

**CHARTER TOWNSHIP OF COMMERCE
TOWNSHIP BOARD OF TRUSTEES MEETING**

June 8, 2021

2009 Township Drive
Commerce Township, Michigan 48390

CALL TO ORDER: Supervisor Larry Gray called the meeting to order at 7:00 p.m. and introduced the members of the Board.

PLEDGE OF ALLEGIANCE

ROLL CALL: Present: Larry Gray, Supervisor
Melissa Creech, Clerk
Molly Phillips, Treasurer
Robert Berkheiser, Trustee
Rick Sovel, Trustee
George Weber, Trustee

Absent: Vanessa Magner, Trustee

Also Present: Hans Rentrop, Township Attorney
David Campbell, Planning Director
Jim Dundas, Fire Chief
Emily England, Senior/Parks and Recreation Director
Jay James, Building Official
Alyson Lobert, Library Director
Jason Mayer, Giffels Webster Engineers
Ben Sebrowski, Director of Technology
Deb Watson, Director of DDA

PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

MOTION by Sovel, supported by Creech, to approve the May 11, 2021 Regular Township Board Meeting minutes, as submitted.

MOTION CARRIED UNANIMOUSLY

PRESENTATIONS

A. Resolution – Todd Martin’s Service to Commerce Township (moved to July 2021 meeting)

B. Splash Pad at Dodge Park V

Emily England, Senior/Parks and Recreation Director, gave a presentation on the proposed concept plan for a splash pad at Dodge Park V. Further review of ongoing

PRESENTATIONS (Splash Pad at Dodge Park V continued)

maintenance costs will need to be evaluated because the splash pad will be owned by the Township.

Mr. and Mrs. Starr were present to discuss and answer questions regarding the splash pad. They would like to apply for a 501 (c)3 in order to hold fundraisers for the splash pad. She is asking for approval from the Board to move forward on the project.

Board members were in support of the project.

MOTION by Berkheiser, supported by Sovel, to approve the request to move forward on a plan to install a splash pad at Scarlet's Smile Playground at Dodge Park V.

MOTION CARRIED UNANIMOUSLY

C. Plante Moran CRESA (moved to July 2021 meeting)

D. Library Architects IRS Section 179D

Seth Panchansky was present to request approval to claim IRS Section 179D tax credit for their services as the architect for the library building. Trustee Berkheiser asked why they should get a tax credit when the Township already paid them for their services. Mr. Panchansky said they saved the Township money by bringing the project in \$500,000 under budget and they will make a \$1,600 donation to the library.

Trustee Sovel would like to receive additional information so he can research this further.

Trustee Weber agrees with Trustee Berkheiser. He questioned why they waited 4 1/2 years later to request this.

ITEM 1:6-8 APPROVAL OF AGENDA

MOTION by Creech supported by Berkheiser, to approve the June 8, 2021 with the following change: Move **ITEM 7 OLD BUSINESS A. Resolution Adopting a Final Project Plan – Lystek System** to **ITEM 3 PUBLIC HEARINGS A. Lystek System.**

MOTION CARRIED UNANIMOUSLY

ITEM 2:6-8 PUBLIC COMMENTS

Supervisor Gray opened Public Comments.
No one present had any questions or comments.
Supervisor Gray closed Public Comments.

ITEM 3:6-8 PUBLIC HEARINGS

A. Lystek System

Supervisor Gray – Jason Mayer, Giffels Webster is going to speak on Lystek.

ITEM 3:6-8 PUBLIC HEARINGS (Lystek System continued)

Jason Mayer, Giffels Webster Engineers - Before we open the Public Hearing I just wanted to.....so it's a Public Hearing that's required that's part of the SRF loan process throughout the project plan that has been out for Public Hearing and I'll go all through this in the meeting. I'm just going to cover the required items that they have listed in their requirements and after the question period I'll ask that somebody actually read the Resolution into the Minutes as a Motion, if you do want to proceed with this project. That will be included in the actual minutes.

Clerk Creech – One more thing, if there are any comments, including Board members, if you could speak clearly into your microphones.

Jason Mayer, Giffels Webster Engineers – Ok, so this is a Public Hearing for the Lystek installation for Commerce Wastewater Treatment Plant.

