

HARTLAND TOWNSHIP BOARD OF TRUSTEES REGULAR MEETING FINAL MINUTES  
February 24, 2026 – 7:00 PM

**1. Call to Order**

The meeting was called to order by Clerk Ciofu at 7:00 p.m.

**Move to have the Clerk chair the meeting.**

Motion made by Treasurer Horning, Seconded by Trustee McMullen.

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

Voting Nay: None

Absent: Supervisor Fountain

**2. Pledge of Allegiance**

**3. Roll Call**

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

ABSENT: Supervisor Fountain

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 24, 2026 Hartland Township Board meeting as presented.**

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

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

Voting Nay: None

Absent: Supervisor Fountain

**5. Call to the Public**

No one came forward.

**6. Approval of the Consent Agenda**

**Move to approve the consent agenda for the February 24, 2026 Hartland Township Board meeting as presented.**

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

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

Voting Nay: None

Absent: Supervisor Fountain

- a. Approve Payment of Bills
- b. Approve Post Audit of Disbursements Between Board Meetings
- c. 02-10-26 Hartland Township Board Regular Meeting Minutes
- d. 02-10-26 Hartland Township Board Closed Session Meeting Minutes

**7. Pending & New Business**

- a. Site Plan Application SP/PD #26-003 Chick-fil-A Planned Development (PD) Final Plan 10587 Highland Road

Clerk Ciofu invited the applicant forward and he introduced himself as Brendan Vargo of the PEA Group. Manager Luce gave a brief overview of the Final Planned Development (PD) for Chick-Fil-A stating we have reviewed this project in multiple phases, and this is just the approval of the final documents for the project. The Board had no questions related to the final documents.

**Move to approve Site Plan Application SP/PD #26-003, the Final Planned Development Site Plan for Chick-Fil-A PD, as outlined in the staff memorandum dated February 17, 2026, and the Resolution.**

Motion made by Treasurer Horning, Seconded by Trustee Petrucci. Roll call vote taken.

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

Voting Nay: None

Absent: Supervisor Fountain Motion passes: 6 - 0 – 1

- b. PHP CPAs 3-Year Contract Extension FY27, FY28, & FY29

Finance Director Susan Dryden gave an overview of the Pfeffer, Hanniford & Palka, CPAs (PHP) Audit Contract stating Fiscal Year 2026 is the last year of their current contract. She stated the contract before the Board is a fee increase from our previous contracts, but it is the going rate for for other PHP clients and if we were to do a Request for Proposal, we would find the fees would be very similar to the proposed Audit Contract.

**Move to approve the audit contract for fiscal years 2027, 2028, and 2029 with Pfeffer, Hanniford & Palka, CPAs as presented.**

Motion made by Treasurer Horning, Seconded by Trustee O'Connell.

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

Voting Nay: None

Absent: Supervisor Fountain

- c. 2026 Water System Rate Study and Budgets

Steven Burke of MFCI, the Township's Financial Advisor that assisted the Township with the Water Rate Study came forward along with Eric McGlothlin of Dickenson Wright, the Township bond counsel with the anticipated issue of bonds. Mr. Burke then gave an overview of the Water Supply System Rate Study. He stated they were engaged by the Township due to the significant capital improvements that have been proposed to the water system over the next five years necessary to be proactive in meeting EGLE regulatory requirements. To finance these capital improvements, he stated there would be two proposed bond issuances equaling \$10.5 million planned for this year and next year. This will require significant debt service by 2031, and the current system does not generate the cash flow required for the debt service, repairs and replacements and capital improvements. He then reviewed the commodity rates for water citing the history of the township's water rate setting, where we are today, and where we stand with other local communities in the area and on a national level. He stated we have the second lowest water commodity rate in the area, and he reviewed the current FY 2026 Financial Model stating funds are needed for debt service plus a margin of safety, or coverage ratio, on top of that. He stated that

