

# CHARTER TOWNSHIP OF FLUSHING

6524 N. SEYMOUR ROAD  
FLUSHING, MICHIGAN 48433

## SPECIAL BOARD OF TRUSTEES MINUTES

DATE: MARCH 25, 2014

TIME: 6:00 P.M.

PHONE: 810-659-0800

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WEB PAGE: <http://flushingtowship.com>

### ADMINISTRATION:

SUPERVISOR: Rian R. Birchmeier  
CLERK: Julia A. Morford  
TREASURER: Maryion T. Lee

### TRUSTEES:

Shirley D. Gage  
Bonnie Jean Martinson  
Scott R. Matzke  
Scott P. Minaudo

### TOWNSHIP ATTORNEY:

STEVEN W. MOULTON PLLC  
6258 W. Pierson Road  
Flushing MI 48433  
810-407-7658

**6:21 P.M.** - Due to the Supervisor not being available to Chair the Meeting, the Clerk ask for everyone to stand for the PLEDGE TO THE AMERICAL FLAG:

**ROLL CALL:** Julia A. Morford, Maryion T. Lee, Shirley D. Gage, Bonnie Jean Martinson, Scott R. Matzke, Scott P. Minaudo, and Attorney Steve Moulton

**MEMBERS ABSENT:** Birchmeier

**OTHER INDIVIDUALS PRESENT:** Five (5) other interested individuals

The Clerk requested a motion to appoint a Chair for the proposed Special Meeting. . . .

**GAGE MOVED**, seconded by Matzke, to appoint the Clerk to Chair the meeting.

### ACTION OF THE MOTION

#### ROLL CALL VOTE:

AYES: Matzke, Lee, Gage, and Morford

NAYS: Minaudo and Martinson

ABSENT: Birchmeier

MOTION CARRIED.

### ADOPT THE AGENDA

### III. 6:29 P.M. - PUBLIC HEARING OPEN FOR PUBLIC COMMENTS:

“Proposed Budget for Fiscal Year 2014-2015”

1. **Mary Mossman, 7031 McKinley Road, Flushing MI 48433** – “when the Budget Hearing was held in September, and as her memory serves her and she can go back and check into it, the Board approved the Budget, and at that time the way the meeting was run, it was done so fast and there wasn’t any time for any questions, she (Ms. Mossman) had a question and called Trustee Martinson later; in September, the Budget was the Supervisor’s and there was \$25,000 that appeared in the Park Fund from out of the air and it was said in a line item that it was for playground equipment; there weren’t any questions from the Board as to what "playground equipment"; Ms. Mossman attended a Park and Recreation Committee Meeting and the Park and Recreation Chairperson ask “how did this get on the budget and what is this for”; the answer was “I don’t know”; now my question is “the budget has been redone and the \$25,000 is gone and the money is over in “Maintenance and Park”; Ms. Mossman’s question is what is the \$25,000 going for, and

has anyone got any figures in yet about what the cost is going to be, and what happened to the idea about the playground equipment, why wasn't there any discussion, wasn't anyone curious when they read the budget, etc."

THE TREASURER stated the funds were to repair the Boardwalk and other repairs as needed; not sure how much the Boardwalk will cost; Rowe Professional Services Representative Jack Wheatley and another engineer are reviewing the issue and have not made any recommendations; other items need to be repaired such as a fence and other items now that the Park is more accessible; at the time, the playground equipment was \$25,000 but don't have any idea as to what the money was going to be used for; money has been allocated to fix the swing set and the cement has been purchased; within a few days when the weather is better, the Maintenance Person and the Park and Recreation Committee will meet to repair the footings on the swing set; with time there will be recommendations from the Park Committee about the playground equipment; it was felt there might be a huge expense to fixing the Boardwalk. . . .

2. **Jean Shingledecker, 7136 Johnson Road, Flushing MI 48433** – “the estimated Total Expenses, page 8, was \$1,047,042 but the proposed budget for 2013 went up \$240,000; Ms. Shingledecker realizes that prices go up but that is a phenomenal increase for one (1) year.”

