

CITY OF BURTON

FINANCE SUB-COMMITTEE MEETING MINUTES

The Finance Meeting was called to order by Keith Cox, Chairman at 9:10 P.M.

Members Present: Abbey, Cox and Martinbianco.

Members Absent: None.

Others Present: J. Major, DPW Director; D. Lowthian, Assessor; R. LaDuke, Building Supervisor and G. Webster, City Clerk.

PURPOSE OF THE MEETING: Discussion and Possible Recommendation concerning the

following items:

1. Maplewood Meadows - Phase 2
2. Street Lighting Contract
3. Black Creek Sanitary Study-Lapeer County
4. Ordinance No. 68 (C)

Lawsuit

PRESENTATION:

Maplewood Meadows - Phase 2

Mr. Major said Maplewood Meadows Phase 1 is well under way. Deposits have been made and closing procedures have taken place on a majority of homes in Phase 1. Due to the time constraints, developers are asking for approval of Phase 2 to allow for construction of roads and utility systems before Winter and into early Spring. The estimated costs by CHMP's engineer will likely be lower than printed, yet it will be somewhat higher than Phase 1 due to the rolling terrain landscape. There will be a shallowing of sanitary sewers in some locations and deep cuts in others. The developers were present to answer any questions the Committee might have in reference to Phase 2.

Street Lighting Contract

Mr. Cox reported the current street lighting fees have dramatically increased in the last few years. This issue was discussed during budget negotiations.
A

majority of municipalities now charge user fees for such things as water, sewer and lighting. The charge per household would be about \$16-\$18 a year. The costs of lighting has almost reached the \$300,000 mark, which is about a \$30,000 to \$60,000 increase. We have two choices, to ask for a millage increase or add it to the tax roles. The money previously allocated for street lighting could be earmarked for General Funds for capital needs. Currently, there are no funds set aside for Capital Improvements.

Black Creek Sanitary Study-Lapeer County Lawsuit

Mr. Major said we owe more than we agreed to pay concerning the Black Creek Sanitary Study. The Lapeer County Drain Commissioner, John Cosens, is holding fast and is contesting the lawsuit. He does not want to tap into Davison's Sanitary Sewer System. The Council originally agreed to \$750 funding for this project and later extended the amount to \$1,000. Burton still owes \$1,052.91 and the suit is ongoing.

FINANCE COMMITTEE MEETING MINUTES

SEPTEMBER 9, 1996/9:00 A.M.

PAGE -2-

Ordinance No. 68 (C)

Mr. Cox said the Mayor proposed to delete Section 6 of Ordinance No. 68 (C).

This would eliminate bonuses in lieu of a 2-1/2% wage increase for all charter and non-charter members. This would include 10 positions with a total transfer from General Funds of \$15,100. He said administrators are at the low end of the pay scale compared to other like municipalities.

Mr. Lowthian clarified that a 2-1/2% pay raise had already been approved at budget time. This would provide for a total 5% raise across the board after the elimination of Section 6.

Mr. Martinbianco asked for clarification of the 2-1/2% raise to all charter and non-charter members.

AUDIENCE PARTICIPATION:

Maplewood Meadows - Phase 2

Mike Conn, Marketing Division for Rizzo Developers, commented on Phase 2. There were deposits made on new homes and 30% have closed, eight more will close by the end of the month. All homes are presold except lot #36. In Phase 2, thirty lots are reserved, which accounts for half of the lots. He would like to get the roads in place, so work can begin on time in the spring.

Street Lighting Contract

Pauline Dargel, 6119 Hugh, inquired about the requirements of new development installing street lighting, sharing the cost of lighting with bordering municipalities and who is responsible for the cost of expressway lighting.

Mr. Cox said the new developers install street lighting.

Mr. Major said developers are not required to install street lighting; however, there is an understanding that it needs to be provided. There aren't too many problems with developers installing underground wiring for utilities. The City does pick up energy costs at large. He believes neighboring boundaries do share lighting cost and expressway lighting is covered under Act 51 that provides for the general maintenance of state highways.

Mr. LaDuke thinks the assessment of street lighting would benefit the City; and the additional funds generated for Capital Improvements are greatly needed.

Mr. Major said Grand Blanc has set up special assessment districts.

Black Creek Sanitary Study-Lapeer County Lawsuit

None.

Ordinance No. 68 (C)

Pauline Dargel, 6119 Hugh, commented on Ordinance 68 (C) in reference to bonuses and MERS members.

Mr. Cox said after reviewing salaries of similar municipalities, Burton's

wages are low. Many administrators have worked for the City for 24 yrs. and have experienced increased work loads.
FINANCE COMMITTEE MEETING MINUTES
SEPTEMBER 9, 1996/9:00 A.M.
PAGE -3-

Mr. Lowthian said the Personnel Director and the Mayor's Secretary are not in the MERS plan.

Mr. Abbey agreed there is more work and less people to do it. He has conducted wage studies and Burton is at the low end of the pay scale. He prefers to do away with the bonuses.

Mr. LaDuke said the 2-1/2% increase was well deserved. The decision on who will get a bonus and when is not desirable. He thinks this should be eliminated.

COMMITTEE DISCUSSION:

Maplewood Meadows - Phase 2

Mr. Martinbianco wanted some clarification on sewer costs.

Mr. Major said the price would be less than predicted. A more realistic price would be about \$150,000. On October 7, 1996, sewer and water bids will be brought before Council for approval.

A short discussion was held concerning funding of the water/sewer system. Originally, funding will be deducted from the water fund and later be distributed to the appropriate fund. The back portion of Phase 2 would utilize the existing water/sewer system of an adjacent subdivision.

