

**CHARTER TOWNSHIP OF WHITE LAKE**  
**Approved Minutes of the Special Board of Trustees Meeting**  
**November 6, 2019**

Supervisor Kowall called the meeting to order at 5:33 p.m. He then led the Pledge of Allegiance.  
Clerk Lilley called the roll:

Present:       Rik Kowall, Supervisor  
                  Terry Lilley, Clerk  
                  Mike Roman, Treasurer  
                  Andrea C. Voorheis, Trustee  
                  Michael Powell, Trustee  
                  Scott Ruggles, Trustee  
                  Liz Smith, Trustee

Also Present:  Aaron Potter, DPS  
                  Chief Keller  
                  Chief Marinucci  
                  Jennifer Edens, Recording Secretary

**AGENDA**

**It was MOVED by Treasurer Roman, SUPPORTED by Clerk Lilley to approve the Agenda. The MOTION PASSED by voice vote (7 yes votes).**

**PUBLIC COMMENT**

No comments made.

**REQUEST FROM HOMEOWNER – 9487 CEDAR ISLAND ROAD**

Aaron Potter would like the Board to address an issue involving 9487 Cedar Island Road. He noted that the homeowner, Patty Kahn is present at tonight's meeting. Ms. Kahn, in working with a realtor, learned that she paid off a special assessment for sewer main totaling \$5,094.42. Her home is the last home on the Cedar Island Road sanitary extension. The way the extension was built does not meet the current code requirement to extend across her frontage. He is asking the Township Board to waive the requirement for Ms. Kahn to extend the main across her frontage at her cost to provide for future extension. He indicated that this was a design oversight from 2006. He further noted that Ms. Kahn has dropped her selling price by \$20,000 to allow the purchasers to have the funds to connect to sewer.

Under the current code, if she was required to extend across the frontage of her home, the intermediate flushing structure would need to be moved and rebuilt thirty feet further west or add another one. Neither of

which are good for DPS or the system long term. He would like a variance for Ms. Kahn. In his opinion this was a Township issue that it was designed this way.

Clerk Lilley confirmed that there is an obstruction in the middle of the property and that every homeowner in that SAD contributed. He apologized to Ms. Kahn for being in this situation and having to be here tonight. He will vote in favor of a waiver for her to be able to sell her property and move forward. Lastly, he doesn't agree that this should be paid for by the Township, but rather as part of a SAD.

Aaron Potter is proposing that they leave the line as is and that they leave the intermediate flushing structure in place where it currently is now and get these new residents connected without requiring them to move or extend this. Then when the next segment is built per the Master Plan on the SAD that the Township contributes the cost of the thirty feet of pipe.

Trustee Powell identified that this situation is brought on because of a section of the Ordinance that really prompts this discussion that Aaron has often with homeowners. He noted that even if you extend past this property the next homeowner to the west would be in the same situation because you can't extend a sewer just fifty feet. He and Mr. Potter are for the most part on the same page, with the exception that he believes the additional footage should get rolled into a SAD for the homeowners to pay for, not the Township. He noted that while the Township has collected funds for this that doesn't mean that they have pocketed extra funds. He stated that this is in the Ordinance to prevent commercial property and developers from bringing a sewer to their development and extending within and not extending it to the next piece of property. It is not intended for homeowners. He too will be voting in favor of the waiver. He reiterated that people are putting in \$30-\$50,000 septic systems and the Township needs to deal with this as a Township wide issue.

Mr. Potter is specifically asking the Board to grant an exemption from Township Sewer Ordinance Section 38-514 to extend the sewer system across this frontage as the design of this SAD included an engineering oversight that has caused a hardship for this homeowner.

**It was MOVED by Trustee Powell, SUPPORTED by Clerk Lilley to approve the request to make an exemption to Section 38-514 of the Township Sewer Ordinance, due to engineering oversight. The MOTION PASSED by voice vote (7 yes votes).**

## **BUDGET WORKSHOP**

### **Fire Department**

Clerk Lilley confirmed that there are no items in the budget that have not been approved by the Board.

Trustee Voorheis would like to see three more firefighters hired for Station III and asked if it could have been included in the budget. Chief Marinucci indicated that he is working with Elaine to try and find the funding for the new hires and he agrees that it is necessary. Supervisor Kowall identified that there have

been conversations and research regarding three new hires for this station and based on the monies that the Township has, there could be an "exhaustion timeframe" where the funds will run out. However, with two new hires it looks sustainable. He wants to make sure the projection is there. He furthered that this budget may be amended.

Trustee Smith shares in the goal to open Station III. She has spoken with the Chief and they're on the same page.

