

Republic Township Board
March 10, 2016
Budget Workshop/Meeting Minutes

1. The Board came together @ 10:00 am to discuss the budget. The meeting/workshop was called to order, all Board Members were present
2. Supervisor Johnson read into the minutes the Opinion Letter from Attorney William Fahey regarding the question of whether or not the increase in the seasonal garbage rates imposed last year were done correctly. The letter will be attached to the minutes as part of the permanent record.
3. In keeping with the letter from Attorney William Fahey, the Board wishes to break confidentiality and release said letter to the public Supervisor Johnson made the motion to adopt the Following Resolution and release said letter:

Whereas the Republic Township Board has learned that Ordinance Number 2013-5 which is the "Solid Waste Ordinance" contains language that is obsolete and

Whereas the Republic Township Board has sought legal council to determine the best course of action to clear up any confusion in the language and

Whereas the Republic Township Board does wish to communicate with their constituents in a clear and concise manner at all times for the purposes of transparency;

The Republic Township Board does hereby resolve to remove from Ordinance 2013-5 Solid Waste Ordinance the language referring to "The Old Waste Management Resource Recovery Act of 1978 which was repealed by the Michigan State Legislature in 1995 and replace said language with a reference to part 119 of the Natural Resources and Environmental Protection Act (NREPA) specifically Section 4 Subsection (g) to state "The Township Board may amend rates and charges established in this Ordinance by resolution at a Township Board Meeting", and release the letter read into the minutes to the general public

Motion was seconded by Treasurer Koski,

Roll Call Vote:

Supervisor Johnson Aye - Nay
Treasurer Koski Aye - Nay
Clerk Brancheau Aye - Nay
Trustee Feldhusen Aye - Nay
Trustee Knapp Aye - Nay
5 Ayes, 0 Nays, Motion Passes

4. **Seasonal Garbage rate increase from one year ago** – the following resolution will clarify the rate increase:

Whereas the Republic Township Board did in fact increase the Seasonal Garbage rates legally in March of 2015 and

Whereas it has been brought to the Boards' attention that clarifying the vote with a roll call vote and a specific reason for the increase should be made public and

Whereas the Republic Township Board does wish to communicate with their constituents in a clear and concise manner at all times for the purposes of transparency and

Whereas the Republic Township Board did determine that the Solid Waste Fund was in need of procuring additional funds due to rising costs and inadequate rates;

The Republic Township Board does hereby resolve to increase the Seasonal Garbage rates to be increased to \$15.00 per month per six months; \$90.00 in total every October 1st billing schedule to bring the rate more in line with the rate all other Solid Waste users pay and that the rate is reasonable and necessary.

Motion by Supervisor Johnson, seconded by Trustee Knapp;

Roll Call Vote:

Supervisor Johnson Aye - Nay
Treasurer Koski Aye - Nay
Clerk Brancheau Aye - Nay
Trustee Feldhusen Aye - Nay
Trustee Knapp Aye - Nay
5 Ayes, 0 Nays, Motion Passes

5. Treasurer Koski has been talking with Jim Carlisle regarding the enormous Solid Waste bills that we pay to GAD, Humboldt Township and Michigamme Township. Treasurer Koski has been looking for ways to cut costs without cutting services and thought the Township might wish to go on bids, including Mr. Carlisle to see if the Township could save any money. Once we get information back from him, at that time the Township should go out on bids as required by law. This will be placed on the Agenda for the March 31st meeting.

At this time Supervisor Johnson restated the Solid Waste rates that will be charged in the coming year:

Garbage Rates Monthly:

Residential Customer - \$12.00 per month

Senior Citizen 62 + living alone - \$6.00 per month

Rural Customer - \$15.00 per month (\$180.00 yr.)

Rural Sr. Citizens - 62 + living alone \$7.50 per month (\$90.00 yr.)

Seasonal Customers – Yearly 6 months @ \$15.00/ month \$90.00

Motion by Treasurer Koski, seconded by Clerk Brancheau, all in favor, motion carried.

6. **Matt Treado from UPEA** – Matt was informed by Treasurer Koski that a resolution had been passed at the last Board meeting to pay back the \$54,000 shortfall over the next 10 months to the “pooled checking”. Apparently, according to Mike Grentz the CPA, this goes way back over the last couple of decades. Treasurer Koski stated that she had been doing transfers every month to try to clear this, but it is going to require separate and additional transfers to clear this up. Matt stated that this \$54,000 was holding things up, but now that the Board has taken action to rectify this, the picture for the grant is much better. He also stated that if this \$54,000 is paid off by the time the Township had to begin to make payments on loan portion of the Sewer grant the current rates should be sufficient to handle the payments and maintain the system. It also helps that the Township paid off the Berkadia loan from the old sewer debt 5 years early. Documentation of both of these actions will be sent to Duane Reid in hopes that he will sign off and then permit us to submit our application for the grant. Matt suggested a change in the proposed budget for professional services to make sure we had the money to pay the \$5000 a month payments. Supervisor Johnson requested Matt Treado to forward all of this to Duane Reid on behalf of the Board, Matt agreed, he will be speaking with Duane on Monday the 14th.
7. There was a brief discussion period where Jim Brennan had some questions for Matt Treado regarding the upcoming grant. Matt was able to answer his questions satisfactorily.
8. There was discussion with Jay Parent from DEQ that he had hoped to see more progress on the grant, but sees the difficulties we have had to overcome for Duane Reid’s satisfaction. He was happy to see the budget looking positive. Supervisor Johnson explained more of the complexities of the grant process so he would understand why it takes so long. Jay Parent stated that Michigamme Township is already having to replace 11 of their lift stations after only about 10 years or so.
9. Supervisor Johnson determined that a resolution should be voted on regarding the \$41.00 monthly sewer charge.