The State Revolving Fund Loan:

- Is a low interest loan.
- Approval of the project plan is the next step in the loan process.
- We've listed a draft project plan for public comments since May 7, of 2021. It's been on the Commerce Township website. There is a copy of it at the library and a copy of it at the clerk's office.
- Part of submitting the final project plan is to include minutes of Public Hearing and a Resolution accepting the project plan and recommending the Lystek system.

Water quality problems to be addressed are

- Disposal of sludge to landfills concentrates the nutrients within the leachate, impacting water quality in the area of the landfill.
- Land application of Class B biosolids requires larger water volumes to apply and is at risk of nutrient runoff.

The Class A biosolid created by the Lystek system, is concentrated and is subsurface injected into the soil to maximize nutrient use efficiency and minimize the loss of nutrients to the atmosphere and risk of run off.

Alternatives that have been considered are

- No action, which is what we're doing. Currently doing hauling to the landfill.
- Lystek system.
- Land Apply as Class B Biosolid Incineration.
- Dry the Sludge to reduce the total volume.
- Taking the sludge to another facility.

The recommended alternative is the Lystek System which is

- The resource-recovery alternative to landfill disposal by produces a Class A biofertilizer from the dewatered sludge.

ITEM 3:6-8 PUBLIC HEARINGS (Lystek System continued)

- The Lystek System operates downstream of the existing belt press filters and receives the dewatered biosolids via the existing conveyors.

The Lystek System will be located in a un-used bay in the sludge loading building building B106. The storage of the Lystek fertilizer will be in the existing sludge holding tanks, just north of that. Currently, the dewatered biosolids are stored for hauling to a landfill. And that would be a backup plan if for some reason there was an issue with the Lystek system, that system is still available to do that. The Lystek system biosolids are fed into the Lystek reactor. Potassium hydroxide is added to the biosolids to reduce the pH of the mixture. Mixture is heated using steam to eliminate pathogens and mixed at a high-speed to create a homogenous high end solids liquid. There is also a Class A Biofertilizer which is called LysteGro, is then pumped into the existing storage tanks and awaits land application.

The Lystek System construction cost including design, equipment, permitting, and installation is estimated at 5.4 million dollars and that's the amount we're applying for the SRF loan at this point. Operating costs are \$55,000 a year for the chemicals, maintenance and utilities. The management costs are \$45,000 a year and that's to manage the delivery of the LysteGro product to the farm fields.

Project financing

- If approved by the state, Commerce Township will fund this project using the low interest SRF loan.
- The loan will be paid back through the sewer user rates that are calculated to fund this and other capital improvement projects.
- The results of the 2021 Rate Study, from a few months ago, show that the proposed rate track recommendation will not change with the SRF Bonding of the Lystek System.
- Loan has an estimated Debt Retirement of \$330,246 a year for 20 years.
- Other funds can be used to offset the SRF loan amount. That was a question that came up at a previous meeting and a project manager said that we can use other funds to offset the 5.4 million.

This is the project we scheduled for the Public Hearing, we will submit the project plan after this meeting and the estimated final, the project should be in service by mid-2023. That will probably be the early date after talking to the EGLE project manager. First quarter projects are basically ones that are ready to go right now. So we'll have some time to getting through the loan process and completing the design before we get this started. Mid 2023 is the estimated service date.

ITEM 3:6-8 PUBLIC HEARINGS (Lystek System continued)

The social and environmental impacts

- The cost of the landfill disposal has increased by an average of 30% since 2013. The Water Resource Commission recently bid out the hauling contract and the cost actually went down for next year compared to 2020. It's a one-year contract with up to 2 one-year extensions.
- The Lystek project will allow us to control the cost for biosolids management in the future. When we're trying to predict what the hauling costs will be in the future
- but we know for at least the next few years, while this system is being designed and submitted, we do have a slight lower cost than we did currently.

The environmental impacts

- Construction will take place completely, completely within the existing facilities at the Wastewater Treatment Plant inside of the building 106 is where most of the work will take place.
- There is no threatened or endangered species that will be impacted by the construction or operational activities.
- It's an energy efficient process.
- And we will reuse the Class A biosolids instead of landfilling.

This is just what we talked about before, that Item 7A on the agenda is the Resolution and it requires a Roll Call Vote. But at this time, I'll open any questions from the public.

Supervisor Gray – Are there any questions? Are there any questions from the public?

