

CHARTER TOWNSHIP OF MONITOR
REGULAR TOWNSHIP BOARD MEETING
FEBRUARY 14, 2011

The Supervisor called the meeting to order at 7:00 p.m.

Members present: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller
Members absent: None
Also present: R. Austin, Township Attorney

The Pledge of Allegiance was recited by all present.

Public Input opened at 7:01 p.m. No public present wished to speak and public input was closed.

Motion by Kochany supported by Kowalski to adopt the agenda as presented.
Motion carried.

Motion by Miller supported by Pike to approve the minutes of the January 24, 2011 regular meeting as presented.
Motion carried.

Motion by Miller supported by Pike to pay the bills in the amount of \$46,969.51 from General Fund.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller

No: None

Absent: None

Motion carried.

DWS Annual Review and Recommended REU Adjustments

T. Paige, Director, J. Marter, Accounting Manager and C. Fechter, Ofc. Manager from DWS were present to update the board regarding the township's financial position at DWS and explain the recommended REU adjustments based on the previous year water history.

J. Marter presented the following regarding financial report:

- The Spicer Group Sewer Rate Study recommendations were implemented with the 3rd Quarter 2010 sewer billings.
- The new *Readiness-To-Serve (RTS)* charge of \$12.50 per quarter per RTS Factor has generated \$125,206 in the two billings since implemented (3rd & 4th qtrs), which projects to approximately \$250,000 annually and agrees to the Spicer Report projection.
- Customer sewer usage, now billed at the rate of \$1.75 per CCF (hundred cubic feet, or 748 gallons), varies by the season (see handout) so it is difficult at this time, with less than a full year at the new rates, to compare results to the Spicer Report projection for 2010.
- The Spicer Report projected a 12/31/10 Monitor Township Sewer Fund Balance of \$225,440 at DWS.

- The Monitor Township Sewer Fund at the DWS, 12/31/10 Financial Statement (Unaudited) shows Unreserved Fund Balance of \$149,165.
- Sewer customer revenue assumptions in the Spicer Report also include new connection revenue of \$103,950 per year, and an increase of billed usage at +1% annually.
- If these customer revenue projections are not met, the Township will likely have to adjust customer rates earlier than 2016 as anticipated in the Spicer Report.
- 2011 Budget, reduction of Regional O&M Rate of \$105,000 due to the City of Essexville and Hampton Township sewer flow now coming to the WWTP. Recommendation to reserve this savings for Township local sewer system rehabilitation.

Austin inquired if it was a fair statement, based on the 2010 year-end financial report, the township is in good financial shape and our rates are fair and justifiable.

Marter responded yes; Monitor's rates are the lowest in Bay County and there is no concern the residents are overcharged. Monitor is not in an over-funded position. In fact, he encouraged the township to build up its reserve fund further.

Austin inquired if the implemented RST charge seems to be a fair mechanism to charge our customers.

Marter responded it is his concern that the township accumulates enough money to have financial reserves on hand.

Paige stated the township had worked with Spicer to evaluate the township rates and the rate needed to accumulate 25% of funds collected for reserve operation and maintenance funds. Paige further recommended the \$105,000 reduction in the 2011 O&M expense be allocated to a separate designated account at DWS for preventative maintenance as opposed to the reserve funds on hand for system repair.

C. Fechter explained the method whereby the water history of non-residential customers was reviewed and how the REU recommendation was calculated.

Board members thanked each of the DWS representatives for attending the meeting tonight and answering all the questions members had regarding each presentation.

Motion by Malkin supported by Kowalski to adjust the REU's for non-residential customers based on actual use history effective the second quarter 2011 billing, as recommended by DWS in their report dated January 17, 2011.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller

No: None

Absent: None

Motion carried.

Hall Request ó Mackensen School 5th Grade Banquet Committee

Motion by Malkin supported by Miller to waive the hall rental fee for the 2011 Mackensen Elementary 5th Grade banquet; signed contract, damage deposit and custodial fee required.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller

No: None

Absent: None

Motion carried.

Cost Recovery Appeal ó Lee

Motion by Kowalski supported by Pike to deny the appeal of cost recovery charges submitted by B. Lee, for Fire Department response to the incident on September 11, 2010.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Kochany, Malkin, Miller

No: Arnold

Absent: None

Motion carried.

Cost Recovery Appeal ó Kedzierski

Motion by Kowalski supported by Malkin to deny the appeal of cost recovery charges submitted by M. Kedzierski, for Fire Department response to the incident on October 6, 2010.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Kochany, Malkin, Miller

No: Arnold

Absent: None

Motion carried.

R-2011-002 Resolution Setting Time to Consider IFT Application ó Metro Fabricating

Motion by Kowalski supported by Malkin to adopt resolution R-2011-002, as follows:

RESOLUTION SETTING A TIME TO CONSIDER APPLICATION FOR INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE FOR METRO FABRICATING, LLC

WHEREAS, pursuant to 1974 PA 198, as amended, that being MCLA Section 207.551 et seq., the Charter Township of Monitor has established an Industrial Development District encompassing a portion of property owned by Metro Fabricating, LLC; and

WHEREAS, Metro Fabricating, LLC has now applied for an Industrial Facilities Exemption Certificate under the provisions of 1974 PA 198, as amended; and

WHEREAS, 1974 PA 198, as amended, provides that before acting upon such an Application for Industrial Facilities Certificate, the Township Board shall afford the applicant, the assessor and a representative of the affected taxing units an opportunity for a hearing;

NOW, THEREFORE, BE IT RESOLVED:

1. That the application of Metro Fabricating, LLC for an Industrial Facilities Exemption Certificate shall remain on file in the office of the Township Clerk.
2. That the Township Board shall meet at the Monitor Township hall on February 28, 2011, at 7:00 p.m., and shall provide to the applicant, the local assessor and

representatives of each of the taxing units an opportunity to be heard on the questions of Metro Fabricating, LLC's Application for an Industrial Facilities Certificate which relates real property within the proposed District to be created.

3. That the Township Clerk inform, by certified letter, the applicant, the local assessor and the legislative body of each taxing unit which levies ad valorem taxes in the Township of Monitor on the property located within the Industrial Development District.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller

No: None

Absent: None

Motion carried.

Hall Request - Monitor Township Softball League

Motion by Miller supported by Kowalski to grant the Monitor Township Softball League request for use of the township hall lobby for league registration on Saturday, March 5, 2011 from 11:00 am to 3:00 pm; signed contract, damage deposit required.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller

No: None

Absent: None

Motion carried.

2010 Budget Adjustments ó Capital, Solid Waste & General Fund

Motion by Pike supported by Malkin to approve the 2010 budget adjustments for the Capital, Solid Waste and General Funds as recommended in the Clerk's office February 11, 2011 memo to the board.

Roll call vote:

Yes: Brandt, Kowalski, Pike, Arnold, Kochany, Malkin, Miller

No: None

Absent: None

Motion carried.

The meeting adjourned at 9:10 p.m.

Cindy L. Kowalski, Clerk

Gary A. Brandt, Supervisor