

RAY TOWNSHIP TOWNSHIP BOARD OF TRUSTEES
MEETING MINUTES
THURSDAY, MAY 3, 2018 AT 1:00 P.M.
PAGE 1 of 4

Location: Ray Township Hall
64255 Wolcott. Ray, MI 48096

Present: Joe Jarzyna, Supervisor
Lori Lascoe, Clerk
Doug Stier, Treasurer
Charlie Bohm, Trustee
Betty Grader, Trustee

Also Present: Christine Anderson, Township Attorney
Lyle Winn, Township Engineer
Jerry Schmeiser & Jack Dailey, Township Planners
Dawn Lund, Utility Financial Solutions, LLC
Steve Downing, Macomb County Public Works
Carol Thurber, Shelby Township Engineer
Danielle Allen, Shelby Township Deputy Director of Water and Sewer
Rosemary Davis, Shelby Township Attorney
Dominic Mocerri, Four Star Development
(Sign In-Sheet on file with the Clerk)

1. CALL TO ORDER – PLEDGE OF ALLEGIANCE AND ROLL CALL.
Supervisor Jarzyna called the meeting to order at 1:00 p.m. The Pledge of Allegiance was recited. All members were present.
2. APPROVAL OF AGENDA: Addition: 5.) d. Room Request; Mitten Thumb Machine Knitters
**MOTION by Bohm supported by Grader to approve the agenda as amended.
MOTION carried.**
3. PUBLIC COMMENTS: Supervisor Jarzyna asked anyone that would like to speak to come to the podium and state their name and address.

Bill Kehrer, 20015 30 Mile Road asked why the meeting was being held at 1:00 p.m. He questioned the number of people in the audience if any were Ray residents, three residents were present. He stated this is an important issue for the Township.

Jarzyna advised the professionals in attendance are available during office hours.

Bill Kehrer stated the sewer will cost a lot of money and asked where the money will come from. He requested the Supervisor to provide a written document that his taxes would not increase.

Jarzyna explained tax increases must be put on the ballot and voted on by the residents. He stated he could provide him a copy of the State of Michigan tax laws showing how taxes are increased.

Michael Cook 61111 Romeo Plank questioned the upcoming election Tuesday May 8, 2018. He asked if Shelby Township can annex Ray Township property if they became part of the sewer district?

Jarzyna advised the special election is a millage for Macomb Community College. He stated the sewer would be from Macomb County not Shelby Township.

Christine Anderson, Township Attorney stated a Township cannot annex another Township. She explained a village and city can annex a Township.

4. UNFINISHED BUSINESS

a. Consent Judgment for Four Star Development for proposed sewer – Wastewater Analysis

Lyle Winn, Township Engineer, AEW reviewed the adopted Master Plan depicting the area planned for sewer and water. He explained the connection and discharge for the Four-Star development would be along Hayes and would pump under the Middle Branch of the Clinton River. He explained Shelby Township needs a 15” pipe to service their capacity. Ray Township would need to increase this to an 18” pipe to service the 2.5 c-f-s. The connection would service approximately 3,000 residents and Macomb County Public Works would meter the flow. He explained Four Star Development would be paying for the cost of the connection. The cost of future expansion would be paid from the reserve funds collected by the Township for the tap fees. In approximately fifteen years when nearing capacity, it would be necessary to fund a bypass station. He stated Macomb County Public Works and the Township attorneys would develop an Inter-Governmental Agreement. He stated Shelby Township has been very receptive of the expansion.

Dawn Lund, Vice President, Utility Financial Solutions gave a presentation on the Wastewater cost analysis. She stated all information for the projected costs has been provided by Joe Jarzyna and Lyle Winn and the costs are projections, there is no historical data to reference. She explained each line item notates who is bearing the cost, Four-Star Development would be paying \$1,800,000.00 for the connection and bares all the risk, removing the risk from Ray Township. Ray Township would need to pay approximately \$200,000.00 to upsize the pipe from 15” to 18” to ensure capacity of 2.5 c-f-s. The \$200,000.00 would be paid back to the general fund with interest over an approximate 10-year period from the tap and connection fees along with the usage charges.

Bohm inquired about bonding the \$200,000.00 instead of using funds from the general fund.

Ms. Lund stated if you remove Ray Townships \$200,000.00 contribution, you have no financial contribution to the project, so you will have no cash flow. The Township must have cash flow to justify the rate costs, charging rates helps to establish funds.

Bohm asked who we are justifying to?

Christine Anderson stated the rates must be defensible in court.

Stier asked about budget line items such as added personnel and software.

