

HARTLAND TOWNSHIP BOARD OF TRUSTEES REGULAR MEETING MINUTES
February 11, 2025 – 7:00 PM

DRAFT

1. Call to Order

The meeting was called to order by Supervisor Fountain at 7:00 p.m.

2. Pledge of Allegiance

3. Roll Call

PRESENT: Supervisor Fountain, Clerk Ciofu, Treasurer Horning, Trustee Lubeski, Trustee McMullen, Trustee O'Connell, Trustee Joe Petrucci

ABSENT: None

Also present were Township Manager Mike Luce, Finance Director Susan Dryden, and Public Works Director Scott Hable.

4. Approval of the Agenda

Move to approve the agenda for the February 11, 2025 Hartland Township Board meeting as presented.

Motion made by Trustee Petrucci, Seconded by Trustee O'Connell.

Voting Yea: Supervisor Fountain, Clerk Ciofu, Treasurer Horning, Trustee Lubeski, Trustee McMullen, Trustee O'Connell, Trustee Petrucci

Voting Nay: None

Absent: None

5. Call to the Public

No one came forward.

6. Approval of the Consent Agenda

Move to approve the consent agenda for the February 11, 2025 Hartland Township Board meeting as presented.

Motion made by Clerk Ciofu, Seconded by Treasurer Horning.

Voting Yea: Supervisor Fountain, Clerk Ciofu, Treasurer Horning, Trustee Lubeski, Trustee McMullen, Trustee O'Connell, Trustee Petrucci

Voting Nay: None

Absent: None

- a. Approve Payment of Bills
- b. Approve Post Audit of Disbursements Between Board Meetings
- c. 01-28-25 Hartland Township Board Regular Meeting Minutes

7. Pending & New Business

- a. Presentation by Commissioner Nakagiri

Livingston County Commissioner Wes Nakagiri came forward and provided a written report he prepared on the Septage Receiving Station History (attached). He stated the report was

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regarding his opinion as to the reappointment of individuals to the Livingston County Board of Public Works (BPW). He then gave a brief overview of the report stating he was strongly opposed to the reappointment of the three members to the BPW due to the financial shape of the BPW and Septage Receiving Station (SRS). He stated that in his view, had the BPW paid for the REU's over the years as they needed them we would not have had the issue today of the Livingston County Board of Commissioners (LCBC) loaning the BPW the funds to pay for the entire REU capacity required. He stated the intent of the County is to be repaid for this loan over time. He stated the bond that was issued for this matter was for \$6.2 million dollars. He stated that given the magnitude of this financial situation, he did not feel it was appropriate to reappoint the same members to the BPW. He stated his point of view did not prevail with the LCBC, but he will be paying attention to the budgets of the SRS and the BPW, who manages the Livingston Regional Sewer System (LRSS). He also stated there could be future financial issues as the flows for January were lower than last year's and since the expansion of the SRS flow volumes were not what he was expecting. He did state that when the SRS expansion was proposed to the LCBC the volumes and the projected growth warranted it, and along with the issue of potential surcharges from the Genesee County Wastewater Treatment (GCWT) he did vote in favor of the expansion based on the information he had at that time. He did state that this was the worst vote he ever took and if he had to do it over again, he would not do it. He stated the SRS is an enterprise fund, which you are expected to collect fees to offset the costs of providing the service. However, when things go awry, the County would have to provide the financial support which they did. He stated that if he knew that two-thirds of the septage volume was from outside the County he would have suggested they cut the volume to avoid the capital expenditure, and the associated debt, of expanding the SRS. He stated that his analysis indicates this expansion is where the financial trouble came about with the SRS. He stated there will be new appointments to the BPW in the future and he will be looking to see if we improved the financial performance or not, and if not, he will be advocating for new members to the BPW.

