

**CHARTER TOWNSHIP OF FENTON BOARD OF TRUSTEES  
MINUTES FOR REGULAR MEETING OF MAY 15, 2006**

**FENTON TOWNSHIP CIVIC COMMUNITY CENTER  
12060 MANTAWAUKA DRIVE, FENTON, MICHIGAN**

Supervisor Mathis called the meeting to order at 7:30 p.m.

Present: Mathis, Krug, Carmody, Brown, Gatesman, Goupil, Zimmer, Attorney  
Cooley and Office Manager Broecker.

Absent: None

**PLEDGE OF ALLEGIANCE:**

Supervisor Mathis led the pledge of allegiance to the flag.

**APPROVAL OF AGENDA:**

Motion to approve the 5/15/06 Fenton Township Board Meeting agenda as presented.

Motion by: Krug

Seconded: Brown

Ayes: All

Nays: None

Motion carried. The agenda is approved.

**MEETING MINUTES:**

The minutes of the 5/1/06 regular meeting stand approved as presented.

**EXPENDITURES:**

Motion to approve expenditures as presented.

Motion by: Brown

Seconded: Carmody

Ayes: Mathis, Krug, Carmody, Brown, Gatesman, Goupil, Zimmer

Nays: None

Motion carried.

**PUBLIC HEARINGS:**

None

**REPORTS:**

**Public Safety Update**

Trustee Goupil reported on the workshop meeting held on 4/10/06 to review and discuss concerns raised by Lake Fenton residents regarding boating and other activities that take place on their lake during the summer months, especially on holiday weekends. One of the discussion topics at that meeting was the need for stronger enforcement of existing ordinances, specifically the *Disorderly Persons Ordinance* and the *Noise Abatement Ordinance*. The Genesee County Sheriff Department has agreed, at the request of the Township, to more aggressively enforce these ordinances with a stronger emphasis on the issuance of tickets rather than relying on warnings to gain compliance.

It was also noted that this information will be posted on the Township's website.

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**Cable Franchising Update**

Treasurer Carmody reported that there is still much activity regarding proposed legislation to remove local control from telecommunications franchising. This would not only cost local governments millions in franchise fees, it would remove all control from the local units and assign it to either the federal or state level. AT&T has been the proponent of the legislation because they want to offer cable services only in profitable areas and don't want to negotiate franchise agreements with every municipality. Board members are encouraged to continue voicing their concerns to our legislative representatives to ensure that local control over franchising is maintained.

**Loose Senior Citizen Center Update**

Trustee Zimmer reported that the cities of Fenton and Linden have decided not to opt out of the interlocal agreement with the Loose Senior Citizen Center (LSCC). Supervisor Mathis reported that the LSCC board is still considering a name change for the center. She is opposed to changing the name because the Loose family provided the funding to start the senior center.

**Hydro geological Study**

Trustee Brown reported that he has been in contact with the UM-Flint Center for Applied Environmental Research regarding the Planning Commission's recommendation for a hydro geological study. So far no grant funds have been identified that could help with this project, however efforts to locate funding will continue.

**Township Board Resignation**

Trustee Gatesman stated that he is resigning from his position on the Township Board and handed a letter of resignation to Supervisor Mathis. Trustee Gatesman stated that other personal issues are requiring significant amounts of his time and he is unable to devote enough time to his Township duties to be effective. Supervisor Mathis stated that she is sorry to see Mr. Gatesman leave the board but understands his situation. He will be missed by this Township Board. Treasurer Carmody thanked Trustee Gatesman for his service to the Township and particularly for his willingness to share his knowledge with other officials, which Mr. Carmody found to be very beneficial when he was new to the board.

Motion to accept, with regrets, the resignation of Calvin C. Gatesman from his position as Fenton Township Trustee, effective at the end of the May 15, 2006 Township Board meeting.

Motion by: Brown

Seconded: Krug

Ayes: Mathis, Krug, Carmody, Brown, Gatesman, Goupil, Zimmer

Nays: None

Motion carried.

**COMMUNICATIONS:**

None

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**ADOPTION OF ORDINANCES:**

None

**UNFINISHED BUSINESS:**

None

**NEW BUSINESS:**

**Request for Watercraft Control Ordinance (No-Wake Designation) – McCully Lake**

Supervisor Mathis reported that the Township has received a request from residents of McCully Lake to be placed on this evening's agenda to discuss the possibility of establishing McCully Lake as a "no-wake" lake. It was noted that the adoption of such an ordinance by the Township Board must be preceded by a public hearing by the DNR and approval of ordinance language by the DNR. The following McCully Lake residents addressed the board on the issue:

Ed Willing, 12154 Jennings Road (also owns property on McCully Lake)  
James Bradburn, 1276 Butcher Road  
James Carlson, 1408 St. Lawrence Court

The intent of the lake residents is to protect and maintain the natural state of the lake by prohibiting high speed watercraft. They would prefer to allow electric motors but prohibit gas motors to reduce pollution in the lake. McCully lake is only 14 acres in size with large wetland areas and significant amounts of wildlife, such as swans herons, cranes, etc.