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we cannot cut expenses enough to cover this, so it needs to come from the revenue side. He then reviewed the Proposed Rate Changes that landed at a commodity rate of \$4.50 per 1000 gallons, up from the current \$1.40 per 1000 gallons, and holding the ready-to-serve (RTS) fee at its current quarterly level right now. He stated that currently the commodity fee makes up around 17% of the system revenue and under the new model it will be closer to 40% from commodity fees and 60% from RTS on an annual basis. He stated there is a fairness piece to this in that the heaviest users will pay more. He stated the model uses a debt service coverage of 110 which means on an annual basis the rate setting will cover the debt service and have 10% left over to cover seasonal water consumption variability. Mr. Burke stated that because the township has flexibility to issue these capital improvement bonds, a general fund that is very strong, and is a growing area, the township has a tremendous ability to issue capital improvement bonds and allow them to run the system a little tighter from a financial standpoint while not sacrificing on the interest rate side. He stated the township will be able to issue bonds at the lowest rate while also trying to limit the impact on customers. Mr. Burke stated that the model has built in 10% increases to the commodity fee going forward and a 3% increase in the RTS fee. He stated the 3% increase in the RTS is just a model for inflation with expenses increasing by 3% along with the rate increase of 3%. He stated the 10% commodity rate increase assumes that the new REU's coming online, that are under construction right now or have been approved by the Board, that come online over the next five years, but the timing and scope of these are not known at this time. The more the REUs that come online the lower the increase may be, but because we do not know the timing of these, they built a conservative outlook up front. This would be reviewed on an annual basis based on the number of REU's coming on and behavioral changes in water usage. Mr. Burke then reviewed what the rate changes would mean for a typical customer stating a monthly increase of between \$20 and \$25 based on water usage of 18,000 gallons per quarter to 24,000 gallons per quarter. He stated even with the increase in rates the township remains competitive in the area and is on the lower side of the average water bill. Mr. Burke stated the most significant takeaway as you look forward, on an annual basis, is that the Board needs to measure what the annual inflation is and that it gets passed forward through the rates. He stated we just went through one of the highest rates of inflation since the 1970s and the township water rates stayed steady which has put the water system in a difficult cash flow situation. He stated reviewing water rates on an annual basis, with the potential increase in REUs coming on, may mitigate some of the rate increases. Clerk Ciofu inquired as to the chart in the study that identified water unaccounted for regarding water pumped versus water billed stating the percentages for 2023 to 2025 are 16%, 21% and 19%, and inquired as to what this is and whether this is a normal feature of the water system. Manager Luce stated this is unbilled water or what is commonly referred to as "water loss" which comes from a variety of things such as flushing of hydrants to backwashing out water tanks, basically it is water used for maintenance of the system rather than going to a residential home for usage that would be billed. He did state these percentages, in his opinion, were higher than the average, but may be due to special circumstances, such as frequent hydrant flushing is a particular area of the system that has encountered brown water issues. Jeremy Schrot of Spalding DeDecker came forward and stated some of the capital improvement projects are dealing with improving hydraulics of the system so that we will have to flush less often. He stated we are improving the filters, improving the plant, adding extra main extensions to keep the water circulating to avoid rust buildup and additional flushing. Trustee Petrucci stated we have to look at how we got to this point and gave a brief history of water rates starting at \$3.62 per 1000 gallons and since then it has been reduced to the current rate of \$1.40 per 1000 gallons. He stated if we would have moderately increased the rate of \$3.62 in 2015 over the years, we would not be in this situation now. He stated this seems like a large increase, but it isn't if you look at it over the past 10 to 15 years. Mr. Burke commended the diligent work of Mike Luce, Susan Dryden, Scott Hable and the Township staff stating they took up a huge amount of their time to pull this data together and they worked very hard to help him learn everything about the system and he wanted to thank them for all their work.

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Eric McGlothlin of Dickenson Wright then reviewed the bond issue timeline stating that in December the Township approved a resolution approving the form and publication of a notice to issues bonds under Michigan's Act 34 which allows for limited tax general obligation bonds to be issued once you publish a notice of intent. He stated the referendum period that the notice started has expired, so the Township has now obtained the authority under state law to proceed with the bond issue, to authorize the bond issue, and to sell them to the lowest bidder. He stated we have entered the first of three stages of the bond issuance process which is the authorization phase. He stated there are two formal actions in this phase, which are to approve the notice of intent, which was completed, and to approve a bond authorizing resolution which authorizes the issuance of bonds and sets the parameters within which the bonds can be sold and ultimately issued and delivered to the purchaser. Mr. McGlothlin stated the second phase of the process is the sales and due diligence process where they begin to prepare the bonds for sale in the capital markets. He stated in conjunction with Mr. Burke's office, they will begin the preparation of a preliminary official statement which contains all the material information about the township and about the bonds that are being offered for sale and the security for repayment. He stated there will be a due diligence call and rating agency meetings that Mr. Burke will prepare the Township for. He stated once this concluded, they will publish a notice of sale in the bond buyer publication that goes out to all the potential purchasers. They will then set a date for the sale, hold the sale, award the bonds, and then move into the closing phase, which is the third and final phase. He stated they will prepare the closing documents, come here for signatures and on the day of closing we will receive the funds, and the bond will be exchanged through an electronic process, and you will be able to proceed with the improvement of the water system.

