

**CHARTER TOWNSHIP OF FENTON BOARD OF TRUSTEES
MINUTES FOR REGULAR MEETING OF JUNE 2, 2008**

**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, Tucker, Goupil, Zimmer, Attorney Cooley and Operations
Manager Broecker

Absent: Brown

PLEDGE OF ALLEGIANCE:

Supervisor Mathis led the pledge of allegiance to the flag.

APPROVAL OF AGENDA:

Motion to approve the 6/2/08 Fenton Township Board Meeting agenda as presented.

Motion by: Tucker

Seconded: Krug

Ayes: All Present

Nays: None

Absent: Brown

Motion carried. The agenda is approved.

NEW BUSINESS:

Proposed Municipal Water Main Project – Thompson Road Corridor

Clerk Krug reviewed the actions over the past several months of the Municipal Water Steering Committee in reviewing the proposed construction of a water main to service the Thompson Road Corridor. The committee was formed in the fall of 2007 after four developers with approved projects approached the Township about municipal water and indicated that they are prepared to fund the entire cost of the project, which is estimated at \$8 million. The proposed project would not require any funding from the Township. While there are some details that would have to be worked out later, it is the consensus of the committee to bring the issue to the Township Board to decide whether or not to proceed with the project.

Treasurer Tucker added that the committee met with the developers recently to discuss the financing issues. They are prepared to proceed but need a commitment from the Township before they can secure their financing. Treasurer Tucker also re-emphasized that the financing would not be done through the Township.

Trustee Goupil asked if there is any financial risk to the Township. Treasurer Tucker stated that the financing will be guaranteed by the banks. The Township would not incur any risk. Attorney Cooley agreed, adding that the agreement(s) with the developers can be crafted to eliminate any financial risk for the Township.

Trustee Zimmer asked if existing businesses would be required to connect to the water system. Attorney Cooley clarified that, unlike sanitary sewer, connection to a municipal water main is generally not a health, safety and welfare issue. Therefore, he doesn't believe the Township can require anyone to connect. Trustee Zimmer stated that existing businesses are not in favor of public water and she doesn't believe the people of Fenton Township want public water. The Township has not conducted any environmental studies or studies to determine what Type I well systems would cost. Neither the Township nor the developers have completed any studies regarding the aquifers. Supervisor Mathis asked Trustee Zimmer if she had contacted the developers

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to confirm that no studies were completed. Trustee Zimmer clarified that she is not aware of any such studies.

Trustee Zimmer went on to say that the Township Board has not fully discussed all aspects of the Thompson Road Corridor development. She is concerned with potential traffic problems and the cost of road improvements that may become necessary due to commercial development. Trustee Zimmer added that she believes that, once a water main is constructed, the Township will not be able to control expansion of the system. The actions of future township boards may not be consistent with the intent of this board. There is nothing to stop a future board from expanding the water system throughout the township.

Supervisor Mathis stated that the commercial development of the Thompson Road Corridor will generate much needed revenue for the Township. In this situation, the developers are offering to pay the entire cost of the water line construction with no cost to the Township. Trustee Zimmer responded that it is standard practice for developers to pay for water lines – municipalities never have to pay. Supervisor Mathis disagreed and asked John O'Brien, Director of Water & Waste Services for Genesee County, to clarify. Mr. O'Brien stated that funding for water main construction can be handled in several different ways. There are situations where developers pay the entire cost of a project, however it is more typical for the municipality to finance the project. Trustee Zimmer disagreed with Mr. O'Brien's statement.

Trustee Zimmer expressed concern that there was no information in the meeting packet regarding this issue and she doesn't feel the board has enough information to make a decision that will bring water to the entire township. Supervisor Mathis responded that the proposal before the board is just for the Thompson Road Corridor and a small portion of Fenton Road, not the entire Township. Trustee Zimmer disagreed. She stated that this decision would bring water to the entire township because there would be no way to control expansion of the system. Clerk Krug stated that Trustee Zimmer's statement was a "bold-faced lie". The proposal before the board is to construct a municipal water main along Fenton Road from Ray Road to Thompson Road and along Thompson Road from Fenton Road to Jennings Road. Any further expansion of the system would be subject to approval of the Township Board, and the board would have the right to approve or deny any such expansion.

Regarding Trustee Zimmer's assertion that future township boards could decide to expand the water system throughout the Township, Trustee Goupil observed that a future board could make that decision regardless of the actions of this board. Treasurer Tucker agreed, adding that the board should not be overly concerned with what "could happen" when making decisions. Just because something "could happen" it doesn't mean that it will.