Trustee Berkheiser – Jason I'll ask a question from the public. What's the payback based on our current, may need a newly adjusted hauling rate? We had a payback that was roughly, I want to say, roughly 12 – 15 years. Is that still what it is?

Jason Mayer, Giffels Webster Engineers – It would not be the same payback without being able to predict all 20 years of the life of this project. The rates for 2021, bids just came in so these aren't active yet but they went down about 30% so that's for the first year and then they go up by 3-5% for the second and third year. So after that we don't know what the bid costs will be. So we did not recalculate the payback, this is new information and when the project plan was published, we were using the information we had available at that time. But over the, from 2013 on, the average has been 30% there have been lower years. There was 68% here so the average was 30% in those years. But it did go down this year, so I just wanted to make you aware of that.

Trustee Weber – Jason, prior to this year though, the payback you had on a schedule showing anywhere from a nine-year payback to a 20-year payback would have no landfill cost.

ITEM 3:6-8 PUBLIC HEARINGS (Lystek System continued)

Jason Mayer, Giffels Webster Engineers – yes

Trustee Weber – So it's going to still be somewhere in that range.

Jason Mayer, Giffels Webster Engineers – We used 10% as the low, that was the 18 years. 10% increases in landfill cost was the low end and 30% increases in landfill costs was the high end for 8 years. Overall, it should be within that range for the next 3 years. It might not be, but it seems like it will be in service during.... till the end of that contract.

Trustee Weber – Larry, can we get an update from Representative Stevens for Jasons question on the potential state funding.

Supervisor Gray – No, I haven't heard anything.

Trustee Weber – Jason, there's been language from the monies that the state is planning on sending out whether we asked for it or not. Have we determined whether this falls into the wastewater infrastructure guidelines?

Jason Mayer, Giffels Webster Engineers – There was one section in that funding that did account for green projects and we have not pursued anything since then to procure that funding, but we will be. That came out within the last couple months.

Trustee Weber – So then what your demonstrating the 5.4 and with the low interest rate loan is the worst case scenario. Best case scenario is there's not only federal funding available but potentially also state funding available. Which will then....so, there's no penalty or impact for paying back the loan.

Jason Mayer, Giffels Webster Engineers – correct, you can use other funding to pay the SRF loan. There's also green project forgiveness that is around 5% so that's not including the 5.4.

Trustee Weber – Ok

Jason Mayer, Giffels Webster Engineers – And we will be pursuing that.

Supervisor Gray – any other discussion?

Trustee Sovel – You want this Resolution read now?

Supervisor Gray – yes, yes

(Note: Item 7 OLD BUSINESS A. Resolution Adopting a Final Project Plan – Lystek System was moved to Item 3 PUBLIC HEARINGS A. Lystek System)

ITEM 3:6-8 PUBLIC HEARINGS (Lystek System Motion continued)

Trustee Sovel – I'll make:

**A RESOLUTION ADOPTING A FINAL PROJECT PLAN FOR WASTEWATER
SYSTEM IMPROVEMENTS or NPS POLLUTION CONTROL/STORMWATER
IMPROVEMENTS AND DESIGNATING AN AUTHORIZED PROJECT
REPRESENTATIVE**

WHEREAS, the Charter Township of Commerce recognizes the need to make improvements to its existing wastewater treatment and collection system or its existing NPS pollution control/stormwater treatment system; and

WHEREAS, the Charter Township of Commerce authorized Giffels Webster to prepare a Project Plan, which recommends the construction of the Lystek System at the existing Commerce Wastewater Treatment Plant; and

WHEREAS, said Project Plan was presented at a Public Hearing held on June 8, 2021 and all public comments have been considered and addressed;

NOW THEREFORE BE IT RESOLVED, that the Charter Township of Commerce formally adopts said Project Plan and agrees to implement the selected alternative (Alternative No. 1).

BE IT FURTHER RESOLVED, that the Township Supervisor, a position currently held by Larry Gray, is designated as the authorized representative for all activities associated with the project referenced above, including the submittal of said Project Plan as the first step in applying to the State of Michigan for a revolving fund loan to assist in the implementation of the selected alternative.

Clerk Creech – Support

Supervisor Gray – Motion by Sovel, supported by Creech. Any discussion? Roll Call Vote please.

Clerk Creech – Sovel (Aye), Creech (Aye), Phillips (Aye), Weber (Aye), Berkheiser (Aye), Magner (absent), Gray (Aye) Motion Carried.

