

HARTLAND TOWNSHIP BOARD OF TRUSTEES REGULAR MEETING FINAL MINUTES  
August 16, 2022 – 7:00 PM

**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 Germane, Trustee McMullen, Trustee O'Connell, Trustee Petrucci

ABSENT: None

Also present were Township Manager Robert West, Finance Director Susan Dryden-Hogan and Assessor Jim Heaslip.

**4. Approval of the Agenda**

**Move to approve the agenda for the August 16, 2022, Hartland Township Board meeting as presented.**

Motion made by Treasurer Horning, Seconded by Trustee Germane.

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

Voting Nay: None

**5. Call to the Public**

No one came forward.

**6. Approval of the Consent Agenda**

**Move to approve the consent agenda for the August 16, 2022, 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 Germane, Trustee McMullen, Trustee O'Connell, Trustee Petrucci

Voting Nay: None

- a. Approve Payment of Bills
- b. Approve Post Audit of Disbursements Between Board Meetings
- c. 08-03-22 Hartland Township Board Regular Meeting Minutes

**7. Pending & New Business**

- a. Fiscal Year 2021-2022 Audit Presentation

John Pfeffer and Kristen Polonowski gave an audit presentation for the Fiscal Year 2021-2022. Mr. Pfeffer thanked the Township Board for having them as their independent auditors and stated it has been a real privilege to work for Hartland Township and that it is a pleasure to come out and work with the Township staff, who are awesome. All of the Township offices, Clerk, Treasurer, Supervisor all do a great job in helping us with the audit. He also stated that he believes it is very important to have his firm's Partners involved in the audit and it is why

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he spends time at the Township during this audit. He stated that this is the second year of Bob West's being involved as Hartland Township Manager and he hit the ground running right away and has continued to do that. Manager West has been very helpful and has a very good understanding of matters when the auditors would sit down with him. He also commended Finance Director Susan Dryden-Hogan. He stated accounting in a Township is like many small businesses in which you have enterprise funds, the general fund, and the fire fund. There are many kinds of funds that have to be balanced and reconciled, and Director Dryden-Hogan does a great job with that. Mr. Pfeffer mentioned that there are very few proposed adjustments and that this is important because it should demonstrate to the Board that the financial information is very accurate when the Board is making important decisions during the year for the residents of Hartland Township.

Mr. Pfeffer stated that they are pleased to issue Hartland Township a Modified Opinion which is the highest level of opinion that an independent auditor can issue.

He stated that it is their opinion that the Financial Statements were presented fairly and that is great news and is very important for bonding, as it would give you a higher bond rating. He also stated that this is important for state share revenues. The State of Michigan will look at the report right away and see that the Township is getting an A+ report and that is very important for the continuation of state shared revenues. Mr. Pfeffer wanted to mention the financial condition of the Township and that the good news was that the Township was able to increase the general fund balance by over 8%, but at the same time were able to complete the sidewalk project, the Settlers Park project, and the Dunham Road crosswalk, all of which are important to the residents of Hartland. He stated that Township has a very healthy general fund balance. Because of the tight budgeting, and staying within this budget, the Township was able to keep a healthy fund balance which allows the Township to do the projects that you have done in the past and will continue to do in the future for the Township residents. He stated the general fund balance was around \$3.4 million and that the Township is in a very good position.

Mr. Pfeffer mentioned that the water system fund did well, with the additional connection fees collected, and that the Township was able to pay off the original 2001 water system bonds, saving interest and to be able to refund over \$250,000 dollars to Hartland residents. He stated again that this was from tight management of the Township funds. Mr. Pfeffer stated the sewer disposal system was able to maintain its fund balance, due to connection fees and controlling of expenses, even though commercial usage has gone down and that businesses have closed due to COVID. Last September, the Township issued Refunding Bonds at 3.675% interest and paid off the 2011 Sewer Series Refunding Bonds again saving interest and balances for the Township. He stated these were all good financial decisions that were made by the Township. He also stated the Township was able to come up with a settlement to litigation that the Township had, which he thought was very good news, as it eliminated any uncertainty for future claims. He stated we improved our bond ratings and that we did receive some REU's in the settlement. He then explained the graphs presented in the package highlighting state shared revenues that come from sales and income taxes. He stated with the current economic environment it is important to keep in mind the effect this may have on the state shared revenues. He also commended Treasurer Horning in managing over \$23 million of investments and that she has done a great job in getting the highest possible return on these funds while keeping it conservative, keeping the fund insured, collateralized, and with strong financial institutions to protect the funds of the Township.