Trustee O'Connell thanked Commissioner Nakagiri for all his time and effort to bring this issue to a conclusion and stated he was instrumental in getting this done and was appreciative. Commissioner Nakagiri appreciated the thanks and stated that one of the things he is most proud of during his tenure as a Commissioner was getting Bob West appointed to the BPW. He stated he got to know Mr. West over the course of time and came to understand that he was somebody that knew what he was talking about, especially when it came to Public Works. He stated that if everyone that worked in government had Mr. West's attitude in terms of customer and citizen service, we would have no issues. He stated he knew Mr. West was good and stated he exceeded his expectations. He stated Mr. West was the linchpin for digging into the issues and that it is Mr. West that deserves the thanks. Trustee Petrucci also thanked Commissioner Nakagiri for stepping up to the best of his ability to help protect the Hartland sewer users. Commissioner Nakagiri stated that his approach, similar to Mr. West's, is to focus on what is doing right by the citizens, not what is right for the County, the Township, or the State, and by staying keenly focused on doing right for the citizens, we will make the best decisions possible. He stated the Master Operating Agreement (MOA) in his opinion enabled the SRS to pay a rental fee as opposed to purchasing the REUs, which was a more economical decision for them. When they reached a certain threshold outlined in the MOA of the amount of REUs remaining, then the SRS had to make a decision. He stated he thought delays in making a decision led to the issues. Trustee Petrucci stated that several other municipalities did not want the SRS and when it was proposed to Hartland Township we sat down and worked out the MOA. Then all of these issues arose, and we have been trying to resolve them for years, to no avail, prior to Commissioner Nakagiri stepping up.

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Manager Luce stated that the issue relates to the sewer users connected to the LRSS and the capacity and flow within the LRSS. The discrepancies related to usage, capacity, and the remaining REUs. The funds received by Hartland Township as part of the Consent Judgement went directly back into connection fees, not into the General Fund, or for any other use, other than sewer usage that is built on the backs of those connected to the LRSS. The SRS had to either purchase capacity or limit flow and it came down to purchasing capacity that is now available for the SRS. Supervisor Fountain inquired as to capacity relating to the infrastructure of the pipes and pumps to get our sewage to Genesee County. Manager Luce stated that capacity relates to the amount of material sewage being sent from one building into the sewer and the transmission line that transfers all of the septage to the GCWT. Supervisor Fountain stated that bonds were issued in 2004 to pay for this infrastructure. The \$3.6 million dollars from Consent Agreement goes to the sewer fund to help pay the bonds, one of the bonds being callable this year, and the other in 2031. Supervisor Fountain stated that there is a capital charge to help pay off the bonds on each sewer user's bill and inquired as to the effect the Consent Agreement funds would have on this capital charge. Manager Luce stated that with the \$3.6 million added to the connection fees, we now have the funds to pay off the callable bonds in 2025, and the bond that is callable in 2031. He stated there is a possibility that we will be able to remove the capital charge from all sewer users bills for the next seven years. Commissioner Nakagiri pointed out that the \$3.6 million Consent Agreement funds are not going to Hartland Township but to the users of the system to offset the capital charge. Supervisor Fountain thanked Commissioner Nakagiri for his presentation and looked forward to working with him in the future.

b. 2025 Crouse Rd. Reconstruction Design Project Contract

Public Works Director Hable stated that the Crouse Rd. rehabilitation was discussed at the last Board meeting, but we did not have the contract from the County at that time. There have been no changes to what was presented at the last Board meeting and this is being presented to get an official signature on the contract. He then gave a brief overview of the project stating this is for the design work on the Crouse Rd. rehabilitation from Hartland Rd. to East Street and will involve a portion of Hartland Rd. to the south. Director Hable stated this project is looking to be scheduled in the summer when school is out. Manager Luce stated that we approved the design contract with Tetra Tech, the County's design engineering firm, at the last Board meeting, and we will be paying the County, who will then pay Tetra Tech. The funds for this project will come from the 2014 Road millage.

Move to approve the Livingston County Road Commission contract to proceed with the design via Tetra Tech Engineering for reconstruction of Crouse Rd. at a cost not to exceed \$69,663.

Motion made by Trustee O'Connell, Seconded by Trustee Petrucci.

Voting Yea: Supervisor Fountain, Clerk Ciofu, Treasurer Horning, Trustee Lubeski, Trustee McMullen, Trustee O'Connell, Trustee Petrucci

Voting Nay: None

Absent: None

c. Township Computers and Software Upgrade

Manager Luce stated that VC3 will be upgrading our network and support systems to Windows 11 and much of our equipment is older and will not support the network upgrade and Windows 11. He stated we have been in discussion with VC3 regarding this project and a server upgrade regarding equipment and labor. This proposal is for the equipment only and VC3 has agreed to

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hold the price of \$24,429 until February 24th when a price increase will take effect. Manager Luce is recommending the purchase of the equipment to save on the price increase. He stated there will be a price increase on the installation labor, but with a 6-to-8-week delivery time on the equipment this will be unavoidable. Manager Luce stated we have budgeted for the installation labor and the server upgrade in our next fiscal year budget. Supervisor Fountain inquired as to whether PEG funds can be used for the server upgrade and Manager Luce stated they are looking into this.

