



CITY OF BURTON
FINANCE COMMITTEE MEETING
MAY 9, 2022
AGENDA

Council Chambers

Regular Meeting

5:30 PM

4303 S. CENTER ROAD
BURTON, MI 48519

A. ROLL CALL

B. STAFF PRESENT

C. MINUTES APPROVAL

1. Finance Committee - Regular Meeting - Feb 28, 2022 5:00 PM
2. Finance Committee - Regular Meeting - Mar 7, 2022 6:00 PM

D. AUDIENCE PARTICIPATION

Now is the time set-aside for members of the audience to address the Finance Committee. I would ask each individual to give their name and address for the record and to limit their comments to three (3) minutes and to speak on the topics germane to City business.

E. COMMITTEE DISCUSSION & ACTION ON THE FOLLOWING ITEMS:

1. Discussion on determining an amount to be considered a substantial financial gain as outlined in the City Charter for the purposes of city council and other board members voting.



CITY OF BURTON
FINANCE COMMITTEE MEETING
FEBRUARY 28, 2022
MINUTES

Council Chambers

Regular Meeting

5:00 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Chair Tom Martinbianco at 5:00 PM.

A. ROLL CALL

| Attendee Name | Title | Status | Arrived |
|------------------|------------|---------|---------|
| Tom Martinbianco | Chair | Present | |
| Vaughn Smith | Councilman | Present | |
| Greg Hull | Councilman | Present | |

B. STAFF PRESENT

Charles Abbey, DPW Director/HR
Racheal Boggs, City Clerk

C. MINUTES APPROVAL

1. Finance Committee - Regular Meeting - Mar 15, 2021 6:30 PM

Meeting Minutes were not discussed. No vote taken.

D. AUDIENCE PARTICIPATION

None.

E. COMMITTEE DISCUSSION & ACTION ON THE FOLLOWING ITEMS:

1. 5298 : Financing for Sewer Projects

Mr. Martinbianco stated he talked to Tom Colis who handled Phase 1 of our SRF. He indicated that we do not want to go out on the open market with our credit rating. He said we can get a 1.875% interest rate on a 20 year bond. It is 2.25% for a 30 year. I also asked him about taking money out of ARPA and prepaying \$1 million so we are borrowing less and maybe fit it into a 20 year. He seemed positive about that.

Mr. Smith stated those rates are great. Can we lock in the rates for phases 3, 4 and 5? You know it will go up.

Mr. Martinbianco stated he mentioned that. There is a cost problem because we don't know what those costs will be. The ARPA money has to be spent by 2024. Because of the time frame, that application most likely cannot be applied to other phases. We may be able to bond for it but my recollection is you have about three years to spend the proceeds. So, that would be like trying to undertake all those projects at

once and we might not have enough qualified contractors to get the work done. I don't know what the penalty is for being unable to execute the project.

Discussion continued regarding interest rates, bonding and ARPA funding.

Mr. Abbey stated I spoke with Mr. Colis and Benzinski myself. Bonding is still cheap money. It would be foolish with the uncertainties in the economy to not take advantage of it fully for Phase 2. I maintain what I said from early on that we are in a good position, financially. There are a lot of things we should consider as a team. Going forward, if we want to keep rates competitive, we have to manage responsibly and tight. We also have to grow the system. Growth is our only means of survival long term. None of us want to raise rates. Tom Colis said it would be foolish to spend your liquid cash if we don't have to right now. I concur. Looking forward if the feds decide to raise the rates to 4%, that can add up to a lot of money. We cannot lock in Phase 3, 4 and 5. Each phase is its own and has to be bonded at that time and approved by council. We are putting in for all the funding that is out there. We are in a good place. We have APRA funding. It is up to the council how they want to spend the money. We should not miss out on this opportunity. Don't spend all our cash. We can always pay things off if we need to. This gives us the flexibility.

Mr. Hull asked if we can combine phases.

Mr. Abbey stated we could have but we are at the mercy of the contractors right now. Each phase also has preliminary designs. Phase 3, 4 and 5 are not ready to be constructed today.

Mr. Smith stated we have a substantial balance in the sewer fund that is earning 2%. With inflation, they will raise that. The bond market will change. We are in a lull right now. We will make more money on the money in the bank than what we will pay to borrow. We should keep the ARPA money out of it. We should bond for the second phase and let our money make more money. Next year, we can see where we are at.

Mr. Abbey stated bonds are capped at 2.5% according to Tom Colis whereas open market will definitely rise. You have to rely on the bond counsel.

Discussion continued on interest rates.

Mr. Martinbianco asked if the bond counsel can come to a future meeting.