Supervisor Gray – Ok

Jason Mayer, Giffels Webster Engineers – I think you can close the Public Hearing.

Supervisor Gray – Closed the Public Hearing.

ITEM 4:6-8 BOARD APPOINTMENTS

A. Krystal Schwartz - Appointment to the Parks and Recreation Committee for a Partial Term ending February 29, 2024.

Krystal Schwartz was present.

MOTION by Berkheiser, supported by Weber, to appoint Krystal Schwartz to the Parks and Recreation Committee for a Partial Term ending February 29, 2024.

MOTION CARRIED UNANIMOUSLY

ITEM 5:6-8 INTRODUCTIONS

A. An Ordinance to Amend Ordinance No. 2.020 to be known as Fee Ordinance No. 2.021.

MOTION by Sovel, supported Creech, to remove an Ordinance to Amend Ordinance No. 2.020 to be known as The Charter Township of Commerce Fee Ordinance No. 2.021 from the Table.

MOTION CARRIED UNANIMOUSLY

Hans Rentrop, Township Attorney, advised the Board this Ordinance is consistent with the changes recommended by the rate consultant with Utility Financial Solutions (USF).

Jason Mayer, Giffels Webster Engineers, provided the Board with example costs for a typical resident using 175 gallons of water per day during the winter and 175 gallons of water per day with the addition of lawn irrigation of ½" of water per week during the summer.

Trustee Weber would like to keep the years 2022 and 2023 in the Ordinance and remove the years 2024, 2025 and 2026.

Trustee Berkheiser would like to keep the Ordinance as it was presented because Dawn Lund of Utility Financial Solutions, LLC (UFS) comes before the Township each year with her recommendations.

Supervisor Gray recommends approving the Ordinance as presented.

MOTION by Berkheiser, supported by Phillips, to Introduce an Ordinance to Amend Ordinance No. 2.020 to be known as The Charter Township of Commerce Fee Ordinance No. 2.021. Post and publish according to law.

MOTION CARRIED

Trustee Weber voted no

ITEM 6:6-8 PURCHASES

A. Envisionware Tablet Station – Library

Aylson Lobert, Library Director, advised the Board of the Library Advisory Board's recommendation to purchase the Envisionware Tablet Station. She said this was included in the 2021 Computer Services Budget.

MOTION by Weber, supported by Sovel, to Approve the purchase of the Envisionware Tablet Station in an amount not to exceed \$16,000 with an annual subscription cost not to exceed \$1,600 going forward. Funds to come from the Library Fund.

MOTION CARRIED UNANIMOUSLY

B. Benches – Parks and Recreation

Emily England, Senior/Parks and Recreation Director, is requesting approval to purchase 10 of the benches that were approved in the Benches and Tree Memorial Policy. The benches will be purchased from Penchura, L.L.C. at a cost of \$13,310.00.

ITEM 6:6-8 PURCHASES (Benches – Parks and Recreation continued)

MOTION by Berkheiser, supported by Creech, to approve the purchase of 10 benches from Penchura, L.L.C. (project # 21-625 dated 5-19-2021) at a cost not to exceed \$13,500. Funds to come from the General Fund.

MOTION CARRIED UNANIMOUSLY

ITEM 7:6-8 OLD BUSINESS

A. Resolution Adopting a Final Project Plan – Lystek System (moved to Item 3 Public Hearings)

B. Ordinance Officer

Supervisor Gray received quotes from two outside companies to hire an Ordinance Officer. One company came in at \$65 per hour and the other came in at \$55 per hour. He is recommending the Board approve two part-time Ordinance Officers at a salary rate up to \$25 per hour.

MOTION by Sovel, supported by Weber, to authorize the Supervisor to post and hire two part-time Ordinance Officers not to exceed a salary rate of \$25 per hour. Funds to come from the General Fund.

MOTION CARRIED UNANIMOUSLY

ITEM 8:6-8 NEW BUSINESS

A. DDA Director Contract

Deb Watson was present and advised the Board that the DDA appointed her full time Director and approved her contract. She is asking for the Boards final approval.

MOTION by Sovel, supported by Berkheiser, to appoint Deb Watson as DDA Director and approve the Commerce Township Downtown Development Authority Director Agreement.