Discussion continued on the number of homes started, roads, drainage, utilities and the availability of sewer units.

- Approximately, 15 homes are under construction.
- Roads should be in before winter.
- All drainage problems have been resolved with the County.
- Consumers Power's utilities have been installed in Phase 1.
- Currently, Burton is not prohibiting developers from buying into our sewer systems.

Street Lighting Contract

Mr. Martinbianco said this idea, as well as others, need to be looked at as interesting and innovative means of financing. For example, assessing the right-of-way of telephone transmittal lines is a potential alternative. He thinks Consumers Power should install energy efficient street lighting. Commercial and industrial parcels should be looked at in assessing street lighting. If this is to be done, Burton should have a concrete plan for the redistribution of these funds.

Mr. Abbey does not oppose the assessment of street lighting, but he thinks we need to educate the public on this issue and have a responsible plan for usage of these funds.

Mr. Cox agreed that there should be a definite plan as to what the money would be earmarked for specifically. Budget reductions might be an alternative; however, there is no money available.

Discussion continued concerning the possible options on special assessment of street lighting.

FINANCE COMMITTEE MEETING MINUTES
SEPTEMBER 9, 1996/9:00 A.M.
PAGE -4-

Black Creek Sanitary Study-Lapeer County Lawsuit

Mr. Abbey suggested Burton pay the bill of \$1,052.91.

Mr. Martinbianco said this payment should be contingent upon a status report by Mr. Parks.

Mr. Major will ask that a Financial and Status report be submitted to Council.

Ordinance No. 68 (C)

Mr. Cox said during the budget process, it would be easier dealing with one issue. We should move the scale of pay to a more appropriate level.

Mr. Abbey said the language is important and should reflect the elimination of the bonus and still represent the 5% raise.

Mr. Lowthian said administration took a 5% reduction in wages when they joined the MERS program.

Mr. Martinbianco hoped the Council wouldn't be looking at a 5% raise again.
This item will not be ready for the next Council Meeting.

COMMITTEE RECOMMENDATIONS:

Maplewood Meadows - Phase 2

Martinbianco moved and Abbey supported the following motions:

1. Approve and authorize the construction of an 8" and 6" public municipal water system for Phase II of Maplewood Meadows Subdivision #2 (a single family development), Section 35, at an estimated project cost of \$181,000.00 (DPW Job #96-007-W).
2. Approve and authorize the transfer of \$181,000.00 from the 1996/97 Sanitary Sewer Unappropriated Surplus Account and/or Water Unappropriated Surplus Account to DPW Job #96-007-W subject to reimbursement through the collection of a front foot/lot fee, in addition to the mandatory tap-in and meter/inspection fees. (Note: A 100% payback will be received by the City through a front foot/lot fee from Phase II of Maplewood Meadows Subdivision #2 and paid back at time of sale of lot per contract with the City. Water fund transfer to be paid in full within ten (10) years of final plat approval or financial guarantee for improvements.
3. Approve and authorize the Mayor and Clerk to execute Exhibits "A" and "B" on behalf of the City of Burton and its City Council with CHMP, Inc. for engineering services in the amount of \$19,398.00 for DPW Job #96-007-W.
4. Approve and authorize the construction of an 8" and 10" public municipal sanitary sewer system for Phase II of Maplewood Meadows Subdivision #2 (a single family development), Section 35, at an estimated project cost of \$304,000.00 (DPW Job #96-006-SS).

5. Approve and authorize the transfer of \$304,000.00 from the 1996/97 Sanitary Sewer Department/Unappropriated Surplus Account to DPW Job #96-006-SS, subject to reimbursement through the collection of a front foot/lot fee, in addition to the mandatory tap-in and inspection fees. (Note: A 100% payback will be received by the City through a front foot/lot fee from Phase II of Maplewood Meadows Subdivision #2 and paid back at time of sale of lot per contract with the City).
6. Approve and authorize the Mayor and Clerk to execute Exhibits "A" and "B" on behalf of the City of Burton and its City Council with CHMP, Inc. for engineering services in the amount of \$24,676.00 for DPW Job #96-006-SS.
7. Approve and authorize the Mayor and Clerk to execute a contract on behalf of the City of Burton and its City Council with Blake Rizzo of Rizzo Development, Inc., 31511 Gratiot Avenue, Roseville, MI 48066 relative to Phase II funding for Maplewood Meadows Subdivision #2, that the payment of sanitary sewer and watermain front foot fee shall be with the sale of the lot.
8. Approve and authorize the City Controller to transfer \$41,424.00 from the 1996/97 Water Division Unappropriated Surplus to the Maplewood Meadows Subdivision #2, Phase II, a 59 lot subdivision, watermain service leads (DPW Job #96-007-W). (Note: 59 lots x \$750.00 meter and service fee will generate \$44,250.00).

Motion carried 3-0 to approve items 1 thru 8 for Maplewood Meadows Subdivision #2.

Street Lighting Contract

No action was taken on the Street Lighting Contract. A Committee report will be presented at the next Regular Council Meeting, September 9, 1996, with the

possibility of being a discussion item.

Black Creek Sanitary Study-Lapeer County Lawsuit

Abbey moved and Martinbianco supported the following motion.

Approve and authorize payment of \$1,052.91, as recommended by the Finance Committee, for legal services relative to Black Creek Sanitary Study-Lapeer County Lawsuit. Payment is contingent upon submission of Financial and Status reports.

Motion carried 3-0.

Ordinance No. 68 (C)

No action was taken at this time, pending further discussion at the next Finance Meeting to be scheduled within the next two weeks. In addition, the Committee would like input from Council.

Meeting Adjourned at 10:30 A.M.

Gayle Webster
City Clerk

GW/cml