

**CHARTER TOWNSHIP OF WHITE LAKE
Unapproved Minutes of the Special Board of Trustees Meeting
June 29, 2021**

Supervisor Kowall called the meeting to order at 6:00 p.m. The meeting was held via Zoom video conferencing. He then led the Pledge of Allegiance.

Clerk Noble called the roll:

Present: Rik Kowall, Supervisor – present in White, MI
Anthony L. Noble, Clerk – present in White Lake, MI
Mike Roman, Treasurer – present in White Lake, MI
Scott Ruggles, Trustee – present in White Lake, MI
Liz Smith, Trustee – present in White Lake, MI
Andrea C. Voorheis, Trustee - present in White Lake, MI
Michael Powell, Trustee – present in Gatlinburg, TN

Also Present: Aaron Potter, Director (DPS/Water)
Catherine Derocher, Human Resource Manager
Lisa Hamameh, Attorney
Patricia Pergament, Administrative Assistant
Michael Leuffgen, DLZ Corporation
Shannon Filarecki, DLZ Corporation
Jennifer Edens, Recording Secretary

AGENDA

It was **MOVED** by Treasurer Roman, **SUPPORTED** by Trustee Powell, to approve the Agenda. The motion **PASSED** by roll call vote (Kowall/yes, Smith/yes, Voorheis/yes, Ruggles/yes, Roman/yes, Powell/yes, Noble/yes).

PUBLIC COMMENT

No public comment.

NEW BUSINESS

- A. RESOLUTION #21-019; TO TENTATIVELY AWARD A CONSTRUCTION CONTRACT FOR WATER SYSTEM IMPROVEMENTS – ASPEN MEADOWS WELLHOUSE DWRP**
- B. RESOLUTION #21-020; TO TENTATIVELY AWARD A CONSTRUCTION CONTRACT FOR WATER SYSTEM IMPROVEMENTS – BOGIE LAKE ROAD WATERMAIN EXTENSION DWRP**

Supervisor Kowall thanked Director Potter, Michael Leuffgen and the crew from DLZ for all their hard work on this project. He reminded that it was just over four years ago when the Township first approached the school district to improve their water. He noted that Item 6A is the iron filtration part of that project. He furthered that this part of the project will provide the northwest sector of the Township, including the new proposed main down Bogie Lake Road to Lakeland High School, with a high-quality iron removal process. It will be quality water that will help preserve the current pipes and infrastructure as well as the new parts of the systems that go in. He continued that the Aspen Meadows Wellhouse project has been submitted by the contractor.

Director Potter indicated that the Township went out to bid on the Aspen Meadows project and the Bogie Lake extension. They were done as two separate parts of one project. He indicated that DWRF considers them to be one project. Two bids were received for the wellhouse improvements. The low bid on the project came in at \$4,862,462.00, which was a little over the estimated price (Reliance Building Company).

Director Potter continued that the school was approached in 2017 to possibly partner up in bringing the watermain down Bogie Lake Road. He shared that it didn't work out at that time, but since the school reached out in December of 2018 and an agreement was worked out. The school district paid for the entire project plan development through an escrow, which was submitted in May 2019. At that time DWRF reviewed the plan and determined that the watermain portion of the plan did not meet the requirements for funding under DWRF. In late of 2019 the Township was asked to resubmit when new management came on and it was decided that it should be fundable. The approval occurred in 2021.

Director Potter shared that the engineering for both projects began in March of 2020. A rate study was begun around the same time. Permits were received for the projects in May of this year and advertisement for bids were done in late May. A pre-bid meeting was held in early June and a bid opening on June 24th. The rate study was completed in that time and the Board approved a Fee Ordinance in October.

Director Potter is happy to say after speaking Tom Traciak of Baker Tilley that the Township has a very healthy fund balance in the Water Fund. He shared that Mr. Traciak's position regarding this is that the Township is in very good shape with the rate study as approved. He does not anticipate the need to move around any other capital projects. He further indicated that the project is fundable and that DWRF offers a 1.875 interest bond rate, which is very cost effective. It is his recommendation to the Board to move this project forward. He identified that there are opportunities to look at project material specifications to help reduce some costs. He believes another way to reduce the loan amount is through the engineering which has been paid for already by the school's operating fund. He will discuss this with the school.

Director Potter indicated that Mr. Leuffgen of DLZ submitted a recommendation letter, but he was not able to present it to the Board prior to the meeting. He further shared that the DWRF loan includes a milestone schedule which is a very aggressive timeline.

Mike Leuffgen shared his screen and recommendation to approve the Aspen Meadows Wellhouse DWRF and Bogie Lake watermain. He reminded that without the Aspen Meadows Treatment Plant the Township does not have the ability to provide improved water to the school district, as the two go hand in hand.