Mr. Abbey stated they are available on March 21st. We will reach out to them tomorrow. This will help us have a clear picture of what to do going forward.

Mr. Martibianco stated we talked about using ARPA money for the waterline extension. I am in favor of this but, we may have to do some sewer expansion and I am not sure what those might cost. This would be totally separate from what we are discussing.

Mr. Abbey stated we have the capacity as it stands today but if we do need to do an expansion, that's the beauty of having a healthy sewer fund balance. We can pay for those things out of the fund balance. This is why I caution you not to burn up your cash reserves that can be used for these unforeseen things that may come up.

Discussion on the future building project near Nehrings.

2. Discussion on budget amendment of \$40,000 to the Memorial Day/50th Anniversary event.

Mr. Martinbianco asked if the committee members have received a budget outlining how this money will be spent.

The commission stated they have not.

Mr. Martinbianco stated the final number in the budget for the Memorial Day event from last year was around \$19,000. This year, we budgeted \$40,000, \$20,000 for Memorial Day and \$20,000 for the 50th anniversary. We thought that amount would suffice. My understanding was we would do a 2-3 day event. I am unaware of the events. Did we reach out to school bands? To compliment matters, the Downtown Development Authority pledged \$10,000 to the event. That should take a little burden off the council. I would have thought the administration would've brought a budget. This is almost \$100,000 city commitment. Maybe \$20,000 is a better number.

Mr. Smith stated the Mayor has indicated that he needs \$20,000 plus to pay the DPW and police. This doesn't include any of the activities. I am struggling with making the decision not having any budget information in front of me.

Mr. Hull stated he spoke with the Mayor. He stated the labor was always part of the budget and that the council said to come back to council later if he needed funding. I have not seen a break down of the events.

Mr. Smith stated if a resident calls and asks me what I did with their money, right now I would not have an answer. I do know the city is soliciting for contributions. We need a break down of events, a budget from start to finish. I don't want to tell them how to do it, just plans including how they are going to market it. I have to see a budget before I can vote for it.

Mr. Martinbianco stated having the event on Friday is overreach.

Mr. Hull stated I do want to defend the committee in the sense that they have been having planning meetings. I don't want to come in and do the planning or tell them what to or not to do. We should fly at 30,000 feet on this. I agree we need a budget.

Mr. Smith stated he does not want to disparage the committee. Putting on events is hard work.

Discussion continued on scheduled vendors and events, labor costs, limiting the event to 2-3 days, whether contracts have already been signed or not, alternate proposals from the administration, reasoning for selecting events and speaking to event leadership at a future meeting.

The Finance Committee would like the administration to provide the following prior to the Finance Meeting scheduled for Monday, March 7, 2022 at 6:00PM for the purpose

of discussion and possible action on budgeting for the Memorial Day/50th Anniversary event:

- Provide an itemized event budget outlining events, vendors, entertainment, marketing, etc., including associated costs/projected cost.
- Present any alternate proposals to the committee.
- Have a leadership member of the event committee in attendance at the next Finance Meeting to answer the following questions and other questions proposed by the Finance Committee: What did we do to arrive at this budget figure? Have any contracts already been signed? If so, how much money are we already locked into? Can we afford to do four nights of events at \$20,000 in labor costs?

Mr. Martinbianco stated in the absence of the administration, Madam Clerk please inform the event leaders that we would like this information prior to the weekend so we can review it properly prior to the finance meeting next Monday.

Ms. Boggs confirmed the committees request and will pass the information along to the administration.

Meeting was adjourned at 6:10 PM.



CITY OF BURTON
FINANCE COMMITTEE MEETING
MARCH 7, 2022
MINUTES

Council Chambers

Regular Meeting

6:00 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by Chair Tom Martinbianco at 6:00 PM.

A. ROLL CALL

| Attendee Name | Title | Status | Arrived |
|------------------|------------|---------|---------|
| Tom Martinbianco | Chair | Present | |
| Vaughn Smith | Councilman | Present | |
| Greg Hull | Councilman | Present | |

B. STAFF PRESENT

Duane Haskins, Mayor
Racheal Boggs, City Clerk
Charles Abbey, DPW Director/HR

C. MINUTES APPROVAL

1. Finance Committee - Regular Meeting - Mar 15, 2021 6:30 PM

| | |
|------------------|-----------------------------|
| RESULT: | ACCEPTED [UNANIMOUS] |
| MOVER: | Vaughn Smith, Councilman |
| SECONDER: | Greg Hull, Councilman |
| AYES: | Martinbianco, Smith, Hull |

D. AUDIENCE PARTICIPATION

None.

