

CITY OF BURTON
FINANCE SUB-COMMITTEE MEETING MINUTES
JANUARY 17, 2008, 4:15 P.M., COUNCIL CHAMBERS
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Chairman Danny Wells called the Finance meeting to order at 4:20 p.m.

MEMBERS PRESENT: Wells, Tinnin and Heffner.

MEMBERS ABSENT: None.

OTHERS PRESENT: Attorney R. Austin, G. Kray, DPW Director, K. Foster, Controller and M. Snow, Clerk's Office.

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

1. Restructuring tap-in fees
2. Status of paving 13 miles of gravel roads
3. Outstanding bill for Rowe Engineering
4. Outstanding bill for Plante & Moran
5. Deficit reduction plan

Outstanding bill for Rowe Engineering

PRESENTATION:

Mr. Kray explained City roads were to be paved through Rowe Engineering. The Council had approved \$460,000 to complete the project but Rowe used more money than allotted due to a miscommunication between Rowe and DPW.

Rick Freeman, Rowe Engineering, P.O. Box 3748 explained there were increases in project costs, and a large increase due to the adding of curb and gutter at intersections. He said there is an outstanding bill, which now totals \$75,000. He hopes the bill and roads can be taken care of.

AUDIENCE PARTICIPATION: None.

COMMITTEE DISCUSSION:

Discussion ensued regarding who put the project on hold, spending tax-payers money on the project, consequences if the bill is not paid and why Rowe would proceed with a project when money was not approved for overage.

Attorney Austin asked Mr. Kray if he knew who authorized an extra 2,700 ft to be paved. He said there were many conversations and meetings between Rowe and DPW regarding the project and that Rowe should have required the changes and plans in writing.

Mrs. Tinnin asked if negotiations have taken place to settle the matter.

Mr. Freeman said about \$30-\$40 thousand has been reduced already.

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Mrs. Foster said there is \$24,600 available to pay Rowe, but would need Council approval to pay the remaining \$75,000. She expects about \$100,000 in surplus at the end of 2008.

The Board was in agreement the taxpayers should not have to pay for this error and recommended the issue be resolved through Council and negotiations.

COMMITTEE RECOMMENDATIONS:

Tinnin moved and Heffner seconded the following motion:

Approve and authorize the Finance Committee's recommendation to Council to add to the Regular Council agenda to pay Rowe Engineering up to and not to exceed \$75,000.

Motion carried 3-0.

Status of paving 13 miles of gravel roads

PRESENTATION:

Mr. Wells said he is in favor of paving all gravel roads in Burton. At the present time he feels it necessary to hold off on paving due to the economy. He feels the taxpayers money could be used on something more useful at this time.

AUDIENCE PARTICIPATION: None.

COMMITTEE DISCUSSION:

The Board discussed putting the paving projects on hold and the advantages of paved roads.

COMMITTEE RECOMMENDATIONS AND/OR ACTION:

The Committee agreed to postpone paving all gravel roads for a few years.

Outstanding bill for Plante & Moran

PRESENTATION:

Mr. Wells asked Mrs. Foster why Council approval is required to pay the balance to Plante and Moran.

Mrs. Foster replied paying this bill would put them over budget.

AUDIENCE PARTICIPATION: None.

COMMITTEE DISCUSSION: None.

COMMITTEE RECOMMENDATIONS AND/OR ACTION:

Tinnin moved and Heffner seconded the following motion:

1. Approve and authorize the Finance Committee's recommendation to Council to pay Plante & Moran in the amount of \$2,175.

Motion carried 3-0.

Deficit reduction plan

PRESENTATION:

Mrs. Foster said the fiscal year ended June 2007 with a deficit of \$137,905. A total of \$142,905 needs to be made up by February 8, 2008.

AUDIENCE PARTICIPATION: None.

BOARD DISCUSSION:

Mr. Wells said the City could not be bonded while in a deficit.

COMMITTEE RECOMMENDATIONS AND/OR ACTION:

No action was taken at this time.

Restructuring tap-in fees

PRESENTATION:

Mr. Wells felt the cost of tap-ins should be decreased.

Mr. Holzer offered information regarding the mobile home park on Fenton Rd. He said there is a high level of arsenic and the owner has a deadline to meet regarding decisions with the water.

AUDIENCE PARTICIPATION: None.

BOARD DISCUSSION:

Mrs. Tinnin said she would like the tap in structure to remain the same.

COMMITTEE RECOMMENDATIONS AND/OR ACTION:

No action was taken at this time.

Meeting adjourned at 6:00 p.m.

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