Trustee Powell questioned why under the 2019 budget they were at \$3,990,000.00 and in this budget, it is \$450,000 less in expected revenues for 2020. He also questioned the line items that indicate pension and holiday personal pay is going down which leads one to believe a staff decrease. To which Chief Marinucci indicated he believes that is because of him as he does not get holiday pay or a pension.

In further response, Treasurer Roman responded that there is more revenue coming in this year. The difference is using fund balance. The actual revenue coming in from outside sources (i.e. taxes) is going up. Basically, last year they just wanted to take out of equity. Revenues that came out of fund equity and that is why it gives the idea that they collected more than they did.

Trustee Ruggles believes it is nice to see maintenance for the stations is down overall. He shares the same sentiment for Station III and three firefighters.

Supervisor Kowall believes the Township will need to investigate the amount of apparatus versus the amount of staff. He believes that the decrease in the wage of Fire Marshall in the 2020 budget is the result of Chief Gurka believing John Holland would be promoted to a captain.

Clerk Lilley mentioned that in the past they never talked about projected revenue. Budgets were based on last year's actual revenue. He noted that they were always safe in the past and have always had a fund equity. He also noted that a lot of the savings was due to the past Police Chief not filling vacancies. He is pleased that both fire and police have their own fund equities.

Supervisor Kowall clarified that the numbers he is using is based on historic data. When he uses projections for additional staff, he is looking for a projection of how our economic outlook is going to be for that item and that item only. He stated that there will be an increased revenue stream based on assessment and where we will project that assessment to be in 2021. This will give a better economic picture as to how consistent the past will keep going in a positive direction. With the number of residents coming in, there is no doubt there will be growth. As for new staff, he is basing on historic revenue. When he is speaking of projections it is only for hiring. It has kept the Township out of the woods.

Treasurer Roman complimented Chief Marinucci on a great job with the budget.

Trustee Powell declared that unanimously on the Board they would like to see Station III opened. At a cost of \$200,000 for three additional firefighters, he questioned if Chief Marinucci had any ideas where this Board might obtain revenue to fund these firefighters.

Chief Marinucci indicated he is saving in the paid on-call funding and he's making his contribution as Fire Chief with no pension or medical benefits.

### **Police Department**

Chief Dan Keller requested discussion regarding the Fire Department paying into the costs of dispatch as they are 9.3% of the calls. He projects their share to be \$44,928.00 in wages and benefits, based on last year's numbers. He understands the fire department needs three more firefighters, but he stated the police department needs patrolmen as well. He asked that this please be discussed in order to come up with a solution. He further stated that he would consider the police department understaffed and that a minimum of one more officer is needed to keep up with demand. He indicated that the last shift is not effective or efficient, and that they need another body. With a contribution of the fire department, it would cover 1/3 of the costs of hiring another officer. Their fund equity is \$3.4 million. He believes the fire department needs to pay their fair share and noted that fire runs take the longest. He is not looking to over burden the fire department, but perhaps there could be a graduated program to get to the \$45,000 for them to pay their fair share.

Treasurer Roman clarified that they would still pay for the dispatcher regardless of helping the fire department.

Chief Marinucci indicated that however you pay, it comes out of the public safety millage. If the fire department is going to contribute, then he will need to ask for more money because it must come from somewhere.

Aaron Potter indicated that they do something similar with the water and sewer departments. He believes it is the same type of reasoning even though Trustee Powell identified the differences in funding – different pockets. Chief Keller also noted that police and fire have a combined millage.

Trustee Voorheis questioned what other communities do? No answer was available.

Supervisor Kowall believes there is merit to what Chief Keller is saying, but it is coming up with the formula. The fire department is trying to increase their force by three and the police department is trying to increase by one. He believes it is something for further conversation.

Trustee Powell asked what Chief Keller would do with \$45,000 if they gave him a line item right now. To which he responded that it would go toward a new officer, not a new dispatcher.

Clerk Lilley reminded that this has been discussed in the past and it came down to who will have control over what the dispatch is going to do. Hopefully this is something the new chiefs can work out in sharing a new facility. He is happy with the options that both chiefs have given the Board for consideration, but thinks it needs to have further discussion.

Chief Keller is okay with waiting until the next millage. He declared that they don't need domination over dispatch, as they are one team and they have one fight.

Trustee Powell questioned what OCSD charges to dispatch the fire department for Highland. He also questioned why it is not in the budget to get another officer.

Treasurer Roman commented that if this issue is the difference in them hiring another officer, they should take it out of fund balance and hire a new officer.

Chief Keller indicated that eventually they will, but they are trying to save the fund balance for the new building and that he doesn't put anything in the budget until he gets approval of the Board.

Chief Marinucci's response is that it comes out of the public safety millage either way. It is just accounting.

Trustee Ruggles questioned why there is so much variation in uniforms. To which Chief Keller indicated that they went from officers turning in receipts and getting reimbursed to the Township giving them a flat rate in the beginning of the year, plus extra in case new officers are hired.