Manager Luce then led a discussion of the Water Fund budget stating the water meter usage, the RTS, and the meter sales are aligned with the current MFCI Water Rate Study presented tonight. He thanked Mr. Burke, Mr. McGlothlin, Director Dryden, and Director Hable for their work in incorporating the Water Rate Study into our previously completed FY2026-2027 budget. In the review of the Water Fund revenue budget, he highlighted the slight decrease in meter sales, and the reimbursement of contract services and equipment, which are reimbursements from the General Fund, for the use of water staff and equipment for work on parks, cemeteries, township hall and grounds and fire. He then reviewed the Water Fund expenses highlighting reduced water meter expenses as we utilize our existing stock of meters, the reduction in hours of the seasonal staff, Miss Dig increases due to increased development and ticket requests, decreased contingencies based on historical data, and gas and electricity increases based on expected rising rates. Manager Luce then reviewed the Water Replacement Fund highlighting the connection fees to align with the Water Rate Study and the transfer in from Water O&M to cover the debt service payments and the depreciation associated with any new asset that we add, such as a new water main and tower. He gave a brief overview of the All Funds Balance stating the fund balance is not all cash as it does include assets of the system. Manager Luce stated the Water Capital Improvement Fund has been discussed quite extensively in past meetings except for the addition of a replacement vehicle for the 2015 truck in FY2026-2027 and the mower attachment for one of the four mowers we own, He did give a brief overview of the Water Plant storage building upgrades, the Water Plant Improvements, the M-59 Water Main extension, the new Pressure Reducing Valve, and the SCADA upgrades. He highlighted the FY27-28 projects of the new water tower and the water main extension to the water tower and the Asset Management Inventory. Director Hable gave a brief overview of the Asset Management Inventory stating they are looking at a more comprehensive study to track all of the township water assets which would be beneficial for the Township.

## 8. Board Reports

Trustee O'Connell - No report.

Trustee Lubeski - No report.

Trustee McMullen - No report.

Trustee Petrucci - No report.

Treasurer Horning - Stated all taxes need to be into the Township Hall by close of business on Monday March 2, 2026.

Clerk Ciofu - Stated the Winterfest event was a resounding success, the weather was perfect with a lot of snow and it being relatively warm. He thanked the Township staff members Heather Cosgrove, Casey Louis, Melynda Bernardi, and the Public Works staff for organizing the event and getting everything set up that made this event go very smoothly and was probably the best Winterfest event he has been associated with over the years. He also thanked all of our corporate sponsors that allow us to put on the Winterfest event every year and he cannot thank them enough for the contributions they all make for our community.

[BRIEF RECESS]

## 9. Information / Discussion

### a. Manager's Report

Manager Luce gave an overview of an issue with the lift station outside of the water treatment plant during backwashing of the water system. The backwash goes into the lift station holding tank and gets pumped out a two-inch line that goes down the access road to the sanitary sewer on M-59. He stated both pumps in the lift station are currently not pumping the backwash to the sewer. He stated they had pulled the pumps, tested them, and they appeared to be in working order. He stated based on this information they need to investigate why the station is not pumping and they need to do some work to get this repaired. Manager Luce stated Director Hable and staff have been working on this and we have received two quotes for repairs. He stated CSM Mechanical provided the most timely and economical quote. Director Hable gave a brief overview of issues with the pipeline being too small for a camera insert and the lack of manholes in the 1500-foot pipe in determining where the issue is in the pipeline. Manager Luce stated they are looking at an option of boring a line from the lift station to a different manhole north of the water treatment plant as an alternative. Manager Luce stated the quote is for \$26,023 for the mechanical repairs needed in the vault and a second portion for locating the blockage in the pipe in a worst-case scenario in the amount of \$23,475. This will be brought back to the Board at the next meeting. Manager Luce stated he had discussions with MDOT regarding their M-59 paving project and working with the Township, the Livingston County Road Commission, and developers, regarding design changes to the Old US-23 and M-59 intersection. He stated the difficulty will be getting each entity on board with MDOT's M-59 paving timeline. He did state that discussions are moving forward in a good way right now. Manager Luce stated he had a discussion with Sue Grissim on the M-59 and US-23 interchange landscaping relaying the issues to her regarding the developments coming in and MDOT M-59 paving project in 2027 and stated that we may not do any major improvements until 2027. A brief discussion was held on some general clean-up in this area. Trustee Petrucci inquired as to the Hartland gateway signs on M-59 and Manager Luce gave a brief overview of the sign options and quotes we have received.

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**10. Adjournment**

**Move to adjourn the meeting at 8:15 p.m.**

Motion made by Trustee Lubeski, Seconded by Trustee Petrucci.

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

Voting Nay: None

Absent: Supervisor Fountain

Submitted by:

Larry N. Ciofu, Clerk