THE FINANCE DIRECTOR stated the Township spent nothing in Roads and in the budget there was approximately \$2,000 in the line item; currently it is \$150,000; the Township received a \$35,000 credit on the pension because the Township went from a .3 multiplier down to a 2.5 multiplier which was taken out of the amended budget; . . . .

THE TREASURER stated some of the cost was the anticipated increase in health care insurance which may not materialize because the insurance provider may be somewhat less; much of the budget is dealing with “what if’s” so we try to prepare for the worst. . . .

3. **Larry Birchmeier, 8585 N. McKinley Road, Flushing MI 48433** – “Heather Griffin and Rian Birchmeier talked about \$25,000 for the Parks; that is where the amount came from; the budget is not the Supervisor’s; the Supervisor proposed a budget and the Board takes care of the Budget, not the Supervisor; Mr. Birchmeier wanted to get that straight, that is the rest of the story so tell the whole story”.
4. **Joe Wisniewski, 8329 Apple Blossom Lane, Flushing MI 48433** - “ask the question at a prior meeting about the Budget because underfunded in the Retirement System across all lines; read about a year ago that MERS requested a little over \$250,000 to be put into the MERS System to start catching the Township up because of the formula; is anything being done to address the issue.”

THE TREASURER stated the Township already had a voluntary contribution of \$50,000 already planned in the budget, possibly more; look at the bottom line of the budget, the Township will end the year, if everything goes well, with a larger fund balance; the Board can make the decision later down the road. . . .

5. **Joe Wisniewski, 8329 Apple Blossom Lane, Flushing MI 48433** – “you get a larger fund balance by not spending money; from what Mr. Wisniewski has read from the MERS articles, MERS has already made the decision for the Township; there are annual payments required to get the Township up to the eighty (80%) percent rate at a rapid fashion because the State has said that the Township is not getting anywhere fast; so what you are saying is that the Township don't have any plans to get on board and get the thing settled as MERS has requested; you are putting \$50,000 over and above and MERS is asking for \$250,000 over and above; wondering where this is going.”

THE POLICE CHIEF stated that he had heard this statement several times over the last few months so contacted MERS and talked to the representative to see if he would check around and see if there was anything or anywhere it says there is a request for \$250,000 from Flushing Township for anything – the representative says there is nothing that has ever been generated by MERS for the funds; the Police Department Patrolman’s Ranks are up over one hundred (100%)

percent funded in the MERS program; the Chief doesn't know where the \$250,000 comes from because MERS can't tell him (the Chief) because MERS has never ask for the \$250,000; the Chief would love to see what Mr. Wisniewski is reading because no one can tell him (the Chief) what the \$250,000 is for. . . .

- 6. **Joe Wisniewski, 8329 Apple Blossom Lane, Flushing MI 48433** – “on April 1, 2014, it showed a little over \$250,000 to get caught up; I’m talking about just the Police Department.”

THE POLICE CHIEF first ask (from MERS) for just his department because he thought that was where the anguish was coming from and the representative said that “you guys were fine” and he (the Chief) wanted to know if there was anything or anywhere that you can find for me. The representative called back in three (3) days and said there was nothing. . . .

- 7. **Joe Wisniewski, 8329 Apple Blossom Lane, Flushing MI 48433** – “so there is nothing additional so that we shouldn't be setting \$50,000 additional aside.”

THE POLICE CHIEF stated “no” we don't have to. . . .

THE TREASURER stated the Township is meeting the requirement of what MERS is asking but the Township is setting aside \$50,000 as an additional payment; there was an actuarial study done this past year so the Township is right on target and the Police are also doing very well; we do have a strong bottom line that as we go along we can make adjustments to this budget . . . .

THE FINANCE DIRECTOR stated that MERS sets the minimum requirement rates. . . .