Clerk Lilley questioned on Page 14 as to whether that is the normal anticipation for police car purchases. Chief Keller replied that they asked for \$5,000 more this year due to a vehicle being damaged. Clerk Lilley noted that there doesn't appear to be any expenses for the civic center, and he assumes they will revisit and talk about fund equities then. He also noted that an amendment will be necessary.

Treasurer Roman indicated that there are significant fund balances that could be assigned toward future buildings. He believes the budget looks good. He questioned if the schools contribute to crossing guards and learned that Walled Lake does not.

Supervisor Kowall indicated that the recommendation of Plante Moran to set aside monies for this project even more aggressively than they have been. It will be a major expenditure. As this gets closer, they will figure it out.

### **DPS Budget**

Aaron Potter emailed the Board including notes that were not previously included. Outside of normal operating budget, his notes included:

- \$5,000 in revenue Wellhead Protection Grant received;

- \$220,000 expected connection fees Trailside Meadows Phase I and Hidden Lake Phase I.

He indicates that he uses last year's actual revenues as his guide and the only changes were on items that are under current construction or grant funds. He tried to be very conservative on his revenue estimates.

Trustee Powell questioned the spike in revenues 2019 and if it was because of the special construction grants. To which Mr. Potter indicated that the majority was connection fees. He furthered that the 2019 budget verses the one dated July 9, 2019, did not include third quarter revenues. Total revenue is \$1.33.

Clerk Lilley commented that when he looks at a budget, he looks at the top line. It says that revenues are increased because of fund equity. His issue is he wants to know what general fund revenue is taking care of general fund expense and then be able to say here is my fund equity and we are spending this amount of money. Government accounting doesn't do it that way and it is deceptive.

Aaron Potter looks at his revenue and expense reports weekly. He has never written a report. Looking at past revenues we make a prediction based on previous years and he includes grants. His numbers very closely mirror last years. He does not have fund equity in his budgets. He pulls account balances quarterly from the Treasurer's Department. They currently have \$2.1 million in operating and \$2.3 million in capital. When he started it was \$2.5 million in capital. He furthered that he has roughly twice the staff that Paul had and they're spending about the same amount. He noted that the SAW grant was big. He has items that are operating expenses that are capital expenses, but he wants to pay as much as he can out of operating funds, so he doesn't have to whittle away at capital balance.

Clerk Lilley was very happy knowing the condition of the pump houses prior to Mr. Potter coming on board and that there are funds there.

Supervisor Kowall noted that all the technology that has been implemented has brought costs down, and that the water loss has dropped considerably. He furthered that where the revenue was not necessarily accounted for before, it is now being counted for.

Trustee Ruggles asked if he waits till the end of the year to fix the number to real depreciation. To which Mr. Potter identified that Elaine uses last year's numbers.

Treasurer Roman doesn't think depreciation is even supposed to be on there because it is a non-cash item.

Mr. Potter gave an overview of his budget with highlights on certain line items:

- 22.3 RUE's at \$15,000 that is paying the Commerce Township Sanitary Fee. A portion of which goes into the sewer fund, so they are basically billing themselves as they bill everyone else;
- Noted that Baker Tilley's water rate study is not complete so it will be paid for out of next year's budget;
- \$10,000 water copper parameters;

- \$50,000 increase on meter expenses;
- \$2,000 Aspen Meadows legal notices;
- \$4,000 cellphone service for laptops;
- \$2,000 increase for gas generator use at Village Acres – he is working with DTE on this;
- \$490,000 carried over from last year's budget;
- \$50,000 estimated cost sharing on a new project at White Lake Oaks.

Trustee Smith questions if the budget could just be done the way the Board prefers. To which Mr. Potter believes it probably can. She further likes the idea of a quarterly report to the Board keep them apprised of what is going on. She feels there is a lot going on and each line requires so much explanation and a rolling updated would be appreciated. To which Mr. Potter agreed he could do something (i.e. email) to keep the Board updated.

Trustee Powell agrees that a quarterly report would be helpful especially on items that DPS will be looking for a motion on. He also questioned regarding the White Lake Oaks project if the Township is expected to pay Waterford or vice-versa.

Mr. Potter indicated that the agreement with the White Lake Oaks interconnect is essentially for emergency use only and it is paid at 1 ½ times the receiving municipalities rate per cubic foot. There has been no engineering yet, just conversation between the two directors.

Mr. Potter stated he has no budget for the sewer because currently, they have no information from Oakland County, no budget from Oakland County. Currently they are billing our customers at \$2.1 million per year and we're getting back \$460,000. It is a terrible contract that needs to be amended as soon as possible.

