

# Village of Bellaire

## PUBLIC WORKS COMMITTEE

Eldon McPherson, Chairman

Patricia Drollinger

Dave Ciganick

### COMMITTEE MEETING MINUTES

August 19, 2019

8:30 a.m.

1. **Call to Order:** Chairman McPherson called the meeting to order at 8:40 a.m.

#### Attendance

**Present:** Chairman McPherson, Trustee Ciganick, and Trustee Drollinger (in at 8:53 a.m.)

**Absent:** None.

**Staff Present:** Lori Lockett, Clerk and Bradley Keiser, DPW Supervisor

**Also Present:** None

2. **Approval of Agenda:** The agenda was approved as written.

**Motion by Trustee Ciganick, seconded by Chairman McPherson, to approve the agenda as presented. Motion carried by voice vote.**

3. **Approval of the July 15, 2019 Meeting Minutes:** Trustee Ciganick commented that a lot of things had evolved since the last meeting. The minutes of the July 15, 2019 meeting were approved as presented.

**Motion by Trustee Ciganick, seconded by Chairman McPherson, to approve the minutes of the July 15, 2019 meeting as presented. Motion carried by voice vote.**

4. **Public Comment on Agenda Items:** None presented.

5. **Old Business:**

**a) Rules for Leak Repairs:** Clerk Lockett pointed to suggested language regarding leak repairs; “a customer/property owner who receives notice of water leak on premises from the Village Department of Public Works, has thirty (30) days from the date of notice to make repairs. Any adjustments to billed amounts shall not be considered beyond the thirty (30) day period.” Trustee Ciganick asked about “billed amounts”. It was noted that any adjustment would me to sewer amounts. After brief discussion “sewer” was added before “billed amounts” in provision l. Trustee Ciganick then made a motion to recommend to village council to adopt rules for leak repairs as stated in paragraph l. of the Village of Bellaire Resolution #21 of 2019 with the addition of “sewer”.

**Motion by Trustee Ciganick, seconded by Chairman McPherson, to recommend to village council to adopt rules for leak repairs as stated in paragraph l. of the Village of Bellaire Resolution #21 of 2019 with the addition of “sewer”. Motion carried by voice vote.**

**b) Notice of Lessee Responsibility:** Clerk Lockett explained that if a landlord provides a written notice of tenant’s responsibility and the account is significantly behind a lien may not be recorded and collected like taxes. Unless there is a security deposit, the village may not be able to collect amounts due. Trustee Ciganick suggested that this would be difficult for landlords and renters. Staff explained that the form had to be requested; currently no one has provided a notice to the village. There was brief discussion about the requirements under the village code sections and the Revenue Bond Act. Trustee Ciganick asked if it was appropriate on the document to include verbiage to be advised that the village will charge a \$300 deposit for water services to the lessee. After discussion a provision was added to the Notice: “I understand that a cash deposit in an amount established by the village council will be required to be paid by the Tenant.” There was discussion about provision k: “when written Notice of Tenant Responsibility for water and

# Village of Bellaire

## PUBLIC WORKS COMMITTEE

Eldon McPherson, Chairman

Patricia Drollinger

Dave Ciganick

sewer service is provided to the village, no further service shall be rendered to the premises until a cash deposit in the amount of \$300 is made as security for payment thereof. Trustee Drollinger entered the meeting during discussion and asked about a rate for outside of the village because rates are double. Trustee Ciganick suggested \$300 inside the village limits and \$500 outside the village limits. Trustee Ciganick made the motion to recommend to village council to adopt the written notice of Lessee Responsibility as amended in the meeting and also paragraph k in the Village of Bellaire Resolution #21 of 2019 as amended during the meeting to include a \$300 deposit for in-town and \$500 outside of town.

**Motion by Trustee Ciganick, seconded by Chairman McPherson to recommend to village council to adopt the written notice of Lessee Responsibility as amended in the meeting and also paragraph k in the Village of Bellaire Resolution #21 of 2019 as amended during the meeting to include a \$300 deposit for in-town and \$500 outside of town. Motion carried by voice vote.**

### 6. New Business:

a) **Water/Sewer Rate Increase:** Supervisor Keiser reported that there was an issue with the rates provided, the debt amount may be too low. Mike Ingalls from Michigan Rural Water calculated the rate increase to fund the loan. Treasurer Odom is awaiting an email response from the USDA to confirm the loan amount. Trustee Drollinger asked whether the committee should wait to act. Chairman McPherson suggested tabling the resolution. After discussion the committee decided to recommend the resolution with the corrected rate information once received, so that the resolution could be addressed at the next village council meeting. Supervisor Keiser stated that the loan amount has varied with the project scope changing. Chairman McPherson made the motion to recommend to village council approval of the recommended rates as determined once the loan amount is confirmed.