**6:53 P.M. – PUBLIC HEARING CLOSED**

**V. BOARD COMMENTS:**

- 1. **MARTINSON:** made reference to the *Revenue Page: 1*) “Reimbursement of the Water Fund” – the more time you get under your belt to be on the Board, the more time spent looking at the budget makes sense; passed out a General Fund Budget to the Board Members, and it was interesting to note, the reimbursement of the Water Fund Expense on December 5, 2012, which was one of the first meetings of the new Board, there was \$95,000 and all of a sudden, there was a Revenue of \$140,000; if you will look at the next page from January 8, 2013, the “Quarterly Fiscal Budget”, it was \$95,000 and Revenues through December 31, 2012 was \$140,000; 2) “Proposed Budget Amendments” – there was an amendment to add \$45,000 which brought the Budget up to \$140,000, and on the Proposed Amendments to the 2013-2014 Budget, the proposed change was \$45,000 which brought the figure up to \$140,000; 3) “Fourth Quarter Fiscal Year” – the total was \$140,000. The figure has not always been \$140,000; after receiving information a few months ago from the Finance Director the figure was \$139,700 for the Water Fund to reimburse the General Fund.

If the Treasurer spends ten (10%) percent of her time with the Water Fund which is four (4) hours, the same thing with the Clerk at four (4) hours at twenty-five (25%) percent which is ten (10) hours, which is per week on the Water Fund, the Accountant was thirty-five (35%) percent for fourteen (14) hours, Cathy was twenty (20) hours, and Brook was one hundred (100%) for forty (40) hours which is ninety-two (92) hours spent on administrating the water fund; felt it was gauging the water fund; it would be two hundred thirty (230%) percent or ninety-two (92) hours on the Water Fund; don't believe that could be true; the Supervisor says that he spends very little time at the counter or even on the phone working with people regarding the Water Fund.

Trustee Martinson proposed to cut some of the figures in half so for fifty-two (52) hours per week and came up with \$81,268.07; it might be low but there would be room to compromise between the \$95,000 which the Board started out with approximately fifteen (15) months ago; don't understand why the figure is \$139,700; feels it is gouging the Water Fund; it does make the budget balance look good at the end of the year, which is not right; things can be legal but it doesn't mean they are morally right to do that to the Water Fund; someday we will need those funds in the Water Fund.