Clerk Krug noted that the DNR may not allow the prohibition of only certain types of motors. It may be a situation where motors are either permitted or they are not.

A resolution will be drafted for board consideration at the 6/5/06 meeting to formally request that the DNR conduct a public hearing on this request.

**Proposed Ballot Proposal Language for 8/8/06 Primary Election – Sewer Millage**

Supervisor Mathis stated that the Township has been working for the past few months to develop a plan to increase revenues in the Sewer Fund in order to continue our project to rehabilitate the sanitary sewer system. The Township has retained the services of ACI Finance, a financial consultant that specializes in municipal finance, and the law firm of Miller-Canfield, also a specialist in municipal finance. Additionally, members of the board met earlier today with Drain Commissioner Jeff Wright to discuss these issues and make sure that all viable options are being considered.

Supervisor Mathis provided an overview of the proposed financial plan for the Sewer Fund. In 2002 Fenton Township entered into an Administrative Consent Order (ACO) with the Michigan Department of Environmental Quality (MDEQ). This ACO mandated that the Township improve its sanitary sewer system in order to minimize the risk of

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sewage spills and overflows. Since that time Fenton Township has been involved in an aggressive program to:

1. Conduct a video inspection of the Township's entire sanitary sewer system.
2. Identify problem areas and determine the most cost-effective rehabilitation methods.
3. Complete the necessary repairs, upgrades and/or replacements to restore the system to an adequate level of operation.

As has been reported at previous Township meetings, the scope of this project has become much larger than initially anticipated. While we have made significant progress in improving the sewer system, there is still much work to be done. Although these system improvements are costly, it is vitally important that the entire sewer system is rehabilitated to an acceptable level of operation in order to protect the health safety and welfare of our residents. This need for continued rehabilitation of the Township's sewer system due to its age and condition, combined with several economic factors, have created a situation where the Fenton Township Sewer Fund is not currently able to meet the financial needs of the sewer system.

There are three primary factors involved in the Township's need to generate additional revenues:

1. The Sewer Fund is currently experiencing a cash flow deficiency due primarily to slower than anticipated development, (i.e. new connections to the sewer system).
2. The proceeds of the bonds previously issued to finance sewer rehabilitation have been spent, however it is estimated that another \$20 million is needed to complete the necessary repair, upgrade and rehabilitation of the sewer system over the next several years.
3. Genesee County will increase their charge to Fenton Township by \$33.00 per quarter per unit beginning August 1, 2006. The Township's Sewer Fund cannot absorb this increase without passing it on to the sewer system users.

There are four different ways for the Township to generate revenues for the Sewer Fund:

1. Connection fees
2. User fees
3. Special assessments
4. Voted millage

Increasing connection fee rates is not a viable alternative because it is volume driven and is not likely to result in a significant revenue increase. That leaves user fees, special assessments and a tax millage as viable options. After considerable research and utilizing the services of a financial consultant and bond attorney, the following plan has been developed.

- 1. Increase user rates to \$168.00 per quarter, effective August 1, 2006.**

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This would cover the Genesee County increase without placing any additional burden on the Sewer Fund.

**2. Establish a separate Special Assessment District (SAD) for each “arm” of the sewer system.**

All properties with sewer available would be included in the appropriate SAD based on geographic location. Properties would be assessed an equitable share of the total cost of the projects to be completed within their respective districts, (projected to be between \$1,800 and \$2,600 per “share” depending on in which SAD a property is located). These assessments would be spread over a 20-year period (plus interest), with the option of paying off the assessment at any time. The SAD’s would allow the Township to issue bonds that would fund approximately \$14 million of the estimated \$20 million needed for system improvements.

**3. Place a millage proposal on the August 8, 2006 Primary Election ballot.**

The ballot proposal would ask for a levy of 2 mills on all properties in Fenton Township for 20 years to pay for sewer system operation & maintenance, debt service for existing & future debt and for capital improvements within the system. This would generate the revenue to:

- a. make up the difference between the SAD’s and the estimated \$20 million needed for system improvements.
- b. offset the August 1, 2006 Genesee County fee increase of \$33.00 per unit per quarter.
- c. counterbalance the negative cash flows already being experienced by the Sewer Fund.

A millage would spread the cost over a broader base because all properties in the township would pay a proportionate share. A millage is also tax deductible, whereas user rates are not.

If the millage is approved, (based on current cash flow projections), additional user rate increases would not be necessary and the August 1, 2006 rate increase would be rescinded, bringing the quarterly user rate back to \$135.00 per unit as of January 1, 2007.

If the millage proposal is not approved, (again based on current cash flow projections), user rates would be increased to \$201.00 per unit per quarter, effective September 1, 2006.

In summary, the Township Board, (specifically Supervisor Mathis, Clerk Krug and Treasurer Carmody), has developed two possible approaches to remedy the current financial situation in the Sewer Fund. It is important to understand that special assessments are a component of both options.

Option 1

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Special assessments for all properties that currently have access to sanitary sewer.  
2-mill tax levy.  
User rates lowered back to \$135.00 per quarter per unit, effective 1/1/07.