**Motion by Chairman McPherson, seconded by Trustee Drollinger, to recommend to village council approval of the recommended rates as determined once the loan amount is confirmed. Motion carried by voice vote.**

Chairman McPherson requested notice once the loan amount is confirmed. Supervisor Keiser indicated that with the bond anticipation note, the loan was to have closed by October 1 in order to pay back the \$209,000. We are still waiting for a closing date; which may have been extended to October 15. There was discussion about the issues with various rights-of-way and easement agreements. The recitals in the resolution will be changed to address the scope of the project. The ponds and treatment plant will not be touched. The original scope was \$2.3 million for all work. Now it is reduced to four lift stations, two sewer line repairs. All manhole repairs have been removed. Could the project be stopped? The village would have to repay \$209,000. There was discussion about the project, cost and scope. Supervisor Keiser explained what certain items would cost new rather than repairing. Sand filters and ponds are not being touched. Trustee Ciganick asked if the village could save \$200,000 by replacing rather than repairing. Supervisor Keiser stated that if rates were raised money could be saved for replacement and done over time. He was not sure whether \$200,000 could be saved. Trustee Ciganick noted even if close, new product would be installed rather than repaired. Supervisor Keiser stated that the current project scope of work is new and what they want. Staff slashed some of the engineer's ideas and scaled back. New pumps and liners are included. Bids have not yet been put out and work will likely not be done until next summer. Bids will go out after closing. Trustee Drollinger asked how we would know whether the loan would cover the bids. Supervisor Keiser explained the loan amount is based on the engineer's estimate of costs to cover the repairs. Trustee Ciganick asked what happens if the loan amount does not cover the cost of repairs. Is there a penalty because the repairs are not complete? There was discussion about the process to date. Supervisor Keiser stated that many contractors have told him they will submit bids in

# Village of Bellaire

## PUBLIC WORKS COMMITTEE

Eldon McPherson, Chairman

Patricia Drollinger

Dave Ciganick

October and November for projects in the spring. He thought they should have taken the prints out for bid in July. Trustee Drollinger suggested that the village needs to regroup even with the \$200,000 loan. Supervisor Keiser said the village will be going in debt \$2.7 million with the looming water line project coming up. Trustee Drollinger asked whether there was any part of this project that had to be done now. According to staff, the state has backed off the mandate on the sewer repairs. Trustee Ciganick asked about the current costs incurred. There was discussion about getting all plans. Trustee Drollinger expressed concerns and dissatisfaction. According to Supervisor Keiser, Treasurer Odom is concerned about the water line project. At her request, Supervisor Keiser had put together the costs of replacing one line. He reported that the costs were higher than he anticipated as the cost of line boring has gotten more expensive. Central Lake has purchased their own line boring equipment. Trustee Ciganick suggested that smaller communities could share in the cost of equipment. Supervisor Keiser stated that Otsego County Road Commission had been contracted to clean storm sewers along M-88. There is potential payback for equipment. This item will be placed on the agenda, and due diligence done before the council meeting, to determine the costs and consequences should the council decide not to proceed. Trustee Drollinger thought the motion should be to recommend to village council that they review and reconsider going forward with the project. Trustee Ciganick suggested the comment from legal counsel. Chairman McPherson suggested based on the water line replacement. The motion was made and seconded.

**Motion by Trustee Drollinger, seconded by Trustee Ciganick, to recommend to village council that they review and reconsider, with the comment from legal counsel and based on the water line replacement, going forward with this project. Motion passed by unanimous voice vote.**

7. **Discussion Items:** None presented.
8. **Communications/Informational:** None presented.
9. **Member/Public Comment:** None presented.
10. **Adjournment:** Chairman McPherson requested a motion to adjourn. Motion was made by Trustee Ciganick and supported by Trustee Drollinger. Meeting adjourned at 8:24 a.m.

Minutes compiled by Lori Lockett, Clerk  
Minutes are subject to approval.

Approved: \_\_\_\_\_  
Eldon McPherson, Chairman

Date: \_\_\_\_\_