

Interior Township  
Interior Township Hall  
Public Hearing & Regular Board Meeting  
March 11, 2024

**PUBLIC HEARING** Opened by Supervisor J. O’Sullivan at 5:39 p.m.

**Roll Call:** Members Present: Treasurer Melanie Pelkola, Supervisor Joseph O’Sullivan, Clerk Mary Koch, Trustee Fred Johnson arrived late at 5:42 p.m. Members Absent: Trustee Paul Besonen

The Pledge of Allegiance was recited.

Supervisor O’Sullivan opened discussions by announcing that the Township is looking to increase the current monthly water rate per household and the reasoning behind the need for an increase explaining that the Township is operating at nearly a \$7,000 loss within the water fund this last year. The increase to the residential water rate to increase by \$20.00 monthly which would result in approximately \$24,000 to \$25,000 annually based on 103 current household customers.

**Public Comment:** Dave Stark stated that he is required to pay monthly water fee for owning the “old bank building” and questioned why the Township is not required to pay a monthly water fee for owning the “old surplus store”. He questioned if that was set up in prior ordinance or by-laws and Melanie believes that is why and it should be looked into to further verify the reasoning.

Another comment was made by public member regarding raised taxes, now raised water and on a fixed income. The raise is understood, however, the \$20.00 seems extensive. Gerald Devowe then commented on the last rate increase on water was done when tower was improved upon and township wanted to increase \$20.00 then but we settled with a \$10.00 increase instead. And he mentioned a recent Township increase to the sewer for improvements to the holding ponds but they were never completed. So he questions if we indeed really need have as much of an increase at this time.

Joe and Melanie both explained the current deficit including the new requirements of EGLE based on their latest survey of the Township’s water system. One public member asked why the Township does not seek out available grant monies for necessary improvement projects. It was said that Township is currently in the process of writing for grant money with GEI out of Iron River. It is in the beginning stages and if approved, we would continue writing for grant money to address the water improvements as well. Dave Stark made mention he is aware of State grant monies available for blight control and he thinks the Township should try to access some of these monies to clean up Township as well. Everyone agreed and Joe mentioned how grants monies are also hit or miss – it costs to apply for them but there’s no guarantee you will receive them.

**Positive Feedback:** It was agreed that the increase is not going to be affordable for everyone and may result in hardship for those struggling with the current rate already. But again, how else will the Township assure they are prepared for any type of water emergency that may arise as well as continue the on-going required maintenance without an increase? There was brief discussion regarding how many residences currently have water available but are not utilizing it and whether or not they are paying customers.

It was mentioned by a representative from GEI that USDA has loan requirements that do not allow for any monies unless this Township is charging at a minimum \$47.00 per household (based on calculation of township size and household income).

Melanie addressed the sewer improvements that may not have been addressed in the past but pointed out that doesn't mean the Township will not need to be prepared to address these needs in the near future.

It was mentioned that \$24,000 - \$25,000 annual increase really isn't that much as the Township is trying to rebuild this fund back to what it was prior to the water tower improvements along with the necessary improvements required by EGLE.

**Board Response:** Melanie stated that the Board knew this would be needed over a year ago and put off making the increase because wanted to avoid it as long as possible but we are simply at the point where it needs to happen.

Board is looking to make the increase effective June 1, 2024. It was simply determined that the Township has no other means of getting the necessary income without the increase.

At request, Supervisor O'Sullivan did another recap of the need and plan to move forward with a \$20 increase now in an effort to avoid additional water increases within the next 5 years.

It was asked how the township plans to maintain the current pumps and if we are prepared to handle a replacement if needed. With the recent survey results from EGLE, Supervisor O'Sullivan feels there is no immediate need for any type of replacement on the pump houses; only maintenance repairs. The Board also referenced examples of recent repairs and maintenance to our water lines and how much it costs the Township each time these happen – for example, the recent water leak at the park that needed repairs last Fall.

It was determined that the increase should build the water fund back up in case of emergency as well as allow it to continue to function with necessary maintenance and improvements.

**PUBLIC HEARING** was adjourned at 6:30 p.m. by Joe O'Sullivan

**REGULAR BOARD MEETING** Opened at 6:38 p.m.

**Roll Call:** Members Present: Trustee Fred Johnson, Treasurer Melanie Pelkola, Supervisor Joseph O'Sullivan & Clerk, Mary Koch.

Members Absent: Trustee Paul Besonen

The Pledge of Allegiance was recited.

**Supervisor's Report**

Nothing to report.

**Approval of Minutes**

After review of minutes, a motion was made by Joe O'Sullivan to accept the regular scheduled meeting minutes from February 13, 2024 and seconded by Fred Johnson. Motion carried.

