

**YANKEE SPRINGS TOWNSHIP
BOARD OF TRUSTEES Special Meeting
Thursday, September 30, 2021
6:00 pm
Yankee Springs Township Hall
284 N. Briggs Rd., Middleville, Michigan 49333**

**MINUTES
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YS Board of Trustees –
Special Meeting
September 30, 2021**

MINUTES

Meeting called to order at 6:00 PM by Supervisor Rob Heethuis

PLEDGE OF ALLEGIANCE

INVOCATION

Roll Call: All Present: Larry Knowles, Dave VanHouten, Rob Heethuis, Deb Mousseau, Mike Cunningham

Staff Present: Alice Jansma, Marge VanderMeyden, Sandy Marcukaitis, Dennis Buist

Visitors: 7 (one invited speaker/presenter attending via ZOOM)

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL

ADDITIONS/CHANGES TO AGENDA:

Motion by Heethuis with support from Knowles to add Public Comment and add Roger Swets as the first speaker after the public hearing. Approved by all. MOTION CARRIED

Motion by Cunningham with support from Heethuis to accept the agenda. Roll Call Vote: Mousseau: yes; Heethuis: yes; Knowles: yes; VanHouten: yes; Cunningham: yes.

Yes: 5, No: 0 MOTION CARRIED.

ADDITIONS/CHANGES TO AGENDA

MOTION TO ACCEPT AGENDA

PUBLIC COMMENT:

Kelly Robbins (by letter read by Sally Smith): Expressed her opinion on the upgrade options. A copy of letter is attached to minutes. Her first choice was Option 3 but she could be swayed to choose Option 1.

Sally Smith: applauded the board for their efforts and for including the public in the decision-making process. The committee feels pretty good about the project going forward without the hostility from the township residents as happened in the past. The committee did not spend much time or go into as much depth on the hall portion of the project.

Roger Swets (remote): The two easiest ways to procure financing are through either an installment purchase agreement (IPA) or through a limited tax general obligation bond. The biggest difference between the two is that with an IPA you are taking your contract to construct the project and the contractor will assign a portion of that construction cost price under the contract to the bank in exchange for the bank then providing the township with the money to pay the contractor. If that can

PUBLIC COMMENT

be done under one contract, the IPA is very easy and straightforward and can be done by one resolution approved by the board and at a relatively low cost. In Michigan the state is very particular about the types of debt that a Township can enter into and so part of the service provided is to make sure it is legal under Michigan law and work with the federal tax laws so that the debt can be tax exempt under federal and state.

If it is not done by an IPA, then the tax bond is the other option. This does require a referendum notice period, waiting 45 days to see if the public wants to file petitions to have a vote on the issue. If the petitions are not filed then the board can proceed by resolution.

Questions were asked by the board and answered by Mr. Swets. It was discussed that while the Board has talked to High Point Bank, other banks can be considered.

(A copy of the email giving further details on the financing option is attached to the minutes.)

BOARD ACTION ITEMS:

- Review and discussion of the Office Renovation Committee design recommendation to the board along with information and discussion about project financing and other project details.
 - Reviewed the current office and the space limitations.
 - Five different designs were presented.
 - The committee voted on the five designs and the outcome was a tie between two of the "large footprint" designs, #1 and #3.
 - What can the township afford without raising taxes? Reviewed past and projected revenues and expenses. Revenue is currently increasing faster than expenses which should give the board more latitude in making these decisions.
 - Design #1 is the 2019 Hall & Office Design with the updated large footprint layout and the updated pricing estimate of \$1.2 million.
 - This design does include the hall renovation.
 - Costs for the hall portion is roughly \$300,000.
 - Bank rates and loan amortization schedule was reviewed for a loan amount of \$800,000.
 - Reviewed a 10-year term example of what the general fund balance would be at the start and at the conclusion of the project funded over ten years as well as an example based on a 15-year term.
 - Design #2 (the small footprint) was briefly reviewed

- It is the least expensive option at \$678,000.
- 10-year example of the effect on the general fund balance was reviewed.
- Design #3 is the large footprint design without any work being done in the hall portion of the building.
 - It is the same design as #1 with regard to the offices.
 - Cost estimate is \$909,000.
 - 10-year example of the effect on the general fund balance was reviewed.
- Design #4 is the "flip flop" design which moved the offices into the current space occupied by the hall.
 - This was the most expensive option at \$1,317,000.
 - The committee did not work on this design.
 - 10-year example of the effect on the general fund balance was reviewed.
- Design #5 is the small footprint office layout with the hall renovations included.
 - The cost of this design is \$969,000.
 - 10-year example of the effect on the general fund balance was reviewed.
- The committee strongly preferred the two large footprint designs as the small footprint does not allow for any growth and was deemed to be short sighted.
- The current committee's recommendation is similar to what the prior committee developed in 2019.
- None of the current designs except the flip flop plan included renovation of the existing bathrooms and kitchen. This would be an approximate additional cost of \$100,000 to bring it into full ADA compliance (approximately \$90,000 if the kitchen was not included).
- The financial examples used are conservative and do not include any ARPA funds.
- Board members expressed a feeling that they would like to see the work get done and not delayed any longer. Interest rates are low now and material costs will likely increase as time goes on.

- Cunningham: expressed his opinion that the large footprint includes all the priorities of the committee and is the best option. The hall project could be done later or broken into smaller projects.
 - VanHouten: Wants to see the whole project done with the large footprint, the hall and the bathrooms.
 - Knowles: Agrees with VanHouten. Costs are 1/3 higher now than they were in 2019 so it shouldn't wait any longer.
 - Mousseau: The large footprint should be the priority. The committee did not really consider the hall renovation.
 - Heethuis: would like to see the price reduction if the plans removed the raised platform and the closet along the south wall of the hall.
 - Fleis and Vandenbrink will provide some pricing options for the hall renovations broken out by the different pieces such as the bathrooms, the platform, closets, etc.
 - The board decided that the flip flop design and Design #2 did not have any support.
 - That would leave Design #1, #3 and #5 under consideration.
- The board would still like to have a decision at the October 14, 2021 regular BOT meeting.
 - Once the decision is made, it will be three to four months before it will be ready to go out for bid (so approximately February if the contract is signed by the first of November). Winter months are the best time to go out for bidding.
 - Next step: Public Hearing Monday, October 11, 2021 at 6:00 PM.

PUBLIC COMMENT:

Dennis Buist: Piecemealing is not the way to go, it is always more costly.

PUBLIC COMMENT

BOARD COMMENT:

Mousseau: Thanked Mike for all the work he did to set this up and thanked Don and Dave for attending. Also thanked Alice for a lot of contacts and background work that she helped complete.

Cunningham: None.

VanHouten: None.

BOARD COMMENT

Knowles: Thanked the committee.

Heethuis: Thanked the committee and Mike for the hard work.

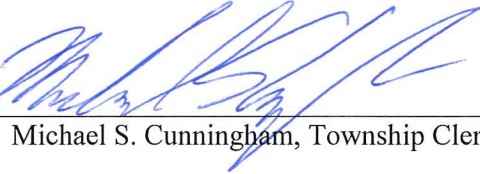
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ADJOURNMENT:

ADJOURNMENT

*Motion by Heethuis with support from Knowles to adjourn meeting at 8:07 PM. Approved by all.
Motion Carried.*

Approved by:



Michael S. Cunningham, Township Clerk

Date:

10/15/2021

Respectfully submitted by:
Betsy Frigmanski, Recording Secretary
October 4, 2021