Move to approve the upgrade and replacements of Township Hall computers for an amount not to exceed \$25,000 (Equipment Only) and the necessary budget amendment as presented.

Motion made by Clerk Ciofu, Seconded by Treasurer Horning.

Voting Yea: Supervisor Fountain, Clerk Ciofu, Treasurer Horning, Trustee Lubeski, Trustee McMullen, Trustee O'Connell, Trustee Petrucci

Voting Nay: None

Absent: None

d. Consumers Energy Company Gas Franchise Agreement

Manager Luce stated that every 30 years there is an agreement with Consumers Energy and the municipality to be able to install, maintain, and operate gas lines in the right of ways. This gives the easement to allow this for the next 30 years.

Move to approve the Consumers Energy Company Gas Franchise Ordinance and to have the Clerk publish the ordinance as required.

Motion made by Trustee O'Connell, Seconded by Trustee Lubeski. Roll call vote taken

Voting Yea: Supervisor Fountain, Clerk Ciofu, Treasurer Horning, Trustee Lubeski, Trustee McMullen, Trustee O'Connell, Trustee Petrucci

Voting Nay: None

Absent: None

Motion passes: 7-0-0

e. Fiscal Year 2025-2026 Hartland Township Budget Review

Manager Luce and Finance Director Dryden presented the Water and Sewer System budget for Fiscal Year 2025-2026. Highlighted items in the Water Fund budget were Operating Supplies requiring a new water locator and OSHA safety equipment, Contracted Services showing a reduction due to the mandated water line inspections done last year, Meter Costs, which fluctuates with new construction, and the reduction in Legal Fees due to last year expenses for the water main legal issue that was settled. Other Water Fund issues discussed were Repairs and Maintenance - System increasing due to the aging of the water system, Repairs & Maintenance - Building & Grounds increase due to repairs to the heaters at the water treatment plant, and the Transfer to Water Replacement Fund. Director Dryden stated a broader discussion at a work session needs to be had regarding projections for future development, actual site plans coming on line, the number of sewer and water REU's they may have, the timing of purchasing REU's, and when do we think these developments will come online. She stated there is an issue with the timing of when developers will buy REU's and the maintenance of the systems and we may have to bond for some major improvements in the water and sewer systems. This will be part of our long range plan we will be working on this summer. Director Dryden stated there is a budget transfer of \$100,000 from Water O&M to Water Replacement for Fiscal Year 2025-2026. Manager Luce stated the issue of bonding for repairs will be a direct reflection of REU purchases that are done one at a time as homes are built.

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Manager Luce then reviewed the Sewer Fund highlighting reduction in the Connection Fees due to the Septage Receiving Station Consent Agreement of \$3.6 million funds received in this fiscal year that is reflected in next Fiscal Year 2025-2026 Transfer to Sewer Bond Fund. With this transfer to the Sewer Bond Fund we have the funds to pay off our Bonds and there is a possibility of discontinuing the Capital Charge of residents sewer bills going forward. He stated the Septage Station Revenue has been eliminated with the Consent Agreement but the Sewer RTS Charge is increasing due to the provision in the Consent Agreement. Supervisor Fountain inquired as to the usage of the Hartland Sewer System by the Septage Receiving Station and Manager Luce stated it was equivalent to 650 single family homes and was about 10% of the system. Manager Luce clarified that the additional REU's purchase by the Septage Receiving Station were purchased from Genesee County and Tyrone Township and were added to the Hartland Sewer System. Other Sewer items discussed were a nominal increase in Supplies and Postage and LCDC Contract Services related to the increase of 431 REU's on their bill to the Township.

8. Board Reports

Trustee Lubeski - No report.

Trustee McMullen - No report.

Trustee Petrucci - No report.