Treasurer Roman directed the Board to Page 2, 6<sup>th</sup> line, under Revenue Transfer from sewer debt. He indicated that conservatively we're taking \$200,000 without a doubt. He suggested that Supervisor Kowall advise Accounting Manager Elaine Homeister that it is going to happen.

Supervisor Kowall stated that the police and fire budgets are large numbers and need an understanding of where everyone is come from and going to. The Board's budget is small in comparison, but you will see a spike due to revenue from grants, as well as the fact that he followed the recommendation of Plante Moran and earmarked \$500,000 to go into improvement and revolving.

### **Clerk's Department Budget**

Clerk Lilley referenced the breakdown copy provided to the Board members. He hasn't had an opportunity to compare the Supervisors request to his actual submission because of the election. Next year there will be three elections; the presidential primary in March, the state primary in August and general (Presidential) election in November. His office will be very busy, and he would ask the Board to consider another full-time person in his office to assist with the election process and daily operations. He noted that he and

Supervisor Kowall currently share a part-time person. This request is not in the budget now as he would not put anything in there without the Board's approval. He noted that he went over all the numbers and that they are legitimate. He asks for a lot of money in training but both he and Cathy are seeking international clerk certification.

From an election standpoint, they are responsible for the costs with some reimbursements. Ashley has put together her best projections. It will be a very busy year in the office. He further mentioned the poll books and an issue they had. His office takes responsibility and at this election they used paper. It was a good experience and training for the people working the polls.

Supervisor Kowall complemented Mr. Lilley and his department and how they handle things. Clerk Lilley further noted that the actual expenditure on Page 9 of 22, in 2018 that the Township is close to where they projected to be. The difference is due to road grant money that was part of the revenue stream that is being brought back in as a past revenue stream. We have not had that great of an increase in budget amount, if you take those numbers out.

Supervisor Kowall stated there is no specific department that has come and tried to rev up the machine. There will be some reflections – he has only used entry level numbers. The Building Department has a healthy equity fund. He didn't have anything there that stood out. He doesn't know where medical insurance will be next year and noted that last year there was a one percent increase. He noted that they have the money to pay for the park and the revenue in place in the general fund to initially purchase the public safety building site and then funds will be allocated to the fire and police departments.

Supervisor Kowall stated that all departments did everything conservatively. He furthered that regarding the Senior Transportation on Page 8 of 22, in 2016 the costs were \$141,500 and in 2017 it was \$140,500 and then it changed due to a change in personal and knowing the direction they'd hoped to go in. The Township will only be spending an additional \$45,000 per year based on historic expenditures.

Trustee Powell questioned the survey that was mailed out to residents and if it was an actual WOTA survey or if it was sent by a group hoping to oppose it. It was identified that it was a WOTA survey and that to date no one has contacted the Supervisor to oppose it.

Supervisor Kowall stated that historically we are not really spending that much more money and that vehicle maintenance is not in there, which is averaging \$14,000-15,000 a year. All those items are rolled into the \$185,000. With historical performance and potential grant amounts, it could go down. He reminded of what Trustee Ruggles said, "we don't want to fund it to fail." Regarding the current bus, the Township is in a contract to maintain it, but they are in a grievance with SMART and trying to return it earlier.



Trustee Ruggles questioned regarding the Building Department on Page 16 as to the interest is gone on miscellaneous revenue and he wondered why. Supervisor Kowall noted that it is a conservative projection. He wants to be careful and be conservative as it is other people's money.

Treasurer Roman noted that interest rates are dropping and that we don't know how low it will go. He furthered that other countries are seeing negative interest rates.

Supervisor Kowall encouraged the Board to present any questions to him so that we can pass the budget at the November Board meeting.

Trustee Smith sincerely thanked Elaine and Dawn for an incredible job.

Clerk Lilley commented that recently the Board approved the demolition costs for the park property. Unfortunately, both homes came back as containing asbestos. He has received two quotes with the smallest being \$17,000 for abatement. He also reminded that the demolition is only \$20,000. The State Grant required the asbestos testing. He will seek additional quotes.

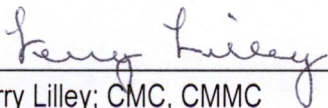
Supervisor Kowall advised that all test results came back at zero mold but there is ground water present at the community hall.

#### **ADJOURNMENT**

**It was MOVED by Treasurer Roman, SUPPORTED by Trustee Smith to adjourn the meeting. The MOTION PASSED by voice vote (6 yes votes).**

The meeting was adjourned at 7:53 p.m.

I, Terry Lilley, the duly elected and qualified Clerk of the Charter Township of White Lake, County of Oakland, State of Michigan, hereby certify that the foregoing is a true copy of the November 6, 2019 Special Board Meeting Minutes.



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Terry Lilley; CMC, CMMC  
White Lake Township Clerk  
Oakland County, Michigan