

CITY OF BURTON
FINANCE SUB-COMMITTEE MEETING MINUTES
APRIL 26, 2007, 4:30 P.M., COUNCIL CHAMBERS
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Chairman Ralph LaDuke called the meeting to order at 4:32 P.M.

MEMBERS PRESENT: LaDuke, Tinnin, Major

MEMBERS ABSENT: None.

OTHERS PRESENT: K. Foster, Controller, M. Holzer, Public Utility Supervisor, G. Kray, DPW Director, L. Young, Clerk's Office

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

- 1. Future Watermain Projects:
Fern, Fenton, and Vassar Road.**
- 2. Sanitary Sewer Projects – Relief Projects**
- 3. Water Rates - Update**
- 4. Sewer Rates - Update**

PRESENTATION:

Mr. Kray spoke in reference to the Fifth Third Bank water main extension. He informed the committee that the DEQ said that the water system must be looped because we extended a public water main without their approval. Mr. Kray explained that they could abandon the line, finish the project or sue Fifth Third Bank for their portion of the cost.

Mr. Holzer explained that the City of Burton and the attorneys representing Fifth Third Bank established a verbal agreement stating that they would pay for half of the project (approximately \$50,000). As of last month, Fifth Third Bank's attorney informed the City of Burton that they were not going to contribute to the cost at all.

Mrs. Foster confirmed that the City of Burton has approximately \$2.7 million in unappropriated water surplus.

Mr. Kray presented the Committee Bid Tabulation sheet for the Fern St. water main, showing Glaeser Dawes Corp. to be the lowest bidder. He explained that the water main currently runs from Maple to Webber, but it has always been the City's intention to run the main all the way up Fern and eventually tie into Bristol. The project was halted due to a lack of funds.

Mr. Holzer explained that the CD monies were used for smaller projects to tie up loose ends. He also pointed out that the Fern water main has reached its life expectancy at 70 years old. It is one of the main distribution lines on the south end of Burton and is breaking down quite often and needs to be replaced.

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Mr. Kray spoke in reference to the increase in water rates that were imposed by the County. He explained that it was going to take a \$.55 per 100 cubic feet (750 gallons) increase to break even operationally.

Mr. Kray expressed that the trailer park on Fenton Rd. must set up arsenic abatement for their wells.

Mr. Holzer said the trailer park has until July 2007 to design the system. They need to have the system under construction by June 2008, with final testing and operation by August 2008.

Mr. Kray indicated the Sanitary Sewer Relief Projects plans are completed, and currently under review in the DPW. He assured the Committee that they are moving forward with the design and the easements for the first phase. He also informed the Committee that Mr. Jackson has signed the Belsay-Coats drain easement.

AUDIENCE PARTICIPATION:

Jane Nimcheski, 2429 Genesee, asked if the Fern water main is looped. She also inquired about the water rates from 2005 and 2006.

Warren Nimcheski, 2429 Genesee, asked Mr. Holzer to clarify how to tap an 8" main. He suggested that the trailer park use a special assessment to pay to get rid of the arsenic in the water.

Pauline Dargel, 6119 Hugh, inquired about the responsibility of the water main if Fifth Third Bank leaves that site.

COMMITTEE DISCUSSION:

The Committee spoke in reference to the Fifth Third Bank water main extension and the courses of action to be taken to loop the line and to obtain the monetary portion that Fifth Third Bank verbally agreed to pay. The Committee decided to send a thirty-day shut-off notice to Fifth Third Bank and ask Attorney Richard Austin what legal action can be taken.

Mr. LaDuke and Mr. Major felt that they should go forward with the sewer projects.

The Committee spoke in reference to the water rate increase that was imposed from the County.

Mrs. Tinnin voiced her concerns with the fact that they don't know how much money they really need for a transfer until September. She inquired about the amount of the water rate increase.

Mr. Kray clarified that he received correspondence from the Genesee County Drain Commissioner's Office explaining the reason for the water rate increase. He reiterated that there is a 5.3 cent and a 3.2 cent increase that did not get passed on to the residents and that we are currently losing money at the current water rate. He explained that it would take a .55-cent increase to break even.

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Mrs. Foster explained that as of March 2007 the water deficit is \$422, 995 and the sanitary sewer deficit is \$94,384.

Mrs. Tinnin said that the City of Burton needs to reduce the departmental expenses. She feels they need to cut operations instead of passing on the burden to the residents.

COMMITTEE RECOMMENDATIONS:

Major moved and LaDuke seconded the following motion:

To approve and authorize the Finance Committee's recommendations to pass on a .55 cent water rate increase to the residents, with the understanding that the rates will be reviewed by June 30, 2007, to determine if adjustments are needed, and in the future the City will automatically pass through all County increases. Motion carried 2-1 with Tinnin voting no.

Meeting adjourned at 6:35 P.M.

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