**FURTHER COMMENTS:** **4)** “Comcast Cablevision” – why are the Comcast Franchise Fees and the PEG Fees separated – (Per the Auditors it is a better method to keep track of the PEG Revenue); **5)** “Training and Convention” – went from \$5,500 to \$5,000 with a nine (9%) percent decrease; (per the Finance Director, there wasn’t enough money in the account so had to be amended to \$5,500 to cover what was spent); **6)** “DIV-0” – what does this mean? (Per the Finance Director the computer tries to divide backwards); **7)** “Miscellaneous Expense” – Township Board – the funds went up 2400 percent? (Per the Finance Director, that amount of funds didn’t need to be there and it could be lowered to \$500 because the Auditors don’t like a lot of money in the Miscellaneous Account). **8)** “Membership Dues” – what are the Membership Dues used for? (Per the Clerk, the largest membership dues is payable to the Michigan Townships Association (Lansing) and the Michigan Townships Association – Genesee County Chapter Dues). **9)** “Treasurer – Training and Conference” – what does “added Tax Clerk” mean at the end of the section? (Per the Treasurer, she would like to have the Tax Clerk attend extra tax workshops when they are available). **10)** “Hall Maintenance Expense” – went from \$100 to \$500 on hall updates? (Per the Treasurer, it has been suggested to have the Maintenance Person put new paneling on the walls in the Board Room; just because something is in the budget doesn’t mean it has to be spent). **11)** “Lawn Maintenance” – there is no money in the budget for lawn maintenance? (Per the Treasurer, the Maintenance Person has already started doing the lawn maintenance). His wages will come from “Part Time Maintenance Wages” – if he works at the Township, his wages come out of the Township funds and if he works at the Nature Park, his funds come out of the Nature Park funds). **12)** “Heating System” - is there a place in the budget where we are saving for a new heating system? (Per the Treasurer, we should be preparing for serious problems with the boiler system; a restrictive line item could be placed in the budget for a new furnace). **13)** “Public Service” – what are the snow plow wages expense in the amount of \$100? (Per the Treasurer, at one time it was for contractors in case of an emergency; when the Maintenance Person does snowplowing, he is paid hourly). **14)** “Road Maintenance” – there was \$200,000 in the budget for Road Maintenance and it was reduced to \$150,000, why wasn’t the Supervisor’s wishes carried out? (Per the Treasurer, when the Supervisor was ask what financial issues he thought he needed, it came to the Treasurer as \$150,000 and with the idea of a contract form that he would like to do; until he comes with the actual project, we have the \$150,000, but if there is something above that, the Board can amend the Budget. The Ditching Maintenance was increased). **15)** “Park Department” - there was \$10,000 for the Maintenance wages for summer help. Is there going to be a Summer Program for the kids? (Per the Treasurer, the money was left in the budget but there may be some other help that might be needed such as someone with heavier equipment to plow the heavy snow and ice). **16)** “Marketing and Promotions” – what is the \$3,000 for printed materials for the Park? (Per the Treasurer it is different types of marketing and promotions; there are some brochures left that will be adjusted because some of the information isn’t totally up to date; the brochures will continue to be handed out to the public; there are several things the Committee would like to do such as have maps placed in the kiosk and printed signs placed in the special containers, so there will be printing costs). **17)** “Repair of the Boardwalk” – \$25,000 is in the budget for the repair; has anyone turned in estimates as to the cost and what has to be done. (Per the Treasurer, Jack Wheatley, from Rowe Enterprises and another engineer analyzed the boardwalk last fall and will be going in again this year to review the conditions at present and what has to be done; there will be a possible recommendation with the weather improving; it was felt it made sense to put money into the part of the budget to take care of some of the items that have been left undone; some of the items, such as the brochures, are very old, but the Committee is still trying to continue to use them; there are repairs that haven’t been done because they weren’t planned within the budget). **18)** “Pre-Burn” - \$10,000 was in the budget but thought the Board approved this summer \$3,500; will there be more prescribed burns. (Per the Treasurer, the \$10,000 is there because after the prescribed burns there will need to be some replanting, seeding, etc.; some of the equipment in the Park needs to be updated and a regular maintenance program will be kept for the vehicles; just because the money is in the budget it doesn’t mean that you have to spend it; the Park Committee are very knowledgeable and did make recommendations as to things that need to be updated). **19)** “Police Budget Internet” (page 10) – does this mean the Police Department has never had internet? (Per the Police Chief the internet and the phones have always been combined; the Chief would like to split so he could keep track of what he was paying for the phones vs some of the equipment in the office; the internet in the office runs the connections to the State). **20)** “Radio/Repairs/and Maintenance” - why are there two (2) similar listings calling for new vehicle computers? (Per the Police Chief, Genesee County is going to

new computers in all the cars, and at this point in time, the Chief is not sure whether some of the cost will come down to the Chief or if all covered by 9-1-1 surcharges and whether it is going to be in the form of the Chief paying for the computers, or modems, or the installation so the Chief split the amount in half and put half in each section so that everything is covered; if the 9-1-1 Consortium ends up paying for it all, then it won't be used). **21) "Car Repair Maintenance" - \$5,000 - Vehicles out of Warranty?** Thought the Township had new cars? (Per the Police Chief, there is one (1) old car and three (3) new cars and even with the new cars, the Police Warranty is good for only one (1) year and then things begin to drop out of warranty; the main motor and the main drive train are still under warranty but other things will be wearing out.

