

CITY OF BURTON
FINANCE SUB-COMMITTEE MEETING MINUTES
FEBRUARY 23, 1998, 10:30 A.M., COUNCIL CHAMBERS

The Meeting was called to order by Keith Cox, Chairman, at 10:34 A.M.

MEMBERS PRESENT: Cox, Cross and Martinbianco.

MEMBERS ABSENT: None.

OTHERS PRESENT: J. Major, DPW Director; R. Riess, Water Supervisor; B. Becker, Treasurer/Controller; J. Benthall, Police Chief; J. Riethmeier, Police Department; D. Halstead, Fire Chief ; D. Lacey, Assistant Fire Chief and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: DISCUSSION AND POSSIBLE RECOMMENDATIONS
CONCERNING:

1. Water Rate Increase
2. Black Creek Legal Issues
3. LEIN - Police Department-
4. Fire Department Apparatus

PRESENTATION:

Water Rate Increase:

Mr. Riess explained that in December of 1997, there was a proposed increase in the water rates from the County. The highest percentages I have seen publicized is 8% and 9% and what the City will pass on is 13.6%. This is strictly the County's increase, the City cannot afford to absorb that increase. The existing Burton Commodity Charge is \$1.45/100 c.f. and with the 13.6% increase, the proposed Burton Commodity Charge is \$1.65/100 c.f. There will be an increase to the average residential customer of \$2.00 per month. Mr. Riess said he doesn't see a need to increase any further to run our own system. We can review this on a yearly basis.

Mr. Major said he is content with not increasing the City's fees at this time.

Mr. Becker commented that last year's audit was recently reviewed and had a net increase in 1997. We are finding that because of the additional customers, this has allowed us to overcome the cost of the inflation. According to what the County has said, this will be the last increase from them until the year 2001. They haven't increased their rates since April of 1994. Just because we don't need to increase the city's rate at this particular time, doesn't mean that we may not in the future. This should be reviewed on an annual basis. Mr. Becker discussed the different cycles of the billing process. He explained that some residents may be billed with the increase for one, two or three months, depending on their billing cycle. He said it is important to stress that this increase is solely from the County, nothing is being passed on from the City.

BLACK CREEK LEGAL ISSUES:

Mr. Major explained that the City has a bill to pay on the Black Creek submitted by Davison Township. They are abandoning the lagoon and running a sewer system. The bill is in the amount of \$11,514.43.

FINANCE COMMITTEE MEETING MINUTES
FEBRUARY 23, 1998/10:30 A.M.

LEIN TERMINAL-POLICE DEPARTMENT:

Chief Benthall said he had provided a report to you and the rest of the Committee to explain the need for the LEIN. Janet Reithmeier, Coordinator for the LEIN, is also present to answer any questions you may have regarding the process in running the machine. He said the present machine was purchased in 1990 and is a satellite terminal that is shared with several other agencies and is routed through the Sheriff's Department. Our department has been and will continue to experience many problems with the present system. There are too many other agencies attempting to retrieve information through a single work site. Warrants are not always removed from the system expeditiously and a person could get re-arrested because the information is not as current as it could and should be through the system. The new terminals are window driven and would speed up our operation. It could also provide the service needed to protect our citizens and possibly save an officer's life. The answer to our problems is to purchase a primary LEIN terminal from the State of Michigan. At the present time, we pay the County \$240.00 per year for a telephone line to their LEIN terminal. The new LEIN terminal will cost \$5,220.00 per year with a one time installation charge of \$950.00. He said he believes that the money spent for a terminal will be worthwhile as we should work in a more efficient manner and have less problems. He asked the Committee to consider the transfer of \$6,170.00 to the police budget for the LEIN terminal.

FIRE DEPARTMENT APPARATUS/PROPOSED FIRE TRUCK PURCHASE:

Chief Halstead said he has submitted a bid and an inspection form from Fire Station #1 for a heater. He explained that unbeknownst to him, the heater at Fire Station #1 quit working and gas was leaking into the fire station. The doors have been opened two times because of the gas fumes. The utility bills are higher and it's unfortunate that the heaters are no longer working, because I have asked for that in next years budget. At the present time, I am asking that you transfer money from the general fund and put it in Station #1 for labor and maintenance costs for heaters.

Chief Halstead said he has already addressed the Council regarding the purchase of new fire trucks. He said he would like to get the trucks from Pennsylvania. He could use CD Funds for Fire Station #1, but the truck would have to remain at that station. There currently is \$90,000.00 in the budget and he is asking for an additional \$41,000.00. Chief Halstead stated that by purchasing the trucks now, he would be saving money. It is his understanding that he could borrow against future CD funds for such a purchase. For \$104,000.00 he would be getting a rig similar to Genesee Township, which is a manpower rig to carry men. The second truck is a 5 person in cab, similar to the one in the City of Flint. He could get them both for \$140,000.00 and will prevent paying more in the future, because the cost will go up in price over the next year. He asked the Committee to consider his request to transfer \$40,000.00 to the Fire Department for the trucks and he would research borrowing from the CD funds.

