

CITY OF BURTON
COUNCIL WORKSHOP MINUTES
MARCH 26, 2008, 5:30 P.M., COUNCIL CHAMBERS
www.burtonmi.us

Council President Tom Martinbianco called the meeting to order at 5:45 P.M.

MEMBERS PRESENT: Martinbianco, Wells, Tinnin, Haskins, Ellenburg, Heffner, and Conley.

MEMBERS ABSENT: None.

OTHERS PRESENT: Mayor C. Smiley, G. Kray, DPW Director, M. Holzer, Public Utilities Supervisor, R. Howarth, Street Foreman, Chief D. Halstead, and L. Young, Clerk Typist.

PURPOSE OF THE MEETING: Discussion relative to the 11.5 million dollar bond.

PRESENTATION:

Mayor Smiley stated that some of the projects being discussed were up to ten years old. He clarified that there are four distinct projects involved in the bond, including the rebuilding of Fire Station 2, expansion to the Motor pool, various water projects, and a sewer project. Mayor Smiley explained that the 11.5 million dollar bond would be split four different ways and go into four different funds. He clarified that the City has existing revenue available to make payments on the bond. Mayor Smiley made it clear that there would be no tax, water, sewer or any increases to pay for the payments on the bond. He stated that these improvements are necessary for the enhancement of the water and sewer systems, and buildings.

Mr. Howarth stated that in the thirty-six year period from the time that Burton became a city, the DPW garage is the only City building that has not had any renovations besides adding an office within the existing structure and adding a couple extra garage doors. He stated that the garage is not large enough to house all of the City vehicles, some of which need to be contained within heated structures in the wintertime. He said that they also need a truck hoist to maintain the dump trucks. He made reference to the need for more square footage and stated that they need a place to clean since they are currently using an outdoor hose in the cold weather. He stated that he is asking for a small portion of the bond money.

Chief Halstead spoke in reference to the replacement of Fire Station 2 and improvements to Fire Station 1, which is a converted pole barn, and Fire Station 3, which is a converted gas station. He stated that Fire Station 3 is in need of roofing repairs and Fire Station 2 does not have the ability to facilitate another fire truck. Fire Station 2 will need to be constructed with the aspiration of facilitating future full time firefighters, complete with dorms, showers, a kitchen and training area and facilities for both male and female firefighters. He mentioned that the City of Grand Blanc spent ten million dollars on a Police station that did not even have a Fire Station.

Mr. Holzer exhibited a PowerPoint presentation that included information on the City's water system. The south end system is the original system serving 20,500 residents daily, which requires the Water Department to maintain an S-1, which is the highest certification in the State of Michigan, by the Department of Environmental Quality and Environmental Protection Agency. Mr. Holzer stated further that the Water Department has treatment certifications for their

COUNCIL WORKSHOP AGENDA

MARCH 26, 2008 / 5:30 P.M.

PAGE 2

operators. He mentioned that the City has 100 miles of water main, 1,300 fire hydrants, 2,800 main valves, a 400,000-gallon water tower, and three water-pumping stations in the south end. He stated that if one of the pumping stations were to fail, the City would have a multi-million sprinkler system in the south end. Mr. Holzer pointed out that they have 6,900 water customers and 7,000 water meters that need to be maintained. The south end portion of the water system has reached its life expectancy of 50 years according to the guidelines set forth by the EPA. He made it clear that Burton has one complete water system that is licensed by the DEQ and EPA. He reiterated the importance of funding the water and sewer projects.

Mayor Smiley spoke in reference to the fact that it is the responsibility of the City Council to prioritize the suggested projects.

AUDIENCE PARTICIPATION:

Jane Nimcheski, 2429 N. Genesee, inquired as to whether or not the City sought out state grants to fund these projects.

David Burton, 2307 Judd, agreed that the water mains are in dire need of repair.

Dave Marshke, water and sewer foreman spoke in reference to the need for repairs to the water system.

Lawrence Frasier, 4358 Barnes, inquired as to how the City planned to pay for the bond.

Doug Serrels, 4435 Lawnwood, voiced his concern with the cost of the bond.

John Stapish, 5160 E. Atherton, inquired as to the cost of the bond for the Police and Fire station.

Catherine Younger, 4315 E. Atherton, suggested that the projects be taken care of gradually.

Bill Adamson, 1356 Wells, inquired as to how the City planned to pay for the bond.

Rick Fuhst, 1208 S. Genesee, inquired as to how the City planned to pay for the bond.

Robert Johnson, 1124 E. Maple, voiced his approval of the bond.

Geri Brotherton, 4331 Beechwood, inquired as to why the City has so many bonds.

Warren Nimcheski, 2429 N. Genesee, spoke in reference to the front foot fees.

Rick Fuhst, 1208 S. Genesee, inquired as to where the bond money would be going.

Bill Mahoney, 1116 Arrowhead, inquired as to why the City wants to take out a bond if there is currently a surplus.

COUNCIL DISCUSSION:

COUNCIL WORKSHOP AGENDA

MARCH 26, 2008 / 5:30 P.M.

PAGE 3

Mayor Smiley explained municipal financing. He stated that the water fund is not healthy enough to pay cash. He said that all consumers must pay when they tap in to the City's water system and that the Sewer fund is in great financial condition. The City is Charter limited to five mills and that they do not have the authority to raise property taxes. He also pointed out that the Police/Fire bond is now completely paid in full. Mayor Smiley made it clear that the City has done many improvements to without the residents ever seeing an increase on their taxes or utilities. The DEQ is concerned about the dead end lines because of the growth of bacteria.