1. **LEE:** she knows the Water Fund has been a concern for Trustee Martinson because it isn't just the employees' time spent. If we were a business we would be costing out how much of the heat is used for the Water Fund, how much space is used for water activities, how much insurance is allocated to the cost of the Water Department. Recently a lot of time was spent on the Tahquamenon Trail issue so would it be considered a water expense? (Per the Attorney, the Water Fund is a sinking fund for the replacement of the infrastructure over time as it degrades and needs replacement; the Tahquamenon Trail issue is not related to the issue and is more of seeking an appropriate disposition of the surface and other water runoff that some people have handled through sump pump lines that are discharging out to the public roads. The cost allocation falls within the expertise of an accountant or auditor, but if there are any concerns regarding the cost allocations, the auditor should be picking that up during the annual audit - LEE stated the system has been this way for a long time). Lee understands the Water Fund is a concern for Trustee Martinson so if she (Trustee Martinson) would like to go with Lee and one other member and try to do a cost study as to how much time is spent when water rates increase, a lot of time is spent on water issues such as water complaints, questions, and there are times when people don't understand their water bills and research has to be done to find out the answer; the office staff is very good about talking to the citizens and helping them solve the problems. (Per the Attorney, the problems will be in flux with the new water main that is a joint venture with Genesee County, Lapeer County, etc that is supposed to be in place by late 2016 or more realistically 2017. The water bills and the whole process may change fundamentally; Trustee Martinson may want to take a hard look at the cost analysis once the completely new system gets implemented. There were water rate problems with the City of Flint and Detroit.
  
2. **MINAUDO:** a couple of items need to be answered regarding "Retiree Health Care": page 2, 5<sup>th</sup> line "Retiree - Health Insurance" (prior Board Members) and page 10, "Post Retirement Health Care" - is the \$25,000 all that the Township is spending on "Retiree Health Care"? (Per the Finance Director, there is a GATB 45 Plan that has to be updated every three (3) years unless there are significant changes; the cost is an estimation of actual liability, but the Township is paying as we go). (Per the Police Chief, the new health care policy which the Police Department went to is the same as "on duty" so the Township is not paying into a "big pot" or "big draw" but paying the policy "per diem" in order to have control over the amount). How is the new health care system, that was recently voted on, going to affect employees. (Per the Finance Director, the line item in the "Township Board" is one (1) retired employee from the Main Office who is receiving Medicare Part B; any other retiree cost is from the Police Department; the premiums went up). (Per the Police Chief, the premiums went up but the total overall cost went down about three (3%) percent; everyone is rated individually, not as a group; there are some officers whose twenty (20%) percent premiums went up and some officers premiums went down). (Per the Finance Director, some of the insurance premiums were on an "HRA" system and were estimated because you never know how much a person is going to be sick, etc.; The Finance Director always knew the premium but not the variable; the premium figure will now be more accurate). Does the 80/20 Insurance Issue, which the Township went to three (3) years ago, have to be reviewed every year - the Finance Director will look into the issue. Minaudo was also concerned about the Water Fund and knows it has been figured the same way for quite a while and continues to increase; (Per the Finance Director, the \$95,000 was for a couple of years ago; the \$95,000 was the start for this year and was a clerical error; the figures are estimates but can be revisited again).

**6:53 P.M. – PUBLIC HEARING CLOSED.**

**VI. 7:30 P.M. – OPEN FOR PUBLIC COMMENTS:**

None

**VII. BOARD MEETINGS:**

- a. SPECIAL BOARD OF TRUSTEES MEETING ON WEDNESDAY, MARCH 26, 2014 AT 8:00 P.M.**
- b. NEXT REGULAR SCHEDULED BOARD OF TRUSTEES MEETING WILL BE THURSDAY, APRIL 10, 2014 AT 7:00 P.M. AT THE FLUSHING TOWNSHIP HALL.**

**VIII. ADJOURNMENT:** Due to lack of business items, the meeting was adjourned at 7:35 p.m. by the Chair.

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JULIA A. MORFORD, Clerk and  
Chair for the Meeting in the absence of  
Supervisor Birchmeier

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RIAN R. BIRCHMEIER, Supervisor

APPROVED DATE: \_\_\_\_\_

03 25 2014 SPEC Regular Min