

LEELANAU COUNTY BOARD OF PUBLIC WORKS
Regular Meeting – Tuesday, July 18, 2023
Tentative minutes

Proceedings of the meeting are being recorded (audio and video). The video of the meeting can be found at the following link: <http://leelanau.gov/meetingdetails.asp?MAId=2535#handouts>

Call to Order:

Meeting called to Order by Chairman John Gallagher, III at 4:31 p.m. Today's meeting is being held at the Government Center, 8527 E. Government Center Drive, Suttons Bay, Michigan.

Pledge of Allegiance:

The Pledge of Allegiance to the Flag of the United States of America was recited followed by a moment of silence.

Roll Call:

Drain Commissioner	Steve Christensen	PRESENT
County Treasurer	John Gallagher, III	PRESENT
District #1	Jamie Kramer	PRESENT
#2	James O'Rourke	PRESENT
#3	Doug Rexroat	PRESENT
#4	Ty Wessell	PRESENT
#5	Kama Ross	PRESENT
#6	Gwenne Allgaier	PRESENT
#7	Melinda C. Lautner	PRESENT

Guests present.

Approval of Agenda/Late Additions or Deletions:

MOTION BY REXROAT TO ACCEPT THE AGENDA AS PRESENTED. SECONDED BY O'ROURKE.

Discussion – none.

AYES – 9 (REXROAT, WESSELL, ROSS, ALLGAIER, LAUTNER, CHRISTENSEN, GALLAGHER, KRAMER, O'ROURKE)

NO – 0

MOTION CARRIED.

Board of Public Works (BPW) Chairman Gallagher stated that before public comment he would like to read a statement that he has regarding the BPW. It had been asked last time the group met, what the charge was of the BPW. Gallagher said we are governed by MCL 123.732, and that outlines the powers and administrative duties that the Board of Public Works can do. Gallagher suggested other members also read or review that MCL to get a better understanding.

Chairman Gallagher continued and said (reading from document not provided to Clerk) part of that is the powers of the county administration by the Board of Public Works and that is that a county can establish a Department of Public Works in shy of the bond powers be administered by the BPW subject to any limitations therein. It can be used to acquire water supply system; acquire a sewage disposal system; acquire a refuse system; to make lake improvements; and acquire an erosion control system, within one or more areas within the county to improve,

enlarge, extend, operate, and maintain the improvements. Additionally, a BPW regarding water supply, sewage disposal, refuse system service to municipality and individual users. No county shall have the power to furnish water service, sewage disposal service, or refuse service to the individual users within its municipality without its consent. The foregoing shall not prevent the county from extending any sewage disposal or refuse system into any municipality where the opinion of a majority of the members elect of the board of supervisors. The same is necessary to protect health or property in any adjacent municipality and from furnishing sewage disposal or refuse services. Public works is a combination of physical assets, management practices, policies, personnel necessary to government to provide and sustain structures and services essential to the welfare and quality of life for its citizens.

Gallagher said these are just a few statements and excerpts that he has found to be helpful in framing why we are here as the Board of Public Works and hopes it is helpful during the discussion today.

Public Comment:

The following individuals spoke in person:
Stephen Mikowski.

The written comments can be found at the following link:
<http://leelanau.gov/meetingdetails.asp?MAId=2535#handouts>

Action Items –

Approval of Minutes – February 14, 2023:

MOTION BY WESSELL TO APPROVE THE FEBRUARY 14, 2023, MEETING MINUTES AS WRITTEN. SECONDED BY REXROAT.

Discussion – none.

AYES – 9 (WESSELL, ROSS, ALLGAIER, LAUTNER, CHRISTENSEN, GALLAGHER, KRAMER, O’ROURKE, REXROAT)

NO – 0

MOTION CARRIED.

Northport/Leelanau Township Utilities Authority (NLTUA) Report – Review of recent audit, current financials and potential revenue shortages:

Interim Northport Village Manager Chet Janik and Village President and NLTUA Chairman Chris McCann were present before members.

Northport Village Clerk Joni Scott and Leelanau Township Treasurer Denise Dunn are both present today via Zoom.

Janik stated that several of their members are new as of last month and they have been going through some restructuring. Mike McMillan the new Leelanau Township Supervisor also apologizes for not being able to attend today.

Joni Scott stated that the handouts/slides provided to the board today are as follows:
http://leelanau.gov/downloads/07182023_bpw_pkt_opt.pdf

The NLTUA operations/maintenance audit report (Fiscal year March 1, 2021 ending February 28, 2022). The audit report can be seen at the link above (Pages 5-22).

The Village of Northport Finance Committee document spreadsheet reviewed by Village Council and updated every six months which shows new hookups and final payoffs for the collections (Page 23).

