

CITY OF BURTON
FINANCE SUB-COMMITTEE MEETING MINUTES
FEBRUARY 6, 2006, 6:00 P.M., BURTON CITY HALL, COUNCIL CHAMBERS
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The Finance Meeting is called to order by Chairperson Laurie Tinnin at 6:00 P.M.

MEMBERS PRESENT: Tinnin, Curtis, Isham.

MEMBERS ABSENT: None.

OTHERS PRESENT: C. Abbey, DPW Director, J. Wright, Genesee County Drain Commissioner, J. O'Brien, Genesee County Water & Waste Services Division Director, Councilpersons Cross, Bement and Conley, and J. Adams, Deputy City Clerk.

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

1. Water and Sewer Rates

PRESENTATION:

Mr. Abbey expressed defining the Committee's needs from Administration. The information he gave out on the southeast sanitary drainage district proposal shows where it started some years ago and where we are currently at today. He compiled a 5 year average of water and sewer usage, revenues and expenses. Mr. Abbey spoke regarding increased operating costs and various line items in the City's audit report. He indicated Mr. Wright and Mr. O'Brien from the Genesee County Drain office are present to answer any questions.

AUDIENCE PARTICIPATION:

Pauline Dargel, 6119 Hugh St., Burton, MI, inquired as to the reason for rate increases, the Water & Sewer Advisory Board meeting on tap-in fees and if feedback is given to Council. She stated two legal notices published a year ago was the Intent Bond to cover water & sewer and paid through revenue, the 2nd notice was an overall capital improvement bond.

Jane Nimcheski, 2429 N. Genesee, Burton, MI, stated a recent news article indicated increases from the County were not passed on by the City of Burton to the customers. She suggested looking into the last 10 years to see if and when these increases were not passed on.

Don Sanderlin, 4460 Killarney Park, Burton, MI, commented regarding increased sewer rates and lack of notification to residents.

Warren Nimcheski, 2429 N. Genesee, Burton, MI, spoke concerning a memo from the County Water & Waste Division to the Burton Fire Department several years ago about the widening of Fenton Road and putting in place water lines with Flint Township, businesses and customers on Fenton Rd. paying for water, three trailer parks on Fenton Rd. having arsenic in their water and not complying with new standards and rules.

John Stapish, PO Box 190134, Burton, MI, commented regarding water and sewer rates and stated he feels there is no reason for increases.

COMMITTEE DISCUSSION:

Lengthy discussion ensued concerning the County helping to fund part of the sewer relief, obtaining funds from the water and sewer appropriations committee, a letter of support from Mr. Wright, the Committee's request to see the pass thrus from Detroit through the County to the City of Burton and what was done in-house, the City becoming a part of the County's bonding credit, Water Waste Advisory Board's projections for future pass thrus, notices from the Water & Waste Advisory Board, charging neighboring communities and franchise agreements, Vassar Rd. area of the City and involvement with neighboring Davison Township, arsenic water problems in modular home parks on Fenton Rd., certified public wells and infiltration systems.

Mr. Wright stated the southeast quadrant of Burton is at full capacity and without the expanded sewer system there would be no development in that area. The local units of government pay for the expansion or improvements of their systems. They would support the City's efforts to get Federal and/or State grants, or low interest loans from the SRF fund from the State of Michigan if it is a qualified project.

Mr. Wright addressed questions from the audience. He stated they have not raised water rates in 5 years. The City of Detroit in 2001 raised rates 8%, 2002 – 10%, 2003 – 30%, 2004 – 3% and 2005 the projected rate increase is 5%. For sewer, in 2001 the County raised a flat \$2.00 per customer fee to cover security issues we implemented across the board in Genesee County.

Mr. Wright discussed better bond rates and indicated the City asks the County to give its full faith in credit to specific projects. This is done with many communities and they would be happy to do that with Burton.

Mr. O'Brien said he believes this was done in the early 1970's with the original sewer projects. Part of that is doing a full faith in credit and signing a Section 5 bond agreement under 342. A requirement is that they administer the project (hiring the contractor and the bidding process). Mr. O'Brien indicated Detroit will propose a rate structure in November that goes through their Board, and then to the City Council in January or early February. It typically does not take affect until August.

Mr. Wright responded that all major water and sewer projects in Genesee County they review. It also requires a permit from their office to build these facilities. They make sure these projects are not in conflict with the County or other communities.

COMMITTEE RECOMMENDATIONS:

Committee recommendations were not made at this time.

Meeting adjourned at 6:55 P.M.