

CITY OF BURTON
FINANCE SUB-COMMITTEE MEETING MINUTES

The Meeting was called to order by Tom Martinbianco, Chairman, at 4:05 P.M.

Members Present: Walls, Zelenko and Martinbianco.

Members Absent: None.

Others Present: B. Becker, Treasurer/Controller; J. Major, DPW Director; R. Riess, Water/Sewer Supervisor; S. Perez, Purchasing Agent and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: Discussion and Possible Recommendation Concerning Hidden Trails Subdivision Development and Genesee County Road Resurfacing of Maple Road from Saginaw Street to Center Road and Other Matters That Might Arise.

PRESENTATION:

HIDDEN TRAILS SUBDIVISION:

Gary Szabo, Developer, presented a drawing of the subdivision and reviewed with the Committee the lots which have been sold and are completed, those which have been sold but haven't started construction as yet, and those which he has a commitment of potential buyers. Mr. Szabo said Lots 21, 22, 31 and 32 are on a main road and these seem to be tougher to sell. Lot 34 is in the wetland area and Lot 47 is rather close to the other homes. Lot 45 just came back on the market because the buyers couldn't afford it.

Mr. Szabo said he is asking to get the approval of Phase 2 because he doesn't want to run out of lots and thinks he may do so by mid summer. Also, the Parade of Homes is coming up in May and he would like to have the lots available for sale. Mr. Szabo briefed the Committee on what layout would be of Phase 2. He said in Phase 1 they had to bore under the road for the sewers and this was more expensive. This will not have to be done in Phase 2, so the expense would be less.

Mr. Major said when doing the cost projection for Phase 1, we have another addition of dollars to add to determine what the fees will be. We set aside \$31,000 of sanitary sewers in Phase 1 and belonged in Phase 2. The figure of \$158,000.00 will now go to \$189,000.00. We are looking at around \$313,000.00 to fund Phase 2 as Gary presented it with 71 lots.

We have about \$216,000.00 that is paid back or has potential to pay back due to his latest presentation of where some of those other lots stand. As you can see we are not recycling existing dollars at the size of Phase 2. There would be a maximum level of \$313,000.00. He doesn't have it in the account as it stands today.

Mr. Becker said recirculated dollars generated in Phase 1 to Phase 2 would be short in Phase 2. The actual expenses are slightly less than approve by City council for the water and sewer on Phase 1. The 1st Phase water was approved at \$94,000.00 and the actual cost was approximately \$74,000.00. Both the actual costs incurred in Phase 1 came in less than the engineer's estimate.

Mr. Riess said he concurred with both Jeff and Brad.

SALE OF CITY PROPERTIES:

Mr. Major said bids were taken on the city owned properties but the sale didn't do very well. These are all tax reverted land and people wanted to buy the lots but when they learned that the State doesn't guarantee that there isn't someone out there who might want to claim interest in the property, they are not clean properties to sell. The title company found someone who would only give us a maximum of \$1,000.00 for insurance. If you buy them for yard area or for property next door, then it isn't a bad deal, but, if you are trying to get a mortgage, the title company would only give us title insurance for \$1,000 per lot. When you bid a large amount as did the bidder on Schumacher, there are a couple of ways to handle this. You can have a realtor or an attorney or title company to go back through all the records and try to get into Circuit Court. People are unsure of the amount of money it would take to get a perfect title.

Mr. Major explained that Joe Richvalsky is representing Mr. Archambeau who bid on Schumacher. The others will be used for yard area with the exception of #94-16, which was bid under the minimum amount and the neighbors on Schumacher #94-13. What does Council want to do now with the remaining lots. Mr. Richvalsky will be happy to represent the City, as he has in the past, and sell all our lots with the understanding that what Mr. Lowthian thinks they are worth, we may not get, because he is looking at it as a piece of land which you can build on and they are not all that way. The other thing is we could reduce the minimum no minimum bid, sell them in a lottery, give them to the next door neighbor or turn them back over to NHS, who wanted them anyway from us, or retain in City's name and put them back in the list of city property and don't do anything with them. It's obvious we are not going to get minimum bid because the titles are not guaranteed to be cleared. We should continue on with some kind of disposal method because if we stop we will have to start all over again. If we continue, we are still in compliance with the City Charter.

