

**Fredonia Township Board-Regular Meeting**  
**January 21, 2019 6:30 PM**  
**Fredonia Township Hall**  
**8803 17 Mile Rd, Marshall, MI 49068**

**MINUTES**

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**BOARD MEMBERS** present:  Doug Damon, Supervisor  Karen Diver, Clerk  
 Paul Baranowski, Treasurer  Jerry Diver, Trustee  JC Skowron, Trustee

**STAFF** present:  Phil Damon, Fire Chief  Dianna Baker, Deputy Clerk/Cemetery Sexton  
 Roger Smith, Assessor  Pamela Jo Eastman, IT  Clyde Lampkin, Code Enforcement/Zoning  
 Dan Livingston Sr., Calhoun County Planning Commission  Dan Livingston, Jr., Road Committee  
 Jacob Washburn, Fire Dept. Trainer & Meeting Parliamentarian

**PLEDGE OF ALLIGENCE**

**PRAYER** by Jacob Washburn

**AGENDA** – Additions/Deletions: Added three items: Need to address the Appointments of Planning Commission members, discuss a refund check from Matt Cronk, and a request was made by Paul to address a couple payroll issues.

**VISITORS WELCOMED & Spoke in the following order:**

**Tommy Miller**, the new Commissioner for the district, was introduced to everyone and shared his work experiences and projected willingness to work closely with the township on any road concerns or issues.

**Greg Moore**, from Consumer’s Energy, addressed the presence of Consumer’s Energy in the Township for over 80 years and discussed the *Electric Franchise Contract* that is due for renewal for another 30 years that permits Consumer Energy the right to conduct business in the Township.

Motion made by Karen Diver and supported by Jerry Diver to approve the Electric Franchise Renewal Contract.

**MOTION CARRIED**

**Att. John McFarland** was present to address the *Sewer Contract* concerns, the *Resolution of the Sewer Fund*; and the *Property Maintenance Code (PMC)*.

- **SEWER CONTRACT:** Atty. McFarland addressed the two main concerns within the Township - the wording in Bullet 14’s language requiring the said user and township to sign hence affording the city control over certain township properties AND the 25 year term length of the contract. He stated that in having completely reviewed the contract he felt that overall it was to the Township’s benefit to allow the City of Marshall to assume ownership of the sewer system. This would then put the responsibilities of billing, maintenance and upkeep onto their shoulders. He further stated that the 25 year length of the contract in his opinion was a very good agreement. It makes the City of Marshall responsible for sewer service to the residents and guarantees the sewer use rate will be the same rate as the city for 25 years. He went on the say that in addition there was concern about the language *if the City of Marshal was to further extend*

*waste water services to another area of Fredonia Township they would reserve the right to insist on another 425 Agreement. Some folks think this allows the City to get their foot in the door and pursue annexation. PUBLIC ACT 425 is a tool that allows jurisdictions like Fredonia Township to actually benefit from a financial investment of another jurisdiction – in this case – the City of Marshall - . PA425 by law protects the Township territory and the territory at issue CANNOT be annexed. Furthermore, PA425 also calls for distribution of tax revenue collected so that the Township is not frozen out of the tax picture rather they would continue to receive a portion of the taxes collected and typically that shared portion is higher than it would have been before. The PA425 does not mean the territory is permanently transferred to the other jurisdiction. In closing, Atty. McFarland stated that he believes the Sewer Contract is a very favorable agreement.*

Motion made by Jerry Diver and supported by Karen Diver to approve the Sewer Contract with the City of Marshall as written. Roll Call Vote taken – all voted “Yes”.

### **MOTION CARRIED**

- **RESOLUTION OF THE SEWER FUND:** Atty. McFarland stated that the issue at hand is whether or not the approximate \$37,000 dollars in question was designated as a Debt Retirement Fund for the Lyon Lake Sewer System. If it was, it is very clear that the money **MUST** be transferred to the Township General Fund per MCL 141.2701. It is his understanding that at one point in the past funds were insufficient within the sewer maintenance account and a surcharge was implemented on monthly bills to augment the account. Once the sewer debt was paid off, the excess funds totaled approximately \$37,000. The challenge is to verify that indeed the excess money was designated as a Debt Retirement Fund. He recommended the Township get back with the Auditor and to verify this. Paul stated that he had contacted the Auditor and he was fine with transferring the money to the General Fund. Jerry reminded everyone that he had an old receipt that in fact stated “for the Debt Retirement Fund”. Dan Livingston Sr. stated that if in fact this is true, citizen’s view of the Township Board to manage a public program such as the Sewer System has severely diminished. He felt the ultimate responsibility was with the board and challenged that there will be repercussions if the money goes into the General Fund. Atty. McFarland stated that it is a fairly common occurrence to have excess money from a project such as this sewer system. Cindy felt that Paul’s interaction with the Auditor was not sufficient to declare that indeed the funds were designated as a Debt Retirement Fund. Regardless of what fund the money is currently in, it needs to be determined that indeed the **PURPOSE** of the excess was to retire the debt.

Motion made by Paul Baranowski and supported by Jerry Diver to table the issue until confirmed with the current Auditor.

