



CITY OF BURTON
BURTON CITY COUNCIL MEETING
JULY 18, 2016
MINUTES

Council Chambers

Committee of the Whole

5:30 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by President Steven Heffner at 5:30 PM.

A. CALL TO ORDER

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Duane Haskins	Vice-President	Present	
Dennis O'Keefe	Councilman	Present	
Steven Heffner	President	Present	
Ellen Ellenburg	Councilwoman	Present	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Present	

B. STAFF PRESENT

Paula Zelenko, Mayor
Ginger Burke-Miller, Controller
Robert Slattery, DPW Director

Rik Hayman, Chief of Staff
Teresa Karsney, Clerk

C. AUDIENCE PARTICIPATION

None

D. COUNCIL DISCUSSION

1. Information on Road Bonding with Bendzinski & Company.

Mayor Zelenko stated that Mr. Bendzinski is here to give us some information on road bonding. Enclosed in your packet was a spreadsheet of roads to consider for bonding.

Mr. Bendzinski said the increase in the gasoline tax receipts won't come in to play until the year 2017, because of the timing of the collection. To give you a brief synopsis of bonding for roads, I will start out with the lowest interest cost to the City to the highest interest cost.

1. The lowest cost would be issuance of General obligation unlimited tax bonds. This would require the City to hold an election and have 51% of those voting in that election approve the ballot. The ballot language would state it was for improving roads. You do not have to define which roads. But it would have to state it is for road improvement, the maximum amount of money you would be bonding for and the maximum amount of years the bond would be for. This would allow you to levy a tax on all taxable properties in the City without limitation to pay the debt service.

You could only use the money to pay debt service on the bonds. You could not use the money for maintenance of the road. If you were to sell a 15 year bond issue with the City's current bond rating of A, you would be selling bonds at 3 to 4% for each bond you issued.

2. The second would be the General obligation limited tax bonds. These bonds have a 45 day write referendum. You would again state the purpose of the bond, total amount of the bond, if you would be borrowing in series or not and the duration of each bond. You would not be able to levy over and above charter tax rate limitation. You would have to find the money from any available legal sources, this would be general fund where you could use gasoline tax receipts from the MTF fund. This would probably sell at 3 ½ to 4% in today's market.
3. The third way is not used that often. You have to define if it is going to be used for local roads or major roads. A lot of times your local roads need more than your major roads. It would be the issuance of Michigan Transportation fund bonds. You are allowed to pledge 50% of your gasoline tax receipts. That is the maximum amount that you can borrow. You can only use local road money from the gasoline tax receipts on local roads and major road money for major roads. You would have to figure out for each category of local and major roads. Local roads side has a 25% match for other sources from the City. These would probably sell at 3.75%.

These are the three ways to borrow for roads. You could also do special assessment for roads. That is a decision to be made by council. You can only assess those property owners on that road and the process takes a much longer time frame. You have to make sure you are improving those roads. You can't just be resurfacing them.

Council discussed how they prepaid for some of these TIP projects. Some of the Council was not interested in putting it to a vote of the people but some were interested. Due to the cost of some of these projects it was the administration position that these were going to have to be some type of long term fund.

Mr. Bendzinski stated that another selling point of a ballot proposal is the millage is tax deductible off your income tax. Legally special assessments are not. A good time to put a ballot proposal on the ballot is in May. One of the Council members would like to see this on the November ballot.

Meeting was adjourned at 6:30 PM.



Burton City Council
4303 S. Center Road
Burton, MI 48519

Meeting: 07/18/16 05:30 PM

Department: Clerk's Office

Category: Bond

Prepared By: Teresa M. Karsney

Department Head: Teresa M. Karsney

D.1

SCHEDULED

AGENDA ITEM (ID # 2558)

DOC ID: 2558

Information on Road Bonding with Bendzinski & Company.