John O'Brien reminded the board that if the decision tonight is to move forward, agreements will be necessary between the Township and Genesee County, as well as joint agreements with Mundy and Grand Blanc Townships. There will be several steps necessary before final approval.

Motion to proceed with the creation of a municipal water district and the negotiation and execution of a contract with the Genesee County Drain Commissioner to construct a municipal water main for the Thompson Road Corridor, with the following conditions:

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1. All hard and soft costs for the design, installation, financing and construction of the water main are to be solely funded by parties that would benefit from the municipal water project with no funds being contributed by Fenton Township.
2. No existing residential homes located within the municipal water district will be specially assessed or otherwise charged for all or any part of the design, installation, financing or construction of the municipal water main.
3. Existing residential homes located within the municipal water district may, but will not be required to, connect to the municipal water main. Existing residential homes that do elect to connect to the water main will be charged the applicable connection/tap fees.

Motion by: Krug
Seconded: Tucker
Ayes: Mathis, Krug, Tucker, Goupil
Nays: Zimmer
Absent: Brown

Motion carried.

Plante & Moran, PLLC-Financial Report for Fiscal Year Ended December 31, 2007

Supervisor Mathis introduced Tadd Harburn and Angela Stevens of Plante & Moran, PLLC. Ms. Stevens reviewed several graphs outlining year-to-year changes in revenues and expenditures in both the General and Sewer Funds.

Mr. Harburn then reviewed the individual fund statements. Areas highlighted included:

- ⇒ Total fund balance in the General Fund increased by \$32,780 to a total of \$534,937, which represents approximately three months of budgeted expenditures, which is within the recommended range of 2½ -4 months.
- ⇒ General Fund revenues increased \$49,613 from 2006, due primarily to property tax revenues and administration fees.
- ⇒ General Fund expenditures increased approximately \$77,000 from 2006, due primarily to an increase in law enforcement services cost.
- ⇒ All Special Revenue Funds, (Fire Protection, Solid Waste and Mosquito Control), are financially stable with adequate fund balances.
- ⇒ The Sewer Fund showed an operating income of \$2.562 million versus \$634,623 in 2006. This improvement is attributable to the full-year effect of the user rate increase implemented in 2006.

Mr. Harburn noted that several new reporting requirements have been implemented in recent years. As a result, many of their clients have had to address identified significant deficiencies and/or material weaknesses in their internal control and accounting procedures. They are pleased to report that Fenton Township has no internal control deficiencies or material weaknesses in their accounting policies and procedures.

Mr. Harburn briefly reviewed Plante & Moran's formal report to the Township Board. He pointed out two issues that the Township should be aware of:

1. Beginning in 2009, the Township will have to account for post-employment benefit costs.
2. Beginning this year, the Treasurer is required to provide a quarterly investment report to the Township Board.

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The board thanked Mr. Harburn and Ms. Stevens for their report.

MEETING MINUTES:

The minutes for the 5/19/08 regular meeting stand approved as presented.

EXPENDITURES:

Motion to approve expenditures for payment as presented.

Motion by: Tucker
Seconded: Zimmer
Ayes: Mathis, Krug, Tucker, Goupil, Zimmer
Nays: None
Absent: Brown

Motion carried.

PUBLIC HEARINGS:

None

REPORTS:

Fire Chief Report

Fire Chief John Moulton provided updated statistics to the board. The Fire Department responded to 68 alarms in May, 12 of which were in Tyrone Township. This total included 2 fires, 42 medical runs, 6 hazardous conditions, 7 service calls, 4 good intention calls, 6 false alarms and 1 special service.

Trustee Goupil added that the Public Safety Committee will be scheduling a meeting with Tyrone Township officials to review the proposed new service agreement. It is anticipated that the agreement will be presented for approval at the 7/7/08 board meeting.

Channel 19 Update

Trustee Zimmer reported that the Township is now utilizing the services of Precision Media to record township board meetings. At the recent FACT meeting it was reported that Charter will be moving the PEG channel to a public interest tier in the 980-999 channel range to make room for more high definition channels.

Goose Removal – Crooked Lake

Supervisor Mathis reported that the Crooked Lake Property Association is requesting the Township endorse a goose relocation or “round-up” similar to the one done on Silver and Marl Lakes each year. There were no objections from the board. Supervisor Mathis will forward the appropriate letter to the DNR.