AUDIENCE PARTICIPATION:

Water Rate Increase:

There was no one in the audience who wished to speak.

BLACK CREEK LEGAL ISSUES:

Pauline Dargel, 6119 Hugh, asked for the figure amount to be paid and asked if this is the issue. She was advised of the amount and told the amount to be paid is the issue.

FINANCE COMMITTEE MEETING MINUTES

FEBRUARY 23, 1998/10:30 A.M.

LEIN TERMINAL-POLICE DEPARTMENT:

There was no one in the audience who wished to speak.

FIRE DEPARTMENT APPARATUS/PROPOSED FIRE TRUCK PURCHASE:

Larry Petrella, 1081 Howe Rd., asked the amount of the request for the replacement of the heaters. He said it is something that is needed.

Mr. Cox said the cost is \$7,858.00.

COMMITTEE DISCUSSION:

WATER RATE INCREASE:

Mr. Cross asked if the increase isn't passed on to the residents, where will this leave the water fund?

Mr. Riess said if we don't pass the increase on, it will mean a \$100,000.00 increase in rates that we will have to pay and we will go into the hole every year.

Mr. Martinbianco commented about the newspaper article in Sunday's paper regarding the source of where the water will be coming from.

BLACK CREEK LEGAL ISSUES:

Mr. Martinbianco stated he had received correspondence on Black Creek, and a summary of the disposition of the case without any costs to any of the parties. Possibly the Mayor has a copy of this document and can get a copy to the Committee.

Mr. Major asked if the Mayor had been asked to sign the document. He was advised yes. He reviewed his packet on Black Creek and said he had no document like the one described by Mr. Martinbianco.

Mr. Martinbianco questioned why anyone would set a Court Order without any cost to any of the parties. He said he didn't think the Mayor would sign the document knowing there were outstanding costs.

Mr. Cross suggested a copy of the Court Order be requested from the Chairman, Don Parks of Davison Township.

Mr. Martinbianco asked if the sanitary sewer development would be installed at the expense of Lapeer County.

Mr. Major replied that when the treatment costs are prepared, he is sure there will be some kind of surcharge and there will be some attempt to get fees and services paid to recover these costs.

Mr. Martinbianco said he would like to see the Court Order prior to agreeing to pay the additional \$11,514.43. We most likely have attorney fees that haven't been charged to this project yet. He said he is not trying to get out of paying Davison Township, but would like to see the document. He also noted that he would like to get this issue resolved in the next couple of weeks.

Mr. Major said he will draft correspondence to the Drain Commission and see what documents he may have. He will also contact Mr. Parks for a copy of the Court Order.

FINANCE COMMITTEE MEETING MINUTES
FEBRUARY 23, 1998/10:30 A.M.
PAGE -4-

Mr. Cross asked why Genesee County dropped out of this project and why is it taking so long for the bills to be submitted. We should be addressing the bills when they come in.

Mr. Major said possibly the bills have been delayed pending the outcome of the final judgment.

Mr. Becker said there were two transfer of funds requested in 1996 when the invoices were received.

LEIN TERMINAL-POLICE DEPARTMENT:

Mr. Martinbianco asked for an overview on a typical Friday for the people working the LEIN terminal in the police department.

Ms. Reithmeier gave a brief description of a typical Friday in the department.

Chief Benthall said next to the City of Flint, we have the most business in this County. We can't afford to operate the way we are because of the danger involved, to both the residents and the officers. The Chief also noted that the terminal is maintenance free from the State. They maintain the system and when there are updates available, the State will put the update into the terminal.

Mr. Cross asked if there would be any additional costs.

Chief Benthall said he is not aware of any additional costs. If anything goes wrong with the terminal, the State will take care of it. The system we currently have is eight years old and we are spending a great deal of money on maintenance now.

Discussion was held concerning the possibility of contracting with Grand Blanc for night LEIN.

Mr. Cox inquired who would run the LEIN terminal during the evening hours and also asked if there are any future plans to have someone in the office during the evening hours.

Chief Benthall replied that he can't have a clerical employee on nights at the present time, because then the work wouldn't get done during the day.

Ms. Reithmeier stated that the Sergeants are LEIN certified and do run this while they are working their shifts. She said both Shelley and Linda are also LEIN certified.

Mr. Cross asked what is involved in getting someone LEIN certified. He was advised it's a three day school. He asked who signs the gun permits and was advised the Police Chief.

Mr. Cox said he thinks it is important that the clerical staff is allowed more time on the job and he is concerned for the safety of the officers. He stated that he would like to see the LEIN terminal used in a way that it benefits the City more.

Ms. Reithmeier explained the procedure for rerouting the LEIN calls to Grand Blanc Township.

