

CITY OF BURTON
FINANCE SUB-COMMITTEE MEETING MINUTES
APRIL 29, 1998, 10:00 A.M., COUNCIL CHAMBERS

THE MEETING IS CALLED TO ORDER BY Cox at 10:00 A.M.

MEMBERS PRESENT: Cox, Martinbianco, Cross

MEMBERS ABSENT: None

OTHERS PRESENT: D. Halsted, Fire Chief, H. Troop, Road Superintendent, J. Major, DPW Director, J. Adams, Clerks Office.

PURPOSE OF THE MEETING: DISCUSSION AND POSSIBLE RECOMMENDATIONS
CONCERNING THE FOLLOWING ITEMS:

1. Possible purchase of Fire Vehicles.
2. 1998-1999 Budget Review of Local Street Construction/
Reconstruction line item.

PRESENTATION:

Chief Halsted said he submitted a request for funding for two fire vehicles, one would be from the budget and the second from CD funds. He has a second bid and tried to obtain a third bid but did not get a response.

Chief Halsted spoke on the bids for the vehicles. He stated he believes he has approximately \$109,000 set aside in Capital Improvement Funds earmarked for one of the trucks, which leaves a balance of \$31,000 that he is requesting from General Fund. The other truck at a cost of \$106,293, he is requesting from the CD allocation. He believes he has \$51,000 - \$52,000 in CD funds available at present and is requesting the other \$54,000 from CD funds.

Chief Halsted discussed the following bids for the trucks: The first truck's cost from Halt Fire is \$135,546, and from Boardman Emergency their cost of \$153,263. The cost of the second truck from Halt Fire is \$106,293 and from Boardman Emergency cost is \$124,841. Chief Halsted indicated he would like to go with his original bid from Halt Fire.

AUDIENCE PARTICIPATION: No audience participation.

COMMITTEE DISCUSSION:

Mr. Martinbianco said it is important to look at this in perspective of what is going to happen next year with the upcoming budget and that according to the budget that is proposed, \$113,831 is set aside projected through the end of the fiscal year 1998. Mr. Martinbianco said that it will be taken out of the capital improvement budget and Chief Halsted is suggesting that there are Community Development dollars set aside for vehicles.

Discussion was held at length regarding the use of the 1998 and 1999 CD funds being used for the purchase of new fire equipment.

Mr. Martinbianco said relative to 1999, the fire vehicle purchases and equipment being proposed is a one time capital needs expense. He asked Chief Halsted to explain that request because it is not anywhere else in the budget except under the General Fund summary.

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Chief Halsted said that money would be allocated for another pump truck. He told the Council last week he had four fire trucks down, engine 12 is an old truck and that money would be allocated for a new pump truck and equipment at Station #1.

Mr. Cross asked if it was a grass rig.

Chief Halsted stated it is a full size pumper to replace engine 12.

Discussion followed on the engine's worth and possible advertising of it on the Internet.

Mr. Cross questioned the use of borrowing from our own CD funds. Discussion followed.

Chief Halsted said he understood if we did not have funds available, we could borrow from another unit of government. He said we have CD funds that are unallocated or allocated for areas where they are not in use that we could borrow from, such as the housing area.

Mr. Cross spoke on the two original 2 bids.

Chief Halsted indicated a grass rig, pumper and two squads would put them in excellent shape for the next number of years and then he could start looking at setting aside capital improvement funds toward a fire station in the southeast corner of the city.

Discussion followed on updating equipment.

Mr. Martinbianco spoke on Chief Halsted's memo of March 5th regarding the two squad-type fire trucks at a cost of \$103,000.

Chief Halsted said he had an initial bid without the specifications on it for a cost of \$106,293.

Mr. Martinbianco stated in summary, there are dollars set aside in the capital improvement budget and community development fund that could be used to prepay the chassis cost if we commit to that. We have to first come up with two things, 1) committal of 1999 community development dollars as a loan to offset the cost and commit those now, and 2) to ensure another \$31,000 to help subordinate the balance of the cost of the other rig.

Chief Halsted said he does not want this to overlap his chances to get a new pump truck in 1999 and grass rig out of the budget because he desperately needs these vehicles and equipment.

Mr. Cross spoke on the two quotes from Halt Fire and asked Chief Halsted about borrowing \$52,000 from the CD fund versus the General Fund.

Discussion followed on the vehicles purchased with CD funds and how it could affect their use.

Chief Halsted recapped the current year's budget and what funds were set aside for equipment. He explained that he would be over last year's budget because of updating equipment and the hiring of additional personnel.

