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**ONEKAMA DISINCORPORATION COMMISSION MEETING
MONDAY, FEBRUARY 20, 2012, 3 P.M., FARR CENTER**

Village Council President Bob Blackmore explained the procedure for the meeting: Chairman Suzanne Schwing will call the meeting to order and direct the saying of the Pledge of Allegiance, recording Secretary Mary Lou Millard will call the roll and today, Eric Lupher, Director of Local Affairs for the Citizens Research Council of Michigan, will be the facilitator for the meeting.

Chairman Schwing called the meeting to order at 3 p.m.

The Pledge of Allegiance was said.

Recording Secretary Mary Lou Millard called the roll: Rosalind Jaffe, Dan Behring and Al Taylor, representing the Township; Roger Burger, Mary Reed and Suzanne Schwing, representing the Village. Absent: Village alternate Paula Fortin, Township alternate Steve Szilvagy. Also present: Township Supervisor David Meister, Village Council President Bob Blackmore and 20 members of the public.

AGENDA: Consensus to approve as presented.

MINUTES: Consensus to approve the minutes of the February 13, 2012 meeting with the following correction: Under Review of Update on Disincorporation Status Report, fourth line, correct “triangle” to “diamond” and add in the diamond “township and village”.

JURISDICTION OVER STREETS: Lupher said there were no amendments to report, only the addition at the end from Manistee County Road Commission Director Jerry Peterson. Peterson outlined the current condition and projected costs to bring roads up to county road commission standards: Priority No. 1 is Mill Street North of M-22 at a cost of \$125,000; Priority No. 2 is Mill Street South of M-22 and Dock and Zosel loop at a cost of \$60,000; Priority No. 3 is Prospect and Oakdale at a cost of \$80,000; Priority No. 4 is Third Street at a cost of \$100,000. All other streets receiving a sealcoat over them would be estimated at \$90,000. Priorities 1, 2 and 3 should be completed with the next year or two; Priority 4 within three years and all others in 4 to 6 years.

Taylor asked how will it be paid for. Meister said it is a 70/30 mix with the township paying 70 per cent, the road commission 30 per cent. He said the township is committed to spending \$425,000 this year.

Behring asked that on page three of the Jurisdiction Over Streets draft, in the sentence at top of page beginning “Based on the current value”, correct sentence to read **“after funds are spent down**, it is estimated that the special assessment will have to be levied equivalent to approximately three-quarters (¾) mills.” He asked if alleys are covered. Meister said the township would contract with the road commission for alley maintenance.

FISCAL IMPACT: Lupher presented a revised version of the report for Fiscal Impact. The draft revises slightly the review of village revenues and expenditures, interprets this into a draft/mock township budget to show the township's ability to operate after disincorporation, summarizes the amount of fund balances that will transfer from the village to the township and the projection of property tax revenue growth that could close the gap between revenues and expenditures.

Items to be considered are: Revenues, which includes property tax, sewer charges, highway funds, other revenues and state revenue sharing. Revenues are distributed to cities, villages and townships on a per capita basis.

--- Currently the village residents are not included in the calculation of the township population for this purpose. They would be if the village is disincorporated. The same amount the village receives will be paid to the township (\$41,775 in fiscal year 2011). Based on a reduction in population the township will receive \$30,000, not \$40,000.

Other items are Expenditures such as council expenses, election expenses, clerk expense, treasurer's expense, government expenses, zoning administration, joint planning commission, parks, street lights, brush pick-up, Farr Center, streets, cemetery, public works salary and Christmas lights.

--- In Clerk Expenses, there would be a minor increase in Township expenses because of some increase in workload for the Township Clerk.

---In Treasurer's Expenses, there would be no increase in Township expenses because village functions are duplicative of what is done at the township level.

---On Farr Center, Reed asked how would the scheduling of Farr Center work, who will do it, rent it, open and close it, handle Meals on Wheels. Blackmore said this is done now on a volunteer basis. Behring said staffing, renting, etc. need to be discussed. The village budgeted \$21,200 for 2012 including a well and floor improvements and \$10,683 in 2012 for cleaning, supplies, utilities and insurance. Some cost was offset from rental fees. The township can expect to continue this expense-- which is a \$10,000 increase in expenses for the township.

After disincorporation the township revenue is \$391,933 and expenditures are \$410,000 with a \$20,000 gap between expenditures and expected revenues. Lupher said the fund balance will help cover the differences. By the time the fund balance is expended they would be looking at more property tax and sales tax revenues.

Taylor said he would like to see a draw down.

Consensus to give tentative approval to the Fiscal Impact Report.

CONSIDERATION OF COLLATERAL MATTERS: Luper admonished the commission: “You are charged with providing an orderly process for disincorporation, not to convince voters it is a good or bad idea”. Items brought up: What would be the purpose of two buildings? Debt Services, what are the variables? Value should be placed on park land, Ordinances need to be considered, list pros and cons of disincorporation.

COMMISSIONERS COMMENTS:

Behring referred to the detailed description submitted by Patrick F. McGow of Miller Canfield, on procedures for transfer of the sanitary sewage disposal system. The memo, attached to the Public Utilities and Public Services Report, details the proposed procedural steps necessary to transfer ownership and operation of the sanitary sewer.

Behring also asked what is the legal binding effect if disincorporation is in effect? Luper said there never has been a village disincorporation in the state, “you are the first—a precedent”.

Taylor requested an update of the Update on Disincorporation of the Village of Onekama document..

Schwing reiterated a request to place a monetary value on park land.

Blackmore told the commissioners there is insurance to cover any misfortune with the sewer and there would be no liability or increase to the township.

PUBLIC COMMENT: Comments received from Rodney Hudson who questioned transfer of funds from the village to the township, and Rudy Milasich, regarding the sewer and bond liability.

ADJOURN: 5:20 p.m.

Submitted by

Mary Lou Millard
Recording Secretary

Facilitator

Date