Whereas the Republic Township Board did previously state that the monthly rate for Sewer must be \$41.00 per month for the satisfaction of the USDA for the upcoming grant application and

Whereas the Republic Township Board finds that this rate is reasonable and necessary for the operation and maintenance of the system and

Whereas the Berkadia loan from the old grant had a separate rate charge of \$5.50 per month reflected in the monthly billing statement and

Whereas the Berkadia loan has been paid in full 5 years early saving thousands of dollars in interest to the users of the sewer system and

Whereas the \$5.50 per month should continue to be collected to assist in the \$54,000 payback schedule to the General Fund and once the payoff is complete the \$5.50 per month should continue to be collected to assist in building up a repair, replace, improve fund as required by the new grant;

The Republic Township Board hereby resolves that the \$5.50 per month will continue to be collected inclusive in the \$41.00 per month sewer rate to be listed as a separate charge at a later date for the repair, replace, improve account to be created for the new grant once established.

Motion by Treasurer Koski, seconded by Trustee Feldhusen,

Roll Call Vote:

Supervisor Johnson Aye - Nay

Treasurer Koski Aye - Nay

Clerk Brancheau Aye - Nay

Trustee Feldhusen Aye - Nay

Trustee Knapp Aye - Nay

5 Ayes, 0 Nays, Motion Passes

There was additional discussion about amendments to the Sewer Ordinance will be made in coordination with the new grant. More discussion was held to answer several questions posed by Mr. Larry Wuokko.

10. Water Meters – Treasurer Koski had questions regarding when we have collected sufficient data to start billing for the metered usage; to work that into our rate structure. Matt Treado said he would speak with HD Supply to determine how to crunch that data to come up with a rate structure. He stated he would get back to Tina on Monday, the 14th. Until then the current rate structure should remain in place.

Whereas the Republic Township Board has established a rate structure currently in use to fund the operating, maintenance, repair, replace, improve and bond & interest redemption that is sufficient in its funding and

Whereas Republic Township has been collecting data to soon set up a rate structure based on usage but needs to reaffirm the current rate structure for budgeting purposes;

The Republic Township Board hereby resolves to continue the current water rate structure of \$26.50 O&M, and \$11.50 Water improvement until such time that a rate structure based on metered usage could be calculated.

Motion by Treasurer Koski, seconded by Trustee Feldhusen

Roll Call Vote:

Supervisor Johnson Aye - Nay
Treasurer Koski Aye - Nay
Clerk Brancheau Aye - Nay
Trustee Feldhusen Aye - Nay
Trustee Knapp Aye - Nay
5 Ayes, 0 Nays, Motion Passes

11. Balanced Budget for Utility Based Enterprises – Resolution for vote:

Whereas the Republic Township Board is required to have a balanced budget in all of its utility based enterprises and

Whereas rate structures have been presented and approved because they are currently sufficient for funding the utility based enterprises

The Republic Township Board does hereby resolve to accept and enforce the entire rate structure as provided on the current Township Charges Rate Sheet dated March 10, 2016 which will be attached to the minutes creating a permanent record.

Motion by Trustee Feldhusen, seconded by Trustee Knapp,

Roll Call Vote:

Supervisor Johnson Aye - Nay
Treasurer Koski Aye - Nay
Clerk Brancheau Aye - Nay
Trustee Feldhusen Aye - Nay
Trustee Knapp Aye - Nay
5 Ayes, 0 Nays, Motion Passes

12. Library Fund – There was discussion regarding the various problems/issues with the Library at the school. Things are worse than people realized that the library is not open to the students during the day unless their teacher is willing to take them. Motion by Trustee Feldhusen, seconded by Treasurer Koski to pay the \$6000.00 as requested, all in favor, motion carried.

13. Budget/ Accept as presented & amended – Supervisor Johnson recommended that the Board accept the budget as currently presented with the knowledge that there will be amendments coming in the near future. Motion by Supervisor Johnson, seconded by Treasurer Koski

Roll Call Vote:

Supervisor Johnson **Aye** - **Nay**
Treasurer Koski **Aye** - **Nay**
Clerk Brancheau **Aye** - **Nay**
Trustee Feldhusen **Aye** - **Nay**
Trustee Knapp **Aye** - **Nay**
5 Ayes, 0 Nays, Motion Passes

14. Public Comment - None

15. ADJOURNMENT: Meeting adjourned @ 12:05pm

Sworn and Subscribed to by:

Marilyn Brancheau, Clerk Date

Approved