Mr. Leuffgen indicated that the Bogie Lake Road watermain project came in under budget based on the project estimates and that from a bidding standpoint there was more participation with five bidders. The low bid on the project was DVM Utilities at \$2,434,945.50. There were four comparable bids and one outlier. He is happy with how the bids came in. He opined that DVM Utilities does good work and shared that DLZ works with them on other projects. He called on references they have from other projects and received favorable reviews. He indicated that because of the value of the bids it is DLZ's recommendation to proceed with the DWRP Program and to approve a tentative notice of award that indicates the Township's intent to the DWRP Program letting them know that the Township intends to move forward with the project.

As for the Aspen Meadows project, two bids were received with the low bidder being Reliance Building Company in the amount of \$4,862,462.00. They have successfully completed other projects in the Township including the Village Acres Water Treatment Plant and the Hillview wellhouse rehabilitation. He is impressed that they didn't shut down during COVID and persevered through the project in a timely manner and without any issues.

Mr. Leuffgen continued regarding the Village Acres Project, that it was completed just under \$2.5 million. It included new pressure filters and complete demo of the existing building. Compared to Aspen Meadows there are new pressure filters, but there is no intent to level the existing building. He notes that the Project Plan put together in 2019 with pricing at \$2.8 million was based on the Village Acres experience and anticipating some inflation. The current economics, demand in labor and material construction costs contributed to the bid price coming in where it did. He shared that they reached out to a contractor that they thought would have bid the project but did not and learned that they were scared off due to material costs. To make sure the Township was getting a good bid they had a third party do a shadow bid, which indicated that it was likely based on market conditions, labor market, and material price fluctuation. Which would explain why the watermain project came in within budget and the building did not.

Mr. Leuffgen advised that DLZ did confirm that the DWRP Program can accommodate the increased pricing and that there still is a funding mechanism if the Township moves forward now. He further shared that feedback from the DWRP when asked if this could be pushed out to a further date was that there is a very high demand for future project funding and that projects are evaluated based on certain criteria and exceedances. Further that DWRP is funding down to the value of a 400-point project for next year's projects. By way of context, Aspen Meadows is currently rated at 345 points. According to EGLE if there is no drastic change, it is unlikely that the Township could reapply for next year funding through DWRP and qualify.

Director Potter clarified that the DWRP project was ranked at 345 points which is the total project that includes both the watermain and Aspen Meadows Plant.

Supervisor Kowall summarized that the Township is at a situation where one part of it came in at a reasonable number and one part came in at a higher number. However due to the market conditions, foreseen future, the unavailability of a DWRP fund next year and potentially the following year, and the potential of the market place driving some of these prices up even higher for next year, it puts the Township in a position where it should give serious consideration to move forward. He believes in the end the

Township would be ahead of the game. He is very concerned that the costs could go up in the next two years. He believes the overall project comes in favorably and he believes the intent of the Township and the needs of the school along with other considerations this Board should consider moving forward. Treasurer Roman believes that good points were made. He feels that the future is unknown and with the backlog of infrastructure projects and that it is scary. He stated that no one knows where the availability will be in a year with both labor and materials. He spoke with Bobby Lewinski, who acts as a municipal advisor for the Township and he stated if the Board decided not to do DWRP funding and went with open market financing that the rates are still good. Mr. Lewinski opined that in a year and half time the Township could bond out at 2% to 2.5%. Treasurer Roman opined that clean water effects more than just those on the system that are residents and that there are businesses and schools that use water, including the Huron Valley campus that has over 3,000 kids there. After seeing what happened in Flint, he would not want to jeopardize the health of children for money. He shared that White Lake Township will receive approximately \$3 million from the American Rescue Act Plan and that one area where they would like the monies spent is sewer and water infrastructure. He would support using some of that money to build an iron filtration plant. He supports moving forward with DWRP for both the watermain and iron filtration plant.

Clerk Noble believes there are big points made in the supply chain and COVID and that the Township runs risk of running up this project. He believes there were a lot of manhours put into this and he supports moving forward with it. He believes this project will be a success with Director Potter spearheading it.

Trustee Voorheis agrees that this needs to move forward and that the Township must keep the water clean. She agrees it is pricey but notes that it could always get pricier.

Trustee Powell opined that much like many citizens are finding, that have started building homes that builders are tacking on an additional \$50,000 on the price due to the cost of materials, the Township is also being caught in the same position. He indicates that the Board has to be cognizant of spending the resident's money but he could not agree more with his colleagues that clean water and the project heading toward the school has to go and in hand and that the \$2 million dollar penalty is frankly because of COVID. He thinks this is a very worth wild project to proceed with. Directed to Mr. Leuffgen or Director Potter, he questioned if there are liquidated damages to either of these projects.