PROPOSED COUNTY ROAD ACTIVITY:

There was no presentation given.

AUDIENCE PARTICIPATION:

HIDDEN TRAILS SUBDIVISION:

There was no one in the audience.

SALE OF CITY PROPERTIES:

There was no one in the audience.

PROPOSED COUNTY ROAD ACTIVITY:

There was no one in the audience.

COMMITTEE DISCUSSION:

HIDDEN TRAILS SUBDIVISION:

Mr. Martinbianco asked if Mr. Szabo was the only builder in this subdivision. He was advised yes, as this gave Mr. Szabo more control over the style, color, etc. of the homes in the subdivision.

Mr. Martinbianco said he is concerned about the lots in Phase 1 which have not been sold.

Mr. Szabo said when they get into Phase 2, the costs would be greater and people would take this into consideration and the lots left in Phase 1 will sell.

Mrs. Zelenko asked if the payback is done when the lot sells. Mr. Major said he pays back with the building permit now. He hasn't moved into the phase of paying back with the sale of the lot vs. on the issuance of the building permit. This will be modified in Resolution #7 if approved tonight.

Mr. Martinbianco said if the Committee recommends approval of Phase 2 and amend the contract to be paid at the time of sale, it would be wise to also require payment for Lots 34 and 47 as these are the two lots that may be difficult to sell. The balance of the lots are salable.

SALE OF CITY PROPERTIES:

Mr. Martinbianco asked if we had spoken with the NHS director. Mr. Major said no, not at this time. Mr. Martinbianco said they could be treated as a dutch auction and reduce the original asking price by 25%, with the understanding they know the title is less than perfect or contact the NHS Director and see if she has had any experience with this.

Mrs. Walls asked if there is any physical way of advertising these lots. Mr. Major said they had signs on the property, but they were destroyed.

Mr. Perez asked if there are any legal technicalities that might forbid us to sell the lot to Mr. Johnson, who was the high bidder. We would like to get rid of the properties.

Mr. Major said Attorney Hamilton had no problem with us selling this lot. He didn't tell us to pull this out of the advertisement.

Mr. Martinbianco said proceed with the sale.

PROPOSED COUNTY ROAD ACTIVITY:

Mr. Martinbianco said because of time constraints, he asked for unanimous consent that at the Regular Meeting of April 17th, he will present the request from Mr. Grylicki for the city participation in Maple Avenue (Fern to Center) repaving project, at a local cost of \$16,500.00.

COMMITTEE RECOMMENDATIONS:

HIDDEN TRAILS SUBDIVISION:

Moved by Zelenko, supported by Walls to recommend to City Council approval of Resolutions 1 thru 7 with item #7 being amended as follows: Mr. Szabo is to pay the upfront costs of Lots 34 and 47 is to be paid immediately upon execution of Phase 2 funding and all other lots be paid for at the time of sale.

Motion carried 3-0.

REVISED 4-13-95

SALE OF CITY PROPERTIES:

Moved by Walls, supported by Zelenko to reduce the minimum bid prices by 25% at #94-01 Boatfield; #94-04 Webber; #94-06 James; #94-07 Donovan; #94-08 Carman; #94-09 Bergin; #94-11 Carman; #94-12 Term; #94-14 Fern; #94-15 Term in addition with the understanding that the high bid on #94-13 Schumacher, of \$1,901.00 by Mr. Johnson, be accepted and all other high bids with the exception of #94-16 Jolson by Mr. Guiles, as he did not meet the minimum bid requirement. Motion carried 3-0.

PROPOSED COUNTY ROAD ACTIVITY:

By unanimous consent of the Committee, Mr. Martinbianco will present the request of Mr. Grylicki from the Genesee County Road Commission for the repaving of Maple from Fern to Center, at the Regular Council Meeting of April 17th. All members agreed.

Meeting Adjourned at 5:09 P.M.

Respectfully Submitted,

Cheryl M. Ladd, CMC/AAE
Deputy City Clerk

CML