ATTACHMENTS:

- Projects to Consider Bonding For v5 (PDF)

Projects to Consider Bonding For

Program	Road	Limits	IMS Rank	IMS POINTS	2015 PASER	PASER POINTS	Lanes	Length	Count	Ct/Lane	Year	COUNT POINTS	SCORE	Fix	Estimated Total Cost	Local Share	Cumulative
18TIP 18-20	Center Rd	Lapeer to Lippincott	41	0	2	50	5	0.44	26496	5299	2006	30	80	Rehab	\$ 1,288,443	\$ 257,689	\$ 257,689
17bond*	Bristol Rd.	Fenton to S. Saginaw	66	10	3	40	5	1.04	21677	4335	2015	30	80	Recon	\$ 7,937,965	\$ 7,937,965	\$ 8,195,654
bond*	Grand Traverse -SB	Hemphill to Bristol	50	0	3	40	3	0.52	14243	4748		30	70	Recon	\$ 2,886,804	\$ 2,886,804	\$ 11,082,458
bond	Maple Rd.	Dort to Center	61	10	3	40	2	1.00	6786	3393	2012	20	70	Resurface	\$ 1,000,000	\$ 1,000,000	\$ 12,082,458
bond	Maple Rd.	Fenton to S. Saginaw	61	10	3	40	5	1.20	13902	2780	2004	20	70	Resurface	\$ 841,828	\$ 841,828	\$ 12,924,286
20TIP 18-20	Center Rd	City Limit to Davison	66	10	2	50	5	1.00	12483	2497	2006	10	70	Recon	\$ 2,504,700	\$ 500,940	\$ 13,425,226
bond	Maple Rd.	S. Saginaw to Dort	57	5	3	40	2	0.75	6932	3466	2013	20	65	Resurface	\$ 750,000	\$ 750,000	\$ 14,175,226
bond	Court St.	Center to Genesee	53	5	3	40	4	1.1	12600	3150	2014	20	65	Resurface	\$ 1,650,000	\$ 1,650,000	\$ 15,825,226
19bond*	Saginaw	Judd to Bristol	50	0	3	40	5	0.50	18603	3721	2008	20	60	Recon	\$ 4,427,665	\$ 4,427,665	\$ 20,252,891
19bond*	Saginaw	Maple to Judd	50	0	3	40	5	0.58	15428	3086	2014	20	60	Recon	\$ 4,457,553	\$ 4,457,553	\$ 24,710,444
18bond*	Center Rd	Bristol to Atherton	41	0	3	40	5	1.00	15083	3017	2008	20	60	Resurface	\$ 2,058,306	\$ 2,058,306	\$ 26,768,750
20bond*	Bristol Rd.	Vassar to Belsay	60	5	2	50	2	1.00	3512	1756	2014	5	60	Recon	\$ 2,483,261	\$ 2,483,261	\$ 29,252,011
bond	Belsay Rd.	Court to Lapeer	76	15	6	20	4	0.6	14193	3548	2008	20	55	Resurface	\$ 900,000	\$ 900,000	\$ 30,152,011
bond	Fenton Rd.	Bristol to City Limit	66	10	5	25	4	1	12901	3225	2014	20	55	Resurface	\$ 1,500,000	\$ 1,500,000	\$ 31,652,011
17bond	Maple Rd.	Center to Genesee	51	5	3	40	2	1.00	5865	2933	2012	10	55	Crush and Shape	\$ 800,000	\$ 800,000	\$ 32,452,011
19TIP 18-20	Saginaw	Bristol to Hemphil	55	5	3	40	5	0.50	14243	2849	2014	10	55	Resurface	\$ 1,147,110	\$ 229,422	\$ 32,681,433
17bond	Maple Rd.	Genesee to S. Belsay	51	5	3	40	2	1.00	4881	2441	2014	10	55	Crush and Shape	\$ 800,000	\$ 800,000	\$ 33,481,433
SAD	CARD DR	FLINT ASPHALT DR to JIMBO DR	53	5	2	50						0	55	Recon	\$ 300,000	\$ 75,000	\$ 33,556,433
SAD	FLINT ASPHALT DR	CARD DR to E BRISTOL RD	55	5	2	50						0	55	Recon	\$ 800,000	\$ 200,000	\$ 33,756,433
SAD	JIMBO DR	CARD DR to E BRISTOL RD	56	5	2	50						0	55	Recon	\$ 800,000	\$ 200,000	\$ 33,956,433
bond	Genesee	City Limit to Davison	60	5	3	40	2	1.00	13763	6882	2013	30	75	Resurface	\$ 1,000,000	\$ 1,000,000	\$ 34,956,433