Mr. Leuffgen replied that both projects have liquidated damages. He further stated that the substantial completion timeline given to the contractors was 365 days and 410 days to final completion. He shared that as part of the DWRP milestone a notice to proceed cannot be issued until October 29. He believes the water treatment plan has a longer lead time.

Trustee Smith is in favor of moving forward with both projects simultaneously. She stated that water is a basic human right and that the Township owes it to its citizens to provide clean water. She is contacted often by residents that have problems with their water. She noted that the overage for the water filtration is approximately 36% over and asked what the underage on the Bogie Lake is for clarification of how the two

washed out. She further asked of Treasurer Roman is there is a particular percentage that needs to be used for water and infrastructure and if there is an expected date of receiving those funds.

Supervisor Kowall noted the bid came in 12% under what was originally projected. Treasurer Roman indicated that information regarding the American Rescue Act Plan is still coming in and that a webinar was put out that lists the different categories in which the funds can be used. He notes that water and infrastructure was one category. He is not sure of the timeframe for receipt of the funds but expects it this year.

Trustee Ruggles agrees with what has been said and is in favor of these projects going forward. He stated that one thing the Board does know is what the cost will be, but what it does not know is how much higher it could go. He is all for getting the water projects on the way and helping the residents.

Supervisor Kowall believes the mindset of the Board is similar. He recalls that this project came to light as the Board learned there were students that were not happy with the water quality. He commended the current administration of the Huron Valley School District for having the wisdom and understanding, and for taking advantage of this opportunity to work with the Township in moving this forward.

Trustee Powell confirmed with Director Potter that there is a contingency fee included.

It was MOVED by Trustee Powell, SUPPORTED by Trustee Ruggles, that the Charter Township of White Lake approve a Resolution to tentatively award a construction contract for the water system improvements, specifically Resolution #21-020. The motion PASSED by roll call vote (Noble/yes, Powell/yes, Roman/yes, Ruggles/yes, Voorheis/yes, Smith/yes, Kowall/yes).

It was MOVED by Trustee Powell, SUPPORTED by, Clerk Noble that the Charter Township of White Lake approve a Resolution to tentatively award a construction contract for the water system improvements, specifically Resolution #21-019. The motion PASSED by roll call vote (Powell/yes, Ruggles/yes, Kowall/yes, Voorheis/yes, Noble/yes, Smith/yes, Roman/yes).

Director Potter thanked the Board for their support on this project as the residents have been asking for this for as long as he has been with the Township. He shared that it has been a longtime coming as the Township started looking at iron filtration in 2003. He thanked Huron Valley Schools for being great partners in this as it will be an outstanding project for all.

C. REQUEST TO APPROVE AUDIO VISUAL EQUIPMENT BID FOR ANNEX BOARD ROOM PAID VIA "PEG" PUBLIC, EDUCATION, AND GOVERNMENT CHANNELS FUNDS (THIRD COAST TECH-OAKLAND COUNTY G2G PREFERRED SUPPLIER)

Patricia Pergament indicated that it is time to start getting the room ready as in person meetings are expected to resume in September. She shared that Ken Milbourne recommended a company, Third Coast Tech, who was used by and highly recommended by Lyon Township. They are a G2G supplier with

Oakland County which means under general purchasing the Township does not need more than one bid. She did have Ken look over the bid, who asked them to remove a few unnecessary items. She indicated that the Township is looking at new microphones, Biamp, amplifiers, ceiling speakers, and a pan tilt zoom camera for above the dais. The quote is for \$18,841.33, which PEG fees can be used for if the Board meeting is aired on the cable channel. It has been confirmed with the local cable channel that this can be done. She proposes the approval of this and noted the possibility of removing the HuddleCamHD.

Additionally, she noted that moving the amplifiers from the other room would render the old room useless. She further offered that the current technology is aging out and this new technology is self-adjusting.

Supervisor Kowall added that this equipment will be movable when appropriate.

Trustee Powell reminded that a past issue is not having a remote microphone and questioned if this was included in the quote. He also asked of Supervisor Kowall if a better seating situation has been addressed.

Patricia Pergament will go back to the company to discuss the addition of a remote microphone.

Supervisor Kowall indicated that the current dais will be relocated and modified as a new one will cost nearly \$14,000. He would suggest a not to exceed \$20,000 budget for this quote.