Chief Benthall noted that at the present time, we are not getting 80% of the information we should have. There are many criminals out there who have stolen vehicles, etc., and we don't know about this because the County doesn't pass on the information to us. If we have our own terminal, we would get all the pertinent information.

Mr. Cox inquired about the time it would take to install the terminal.

FINANCE COMMITTEE MEETING MINUTES

FEBRUARY 23, 1998/10:30 A.M.

PAGE -5-

Chief Benthall advised Mr. Cox it could be a month or more for the installation. The gentleman from the State said he would try to get this in as soon as possible.

Discussion was held concerning the funding of the terminal and the installation.

Mr. Cross asked if there are not funds available from the police budget, where would the funds come from.

Mr. Becker said this would be the same as the COAM Agreement. Determination would be made by Chief Benthall as to how he is going to fund it. He has been up front with the Committee about the funding, when he could have taken a chance to fund out of his department's budget. He said money could come from General Fund Budget.

FIRE DEPARTMENT APPARATUS/PROPOSED FIRE TRUCK PURCHASE:

Mr. Cross asked why there was only one quote given to the Committee.

Chief Halstead stated that Dee Cramer currently has a maintenance contract for the other areas of the City and everyone seems satisfied with the work they have done. Also, he said he had spoken with the Fire Chief in Grand Blanc Fire Department and the quote we received is reasonable, compared to what Grand Blanc paid. The biggest consideration was the contract. It is my understanding that we were fully satisfied with the bids and work that they have done.

Mr. Cross said there are businesses in Burton and he would like to seek more bids for a comparison.

Mr. Martinbianco said he concurred with Mr. Cross regarding the bids.

Discussion was held concerning the life of the heaters being in a commercial building.

Mr. Cox said the Committee doesn't have to take the lowest bid, but for comparison they would like to see other bids. As soon as this is done, they would review the request again.

Chief Halstead said there is an urgency in getting the heaters replaced.

Mr. Becker suggested the Committee could authorize a certain amount and nothing exceeding that amount.

Chief Halstead said if this is done, he wouldn't make a purchase until the entire Committee had approved it. He said he would contact each member individually and would also place a copy of the bids in each mailbox.

Mr. Cox said this may be added to the Monday night agenda.

Mr. Cross reiterated that he would like to see a bid from a business located within the City.

Mr. Martinbianco said this is a lot of information to digest in one day.

Mr. Cross asked if these were all personnel rigs.

Chief Halstead replied the one would hold 10 personnel, which is a lot of people. Station #2 truck will hold 5 personnel and equipment.

FINANCE COMMITTEE MEETING MINUTES

FEBRUARY 23, 1998/10:30 A.M.

PAGE -6-

Mr. Cox suggested they add this item to the next agenda and hear creative financing options. He also noted that Council approves of the disbursement of CD funds.

Discussion was held concerning the use of CD funds and the affect it would have on the bond issues.

Mr. Becker said he could call the bond attorney regarding this issue. He said we couldn't commit to expenses this year for next year's allocation.

Mr. Cross said we never know what our allocations are going to be.

Chief Halstead asked if there is anything he could supply this Committee or the full Council that will help to expedite things to get this through the Committee. The financial part is crucial, because the cost is so much less by purchasing the 2 rigs and by the chassis.

COMMITTEE RECOMMENDATIONS:

Martinbianco moved and Cross seconded the following motion:

1. Approve and authorize the recommendation to pass on the Genesee County rate increase to \$1.65 per cubic foot of the water commodity charge, with an effective date of April 1, 1998.
- Motion carried 3-0.

Cross moved and Martinbianco seconded the following motion:

2. Approve and authorize referring Item #2, Black Creek Issues to the next Finance Committee meeting.
- Motion carried 3-0.

Martinbianco moved and Cross seconded the following motion:

3. Approve and authorize the City to enter into an agreement with Grand Blanc Township to cover the evening LEIN calls.
- Motion carried 3-0.

Martinbianco moved and Cross seconded the following motion:

4. Approve and authorize recommendation to City Council to transfer from General Fund the amount necessary to cover the expenses of \$6,170.00 for the LEIN Terminal for the Police Department.
- Motion carried 3-0.

Martinbianco moved and Cross seconded the following motion:

5. Approve and authorize adding to the next regular meeting agenda to transfer an amount not to exceed \$7,900.00 as the top bid and let the Fire Chief solicit other bids for heater replacements in Fire Station #1 and removal of BTU heaters.
- Motion carried 3-0.

FINANCE COMMITTEE MEETING MINUTES
FEBRUARY 23, 1998/10:30 A.M.
PAGE -7-

Cross moved and Martinbianco seconded the following motion:

6. Approve and authorize adding the topic of Fire Equipment to the next Finance Meeting agenda and discuss possible ways of financing.
- Motion carried 3-0.

Meeting Adjourned at 12:00 P.M.

Cheryl M. Ladd, CMC/AAE
Deputy City Clerk

-