bond	Genesee	Davison to Court	59	5	3	40	2	1.00	9828	4914	2014	30	75	Resurface	\$ 1,000,000	\$ 1,000,000	\$ 35,956,433
bond	Genesee	Lapeer to Lippincott	71	15	3	40	2	0.33	7781	3891	2014	20	75	Resurface	\$ 330,000	\$ 330,000	\$ 36,286,433
bond	Davison Rd.	Center to Genesee	80	15	3	40	4	1.00	12619	3155	2011	20	75	Resurface	\$ 1,000,000	\$ 1,000,000	\$ 37,286,433
bond	Center Rd	Bristol to Maple	41	0	3	40	4	1.10	25088	6272	2002	30	70	Resurface	\$ 1,650,000	\$ 1,650,000	\$ 38,936,433
bond	Genesee	Court to Lapeer	68	10	3	40	2	0.80	7781	3891	2014	20	70	Resurface	\$ 800,000	\$ 800,000	\$ 39,736,433
bond	Court St.	Center to Genesee	53	5	3	40	4	1.10	12600	3150	2014	20	65	Resurface	\$ 2,200,000	\$ 2,200,000	\$ 41,936,433
bond	Genesee	Lippincott to Atherton	64	10	3	40	2	0.66	5028	2514	2014	10	60	Resurface	\$ 660,000	\$ 660,000	\$ 42,596,433
bond	Belsay Rd.	Court to Lapeer	76	15	6	20	4	0.60	14193	3548	2008	20	55	Resurface	\$ 1,200,000	\$ 1,200,000	\$ 43,796,433
bond	Fenton Rd.	Bristol to City Limit	66	10	5	25	4	1.00	12901	3225	2014	20	55	Resurface	\$ 2,000,000	\$ 2,000,000	\$ 45,796,433
bond	Bristol Rd.	S. Saginaw to Dort	66	10	3	40	4	1.00	13336	3334	2015	20	70	Resurface	\$ 2,000,000	\$ 2,000,000	\$ 47,796,433
bond	Bristol Rd.	Dort to Center	66	10	3	40	4	1.00	11763	2941	2014	10	60	Resurface	\$ 1,000,000	\$ 1,000,000	\$ 48,796,433
bond	Genesee	Lippincott to Atherton	64	10	3	40	2	0.66	5028	2514	2014	10	60	Resurface	\$ 660,000	\$ 660,000	\$ 49,456,433
bond	Hemphil Rd.	City Limit to S. Saginaw	64	10	3	40	4	1.20	7948	1987	2014	5	55	Resurface	\$ 2,400,000	\$ 2,400,000	\$ 51,856,433
bond	Lippincott	Center Genesee	69	10	3	40	2	1.00	3058	1529	2014	5	55	Resurface	\$ 1,000,000	\$ 1,000,000	\$ 52,856,433
20bond	Term St.	Hemphil to Atherton Rd.	56	5	2	50	2	0.50	1064	532	2012	0	55	Recon	\$ 1,000,000	\$ 1,000,000	\$ 53,856,433
bond	Atherton Rd.	Term to Center	80	15	5	25	4	0.40	10758	2690	2014	10	50	Resurface	\$ 400,000	\$ 400,000	\$ 54,256,433
bond	Judd Rd.	Fern to Dort	70	10	3	40	2	0.30	1186	593	2013	0	50	Resurface	\$ 300,000	\$ 300,000	\$ 54,556,433
bond	Term St.	Iron to Hemphil	62	10	3	40	2	0.25	1063	532	2014	0	50	Resurface	\$ 250,000	\$ 250,000	\$ 54,806,433
bond	Davison Rd.	Genesee to Belsay	80	15	6	20	4	1.00	10231	2558	2014	10	45	Resurface	\$ 1,000,000	\$ 1,000,000	\$ 55,806,433
bond	Court St.	Genesee to Belsay	70	10	5	25	4	1.20	9408	2352	2014	10	45	Resurface	\$ 1,200,000	\$ 1,200,000	\$ 57,006,433
bond	Hemphil Rd.	S. Saginaw to Dort	54	5	4	30	4	1.40	6211	1553	2014	5	40	Resurface	\$ 2,800,000	\$ 2,800,000	\$ 59,806,433
bond	Court St.	Belsay to City Limit	75	15	7	10	2	1.20	5517	2759	2001	10	35	Resurface	\$ 1,200,000	\$ 1,200,000	\$ 61,006,433
bond* = Submitted for 2018-2020 TIP but not approved															TOTAL		\$ 61,006,433