time off and that's why he wasn't present. He noted that both the Major and Local Streets consist of the same staffing as in the past. The only change comes from the re-organization of the DPW. There is still about \$85,000.00 left from the Bond issue in Major Streets and we hope to get that spent by July 1st. We also have a list of projected projects that we will bring back to Council. The projects for the Major Street are the intersection at Lapeer and Lippincott and curbing all the streets that come out onto Lippincott from Lapeer Heights. We also have about \$400,000 for maintenance in Local Streets and we have some intersection problems that will be brought before Council for review and approval. We also need to go into some of our older streets that were paved in the late 1970's, for maintenance purposes.

Mr. Major said we are open for any suggestions of streets that you might think need to be redone.

Motor Pool:

Mr. LaDuke said the Motor Pool budget is status quo and there would be no additional staffing.

Mr. Becker commented that the way this fund makes money, is by renting out the equipment they buy to the using departments. Their primary sources are through the equipment rental in the various funds. Also, from an inventory standpoint, we funnel the items used in the street department through this fund as well. One of the changes within the last couple of years is that we have a different mechanic on board and everyone has said there is more efficiency in getting the equipment repaired. Many of the larger public safety repairs that were being shipped out are now being done in-house. We are continuing to maintain positive retained earnings in this budget.

Mr. Becker then reviewed the Capital Projects budget. He said the equipment being proposed in the motor pool are two pickups going to the Building Department; we are proposing the ditching excavator should be replaced; the backhoe was discussed in the Water Department budget and finally, office equipment that will be utilized in the Motor Pool. He said several other pieces of equipment was sent to the State for auction and he understands that the revenues were very good from these items. We have decreased the number of road graders because of the decrease in gravel roads. Mrs. Zelenko had discussed the fencing of the motor pool and that is a \$65,000.00 item that is not in this budget.

Mr. Major noted that although there is an open area, there is not a security problem with the equipment, because it is not kept in this area.

COUNCIL DISCUSSION:

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Sewer Department:

Mr. Major said this will serve as a pump station and this is the last group of residential homes left for construction. We would like to get this done before the millage expires, because they have been paying the millage for the past 26 to 28 years.

Mr. Riess said the balance of the construction is basically maintenance related.

Mr. Major explained how the pump stations would service the internal sections of the city.

Mr. Brawner inquired about the pump station located behind his residence and asked if it is the City's responsibility to maintain the pump stations once they are built.

Mr. Major explained the process of the internal grinder pump and the pump station. He said it is the City's responsibility to maintain the pump stations, but not the grinder stations.

Mr. Becker said he wanted to clarify that on the revenue side you will see the line item interest due from water. We did use an internal borrowing of monies from sewer to water to accommodate the watermain extension down Belsay Road to Maple Road and also for the installation of water along Maple Road.

Mrs. Tinnin asked about the audit for sewer on the expense side.

Mr. Becker replied that different funds are charged for use of the auditor's time.

Mr. Major said there is a future sewer line being built by the County. He asked for an update from Mr. Riess.

Mr. Riess stated that Genesee County is researching to see if there is federal money that may be available.

Water Department:

Mrs. Tinnin asked what the cash value is in the sewer department. She also asked if the City had ever lowered the sewer rates and if the rates are based on what the county charges each community.

Mr. Becker replied there is about \$5 or \$6 Million in cash reserves and there is a healthy interest earnings, which allows us to operate by generating revenue. Mr. Becker said the sewer rates were lowered one time because the rate from the County was reduced. Mr. Becker noted that although there will be a substantial savings of time with the new meter radios, this will not also be true for the office staff. This could possibly triple the work and could be a burden on the collection area because of the limited personnel.

Mr. Hammon spoke concerning any changes accrued from the County when they come to a situation such as the one the Admiral had on South Saginaw.

Discussion was held at length regarding the final bill concerning the Admiral Station mishap.

Mrs. Tinnin asked who the inspector would be for such a situation. She was advised the Drain Commission, DEQ or the Fire Department.

Major and Local Streets:

Mrs. Tinnin asked if she could get a list of the streets from Mr. Throop. She was advised yes.

Mr. Brawner asked if Meadowcroft Subdivision would be done this year or how much is completed at this time.

Mr. LaDuke said no, Meadowcroft would not be done this year. He said they are about 40% done, and the bad part was completed. He said the contrary to its appearance, the street is structurally sound.

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Mr. Brawner asked that although the Major Streets have been budgeted this year, it doesn't mean the streets will be done this year, correct?

Mr. Major said the money won't be spent this year.

Further discussion continued concerning the repair of streets.

Mrs. Tinnin inquired about the guardrail on I-69. She also asked about the increase in traffic signs and controls.

Mr. Becker stated that in the Act 51 formula, we receive dollars for state trunk lines that fall within our jurisdiction.. He said when construction work is done, we are obligated by law to contribute 8.75% of the construction costs. We don't have to maintain it, but we must participate in the construction. Mr. Becker said the contractual service was increased to accommodate one or two traffic signal improvements. We will also pay an amount for railroad crossing rentals when they cross our roads. He explained the funding of the major and local streets.

Mrs. Tinnin asked how the section of old North Genesee Road could be paved.

Mr. Cross entered the meeting at 3:55 P.M.

Mr. Major replied there is only one option, and that would be through the special assessment process. He said at one time the City offered a 25% match but this was eliminated. He then explained how the previous special assessments were done.

Mr. Centilli stated that Council could vote 7-0 to get a street paved.

Mr. Cross noted that when Council votes 7-0, it would be better to have the percentage close to 50% for the paving. If not, we may have a lot of disgruntled people.

Motor Pool:

Mr. Cross asked if bids had been taken on the equipment that was ordered.

Mr. Major said either they were bid or they were obtained through the Oakland County bids.

Further discussion was held concerning the equipment.

Mr. Becker stated that this is the first time we have used the State to auction our equipment. He said he thinks this will be beneficial to the City. We also have a lot of non-vehicle items that we must dispose of.

Mr. Cross asked how the State advertises.

Mr. Becker said he is not aware of how they do their advertising.

Meeting Adjourned at 4:17 P.M.

Cheryl M. Ladd, CMC/AAE
Deputy City Clerk