

CITY OF BURTON
FINANCE SUB-COMMITTEE MEETING MINUTES
MARCH 11, 1993/6:00 P.M.

The Finance Meeting was called to order by Ted Hammon, Chairman, at 6:05 P.M.

Members Present: Zelenko, Cox and Hammon.

Members Absent: None.

Others Present: K. McArdle, Personnel Director; J. Major, DPW Director;
R. Riess, Water and Sewer Supervisor and C. Ladd, Deputy City Clerk.

PURPOSE OF THE MEETING: 1. Clerk's Fees
2. Water Franchise Fees
3. Belsay Road Watermain Extension
4. Maple Point Sub.- Water & Sewer

CLERK'S FEES:

PRESENTATION:

X Mrs. Ladd gave a brief report regarding the increase in the Clerk's Fees. She explained that in the past people have made requests of copies, printouts and tapes and never pick them up. With the new fees, a 50% deposit will be required for requests over \$10.00. The new rates would take effect April 1, 1993.

AUDIENCE PARTICIPATION: None.

COMMITTEE DISCUSSION:

Mr. Cox asked what the statement ample time meant. Mrs. Ladd replied the time needed could be up to five (5) days, depending on the nature of the request.

Mrs. Zelenko asked if the 50% deposit was something new. She was advised yes.

COMMITTEE RECOMMENDATIONS:

Moved by Zelenko, supported by Cox to recommend to full Council the increase of fees for the Clerk's Office. Motion carried 3-0.

WATER FRANCHISE:

X Mr. Riess asked to have this item postponed as he did not get the information needed to prepare for the meeting tonight.

Mr. Hammon said the Water Franchise would be postponed to a later date and time to be announced at another time.

BELSAY ROAD WATERMAIN EXTENSION:

PRESENTATION:

X Mr. Major said the water extension from Atherton Road to Lapeer Road will not open up the southern area of Burton to water. The watermain development in that area coincides with the Master Plan by CHMP, Inc. Mr. Major reviewed the Schedule of Projected Debt Service Requirements of the Water Fund to Sewer Fund for Belsay Road (Atherton Rd. to Maple Rd.) Watermain Project. The estimated cost of the project is \$603,805.00.

Mr. Major said there are requests for subdivision development in the City and one of them will be on Monday night's agenda. The subdivision could be built without the watermain, but we don't think this is the way to go if there is another way without crippling our other accounts. The payback will depend on how quickly the developers come into the City. Mr. Major explained that Mr. Becker prepared a schedule as a guide with what we could do over a five (5) year period. If the repayment cannot be made within a five (5) year period, we will have to come back before Council and ask for an extension on the repayment.

Mr. McArdle said we need to develop in Burton if we are going to continue to offer the services we now have. We think this is an opportunity for us to grow and increase the tax base.

Mr. Riess said the major benefit is the 100% guarantee payback.

Audience Participation:

P. Dargel, 6119 Hugh, asked if the City had considered dovetailing with Grand Blanc on this project. She was advised yes.

N. Martz, 6384 S. Belsay Rd., Grand Blanc, MI 48439, said Grand Blanc Township has 12" watermain. He said he can see some ability of Burton franchising with the Elk's Club.

I. Hohloch, 2196 Howe Rd., explained that watermain is timing relating to users.

Committee Discussion:

Mr. Cox asked if he charge front foot fee. He was advised no.

Mrs. Zelenko asked how comitted the other developers are to Burton. Mr. Major replied they are very solid.

Mr. Cox asked what size the watermain would be. He was advised 16" watermain. Mr. Cox asked if the costs reflected the 16" main and he was advised yes.

Mr. Riess said the proposed trailer park on Court Street will bring in approximately \$50,000.00 per year.

Mr. Cox asked if Mr. Riess is comfortable with the remainder of the funds to operate in the Water Department. Mr. Riess replied yes.

Mr. Riess said the financing has been worked out to be an in house financial project. The sewer fund will be paid back with like dollars and the water and sewer funds will be feeding off each other.

Mr. Hammon said the City must build up the water fund as the sewer fund as been over the years.

Mr. Martinbianco explained that he had met with the Administration and he has some concerns. He does not want to see an increase in rates of the water and sewer because of the borrowing. He said by putting in the developments, we will be inducing development in other areas of the City.

Mr. Hammon asked why the City would have to pay this money back in a five (5) year period instead of a ten (10) year period.

Mr. McArdle replied that the Administration thinks five (5) years is realistic and if not, a request could be made for an extension of time.

Mr. Major said Mr. Becker doesn't like to keep the funds owing each other for very long at a time.

Mr. McArdle said the Administration is not asking for a rate increase for the water or sewer.

Committee Recommendations:

Moved by Cox, supported by Zelenko to recommend to Council to approve Items #1-#4 regarding the Belsay Road Watermain Project. Motion carried 3-0.
(See Attached)

MAPLE POINT SUBDIVISION - WATER & SEWER:

PRESENTATION:

Mr. Major said this is a request for water into a subdivision. The recent changes in the Ordinance now allows the developers to ask the City Council for water into the subdivision. The estimated project cost is \$70,000.00 for Phase I. A 100% payback will be received by the City through a front foot/lot fee from Phase I of Maple Pointe Subdivision.

Mr. Major said prior to construction, the developer has to bring us some form for financial security. In Mr. Martz's case, a Letter of Assurance will be furnished to the City.

AUDIENCE PARTICIPATION: None.

COMMITTEE DISCUSSION:

Mrs. Zelenko asked when construction would begin if the project is approved. Mr. Martz replied around the middle of April and would be completed sometime in June or July. Mrs. Zelenko asked what type of homes would be built. Mr. Martz said they would range from \$80,000.00 to \$125,000.00 homes. There would be many subdivision restrictions.

Mr. Cox asked how many houses would be in Phase I? Mr. Martz said about 27.

COMMITTEE RECOMMENDATIONS:

Moved by Zelenko, supported by Cox to recommend to Council Items #5 thru #10, as attached. Motion carried 3-0.

Meeting adjourned at 7:18 P.M.

Respectfully Submitted,

Cheryl M. Ladd, CMC/AAE
Deputy City Clerk