Discussion followed regarding the fire equipment expenditure under Capital Improvements and the balance of funds from 1996-1997.

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Chief Halsted said he would have to talk to Brad Becker regarding the correct amount available to him.

Mr. Major said he received the figures from the Controller's office of \$119,000 and \$151,000 presently in the Capital Improvements budget.

Mr. Martinbianco said any decisions they make will be hinged on the confirmation of where those funds came from. The Council needs to understand that what they are doing is allowing you to borrow from a future year CD allocation contingent on a permanent transfer at some point in time. It is fairly safe to say there will always be a fire equipment line item in the CD budget, it is just a matter of what that dollar amount might be. None of us here can commit the rest of the Council to the five votes necessary to make that transfer.

Discussion followed on the General Fund, equipment and emergency equipment needs.

Halsted stated there is a correction on the page from Halt Fire regarding the total amount and the chassis prepay discount. On the first truck the total amount is \$140,847, they subtracted \$2,300 and came up with \$130,000 which is incorrect and should be around \$138,000. Discussion continued on the bid prices and CD allocations for trucks at Stations #1 and #2.

COMMITTEE RECOMMENDATIONS:

Cross moved and Centilli seconded the following motion:

1. Approve and authorize the transfer of \$30,000.00 from General Fund-Contingency to the Capital Improvement Budget, Fire Vehicle line item for the purchase of a squad vehicle for Station #2. (Note: This amount, is in addition to the \$67,300.00 unexpended balance for that line item from FY 1997 and unexpended FY 1998 Fire Department Fund.

Motion carried 3-0.

LOCAL STREETS

Mr. Major said they would like to do approximately \$500,000 of local streets subdivision re-construction and recycling the existing two lane asphalt streets. He stated they have approximately \$200,000 allocated from this present year's budget to do those local streets and they project they would like to do \$300,000 out of next year's 1998-1999 local streets budget. We did the project in two divisions for the two different budget years, showing a savings of the combined project. With the \$300,000 in the local street recycling/ resurfacing program there will be a contingency fund left in the local street budget. It was enhanced recently with the same further allocation from the State because they will be able to transfer part of that \$90,000 back into local streets. The streets we want to do follows Howard's master plan of his street review of what needs to be recycled and what was done in the past. We would like the Finance Committee to show us an indication they approve the use of the \$300,000 for recycling of the local streets so that at the next Council meeting they can award the work. Mr. Major referred to his memo dated March 27, 1998, regarding funds being paid to the contractor after July 1st of 1998, and stated it is easier to award a contract when the money has been approved or a recommendation is given from the Finance Committee.

Mr. Major and Mr. Troop spoke in length on the streets in need of repair and re-construction, and the different types of work and resurfacing needed to be done. Some of those streets mentioned are Ottawa, Washtenaw, Otsego, Apache, Zuni, Arapaho, Casto, Calvert Park and Weston Sub.

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AUDIENCE PARTICIPATION:

Pauline Dargel, 6119 Hugh St., Burton, MI, said in the past it was called major street, but it seems to be a part of the subdivision, and suggested it could be a special project or demonstration project, and done at the same time.

COMMITTEE DISCUSSION:

Mr. Cross said he noticed Howard has earmarked the streets of Fairwood Dr., Lawnwood Dr., Lawnwood Cr. in Shendoah Estates.

Mr. Troop said they are starting to deteriorate.

Mr. Major said they have taken out the drains and the reason the street deteriorated and busted up was, the County Road Commission used to allow them to dump their sump pumps out into the street. Between the sump pumps keeping the roads saturated, and the trees not allowing the surface to dry out, the streets stayed saturated all the time. Howard has gone in and added edge drains to the streets when there were sump pumps, allowing the streets to dry out.

Mr. Troop said they have gone in one time and put micro seal in that area.

Mr. Major and Mr. Troop spoke in length regarding the deterioration of the streets and the procedures to take care of them.

Discussion followed in length on the spring projects, street sweeping, maintenance, recycled streets, debt retirement bond, State criteria and other related street items.

COMMITTEE RECOMMENDATIONS:

Cox moved and Centilli seconded the following motion:

1. Approve and authorize the 1998-1999 Local Street Budget for Construction/Reconstruction of existing local streets and a contract with Bituminous Pavers, Inc., in a total amount of \$463,397.17, as recommended by the Finance Committee.

Motion carried 3-0.

MEETING ADJOURNED AT 12:26 P.M.

Julie R. Adams
Clerk's Office