

**Minutes of the Clay Township Regular Board Meeting Held Monday September 17, 2007 in the Clay Township Meeting Hall, 4710 Pointe Tremble Road, Clay Township, Michigan**

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

**ROLL CALL**

Present: Supervisor Jon Manos, Clerk Michael Pellerito, Treasurer Connie Turner, Trustee Thomas Krueger, Trustee John Makuch, Trustee Jay DeBoyer, Trustee David Dare

Absent: None

Citizens: 20

**BILLS PAYABLE**

**Motion** by Turner, supported by Makuch, to pay the bills in the amount of \$145,593.14

**ROLL CALL VOTE**

AYES: Krueger, Makuch, Turner, Manos, Pellerito, DeBoyer, Dare

NAYES: None

**MOTION CARRIED**

**CONSENT AGENDA**

**Motion** by Makuch, supported by Dare, to approve the Consent Agenda with the communications from the Cherry Beach Senior Center read.

AYES: All

NAYES: None

**MOTION CARRIED**

Clerk Pellerito read the letter of appreciation for the \$1,000.00 donation from the Cherry Beach Senior Center.

**OLD BUSINESS**

**1. Fire Authority**

Manos: Gave an overview of what has been discussed regarding forming a fire authority, it would include the out-islands and it would be necessary to go to a vote of the people.

Krueger: Would like to hear more about the reasons for some Trustees to vote against the fire millage and what we can do. As far as combining Mainland and Harsens Island fire departments, some Harsens Island residents are against it, but believe we have to do something to join the whole township together into some unified fire district, not sure how.

Makuch: Voted against the millage decrease was not because against the decrease; was under the understanding that in combining the two that there would be a cost savings and the cost savings could be worked into that decrease, that would be fine. Would like a package on how we will save money and look at both sides, the advantages and the disadvantages. Both departments are set up under a special assessment, not a millage. What sense does it make to have two separate administrations and two different departments in the same Township? Know there would be advantages in obtaining grants etc. Should include out islands. Both departments were set up as special assessment districts, can we just combine them? If it is on a ballot the people will decide.

Turner: We need to show the people the benefits. Township wide citizens would be able to claim millage on their taxes, now you can't. More advantages than disadvantages.

Pellerito: Both were formed under Public Act 33; could combine assets, manpower and funding mechanisms but keep the firehouses as they are under their own command. Fire district should include the out islands and get a tax payment for services. Combining services are the waive of the future.

DeBoyer: It would be vote of the people, from a financial viewpoint believe it would be a cost savings. Personally in favor, however, people from both Mainland and Harsens Island who say they have a special assessment district, it is our prerogative if we choose to pay the money.

Dare: Would be a good idea money savings wise and it would be the choice of the people. Structurally, how much it is going to change, don't see much change. Capable of getting grants. Be a better overall department for the people.

Manos: We have to go back a step. It lies with the Township Board whether or not to approve holding an election to incorporate the entire Township into one fire district. Including the out islands; there is now equipment to reach those islands. Has to be a meeting with the Island and Mainland Chiefs and discuss the good points and the bad points. If it looks like a total opposition to the election process the Board should know this before spending a lot of money.

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Talked to a lot of people on the Island, some in favor, some opposed.. Personally think it would pass, but there has to be a coming together.

Makuch: We can meet with the fire departments, think the Clerk and Supervisor should work out the details of the program.

DeBoyer: Perhaps Trustee Makuch and Trustee Dare could get the feel of the departments.

### **2. Contract Negotiations**

Pellerito: Received the Command contract, emailed it back to MAP on Friday, hoping the questions we had would be clarified. Will have it back the next Board Meeting.

### **PUBLIC COMMENTS RELATING TO ANY NEW BUSINESS**

None

### **NEW BUSINESS**

#### **1. Plante & Moran Audit**

Mark Hurst of Plante & Moran gave an overview of the Clay Township audit. Based of the audit of the Townships books and records Clay Township's financial statements have received an unqualified audit opinion. That is the highest level of assurance that a CPA can give on a financial document. It means that at the culmination of the audit procedures we found that this financial document and the footnotes that are contained with it presents fairly and all material aspects of the financial position of Clay Township. The letter does not talk about how the actual audit process went. We are here to inform the Township Board that we had a very high degree of cooperation during the audit process. Being audited or doing an audit is not a comfortable thing to do but we had excellent cooperation from all the staff at the Township and in particular the three elected officials. To put a title on it, Clay Township audit is an open book audit, what ever we need to see we are able to get.