### **MOTION CARRIED - TABLED UNTIL AUDITOR IS CONTACTED**

- **PROPERTY MAINTENANCE CODE:** Atty. McFarland expressed his opinion and basically was not in favor of adopting the code. It is too demanding and requires complete and consistent enforcement. Generally speaking it is not his call but historically residents simply do not like it. Cindy stated that because our existing ordinances are basically ridiculously outdated and lacking what is recommended to update where we are at and not do the PMC. Atty. McFarland recommended we get the Blight Ordinance updated. It keeps us on middle ground for enforcement and seems to be our best bet. Dan Livingston Sr. agreed that the PCM was a slippery slope and an example – in his opinion – of government exerting power over rural citizens and that enforcing it would be a real issue. He also stated there has been a consistent lack of enforcement throughout the years. **NO ACTION TAKEN.**

Paul addressed his concerns about current payroll procedures. MCL 750.490 states you cannot prepay elected officials or employees. It would be considered a loan and that is not allowed.

Paul made a motion and Karen seconded it to change pay day from the 3<sup>rd</sup> Monday of the month to on or about the first of the month. JC asked why it couldn't be the last day of the month. More discussion followed. A voted was taken and all members were opposed to the wording of the motion. **MOTION DEFEATED.**

Paul reworded and made another motion to not prepay employees and elected officials with the elected officials pay date the last day of the month. Jerry Diver supported the motion.

**MOTION CARRIED**

Paul announced that currently the IT person is working quite a few hours as an employee of the Township who is only getting paid \$250.00 per month. He is concerned that the township might be in violation of State minimum wage laws.

Motion made by Paul Baranowski and supported by Karen Diver that the IT person be paid a minimum of \$250.00 per month. Any hours past 27 hours for the month will be paid at minimum wage for those extra hours.

**MOTION CARRIED**

Jacob brought it to the board's attention that Roger Smith has a standing contract with the Township. Roger stated that for 21 years he has been prepaid on the first day of the month. Paul suggested they consult with the attorney before addressing this issue in regards to the motion that was just carried tonight concerning changing of pay dates for all employees and elected officials. Most agreed a contract should take precedence.

**MINUTES FROM PREVIOUS MONTH:**

NO CORRECTIONS REQUESTED

Motion made by Jerry Diver and supported by Paul Baranowski to approve the minutes of the Township Board meeting of 1/21/2019 as read.

**APPROVED AS READ**

**FINANCIAL REPORT** read by Paul Baranowski

There is \$208,000 in the General Checking Fund; \$111,000 in Investments; \$4000 in Public Safety Fund; \$37,243 in the Sewer Account; and \$292,000 in Tax Income.

**PLACED ON FILE FOR AUDIT**

**READING OF THE BILLS** by Karen Diver

NO CORRECTIONS REQUESTED

Total bills \$11,923.68 paid on January 10<sup>th</sup>.

Motion made by Jerry Diver and supported by Paul Baranowski to accept the *Reading of the Bills* as read. And to pay any bills that come in before the next meeting.

**MOTION CARRIED**

**CORRESPONDENCE:** None

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**REPORTS:** Motion made by Paul Baranowski and supported by Jerry Diver to dispense with the reading of reports for this month.

**MOTION CARRIED**

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**Old Business:**

**Budget Amendments:**

- Paul stated that the Road Budget needs to be amended so we can pay the current bill of approximately \$65, 000. Doug shared that the reason the Road budget is not correct is because since 2010 the millage monies were not put into the budget and have never been placed into the General Fund. The Auditor verified this and suggested a budget amendment.

Motion made by Paul Baranowski and supported by Karen Diver to add \$100,000 to the Road Budget for expenditures.

**MOTION CARRIED**

- Paul stated we do not have budget for the Fire Equipment Fund and the Weed Fund.

Motion made by Paul Baranowski and supported by Jerry Diver to add both the Fire Equipment Fund and the Weed Fund based on the projected amounts that millage & special assessments bring in.

**MOTION CARRIED**

- Paul stated that the Inspections budget is over by \$7,024.45 and the Elections budget is over by \$266.65. Karen shared that the Inspections budget is off because we took in way more permit monies – approximately \$7,000 worth - than anticipated.

Motion made by Paul Baranowski and supported by Karen Diver to increase these budgets by the corresponding amounts to bring both budgets to a zero balance at this time.

**MOTION CARRIED**

**New Business:**

**Board of Review:** Doug stated that it looks like the Board of Review has to go to training every year. If indeed this is a requirement, we need to vote on this.

Motion made by Jerry Diver and supported by Karen Diver to send a BOR member to the Training Seminar as required.

**MOTION CARRIED**

**PA116 Request:** Doug stated that Brandon Sweet is present and he is the son-in-law of Arnie Raymond. They have requested that the 2.27 acres at the end of B Drive @ 12 Mile Road be removed from PA116. They want to remove the old house and replace it with a new modular home. Doug stated that first the Township needs to approve this, then the City of Marshall, and then the State. Once all approve, the owners need to pay back tax for the assessed amount Roger Smith has determined. There is a letter on file from Arnie Raymond that he is okay with pulling this acreage out of PA116.

**APPROVED**

Motion made by Jerry Diver and supported by Paul Baranowski to approve releasing the 2.27 acres from PA116.

**MOTION CARRIED**

**Public Comment:** Jacob suggest that correct parliamentary procedure when making a motion is for the board members to use the proper language of “I move...” or “So move...”.

**Trustee Comment:** None.

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**Supervisor Doug Damon adjourned the meeting at 8:03PM.**

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Minutes prepared by Karen Diver, Clerk

\_\_\_\_\_ February 18, 2019  
**Karen Diver, Township Clerk** Date

\_\_\_\_\_ February 18, 2019  
**Doug Damon, Township Supervisor** Date