Mr. Wells inquired about state aide for water lines.

Mr. Holzer replied that they are currently seeking the maximum state aide of 10 percent of the cost of the water system.

Mr. Wells asked Chief Halstead how fire fighting abilities are affected in the South end with the low-pressure water system.

Chief Halstead replied that during the fires at Boulder Creek, they had requested a water pressure boost, but DPW could not fully accommodate for fear of breaking the infrastructure of the water system. He also stated that the improvements would benefit the residents by lowering their homeowner's insurance.

Mike Holzer spoke in regards to the Santac Study.

Mrs. Tinnin said that she does not feel responsible for looping a public water main for Fifth Third bank. She stated that the Fire Station is a true capital improvement and that we need it.

Mr. Haskins inquired as to where the money would be coming from to pay for the emergency improvements of the water system when it breaks and it is too late to go out for a bond. If the money runs out of the unappropriated water surplus, than the water rates will have to increase to pay for the improvements if we do not go out for the bond. He inquired as to who would benefit from the looping of the Fifth Third water line.

Mr. Holzer stated that others would benefit from the looping of the 5/3rd water line.

Mr. Haskins asked why there had been deficits in the past in the water and sewer departments.

Mayor Smiley explained that the previous City Council would not pass on the water increase from the County to the residents and was using the unappropriated surplus to cover the difference.

Mr. Kray stated that all water rate increases are penny for penny, meaning that if the County raises the water rates by five cents, then the City passes on the increase to the residents by five cents.

Mayor Smiley stated that the money in the General Fund has never gone to offset the water deficit and no one has ever received free water.

COUNCIL WORKSHOP AGENDA

MARCH 26, 2008 / 5:30 P.M.

PAGE 4

Mr. Haskins inquired about the arsenic in the water in the South end.

Mayor Smiley confirmed that there is arsenic in the water in the South end.

Mr. Haskins stated that the people would not have to worry about arsenic in their water if they have the ability to tap into City water.

Mayor Smiley stated that Flint Township has asked the City to participate in reconstructing the Fenton road water system and split the cost 50/50. He also stated that it would give the residents at the mobile home park the opportunity to tap into City water, which means income for the City.

Mr. Haskins stated that another council member eluded that the City is getting developers out of debt and inquired about the details regarding that situation.

Mayor Smiley confirmed that the City is not helping anyone get out of debt and that we are responsible for putting in infrastructure such as roads, water and sewer. He also stated that the City started special assessing the water, sewer and roads for the residents of Pebble Creek and that the bank financed everything. Mayor Smiley stated that the developer failed to pay his taxes for three years and the bank said that they were going to walk, so he would be willing to file a lawsuit against the bank. He continued to explain that when the lot is sold the back taxes would be paid back to the City.

Mrs. Conley asked why the City waited so long to fix the problem in the South end.

Mrs. Holzer replied that there is no way to increase pressure in one area of the South end without affecting the rest of the system and because of the deterioration of the system.

Mrs. Tinnin inquired as to how much the five miles of water main would cost.

Mr. Holzer corrected that Mrs. Tinnin and to have the record show that there is 1.3 miles of water lines and that it would cost \$850,000 to \$900,000.

Chief Halstead stated that Flint Township has been asking him for years to plead with the Mayor to enter into an agreement to enjoin with the Fenton Road water main.

Mr. Kray stated that when the mobile home park taps in to the water system, they would cover forty percent (40%) of the City's cost for the entire run from Maple to Bristol.

Mr. Wells stated that they are not obligated to go forward with any of the previously mentioned projects. He also stated that if the bond issue gets put on the ballot for the next election it could end up costing the City up to \$20,000. He asked the residents to let the professionals do their jobs.

Mrs. Ellenburg stated that it makes her feel better that the bond for the Police and Fire building is currently paid in full.

COUNCIL WORKSHOP AGENDA

MARCH 26, 2008 / 5:30 P.M.

PAGE 5

Mrs. Tinnin stated that if the petition drive is successful then the City would not have to pay money to place that issue on the next election.

Mayor Smiley corrected Mrs. Tinnin and stated that whenever the City has any issues on the ballot the City is responsible for the cost of the election.

Mr. Haskins asked Mrs. Tinnin how she expected the City to pay for emergency improvements if they do not seek out the bond.

Mrs. Tinnin replied that the City needs to special assess the people that are benefiting.

Mr. Haskins asked whether or not the City is one complete system.

Mr. Martinbianco clarified that the City of Burton has a unitary water system.

Mr. Haskins stated that since it is a unitary water system, repairs would end up affecting the residents across the whole city if they do not get the money from the bond and perform the preventative maintenance now.

Chief Halstead stated that even though everyone agrees that the improvements to the Fire Stations are needed, the circulation of these petitions to send the bond issue to the ballot is killing the opportunity to obtain these improvements.

Mayor Smiley stated that the \$18.00 hydrant fee was eliminated from the taxes of those people who lived within 1000 feet of a water hydrant by absorbing the cost in the water fees. The front foot fee is currently \$21.00 a foot. The Fire Station project could only be funded out of the General Fund.

Mr. Kray stated that council could spend any or all of the \$11.5 million as they see fit. He said that the southeast relief sewer is roughly \$3 million, Fenton Road water is \$800-900,000, Vassar is \$1.5 million and each job is based on footage.

Mr. Wells stated that the 5/3rd loop and Fenton Road projects have taken so long because it has come before Council four or five times in the past and it was voted down.

Meeting adjourned at 9:05 p.m.

ljy