It was MOVED by Trustee Ruggles, SUPPORTED by Trustee Voorheis, to approve an expenditure not to exceed \$20,000.00 to enter into the contract with Third Coast Tech, LLC. for the purchase of audio-visual equipment and the additional purchase of a remote microphone paid for by the PEG funds. The motion PASSED by roll call vote (Voorheis/yes, Noble/yes, Powell/yes, Roman/yes, Smith/yes, Ruggles/yes, Kowall/yes).

D. TREASURER'S ANNUAL REPORT – 2020

Treasurer Roman in discussing the annual report indicated that it is a comprehensive summary of what the Township did throughout the year and who it used for investments. He advised that all investments fall under Public Act 20. He highlighted the following:

- The general police and fire investments earned approximately \$269,000 of interest in 2020, which is down from last year, but interest rates are at an all-time low.
- The average yield was 1.13 compared to 2.0 last year.
- Legacy costs, PEB retiree health care is at a healthy number. As of the end of 2020 there is \$5.5 million set aside and he thanked the Board for supporting the OPEB contribution.
- Taxable values continue to rise in the Township. There has been approximately a \$59 million increase in taxable value since 2019, which brought in approximately \$39,000 general fund tax revenue for 2019.
- There are thirty different bank accounts identified in the report that are used by the Township, including CD's along with their balances, yields, and account purpose.
- Breakdown of types of investments.
- U.S. Treasury Bill yields. Fifty-two treasury bills yield .1%.

- All banks have 4/5-star ratings.
- OPEB balance as of year-end with information as to where it is parked. It is all parked in a portfolio market fund that is designed and recommended as a moderately conservative balance fund.

Supervisor Kowall marveled at how Treasurer Roman can squeeze two nickels together and get a quarter to pop out. He believes he has done a great job at managing funds. He appreciates all that he does and thanked him for the report.

Treasurer Roman indicated it is all about the safety of capital and making sure the Township has the liquidity it needs, and that the yields come last.

Supervisor Kowall received for filing the Treasurer's Annual Report – 2020.

**E. REQUEST TO APPROVE AMENDMENT TO POLICIES AND PROCEDURES SECTION 3.3,
CLASSIFICATION AND COMPENSATION FOR DEPUTY WAGES**

Human Resources Manager Derocher indicated she was asked to prepare this memo regarding policies and procedures. Essentially it causes a change to the wage scale for the Deputy Clerk and Deputy Treasurer and it effects policies and procedures as a paragraph has been added that indicates as they are appointed positions we would like the Board to consider any modifications in their hiring agreement such as vacation time or other ancillary benefits that might apply. Those would have to go to the Board for approval if there is any deviation from the policy.

Trustee Powell finds this a welcome change and believes it is long overdue. He hopes that administration continues to work on similar agreements for the nonunion staff of the Township.

Supervisor Kowall noted that the Township is trying to make things more palatable and competitive for folks coming in.

Trustee Voorheis confirmed that the current Deputy Treasurer, with ten-years' experience, started at the third-year wage. She clarified that this would bring the current Deputy Clerk to that same wage level, making them equal. She realizes that the current Deputy Clerk has municipal experience but notes that it is not clerk experience. She does not believe one can compare the two individuals and she indicated that she is against this.

Trustee Smith partly agrees with both colleagues. She is in favor of Trustee Powell's position regarding vacation time and family time, but she agrees with Trustee Voorheis that the two individuals are not now comparable. She believes the Township was lucky to find a Deputy Treasurer with the experience she had and notes that the dollar amount was raised to attract to the position. She asked if there is a way to separate the two.

Supervisor Kowall indicated that the two could be separated by way of motion.

Trustee Powell would normally agree with his colleagues, but in this case the employment of the deputies is up to the Clerk and Treasurer, which is totally different than a Township wide position. In this particular case however, it is up to the elected official to decide their qualifications of those people. They should be brought into a living wage and considered experts because their elected official is declaring them as experts.

Treasurer Roman indicated to start a deputy out at \$66,469 is reasonable and in the ballpark to bring skilled labor into the Township. His deputy had ten years of municipal experience in a treasurer's office, but that doesn't make Deputy Clerk Santiago's job any easier or harder. He opined that he is doing a super job, he never goes home and is a real smart guy. Comparatively he indicated that there are a lot of positions within the Township that pay higher and he is not sure their workload is any more than the deputies. He noted that the HR position starts at \$65,000 and tops out at \$79,000 and with all due respect to Cathy Derocher he feels his deputy has the same or more of a workload. He knows in the past there has been discussion of doing more wage comparisons. He finds the proposed wage scale totally reasonable.