**Treasurer's Report**

The Treasurer's report was presented by Melanie Pelkola and reviewed by all. A motion was made by Mary Koch to accept the Treasurer's report, seconded by Joe O'Sullivan. Motion carried.

**Approval of Expenditures**

Approval of proposed expenditures supported by the Board signing of the Treasurer's report.

## **Public Comments**

Opened at 6:47 p.m. No comments were made.

## **Approval of Agenda**

Several small adjustments were made to new business as follows:

1) last item revised to read “schedule public hearing for 24-25 budget approval”; 2) added “change date for April Board Meeting”; 3) added “review and approve Resolution for the new Extension of Poverty Exemptions” with two added provisions; and 4) added “review and approve Resolution to Increase Residential Monthly Water Rate”.

Motion was made by Melanie Pelkola to approve the agenda and a was seconded by Fred Johnson to approve agenda with above changes. Motion carried.

## **Committee Reports**

- Need 2 Board of Review Members
- Need Cemetery Committee Members
- Need 2 Planning Committee Members
- Planning Committee Report – Melanie Pelkola said nothing to report as they are meeting later this week.
- Water Report – Joe reviewed Bob Stenfors’ latest monthly water report going through the items that Bob feels needing to be addressed as set forth by the recent EGLE survey.
- Sewer Report - Nothing to report at this time.

## **Unfinished Business**

- Delinquent Water Bills – It was discussed and determined that six letters of delinquent notice will be sent out on 3/12/24.
- New Water Software. Joe showed an example of McMillan Township’s water & sewer post card that we may switch to in pursuit of new water/sewer billing software.
- Trout Creek sign proposal. A new application is being submitted. There was discussion on the sign and what information it can and cannot include.
- Board accepted letter from Mary Koch to resign as clerk April 20, 2024.
- Allocating Covid-19 relief monies for the township was discussed. Some examples of use for funds were presented by Joe O’Sullivan such as vinyl siding on the Hall and repairs and improvements to the shed and basement including purchasing shelving for basement. It was said that Paul Besonen agreed to doing these repairs and improvements for the Township Hall and J. O’Sullivan made the motion for Paul Besonen to perform these repairs to the Township Hall including the purchase of necessary materials and shelving. M. Pelkola seconded and all were in favor, motion carried.

## **New Business**

- A representative from GEI was present to discuss the current EGLE issues as established in their recent survey of the Township’s water operating systems. GEI has submitted a grant request on behalf of the Township and will know as of April 1<sup>st</sup> if approved. The GEI representative met with the EGLE representative that performed the Township’s water survey. Thus, he was able to explain what issues need to be addressed immediately to satisfy EGLE moving forward and how the grant they are writing for is addressing how the township can accomplish these requirements. The grant writing and approval works in stages starting with the monies to address how the requirements will be met and, if this step is approved, could then request an additional amount up to \$194,000 with no matching funds required for actual construction costs to complete the projects. Any available grant money through USDA for the actual work project would be capped at \$30,000. Issues with moving a well and necessary

planning documents are the immediate concerns according to GEI's discussion with EGLE representative. There will be more information with regard to this at the next Board Meeting held after April 1<sup>st</sup>.

- Supervisor O'Sullivan informed the Board that Bob Rydzewski is going to maintain his license to continue working in the sewer department for the township while Paul Besonen moves forward with obtaining the necessary licensing to take on these responsibilities from Bob in the future.
- Review and discussion of the Extension of Poverty Exemptions PA 253, of 2020 as amended by PA 191 of 2023 which adds two provisions allowing assessing unit to adopt resolution that allows taxpayer to continue to receive a poverty exemption without having to file new Form 5753 and other currently required documents every year. Joe O'Sullivan made a motion to approve Resolution #031124-01 as referenced above and it was seconded by Fred Johnson. Roll Call: Ayes: F. Johnson; J. O'Sullivan; M. Pelkola; M. Koch Nays: None. Motion carried.
- Resolution #031124-00 was presented and reviewed and a motion was made by Joe O'Sullivan to increase the residential water rate by \$20.00 effective the upcoming June 2024 billing cycle. Motion was seconded by Melanie Pelkola. Roll Call: Ayes: F. Johnson; J. O'Sullivan; M. Pelkola; M. Koch Nays: None. Motion carried.
- Schedule budget working sessions during the week of March 25<sup>th</sup> for the evenings of Monday the 25<sup>th</sup> and Tuesday the 26<sup>th</sup> to begin 5:15 p.m.
- A Public Hearing for approval of a 2024-25 Budget is scheduled for 6:00 p.m. March 28, 2024.

### **Public Comment**

Opened at 8:26 pm – there was none.

### **Adjournment**

Meeting was adjourned by Supervisor O'Sullivan at 8:27 p.m.

Mary Koch, Interior Township Clerk