Supervisor stated that in late 2007, when the economy took a downturn, we were in a position where a lot of REU's in the sewer system came back to the Township and we started the Boyle

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Model that told us how many REU's we would have to sell each year to make our bond payments. He inquired of Director Dryden-Hogan as to an update as to whether we are on schedule with our expectations back in 2007. Director Dryden-Hogan stated we had been hitting Boyle Model projections from the beginning in 2005, and while there was a slowdown in the recession of 2008 through 2011, we have now picked back up and we are now at the point where we will run out of REU's to sell. There are REU's owned by people with vacant property and when they get developed, these new users will provide economies of scale that will allow for the spread of fixed costs over more users and will also increase user charges that will allow us to make our remaining sewer bond payments. She stated the bond refunding last year saved \$1.6 million mostly due to the lower interest rate than when we issued the bonds in 2011. She stated the sewer bond will be paid off in 2034. She also stated the settlement of the lawsuit will have a positive effect in our future bond ratings.

A brief discussion was held on the size of the general fund balance regarding concerns as to potential changes to state shared revenues in the future, potential future increases to the fund, and the use of the funds for projects that benefit the Township residents.

**Move to accept the Audit Report from Pfeffer, Hanniford & Palka, CPAs for the Fiscal Year 2021-2022**

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

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

Voting Nay: None

b. Resolution: Hartland Woods Revised Assessment Roll

Manager Robert West stated that the Hartland Woods resident-initiated road improvement project has been completed and it resulted in a substantial cost savings exceeding 5% of the original assessment. The resolution tonight is amending the roll to reflect the cost savings to each of the 67 parcels. The total assessment will be reduced for each parcel by \$1090.02. Manager West stated that when we do projects like this, and we have savings, we amend the rolls so that the residents are only paying the actual cost of the project. The original amount of the assessment was based on an estimate and the project resulted in a savings. Trustee Germane inquired as to whether we mail them checks or if we just change the amounts they are paying. Manager West stated that if anyone has paid off their assessment, they would be reimbursed but we do not have anyone in that situation at this time. The actual roll and actual payments will be amended.

**Move to Adopt the resolution amending the Hartland Woods Road Improvement assessment to reflect the project cost savings.**

Motion made by Trustee Germane, Seconded by Trustee McMullen. Roll call vote taken.

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

Voting Nay: None Motion passes: 7-0-0

**8. Board Reports**

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Trustee O'Connell - No report  
Trustee McMullen - No report  
Trustee Petrucci - No report  
Clerk Ciofu - No report  
Treasurer Horning - No report  
Trustee Germane - No report  
Supervisor Fountain - No report

[BRIEF RECESS]

**9. Information / Discussion**

**a. Manager's Report**

Manager West stated we have seven applicants for the vacancy on the Planning Commission and we will be scheduling interviews for Monday and Tuesday next week. Manager West gave a brief update on the Septage Receiving Station stating we are still having discussions with Livingston County administrators and Livingston County Drain Commission (LCDC) staff, but several meetings have been cancelled by the LCDC. There is a meeting scheduled with Tyrone Township and Livingston County representatives tomorrow and we will be inquiring of the County what they will be doing about their problem regarding this issue. Supervisor Fountain and Manager West led a brief discussion regarding the Board's direction for the Township and Manager West regarding future discussions with the parties involved in the issue. Manager West stated we will have the three-year contract with Pfeffer, Hanniford & Palka, with a contingency for ARPA requirements, at the next Board meeting for review. He stated that as part of the water main extension we budgeted for a new full time water operator, and we are anticipating onboarding this person by late October or early November. We are in the process of posting this position to conduct interviews as soon as possible, because if we can get this person hired one month early, they will be able to test for water licensing, as the State only offers exams twice a year and one is coming up. Manager West gave a brief overview of the Assessing budget amendment that will be on the next Board meeting due to the overlap in a retiring Appraiser and the newly hired Appraiser.

**b. Assessing Department Annual Update**

- 1.** Assessor Jim Heaslip gave a presentation on the state of the housing market highlighting the home listing decline, the number of home sales, and the average home sales pricing. He stated we are not seeing a drop in housing values. Listing prices are coming down due to lack of offers and initial inflated asking prices. Discussion was held on the rising interest rates, the existing home stock, average home sale prices in Hartland, the effect of inflation rate on the taxable value of homes which will probably be increased by 5%, which is the maximum. Because of this, the 2024 Headlee Rollback should be zero. Manager West stated that the increase in taxable value is not coming from the Township. Further discussion was held on the recession, the out of balance situations regarding housing supply and demand, employment, and materials. When these things come back in balance the market should take off again. Discussion was also held on the Industrial business in Hartland which is solid but limited. Anyone coming to Hartland with Industrial would have to build, which is very expensive at this time. Director Heaslip stated our Commercial was very good with limited Tax Tribunal cases with the only soft areas being our sit-down restaurants and office type buildings. Director Heaslip gave a brief overview of the Small Business Exemption increasing from \$80,000 to \$180,000. We have approximately 430 business personal properties within the

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Township with about 270 already having the exemption. There are another 60-70 that could benefit from this exemption. This is something where we could get this information out to our businesses so they can take advantage of this exemption. Manager West stating we are looking at additional communication channels we can use for our businesses on this issue.

**10. Adjournment**

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

Motion made by Treasurer Horning, Seconded by Clerk Ciofu.

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

Voting Nay: None

Submitted by



Larry N. Ciofu, Clerk