

APPROVED AS AMENDED DECEMBER 16, 2014
(Under Unfinished Business 4, c, ii – strikethrough and addition shown in bold)

KOCHVILLE TOWNSHIP
SPECIAL BOARD MEETING
MINUTES OF
December 11, 2014

1. Open Special Board Meeting

The Special Board Meeting was called to order at 6:35 pm by Supervisor Loiacano at the Kochville Township Offices. The Pledge of Allegiance was recited.

Roll Call

PRESENT: Supervisor Loiacano, Clerk Machata, Treasurer Brewster, Trustee Ferrell and Trustee Thon

ALSO PRESENT: Steve King, Twp Manager/DDA Director; Al Malesky, Fire Chief; Mike Comstock, DPW Manager; and two other interested residents/guests.

2. Agenda Approval

Motion made by Clerk Machata and seconded by Supervisor Loiacano approve the agenda as written. Motion carried.

AGENDA
KOCHVILLE TOWNSHIP BOARD OF TRUSTEES
SPECIAL MEETING (6:30PM)
THURSDAY, DECEMBER 11, 2014

KOCHVILLE TOWNSHIP OFFICES – 5851 MACKINAW ROAD - SAGINAW, MI 48604

1. *Open Special Meeting at 6:30pm*
2. *Approval of Agenda*
3. *Public Comment (Open to the Floor)*
4. *Unfinished Business*
 - a. *Resolution 14-032: Water and Sewer Rates (Fee Schedule)*
 - b. *2015 Kochville Township Meetings Calendar*
 - c. *Building Official Employment Contract (Revisions)*
 - i. *Discussion of Building Department Process Effective with New Contract*
 - ii. *Discussion of overpayment to Building Official and repayment to the Township – possible board action*
5. *New Business*
 - a. *None*
6. *Manager Comments*
7. *Board Member Comments*
8. *Adjournment*

3. Public Comment - None

4. Unfinished Business

- a) Steve King gave a presentation on the history, current conditions, future of the water and sewer funds along with a breakdown of Revenue and Expenditures. Steve King stated that the City of Saginaw informed all of its wholesale water customers in November 2014 that there will be rate increased for 3 consecutive years starting in 2015. The amount of increase has yet to be determined. The city is having a rate study performed and the City plans to inform its water customers what the rate increases will be in March of 2015, with implementation June/July 2015. Steve King also stated that Sewer Treatment costs from the City of Saginaw will be dramatically increasing after the city reconciled their finances for years 2009-2011. Kochville Township is responsible for 13.67% of the reconciliation amount between Northwest Utilities and City of Saginaw, which amounts to an additional \$8,000.00 per month increase over the next 5 years starting January 1, 2015.

Unfinished Business (cont.)

Steve King stated he has been working with Mike Comstock, DPW manager in reducing current and future expenditures in the water and sewer funds that are not absolutely necessary. Steve commended Mike Comstock for making the reductions in expenditures. Future Water and Sewer Capital Improvement projects were also postponed. The main Water Capital Improvement project that needs to be planned for is the installation of water main during the replacement of Davis Road from Kochville to Pierce. The main Sewer Capital Improvement project that needs to be planned for is the installation of a 24 inch Interceptor Sewer to eliminate the Liberty Road lift station.

Steve King stated that it was absolutely imperative that Township Board plan for the future by implementing a long term rate plan for the water and sewer funds to have money in reserve. The rates can be adjusted accordingly at any time by Township Board action and are not set in stone. Treasurer Brewster stated he wanted to see the same percentage increase each year.

Motion made by Trustee Thon and seconded by Supervisor Loiacano to approve the Resolution 14-032 Water and Sewer Rates (Fee Schedule) with changes as discussed - Effective date would be the May 1 billing each year. Motion carried.

ROLL CALL VOTE:
Ayes: Thon, Machata, Ferrell and Loiacano - Nays: Brewster - Absent: None

The New Rates will be as follows

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WATER

- Commodity rate increases effective w/ may billing of each year:
- 2015: \$0.38 per 1,000 gallons of use (7.7%)
- 2016: \$0.33 per 1,000 gallons of use (6.2%)
- 2017: \$0.25 per 1,000 gallons of use (4.4%)
- 2018: \$0.25 per 1,000 gallons of use (4.2%)
- 2019 - : 3.0% per 1,000 gallons of use (3.0%)
- maintain existing readiness-to-serve and connection charges
- estimated 2015/16 impact on the average household using 14,000 gallons per 3 months: \$1.77/mo.
- estimated 2015/16 impact on business using 60,000 gallons per 3 months: \$7.60 / mo.

SEWER

- commodity rate increases effective w/ may billing of each year:
- 2015: \$0.75 per 1,000 gallons of use (20.0%)
- 2016: \$0.65 per 1,000 gallons of use (14.4%)
- 2017: \$0.50 per 1,000 gallons of use (9.7%)
- 2018: \$0.40 per 1,000 gallons of use (7.1%)
- 2019: \$0.25 per 1,000 gallons of use (4.1%)
- 2020: \$0.25 per 1,000 gallons of use (4.0%)
- 2021 -: 4.0% per 1,000 gallons of use (4.0%)
- increase base readiness-to-serve fee to \$13.00 (from \$9.00) *This increase covers the additional \$8,000.00 per month for Northwest Utilities reconciliation.
- estimated 2015/16 impact on household using 14,000 gallons per 3 months: \$3.50 + \$1.33 = \$4.83/mo.
- estimated 2015/16 impact on business using 60,000 gallons per 3 months: \$15.00 + \$2.25 = \$17.25 / mo.

Unfinished Business (cont.)

- b) Discussion took place on the 2015 Kochville Township Meeting Calendar. The consensus was to hold the meeting the third Monday of every month at the Kochville Veterans Hall starting February 2015. A formal resolution will be presented to the Township Board at the December 16, 2014 Regular Meeting.
- c) Steve King stated Mel Fosgard, Kochville Township Building Official, presented him with a proposal to revise the Employment Contract he recently signed. Clerk Machata stated he was against revising the contract because Mr. Fosgard had 5 days to review the contract before he agreed to it on December 1st, 2015 and did not propose revising it during that time frame before he signed the contract. No board action was taken.

- i. Building department process will be discussed at a later date.

- ii. Discussion took place in regards to the overpayment to The Building Official, Mel Fosgard. A proposal was given in which Mel Fosgard would pay the overpayment back with a portion paid by March 31, 2015 and the remaining balance would be deducted from his paychecks. Discussion took place and Clerk Machata and Treasurer Brewster stated they were against the proposed method.

- Motion by Clerk Machata and seconded by Supervisor Loiacano that the Net Amount (after taxes) of the over payment of \$7,165.91 paid to Mel Fosgard be paid back as follows: Half the amount by December 31, 2014 and the remaining balance be paid by March 31, ~~2014~~ **2015**. Motion carried.

5. New Business - None

6. Manager Comments - None

7. Board Member Comments – None

8. Adjournment

Moved by Trustee Thon and seconded by Clerk Machata to adjourn the meeting at 8:17 pm. Motion carried unanimously.


Kevin Machata, Clerk

12/16/14
Date