Want to touch on letter of comments, two items. Building permits, activity has come to slow crawl causing a disparage between the fees relating to Building and inspection activities and expenses being incurred. Under public Act 245 of 1999 the Board has the authority to charge up to whatever rates are necessary to recoup any costs associated with building inspection services. We urge the Board to strongly consider realigning your fees for all of your building inspections and permits. Your costs are twice what you are taking in in revenue. Suggest Board look at fees throughout the state to determine if what you are charging is fair.

Second item want to cover are auditing standards. The AICPA put new audit requirements in place a few years ago that are being applied to government entities and we employed a number of those this year and will have a number of new audit procedures next year. The Townships new financial reporting system has helped reduce our cost enough to offset any cost increases associated with the additional procedures. The other change this year is that as a separate part of the audit process we have assisted your elected officials with the recording of year-end adjustments, specifically accrued liabilities, and receivables/payables. The new requirement is that if we do provide those types of financial services that we communicate that in writing to the Board, which we are doing. Are there any questions from the Board?

Makuch: Regarding building permits, with the loss of approximately \$100,000.00 in the current year, how much of that percentage wise do you think is attributable to the drop in building?

Hurst: May need to go back a few years and look at the numbers. Your revenue could be 50% less than it was three years ago.

Lisa Manetta reviewed trend analysis. General Fund, Fire Departments, Cemetery, Retiree Health Care, Water Fund, payroll.

Melissa Demery reviewed governmental funds.

Lisa Manetta reviewed water and sewer funds. The operating expenses rise concurrently with the rise in operating revenues primarily because of depreciation expense. The rates and charges in these funds have been designed historically to cover the tangible costs of providing water and sewer service but not necessarily to generate sufficient cash to cover debt service and infrastructure improvements. This is more critically noteworthy in the water fund where the principal and interest are nearly a million dollars annually. We encourage you to continue to evaluate the impact of the fee increases to make sure they are adequately addressing these shortfalls.

Manos: On the water situation all information has been made available to Stauder Barch to help resolve that situation. Have taken some steps to resolve the situation in the building department.

Makuch: Regarding the differential in the water fund between operating expenses and revenue, have taken some steps, but is it a fair statement to say that part of that differential can be attributed to underestimating or under funding capital outlays in the past or debt service such as installation of water lines and expansions of the water plant?

Hurst: Yes, that would be a fair statement, when we reviewed the water fund that was one of the points made; the Township is experiencing catch-up because of previous debt issues. I do support having Paul Stauder of Stauder Barch take a look at what can be done at the financing end to maybe extend out or change the terms of your payments to help provide some additional relief.

DeBoyer: You still do believe we should bi-annually address our costs in the water department?

Hurst: Absolutely, for the next few years the Board needs to look at it every six months. Board made brave and bold changes in the fee structure so need to give that change six-month time and then review results to see how it looks and then use that information to make whatever further changes that may be necessary.

Manos: Thanked Plante & Moran for the presentation.

## **2. Whittlesey Development, Ltd. Regarding Property Development**

Pellerito: Introduced Ted Whittlesey

Whittlesey: Took a look at the building next door as to possibility of renovating building or possibly building something new. Found to renovate to get 1100 square feet would cost between \$100,000 and \$140,000. To build new with 3,000 square feet would cost between \$240,000 and \$290,000, so building new would be significantly less and this would also allow some flexibility of where you would place the structure. We suggest you masterplan that whole space according to what the desires of the Township are. Our proposal now is whether or not you want to keep it or build new and then create a masterplan on what your desires might be.

Manos: Your firm, I'm not familiar, are you design build?

Whittlesey: Yes, we design build, we did this meeting hall.

Manos: When we purchased the property there was a credit for the demolition of that building. Involved with DDA, they have a committee set up to review the concept of that property. Before would enter into an agreement should bring in the DDA. Talked about additional parking area. Appreciate your effort. Don't know what the Board members would like to comment on.

