CITY OF BURTON
SPECIAL COUNCIL MEETING MINUTES
APRIL 27, 1998, 7:00 P.M., COUNCIL CHAMBERS

The Special Meeting was called to order by President Ted Hammon at 7:00 P.M.

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

MEMBERS ABSENT: None.

OTHERS PRESENT: Mayor Charles Smiley; S. Perez, Purchasing Agent; J. Major, DPW Director; D. Neiman, Bond Counsel; R. Bendzinski, Finance Advisor and G. Webster, City Clerk.

PURPOSE OF THE MEETING: DISCUSSION AND POSSIBLE ACTION REGARDING THE FOLLOWING ITEMS:

1. Acceptance of Low Bid and Award the Sale for $995,000.00 of "Special Assessment Limited Tax Bonds Series I, 1998" and the printing thereof for Districts P-97-2 James St.; P-97-3 Mandeville St.; P-97-4 Howe Rd.; P-97-5 Judd Rd.; P-97-6 Allen St.; P-97-7 Christner St.; P-97-8 Springfield St.; and W-97-1 Meadowcroft Estates.
2. Acceptance of Low Bid and Award the Sale for $2,500,000.00 of "Water & Sewage Disposal System Revenue Bonds Series 1998" and the printing thereof.
3. Acceptance of Low Bid and Award the Sale of $2,500,000.00 of "1998 Michigan Transportation Fund Bonds" and the printing thereof for major street improvements.

PRESENTATION:

Mayor Smiley said a Burton delegation consisting of Brad Becker, Jeff Major, Dennis Neiman, Robert Bendzinski and himself made a recent trip to Chicago, in hopes of improving our financial rating. The trip was successful resulting in a favorable influence on today's bond sale. He asked Mr. Neiman and Mr. Bendzinski to share the good news of the bond sale.

Mr. Neiman, our Bond Counsel, said the City had good news. Three bond issues were sold today at 3:00 P.M. The first one was for $995,000 Special Assessment limited tax bonds. The twenty year bond issue came in at a rate of 4.9235% to Comerica Securities. The second one was for $2,5000,000 Transportation Fund Bonds. The low bid came in at a rate of 4.743734% for fifteen years to Everen Securities, Inc. The third sale was for $2,500,000 Water Supply and Sewage Disposal Revenue Bonds. This fifteen year bond sale came in at a rate of 5.020431% to Piper Jaffray, Inc. He was delighted with the rate on the revenue bonds. When the delegation went to Chicago, they made a very impressive detailed presentation, as a result the revenue bond received a Standard & Poor's rating of A-. This was reflected in the excellent interest rates that were received today. Although, the BBB+ rating was not upgraded on Special Assessment bonds, we did receive very good feed back. The rating service was impressed with the excellent financial status of the City.

Mr. Bendzinski, our Financial Advisor, concurred with Mr. Neiman. He said the 20 year bond issues were excellent. These bonds came in well below the national average. He recommended we accept these bids with extremely low interest rates. He said the City has a strong financial position. Burton is rated about the same as Genesse County. These are extremely favorable ratings and the City Council, City Administration and Executive Staff should be commended for the outstanding job they have done.

AUDIENCE PARTICIPATION:

None.

COUNCIL DISCUSSION:

Mr. Martinbianco asked what local interest was generated in regards to the bond sale.

Mr. Neiman reviewed the companies that participated in the bond sale. He said there were many varied interest groups from local, as well as regional, underwriters. This speaks very well for the financial status of the City of Burton.

Council voted in blocks of 1a & 1b, 2a & 2b, and 3a &3b.

COUNCIL ACTION:

Martinbianco moved and Cross seconded the following motion:

1a. Approve and authorize the acceptance of the low bid for the $995,000.00 of Limited Tax Bonds, Series I, 1998 for a various public improvements for Special Assessment Districts P-97-2 James St.; P-97-3 Mandeville St.; P-97-4 Howe Rd.; P-97-5 Judd Rd.; P-97-6 Allen St.; P-97-7 Christner St.; P-97-8 Springfield St.; and W-97-1 Meadowcroft Estates, to Comeria Securities with an effective interest rate of 4.9235%.

Motion carried 7-0.

Martinbianco moved and Cross seconded the following motion:

1b. Approve and authorize the sale of $995,000.00 Special Assessment Limited Tax Bonds, Series I, 1998 for Special Assessment Districts P-97-2 James St.; P-97-3 Mandeville St.; P-97-4 Howe Rd.; P-97-5 Judd Rd.; P-97-6 Allen St.; P-97-7 Christner St.; P-97-8 Springfield St.; and W-97-1 Meadowcroft Estates, to Comerica Securities with an effective rate of 4.9235% and the printing thereof.

Motion carried 7-0.

Martinbianco moved and Zelenko seconded the following motion:

2a. Approve and authorize the acceptance of the low bid for the $2,500,000.00 Water and Sewage Disposal System Revenue Bonds, Series 1998 for water system improvements to Piper Jaffray, Inc., with an effective interest rate of 5.020431%.

Motion carried 7-0.

Martinbianco moved and Zelenko seconded the following motion:

2b. Approve and authorize the sale of $2,500,000.00 "Water & Sewage Disposal System Revenue Bonds Series 1998" for water system improvements to Piper Jaffray, Inc., with an effective interest rate of 5.020431%, and the printing thereof.

Motion carried 7-0.

Cross moved and Walls seconded the following motion:

3a. Approve and authorize the acceptance of the low bid for the $2,500,000.00 of Michigan Transportation Fund Bonds, Series 1998 for major street improvements to Evern Securities with an effective interest rate of 4.743734%.
Motion carried 7-0.

Cross moved and Walls seconded the following motion:

3b. Approve and authorize the sale of $2,500,000.00 of Michigan Transportation Fund Bonds, Series 1998 for major street improvements to Evern Securities with an effective interest rate of 4.743734%, and the printing thereof.
Motion carried 7-0.

Meeting Adjourned at 7:15 P.M.

Gayle Webster
Burton City Clerk

GW/cml