E. COMMITTEE DISCUSSION & ACTION ON THE FOLLOWING ITEMS:

Mr. Martibianco stated he would like to know what obligations the city has made already and what the event was going to be like. Last week, at the Finance Meeting, we did not have a budget.

Mayor Haskins stated as I explained at the Council Meeting when this was on the agenda, we have the funds to cover all the events we have planned.

Mr. Martinbianco asked other than what was previously budgeted, what funds do we have to date?

Mayor Haskins stated we have roughly \$16,500 in donations.

Mr. Maritinbiaco asked if that includes the DDA's contribution.

Minutes Acceptance: Minutes of Mar 7, 2022 6:00 PM (Minutes Approval)

Mayor Haskins said, yes.

Mr. Martinbianco stated originally, we budgeted approximately \$40,000.

Mayor Haskins stated we have the money to cover the event but we do not have enough to cover labor. We are anticipating more donations to come in but we are not sure how much. If the donations come in, the money can be put back.

Mr. Martinbianco stated this is a unique event. It is going to require everyone's participation. We need to think about the extent that we are going to do that. What do you know about how the events are going to go? Can we confine this to a 2-3 day event?

Mayor Haskins stated Friday will be the Burton Idol Contest along with a DJ. Saturday, we have a corn hole tournament and two bands playing and kids activities throughout the day. Sunday, the morning is still in discussion on a possible church service. We have children's activities and two bands scheduled. Monday will be strictly Memorial Day activities including a parade. Last year, for Memorial Day alone, we spent \$37,000 with \$21,000 donated. With this event, adding the 50th celebration, there are more days and more things to exonerate the 50th anniversary.

Mr. Martinbianco stated he would like to see the event compressed to Saturday-Monday. Friday is over reach. This will help mitigate the cost.

Mr. Smith stated he spoke to John Dombrowski who stated the committee is working with reputable people. He suggested offering VIP sponsorship. Tickets can be given to bigger sponsors as an incentive. Maybe there is a way to do what he is suggesting to help with the cost.

Mayor Haskins stated we are working with people who are giving us a huge discount. Mark Farner is waiving his fee.

Mr. Hull stated the committee has done a thorough job of planning. They are soliciting businesses to participate.

Mayor Haskins stated there are a few businesses out there that have promised money but we have not received it yet. There are also businesses that have not participated in years and are getting involved. I originally asked for \$50,000 for the anniversary event. You budgeted \$20,000 and council said to come back and ask for more if needed. I am coming back to ask. The biggest cost is employees to work the event. Friday night is not that costly; it is only 6PM-10PM.

Mr. Smith stated it is not the council's responsibility to tell you how to put on the event. We are only in charge of the money.

Mayor Haskins stated, if you give the \$40,000, we will not come back and ask for more money. We are looking at every cost saving measure possible. I just do not want to downplay our 50th anniversary.

Mr. Hull stated if we are able to lock in Farner, it may be easier to fundraise.

Mr. Martinbianco asked about parking.

Mayor Haskins stated last year, we hosted 5,000 people. Parking has never been an issue. We have other plans for donations of shuttle buses, if needed.

Mr. Abbey stated we can also shut down the outside lanes down Center Road for parking like we have in the past.

Mr. Martinbianco stated we spoke about a council welcome tent. We need to make this a quality event with no outside distractions. Everyone involved in the city since 1972 should be recognized.

Mayor Haskins stated we have been reaching out to past mayors and councils for the past year regarding the event. Since no one wants to share a tent, logistically we could open up the police training room that has air conditioning, water and facilities to use for this. They would be front and center at the event.

- A. Motion to refer to City Council: Approve a budget amendment of \$40,000 for the Memorial Day/50th Anniversary event.

| | |
|------------------|----------------------------|
| RESULT: | CARRIED [UNANIMOUS] |
| MOVER: | Vaughn Smith, Councilman |
| SECONDER: | Greg Hull, Councilman |
| AYES: | Martinbianco, Smith, Hull |

Meeting was adjourned at 6:34 PM.

Minutes Acceptance: Minutes of Mar 7, 2022 6:00 PM (Minutes Approval)



Finance Committee
4303 S. Center Road
Burton, MI 48519

Meeting: 05/09/22 05:30 PM
Department: Clerk's Office
Category: Finance
Prepared By: Racheal Boggs
Department Head: Racheal Boggs

E.1

SCHEDULED

AGENDA ITEM (ID # 5409)

DOC ID: 5409

Discussion on determining an amount to be considered a substantial financial gain as outlined in the City Charter for the purposes of city council and other board members voting.