Clerk Noble respects his colleagues' opinions but notes that under MCL 41.69 the Board has the right to set the wage and compensation. He indicated that the Clerk is statutorily required to take the election course through the state before the first election and additional training will occur. He cited the damper in things caused by COVID. He opined that there is a hugh work load and Deputy Santiago is right on top things. Comparing apples to apples and paperwork wise you won't find anyone more detailed oriented as people that work day to day here. He feels lucky to have him respects the other board member's opinions.

Trustee Voorheis asked of Clerk Noble if his overtime will go down since he is 461% over budget if this goes through.

Clerk Noble indicated that he was left with less than 100 for this year. There is money in training that can be used to offset it.

Trustee Voorheis shared that she does training all the time for her job and does not receive overtime for it.

Clerk Noble indicated that deputies get overtime and he did not set that policy up.

Supervisor Kowall concurred that there are multiple employees who fall under the bracket of overtime and are compensated.

Treasurer Roman would be surprised if his deputy has any overtime this year.

Clerk Noble indicated his deputy would not have any paid overtime.

Trustee Smith asked of Cathy Derocher if the proposed scale tops out.

Cathy Derocher indicated that the proposed wage scale starts at the current three-year wage scale and that there is a one-year bump that takes it to the top.

Clerk Noble added these are not careers where you have longevity and that if elected official that hires them is no longer in office, the goal is to appoint the best in hopes they can be reappointed.

Supervisor Kowall reminded this is part of the process that he and Cathy Derocher have been looking at to bring things up to speed and that they will continue to bring items back before the Board. He concurs with what Trustee Powell stated that it is time to start taking care of our people and he is in support of this. He understands and respects everyone's opinion.

Trustee Ruggles believes it is wise to have both deputies on the same page. He finds there is a lot of truth in someone being more qualified than somebody else but in the eyes of the elected official that is the expert they chose.

It was MOVED by Treasurer Roman, SUPPORTED by Trustee Ruggles, to move to the proposed 2021 wage scale that starts at \$66,469.00 and after one year moves to \$70,819.00 for all deputy positions and to include amendments to Policies and Procedures related to vacation time and other ancillary benefits for deputy positions. The motion PASSED by roll call vote (Kowall/yes, Powell/yes, Ruggles/yes, Roman/yes, Voorheis/no, Noble/yes, Smith/yes).

F. RESOLUTION #21-022; TO APPROVE AN AMENDMENT OF THE INTERLOCAL AGREEMENT REGARDING THE WESTERN OAKLAND TRANSPORTATION AUTHORITY FOR FORMATION OF AN ACT 196 AUTHORITY AND TO ADOPT AMENDMENT OF ARTICLES OF INCORPORATION

Supervisor Kowall shared that the City of Walled Lake wanted a 30-day window versus a 60-day window as an escape clause in the event that their millage did not pass. This change requires the approval of all Boards. He also shared that a total of six new buses have been ordered.

Clerk Noble spoke with officials from the City of Walled Lake and also came across an elderly woman who is going blind from Commerce Township of whom he informed about W.O.T.A. He is hopeful to get Commerce on board as it is an incredible service. He has also been contacted by an elderly resident of White Lake who cannot drive due to medical reasons, and he could not say enough good things about W.O.T.A. He shared that typically smart transportation has passed in the City of Walled Lake because there is a need and they are only asking for a little wiggle room.

It was MOVED by Trustee Smith, SUPPORTED by Trustee Voorheis, to amend the Interlocal Agreement for Formation of ACT 196 Authority to provide transportation services, Resolution #21.022. The motion PASSED by roll call vote (Noble/yes, Roman/yes, Smith/yes, Powell/yes, Voorheis/yes, Kowall/yes, Ruggles/yes).

Supervisor Kowall thanked everyone for being here tonight and suggested that perhaps Washington could take a lesson from this local Board. He noted that we have differences of opinions but at the end of the day we do what is best for our community and we should be very proud of that.

Treasurer Roman clarified that the item 6E did not address vacation time for the deputies.

Cathy Derocher clarified that a change in vacation time is not included in the memo, but rather it would be brought back before the Board and followed up with a change in policies and procedures that would front load vacation time.

ADJOURNMENT

It was MOVED by Supervisor Kowall, SUPPORTED by Trustee Smith, to adjourn. The motion PASSED by roll call vote (Kowall/yes, Smith/yes, Voorheis/yes, Ruggles/yes, Powell/yes, Noble/yes, Roman/yes).

Meeting adjourned at 7:19 p.m.

I, Anthony L. Noble, 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 June 29, 2021 special board meeting minutes.

Anthony L. Noble, Clerk
White Lake Township
Oakland County, Michigan