

Leland Township Board Budget Meeting

Sewer Commission

February 15, 2023, 2:00 p.m.

Leland Township Office, 224 W. Main St., Lake Leelanau

PRESENT: Supervisor Susan Och, Clerk Lisa Brookfield, Treasurer Shirley Garthe, Trustee Clint Mitchell, Trustee Mariann Kirch, Steve Patmore, Jim Redmond

The meeting was brought to order at 2:00 p.m.

BUDGET DISCUSSION

Operating Fund

The Operating Fund was meant to handle what goes on in the sewer system on a day to day basis. Predictable expenses would come from this fund. IAI charges us for after hours call outs and extra IAI personnel needed for a job. This year we had to make a transfer from the improvement fund to the operating fund. The improvement fund is for improvement and repairs. A 5% wage increase will come out of the operating fund. Mr. Patmore explained extra tasks that he does that he is paid extra for. The Sewer Commission has suggested that half of the connection fees should go into the operating fund. The connection fee has been \$6,000 since 2010. It is suggested that it be increased to \$8,000. A rate study is being done. This budget is anticipating a rate increase of 7-8%. A usage study was done this year. Only commercial properties are metered and could be studied. The meter usage does fluctuate some. The new budget is based on meter usage. Projects that are in progress now will get a heads up that rate change will be happening soon. This will give them a chance to pay the lower rate for REU now rather than when it goes up. A mailing will go out to explain the rate increase. A presentation may be done at the Annual Meeting .

Improvement fund

It was a big year for improvements. The River Street project cost more than was anticipated. The project is done and will cut down on maintenance. \$40,000 worth of work was done on step pumps this last year. \$28,000 was spent of the hydrosulfate odor control.

The hydrosulfate odor control is not turning out to be as cost and time efficient as expected. They are still exploring alternatives. They would like to do a mechanical method because it would be less expensive. The influent manhole at the treatment plant has been done. Work is needed on air relief valves. Mr. Patmore cited other projects that are planned to be done. In response to a question, Mr. Patmore replied that he always goes out to inspect when called about septic tanks. Septic tank pumping is \$400 a tank. The department cannot afford to pump every tank every 4 years. Some do need to be pumped more often. They are not charged more.

Sewer Improvement Fund

The Sewer Improvement fund is used for unpredictable expenses. They would like to keep \$200,000 in it; it would be better at \$300,000. The standard is to keep 6-months worth of operating expenses on hand for unexpected expenses.

Mr. Patmore passed out a 10-year asset management plan. There was discussion about the life of the lagoon liner.

Mr. Patmore would like to get to the \$300,000 mark over the next 2-4 years. Inflation is affecting the cost of operation.

Mr. Redmond asked how a rate increase will be received by the public. A rate increase is defensible. There was discussion about how the public should be notified of rate increases. We have been doing a lot of routine maintenance that has not been done for years. Mr. Patmore discussed areas that are liabilities that could be surprise expenses. They are always scouting for grants available. Mr. Mitchell suggested an increase every year instead of a large increase every 5 years because of a need.

The meeting was adjourned at 3:11 p.m.

Respectfully Submitted,

Cindy Kacin, Recording Secretary

Date Approved: _____

Susan Och, Leland Township Supervisor

Lisa Brookfield, Township Clerk