COMMUNICATIONS:

None

ADOPTION OF ORDINANCES:

None

UNFINISHED BUSINESS:

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Appointment of Township Trustee

Supervisor Mathis noted that the board had previously postponed action on the appointment of a Township Trustee to fill the vacancy created by John Tucker's appointment to the Treasurer position. She is recommending Denise Ketchmark for the position. Ms. Ketchmark served on the Township Board from 1996-2000 and would be an ideal interim Trustee.

Motion to appoint Denise R. Ketchmark to the position of Township Trustee for the term ending 11/20/08.

Motion by: Mathis
Seconded: Krug
Ayes: Mathis, Krug, Tucker, Goupil
Nays: Zimmer
Absent: Brown

Motion carried.

Workshop Meetings

Supervisor Mathis stated that she would like to schedule two workshop meetings in the upcoming weeks. Issues to be discussed at the workshops include:

1. Capital Improvement Plan.
2. Amendment to Utility Control Ordinance.
3. New Fire Contract with Tyrone Township.
4. Sewer Bill Payment Options.

NEW BUSINESS:

Sale of Tax Reverted Properties

Operations Manager Broecker reminded the board that the Township had taken ownership of several tax-reverted properties in 2007 with the intent to get them back on the active tax roll. Adjacent property owners for two of the parcels have expressed an interest in acquiring the tax reverted properties. One of the subject parcels is a small, land-locked triangle and the other is part of an existing road. Both parcels, individually, have little or no value but combining with other properties would provide some value to those property owners. Deeds have been drafted to transfer these properties for \$1.00 each.

Motion to sell parcel # 06-11-529-075 to Guy R. Smith as presented.

Motion by: Tucker
Seconded: Mathis
Ayes: Mathis, Krug, Tucker, Brown, Goupil, Zimmer
Nays: None

Motion carried.

Motion to sell parcel # 06-27-501-026 to Chad R. Ellis as presented.

Motion by: Tucker
Seconded: Krug
Ayes: Mathis, Krug, Tucker, Brown, Goupil, Zimmer
Nays: None

Motion carried.

PUBLIC COMMENT - AGENDA OR NON-AGENDA ITEMS:

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Brian Shaltz, Field to Finish Engineering

Mr. Shaltz asked which township body would hear a request for a waiver from provisions of the Sewer System Ordinance. Supervisor Mathis responded that she believes the Sewer Committee would be responsible but she will verify this.

Dave Hawcroft, 3302 Ponemah Drive

Mr. Hawcroft questioned a dredging notice he received at his home. Operations Manager Broecker stated that the Township is not involved in any dredging operations, however he has received an inquiry about creating a special assessment district to pay for cleaning out the Lake Ponemah channels.

Regarding the municipal water project, Mr. Hawcroft asked if the water system would be maintained so as to avoid costly repairs in the future caused by a lack of maintenance. Clerk Krug stated that the water lines would be maintained regularly. Treasurer Tucker added that maintenance issues for water and sewer lines are very different. Water lines are pressurized and only 5-6 feet underground. They require much less maintenance than sanitary sewer lines, most of which are gravity lines, which can be up to 35 feet underground.

Mr. Hawcroft asked who would be responsible for any costs that exceed \$8 million on the water project. Clerk Krug clarified that the developers will pay 100% of the costs. \$8 million is simply an estimate.

Susan Foland, 11421 Fairbanks Road

Ms. Foland asked if businesses will be required to connect to the water main. Clerk Krug responded that existing businesses may, but will not be required to, connect to the water main. Ms. Foland also stated that, in previous meetings, providing water to the MDOT rest area on US-23 and to Lake Fenton Schools had been discussed. Clerk Krug again clarified that the current project only includes Fenton Road from Ray to Thompson and Thompson Road from Fenton to Jennings. Any additional extensions would be separate issues and separate decisions.

Ms. Foland also asked for an update on the house whose foundation sank during sewer related excavation. Treasurer Tucker stated that the insurance companies are now working together to resolve the issues. It is hoped that the foundation of the house can be stabilized soon so the owners can move back into their home.

Supervisor Mathis also acknowledged three Linden High School students that were attending the meeting as a class assignment. The students declined the opportunity to step to the podium.

ADJOURN: Meeting adjourned at 9:30 p.m.

Bonnie Mathis, Supervisor

Robert Krug, Clerk

Minutes Posted 6/4/08