Scott said it has been past practice that each year they have brought to the BPW the annual Jacobs report which Jacobs are the treatment plant operators. The 2022 calendar year (Pages 24-57) captures replacements and maintenance that has been done. Scott said she may not be able to answer as many questions about this, but please ask and she will get back any necessary information.

Scott responded to board members questions touching on assets and liabilities, debts, collections, and where they are to date.

Janik stated they will be hiring a consultant next week to look at long term financial stability and to be sound year after year. There is potential for a major development in Northport that would be hooking up with new hookups, possible state grants, and will be looking at different fee structures.

Gallagher said that NLTUA was operating in a deficit and you have already implemented a recalculation to address this, correct? McCann replied that yes, they did just increase sewer fees (operations/maintenance) by \$80.00/quarter. Discussion continued.

Janik said the way the bonds are structured here is the first priority in the budget, for both the village and the township, has to be the bond payment. They don't have a choice. Legally the first payment has to be to the Treasurer for the bond payment. The county's job is to make sure the bonds are paid through 2028.

Commissioner Wessell said so as a follow-up, as a township and village resident I ought to worry about how much it costs and worry about maintenance. The only worry I have here on this body is are we going to get our money back, and I hear you assuring us that we will.

Discussion about new connection fees which are estimated at two per year, \$37,340.00/annually. Scott said the finance committee reviews the connection fees received every year and have received two connections in the village for 2023, are watching to make sure they are meeting their goal.

Drainage Districts:

Drain Commissioner Steve Christensen updated board members on several drainage districts as follows:

- Lake Bluffs – Christensen is pleased to announce full bore start was on Monday, staged on Friday. Spoke with Popp Excavating they are making great progress. Final plantings for stabilizations will be the first of September which is a perfect time of year for grass. Closing on the note with a bid awarded to Huntington bank. 5.1% interest which is a lot higher than we were looking at two years ago, but it is what it is.
- Timberlee – Working to get the final easement documents in hand and has been talking to the elderly couple that is working on having them notarized. Hopeful to move forward there.

- South Bar Lake – EGLE is very close to going out for comment period and once that happens we know we are on board with our permit. Ideally we would get construction yet this fall.
- Schomberg – Final negotiations for the key upstream easements, and this has been the slowest district of them all.

Two new districts, the first is not really new it was inherited in Elmwood, and Little Glen Lake has been on the back burner but moving toward the front burner. Will be doing a 197 Procedure with Drainage District #1 and will be doing a Day of Review where people can come in and see what the district is. Do not have the final boundary adjustment, we are going to be including the Consignment Center and Silver Swan building (just south of Carter Rd).

Christensen responded to questions from Commissioners.

Gallagher gave a brief update on the software package approved for the drainage district and that is scheduled to be installed this coming month. The assessment will annually be put on their winter tax bill.

Commissioner Lauter questioned Christensen about the South Bar Drain District and if any of it falls under PA 116 (farmland preservation). Christensen responded that he has not heard of that but as a farm properties they could be treated in the lightest manner possible.

Set Next Meeting Date/Future Subjects:

Brief discussion regarding if there were agenda items for a next meeting.

Commissioner Ross said she is following up on the comment earlier about the County's physical assets, and said wouldn't that include the Leland Dam.

Chairman Gallagher responded and gave some examples of physical assets managed by a BPW, but that to his knowledge they have not utilized the BPW in any capacity for the Leland Dam.

Commissioner Lautner questioned if the bridge over the Leland Dam is open to all the public and Christensen responded by reading an email from Administrator Allen received from legal counsel that the County is justified in posting signs, "For Authorized Personnel Only", at the foot bridge of the Dam. Christensen continued with explanation and additional discussion continued.

Commissioner Lautner asked if they could all get that legal counsel opinion and Administrator Allen responded yes, and that MMRMA (Michigan Municipal Risk Management Authority) would be visiting the Leland Dam location tomorrow as well.

Christensen stated the Leland Dam Authority has just been restructured and have only had a few meetings, but have a few hot topics including the bridge they will be addressing. He will be forwarding the opinion on to all other Dam Authority members tomorrow.

At this time Gallagher suggests they call the next Board of Public Works meeting when there is a new topic.

Public Comment:

The following individuals spoke in person:
Administrator Deb Allen; Stephen Mikowski

The written comments can be found at the following link:
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Commissioner Comments:

- Commissioner Lautner stated on North Lake Leelanau that she thinks in Leland there are many homes still on holding tanks and not able to hook up.

Commissioner Lautner also would like to request all Commissioners get the legal counsel opinion regarding the Falling Waters Lodge easement.

Adjournment:

Move to adjourn by Rexroat.

The meeting was adjourned by Chairman Gallagher at 5:53 p.m.

John A. Gallagher, III, Chairman
Leelanau County Board of Public Works

Alison Middleton, Administrative Deputy Clerk
for Michelle L. Crocker, Leelanau County Clerk