Option 2

Special assessments for all properties that currently have access to sanitary sewer.  
No tax levy.  
User rates increased to \$201.00 per quarter per unit, effective 9/1/06.

Supervisor Mathis made it very clear that the board is very troubled and concerned with the fact that they must go to the residents of the Township with proposals to increase revenues for the Sewer Fund. It is understood that our residents will not be happy with the proposed special assessments and tax levy or rate increase. The alternative, however, is to not continue the rehabilitation of the sewer system, which is simply not an acceptable option.

The issue before the board this evening is the decision to place a millage proposal on the 8/8/06 election ballot. Clerk Krug noted that the Township is working under a rather tight deadline since the ballot language must be approved by the Township Board and certified to the Genesee County Clerk no later than 5/30/06.

Treasurer Carmody pointed out that the financial consultant and bond attorney retained by the Township are very highly regarded in their field. Both have reviewed the proposed plan and feel that it is a balanced and equitable approach to the situation.

Trustee Brown stated that the board members' meeting with the Drain Commissioner gives him a greater level of comfort that all avenues have been looked at. He also suggested scheduling a special meeting to give the public an opportunity to learn more about this issue before any further action is taken by the board.

Clerk Krug noted that the lakes in Fenton Township, particularly Lake Fenton, were in very poor condition prior to the construction of sewers in the 1960's and 70's. These sewers have protected the lakes for many years, but the system is getting old and needs a significant amount of work.

Trustee Goupil asked if there could be circumstances under which the user rates or millage rate (if approved) could be reduced. It was noted that if the volume of new connections increases significantly above current projections, the Township may be able to reduce the user fee rates and/or the millage rate at some point in the future.

The board agreed to schedule a special meeting for Monday 5/22/06 at 7:30 p.m. This meeting will give the public an opportunity to learn more about the proposed financial plan and to ask questions.

Public Comment:

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Ted Goupil, 14166 Eastview Drive

Mr. Goupil asked if the Genesee County Drain Commissioner has been approached to provide a cost proposal to take over the operation and maintenance, (O&M), of the sewer system and/or the rehabilitation project. Supervisor Mathis stated that the County proposal for O&M was higher than what the Township is currently paying under a maintenance contract with a private firm. The Drain Commissioner stated that the cost of system rehabilitation would not be any different if the County took over the project versus the Township continuing to oversee the project. Supervisor Mathis also expressed concern that the County may not take the same measures to protect homes and property from spills and backups.

Mr. Goupil also stated that a properly functioning sewer system benefits the entire community not just those connected to it.

James Bradburn, 1276 Butcher Road

Mr. Bradburn stated that his parents, who live in Flint, have experienced sewage backups in the past and it was a horrible experience. Keeping the sewer system in good working order is very important, even if it is costly.

Dave Franz, 3435 Breezepointe Court

Mr. Franz asked if properties that do not currently have sewer available will be included in the special assessment districts. Office Manager Broecker responded that the special assessment statute only allows the Township to assess properties that benefit from the proposed improvement. We will need to clarify this issue regarding properties that will eventually be connected to the sewer. Mr. Franz also stated that he prefers the millage to a rate increase because the millage is tax deductible.

Dave Hawcroft, 3302 Ponemah Drive

Mr. Hawcroft asked for a clarification on the special meeting scheduled by the board. Supervisor Mathis clarified that the special meeting is open to the public and will be held on Monday 5/22/06 at 7:30 p.m.

Tom Richard, 12425 Jennings Road

Mr. Richard suggested using large boards or other visual aids to help explain the proposed plan at the 5/22/06 meeting.

**PUBLIC COMMENT - AGENDA OR NON-AGENDA ITEMS:**

Ray Lord, 4520 Eleanor Drive

Mr. Lord expressed concern that the residents of Island View Drive are circulating petitions for a road improvement special assessment along with information regarding the availability of CDBG funds to assist those property owners who meet eligibility requirements. He is also concerned that the residents of Chateaux du Lac are not included in the proposed assessment district, although they are offering to contribute toward the project cost.

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Office Manager Broecker explained that the Island View petition was drawn up by the Genesee County Road Commission. The statute used by the Road Commission only allows properties that front the proposed improvement to be assessed. The residents of Chateaux du Lac have indicated a willingness to participate in the cost of the project by creating a separate special assessment district through the Township. Regarding the CDBG funding, the possibility of including the Island View project as a direct benefit CDBG project has been previously discussed by the Township Board. Until a project application is submitted by the board and funds allocated, however, there is no guarantee that CDBG funds will be available for this project.

Richard Steinhoff, 4436 Island View Drive

Mr. Steinhoff stated that his objection to the proposed cost sharing for the Island View drive project is the fact that much of the damage to the street was caused by construction traffic over the years for Chateaux du Lac. He believes that the Chateaux du Lac properties should be assessed equally with the Island View Drive properties.

**ADJOURN:** Meeting adjourned at 9:45 p.m.

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Bonnie Mathis, Supervisor

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Robert Krug, Clerk

**Minutes Posted 5/16/06**