DeBoyer: This gives us some food for thought, don't think will make any decision tonight.

Pellerito: Ted has taken two different firms through, first said way beyond trying to bring up to code so thought perhaps just didn't want to do it so brought in a second and he too recommended not to try to redo it. This is a proposal to do a site plan, if we are going to involve the DDA our Board could say this is a good thing to have done.

Manos: Can put in form of a motion and send it to the DDA.

DeBoyer: That doesn't involve this yet, this is just information.

Dare: Are you saying they will tell us what to do with the property?

Pellerito: They will work with us with concepts and ideas and once there is a masterplan then a price list could be put together and then you can prioritize as to how you going to do it and pay for it. Would think one of the first would parking.

DeBoyer: Know there were conversations about a committee; is there someone on the Board that is on a committee involved with the DDA?

Manos: They have discussed forming a committee.

Turner: They have, I think, three from the DDA, two residents and two from the Board. I know Mike has said he would like to be on it.

Pellerito: We have some serious decisions to make but know that if we don't stay on the fast track it gets washed away. So we have a proposal that we can either endorse or not endorse and get this moving forward. It is going to involve committee but to send it back, lets keep on target.

**Motion** by Pellerito, supported by DeBoyer, to endorse Whittlesey Development, Ltd. to move forward with the Masterplan proposal for \$2,000.00 and to recommend it to the DDA.

Krueger: Shouldn't we give it some guidelines? It is our project in our community and I think that we should go through the DDA Board, the Township Board and maybe the DRC; get together and toss ideas around. I would suggest that a portion has to be left undeveloped for future expansion of the Township offices and the Police department.

Manos: When we decided to make that purchase, it was decided it would not be purchased unless there was an agreement with the DDA to spend up to \$500,000

Pellerito: As lay persons on a project we need some guidance.

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DeBoyer: Having some experience on larger projects, we put together conceptual ideas of what we want to accomplish and then we take it to three or four design houses and they brought us their best scheme for a small fee and we decided which we like best and then we moved forward. We could bring Whittlesey in as a consultant but it seems to bring them before we decide where we want to go collectively as a Board is premature.

Turner: The DDA has been waiting on the result on the survey. Haven't received it back.

Dare: Think we have to figure out what we want first, throw out some ideas and then go forward.

Turner: Thought the agreement was between the DDA and the Township that we reach an agreement together.

Pellerito: Right now nothing is being done.

DeBoyer: Ted, can you give me a little more elaboration on what you are going to come back to us with?

Whittlesey: We would start by interviewing the key people on the DDA and yourself to find out what you think we need to include and when we have those then lay out on the land as most effective as we can. Have talked about leaving this backside but it really has to come from you as you figure what are your priorities.

DeBoyer: I don't think we have collectively listed our priorities yet.

Pellerito: Think this is an attempt to get our priorities.

DeBoyer: Didn't know the committee had been formed. I understand your point but I think we need better communication. Has the committee met?

Turner: No, waiting on the results of the survey.

Manos: Have a motion and support, would like a roll call vote.

ROLL CALL VOTE:

AYES: Manos, Pellerito

NAYES: Makuch, Turner, DeBoyer, Dare, Krueger

**MOTION FAILED**

### **3. Belvidere Boat Club Request for Approval of Conveyance of Bottomland**

Assessor Barbara Schutt gave a synopsis of the reason for the request; going for a deed on part and want to lease part for boatwells, need conveyance for lease.

**Motion** by Turner, supported by Makuch, to adopt the resolution for conveyance of St. Clair bottomland St. Clair Flats, North Channel.

ROLL CALL

AYES: Turner, Manos, Pellerito, DeBoyer, Dare, Krueger, Makuch

NAYES: None

**MOTION CARRIED**

### **4. Police Chief Request to Hire Part Time Police Officer**

Police Chief introduced Robert Audette, retired Detroit Police officer and recommended him to the Board.

**Motion** by Pellerito, supported by Dare, to approve the request of the Police Chief to hire Robert Audette as a part time police officer.

AYES: All

NAYES: None

**MOTION CARRIED**

### **5. Water Department Superintendent Request to Purchase Copper**

**Motion** by Pellerito, supported by DeBoyer, to approve the request of the Water Department Superintendent to purchase 500 feet of copper from HD Waterworks at a rate of \$3.54/ft for 3/4" and \$4.59/ft for 1".