Clerk Ciofu - Gave a brief update on last Saturday's Winterfest event stating it was very successful and thanked our Crystal Sponsor Athletico Physical Therapy, our Bronze Sponsors, Planet Fitness, Mexican Fiesta, and Hartland Lions Club, our Silver Sponsors, Serene Gardens, Mrs. Michaels Plumbing, Electrical and HVAC Technicians, The Majestic at Lake Walden, and Cromaine Library, and our Platinum Sponsors Pioneer Cabinetry, Hartland Insurance and Preiss Companies, who has been sponsoring the Fireworks display for many years. He stated we could not provide this event for the community without them. He also stated there were a long list of Contributing Sponsors and Volunteers that he wanted to thank. Lastly he thanked Deputy Clerk Heather Cosgrove and Receptionist/Election Assistant Casey Louis for all of their hard work as they were really the individuals that put this event together and we are already planning for Winterfest 2026.

Treasurer Horning - Stated that they did a test trial balance with the County today on the summer and winter tax roll and everything balanced. She stated that the Treasurer's Office will be open on Friday, February 28, 2025 for the last day of tax collection, even though the rest of the Township will not be open for business.

Trustee O'Connell - No report.

Supervisor Fountain - No report.

[BRIEF RECESS]

9. Information / Discussion

a. Manager's Report

Manager Luce stated that within the last two weeks, MDOT has informed the Highland Reserve development that improvements will need to be made at the Cundy Rd. and M-59 intersection in order for Highland Reserve to have an access road to Hartland Glen Drive. If improvements are not made there will need to be a service gate installed at the access to Hartland Glen Drive. Discussions with Highland Reserve, Redwood Homes, and Hartland Glen have been held and they are agreeable to make these improvements. This is another frustrating delay due to last minute changes from MDOT. He stated Sheetz Gas Station is still moving forward but is not scheduled for review at this

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time and that Chick-Fil-A will be on the second meeting in March. He also stated that there have been inquiries on the property on Clark Rd. just south of McCartney Lane for development, in addition to an inquiry on the Tag's ballfield property from a single-family home developer. There are issues with the REU's regarding the Church and the ballfield properties that need to be worked out. Manager Luce thanked Director Dryden for all of her hard work in getting the FY2025-2026 budget ready for presentation to the Board. He also stated he will be in court on February 20th for a hearing on the Settler's Park parking lot vandalism. The individual has pled guilty to the incident and sentencing and restitution will be determined at this hearing. Manager Luce will be meeting this Thursday with Representative Jason Woolford in Lansing to discuss what he can potentially do to help Hartland Township and Livingston County. Two major issues Manager Luce will discuss with Rep. Woolford are the difficulties we are having with MDOT with regards to development approval and requesting a letter of support for the SEMCOG Tap Grant for sidewalks. Manager Luce gave a brief overview of the Penny Lane subdivision outlot issue and he is working with our legal counsel on this issue. A brief discussion was held on the potential outcome of any decision made by the Township. Trustee O'Connell pointed out there are buildings being taken down on the Sutton property on Fenton Rd. and it appears they are moving forward. Manager Luce stated they may have received a permit to take down buildings, but we have not seen any plans at this time. Trustee McMullen inquired as to the Blue Fin restaurant and Manager Luce stated that it was shut down by the County and the Fire Marshall for unpermitted renovations. They only obtained a permit for re-painting the interior.

b. FY2025-2026 Employee Merit Discussion

Manager Luce provided the Board with a draft worksheet of the proposed merit computations for the FY2025-2026 employee compensation for discussion. Manager Luce explained the Net Inflationary Adjustment computation, Step Increases, and the Manager's Incentive Pay and Merit Increase request. A brief discussion was held on the net inflationary adjustment, which is an annual adjustment, the relationship of the projected compensation increases to the projected revenue for FY2025-2026, the actual computation of the net inflationary factor, the step methodology, and the effect of new legislation regarding paid sick time for part time workers.

10. Adjournment

Move to adjourn the meeting at 8:50 p.m.

Motion made by Treasurer Horning, Seconded by Trustee McMullen.

Voting Yea: Supervisor Fountain, Clerk Ciofu, Treasurer Horning, Trustee Lubeski, Trustee McMullen, Trustee O'Connell, Trustee Petrucci

Voting Nay: None

Absent: None

Submitted By

Larry N. Ciofu, Clerk