Ms. Lund stated in the first years it would not be cost effective. She suggested approaching a third-party service or another community for billing services. She estimated in 15 years the need to build a pump station for the additional capacity at an estimated cost of \$2,800,000.00. The Engineer would define the actual year based on the projected flow.

Lyle Winn advised he does not believe the build outs would exceed 50 per year and that is estimated thru 2022.

Dawn Lund stated that the \$2,800,000.00 projected cost would be funded from connection fees paid to the township by the first developer, Four Star at rate of \$400.00 per tap and further developers at a cost of \$4,000.00 per tap. The first developer costs are less for the first 500 taps due to upfront costs of \$1,800,000.00 for the sewer connection.

Mr. Mocerj, Four Star Development stated he would prefer a municipal system versus a wastewater treatment plant. Today is the first time he has seen the projected numbers and indicates the numbers need

to be looked at further. He explained that Townsend Village was designed to be attainable housing and for 500 families and considers the cost of a municipal system versus a plant will impact the development. He stated there is a window of time regarding the treatment plant, he has a permit from the DEQ for the wastewater treatment plant and cannot go past October 2018. He stated he is in favor of the municipal system and would like to see numbers from the Shelby Township apartment and condominium developments. He stated he would like to meet soon to go over the numbers, for a municipal system.

Carol Thurber, Shelby Township Chief Engineer stated the development in Shelby Township is scheduled for the July Planning Commission. Further stated the sewer is planned with a fifteen (15") inch pipe unless Ray Township participates.

Jarzyna stated if the project in Shelby Township moves forward without upsizing the pipe then Ray Township is out.

Stier asked Lyle Winn if he had ever visited a batch plant and if there was any smell? He stated he is not opposed to wastewater treatment plant.

Lyle Winn said a batch plant would not be his first choice. He stated there is long term operation and replacement costs that must be maintained for a wastewater treatment plant.

Bohm asked if issuing General Obligation Bonds or a special assessment district is possible? He stated his concern with spending \$200,000.00 from the general fund.

Ms. Lund advised the General Obligation bonds put all the risk on the township. The Township would have to start making payments immediately. The payments would have to be made regardless of the number of connections. She stated the need to consider the economy also, if the economy takes a downturn, the payments would still be due. A special assessment district would require 51% participation of residents in the district the sewer could serve.

Steve Downing, Macomb County Public Works stated that the county is looking at the needs of the north end of Macomb County and extending the MIDD (Macomb Interceptor Drainage district) or creating a new drainage district. The County is determining what is the best approach for the county.

Stier asked if the Township does the 18" pipe with Shelby will that be a negative in the county eyes? Steve Downing, advised the County would see Ray Township connection to Shelby as a fix and the flow capacity would be negotiated with the MIDD.

MOTION by Bohm supported by Grader to allow Supervisor Jarzyna to meet with Lyle Winn, Dawn Lund, Mr. Mocerri, Bob Seibert and Macomb County Public works to begin writing intergovernmental agreement and refine fee schedule.
MOTION carried.

5. NEW BUSINESS

a. Resignation of Accountant – Christine Comaty submitted a letter of resignation her last day will be May 10, 2018.

MOTION by Bohm supported by Grader to accept Christine Comaty letter of resignation with regrets.
MOTION carried.

b. Request for Temporary Accountant until the position is filled

Stier stated he contacted Dora Osbourne and she is willing to help the Township and would fill in temporarily until a new accountant is hired. Further stated she has a full-time job and would come in after work and Saturdays as needed.

**MOTION by Bohm supported by Stier to enter into temporary contractual agreement with Dora Osbourne at a rate of \$22.00 per hour.
MOTION carried.**

c. Request to advertise for Accountant

**MOTION by Bohm supported by Grader to place an ad in the Romeo Record and the North Macomb Voice for an accountant with governmental/municipal accounting experience preferred.
MOTION carried.**

d. Room Request; Mitten Thumb Machine Knitters – Saturday, May 19, 2018 – *Added on Agenda*

**MOTION by Stier supported by Lascoe to allow Mitten Thumb Machine Knitters to use building on Saturday May, 19, 2018 from 10 A.M. to 4 P.M.
MOTION carried.**

6. PUBLIC COMMENTS:

Bill Kehrer, 20015 30 Mile Rd, stated meetings should be held at the regular time of 7:00 p.m. He stated he wants the residents to know that Ray Township will be spending \$200,000.00 for the sewer connection.

7. ADJOURNMENT

**MOTION by Stier supported by Grader to adjourn the meeting at 3:04 p.m.
MOTION carried.**

Joe Jarzyna, Supervisor

Lori R. Lascoe, Clerk

Date

Respectfully submitted,
Lisa Hall, Recording Secretary