AYES: All

NAYES: None

**MOTION CARRIED**

### **6. Police Chief Request to Purchase Two In-car Video Systems and Two Clearcomm**

**Transmitters** (Should be one in-car video system)

**Motion** by Pellerito, supported by DeBoyer, to approve the purchase one new in-car video system from Kustom Signals, Inc. for \$4,177.00 and two Clearcomm transmitters fro \$638.00 for a total of \$4,815.00

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AYES: All

NAYES: None

**MOTION CARRIED**

### **PUBLIC COMMENTS**

Whitey Simon, 4722 Green Dr: Comments regarding fire authority and property

L. Kasperowicz 6603 Dyke Rd: Comments on Township and Municipal Planning Acts and Deputy Clerk

Michelle Hartmeyer, 9345 Island Dr: Comments on public comments at last Board meeting and the Gooden property committee.

### **BOARD MEMBER COMMENTS**

Krueger: Gave report on Planning Commission meeting. Would like to revisit Township Planning Act and blight concerns.

Pellerito: Need Board direction on blight in community, number one problem

Manos: This has gone on for quite awhile, there was a request about a year to go back and have the planning Commission reinstate a commercial zone which would have –

Pellerito: That's not this one.

Manos: It's not Weavers? May we should put together a procedure.

DeBoyer: This says that this person has been fined and is going to court, is that true?

Pellerito: It's not in court

DeBoyer: Why?

Pellerito: Don't know.

Turner: This is a civil infraction and he protests paying the fine then I write a court ticket and the attorney has nothing to do with it.

Manos: If you don't like how it works change it, put it back to a misdemeanor. If it isn't working let's review it.

Turner: If he doesn't go to court the court doesn't do anything, it just disappears.

Pellerito: Another topic is we need property maintenance and rental inspection

Makuch: Connie did a good job on the audit. It is frustrating when we have situations like this, suggest bring it back and tell us what is needed. Tells how to make this system work. Another thing, like to commend the three officials on the audit. Thanked Mrs. Hartmeyer for clarification of comments. Municipal Planning Act versus Township Planning Act, have done some research and would like to consider again. Property next door, let's move forward.

DeBoyer: DDA committee, do we get some formal notification of how it is comprised? Concerned with nine people coming to a conclusion on issues. If considering Township Planning Act should have Planner and Township Attorney here for their input.

Manos: Board unanimously voted to remain under the Municipal Planning Act.

Pellerito: We did not vote on it.

Manos: There was a solution under the Municipal to having a Board representative on the Planning Commission, if we go under the Township Planning Act, if it was done before the Zoning Ordinance was approved that would have made Mr. Krueger's appointment null and void so the Board chose to leave it as it was. Now endeavoring to change that and the Board would give up its right to appoint it's own rep and the Supervisor makes the appointment. Now going to put the Township through the expense of bringing in the Planner and Attorney to resolve the situation which is now resolved, there is no conflict at this time, Dorothy has tendered her letter of resignation for as long as it takes to amend the act by its self. Then we will have to amend the act, publish in the paper and so forth, it seems redundant to me. But if that is what the Board wants.

Pellerito: The Planning Enabling Act has made it through the Senate, it is now at house level, with all going on don't know if it will be done by years end, it started in 2005. The Municipal Planning Act that we thought we were under, we really weren't; we were under the majority of it but we had to go back and fix it, so whatever we decide, the Planning Enabling Act is out there and the Township Planning Act and that act gives more power to this Board than to the Supervisor so I guess it is a way for the people to have control rather than individuals.

Got a call about the DRC and my comments; it is not my opinion or the Boards to take apart the DRC, the question is do we go full steam ahead and turn it into a crown jewel or scale it down.

Don't want to spend \$80,000 on labor. Reason brought Ted with a plan, if you want to kill a plan, put in committee.

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**ADJOURNMENT**

**Motion** by Makuch, supported by DeBoyer, to adjourn the meeting at 9:12 p.m.

AYES: All

NAYES: None

**MOTION CARRIED**

**Michael P. Pellerito**  
**Clay Township Clerk**