MOTION CARRIED UNANIMOUSLY

ITEM 8:6-8 NEW BUSINESS (continued)

B. Amended Library Preparedness and Response Plan

Alyson Lobert, Library Director, said the Michigan Occupational Safety and Health Administration (MIOSHA) updated its COVID-19 Emergency Rules on May 24, 2021. She revised the Preparedness and Response Plan to reflect the updated MIOSHA Emergency Rules.

MOTION by Sovel, supported by Creech, to approve the revised COVID-19 Preparedness and Response Plan for the Commerce Township Community Library.

MOTION CARRIED UNANIMOUSLY

C. American Rescue Plan Grant – Library

Alyson Lobert, Library Director, withdrew this request because she was made aware of funding through the state that would not require match funds from the Township.

D. Bleacher Pads at Hickory Glen Park – Parks and Recreation

Emily England, Senior/Parks and Recreation Director, said the Parks and Recreation Committee approved the purchase of concrete pads to make 10 bleachers ADA accessible at Hickory Glen Park.

MOTION by Berkheiser, supported by Gray, to approve the purchase of concrete pads to make 10 bleachers at Hickory Glen Park ADA accessible and authorize the Maintenance Department to install the pads, Total cost not to exceed \$750.00 per pad.

MOTION CARRIED UNANIMOUSLY

E. Historical Marker at Byers – Parks and Recreation

Emily England, Senior/Parks and Recreation Director, said Schwab Charitable reached out to the Parks and Recreation Committee regarding a request that was made by AnnMarie Harmon for a \$5,000 grant to be used for the purchase and installation of a historic marker at the Byer's Property. She is asking if the Board's would like to pursue the historic marker.

Discussion ensued on the restrictions that will be placed on the property and the house if a historical marker is placed on the site.

Trustee Weber recommends changing the wording of the grant as a donation to the Township earmarked for the Byers Property.

Hans Rentrop, Township Attorney, said if the Township wants to pursue this, then hiring a historical specialist may be in the best interest of the Township.

Trustee Berkheiser would like the Friends of Byers to come before the Parks and Recreation Committee to advise them what the Township would be responsible for if a historical marker is placed on the property.

ITEM 8:6-8 NEW BUSINESS (continued)

No action taken. Emily England, Senior/Parks and Recreation Director, will review this further.

F. Intention Resolution to Establish a Special Assessment District to be Known as Special Projects No. 47.

Hans Rentrop, Township Attorney, recommends approval.

MOTION by Berkheiser, supported by Creech, to approve the Resolution of the Township Board of the Charter Township of Commerce, Tentatively Declaring its Intention to Establish a Special Assessment District to be known as Special Projects No. 47.

MOTION CARRIED UNANIMOUSLY

G. Midtown on Haggerty

David Campbell, Planning Director, gave an overview of the proposed project and said the Planning Commission recommends approval of Midtown on Haggerty Planned Unit Development (PUD). He introduced the applicants, Steven and Spencer Schafer. Spencer Schafer gave a presentation and reviewed the preliminary site plan with the Board.

Trustee Weber said the developers and the Planning Commission have a good working relationship with each other. The PUD Agreement was reviewed and approved by the Township Attorney. The Planning Commission recommends approval.

MOTION By Weber, supported by Phillips, to approve the Planned Development Agreement Midtown on Haggerty Planned Development Charter Township of Commerce, Oakland County, Michigan. **MOTION CARRIED UNANIMOUSLY**

H. IRS Section 179D for Library

Treasurer Phillips said the request from Daniels and Zermack Architects was originally sent to Alyson Lobert, Library Director. Treasurer Phillips said there is nothing written in the contract regarding IRS Section 179D for the library.

Hans Rentrop, Township Attorney, said the Board is under no obligation to approve this.

MOTION by Berkheiser, supported by Phillips, to deny the request of Daniels and Zermack Architects for IRS Section 179D for the library. **MOTION CARRIED UNANIMOUSLY**

ITEM 9:6-8 ORDERS

MOTION by Sovel, supported by Creech, to approve the Orders and Add Ons. **MOTION CARRIED UNANIMOUSLY**

ITEM 10:6-8 OTHER MATTERS

Trustee Weber –

- The Property Strategic Committee will present their recommendations to the Township Board at the July 13, 2021 meeting.

Trustee Berkheiser –

- Asked if anyone knew the status of U.S. Representative Ryan Berman's House Bill 4115 of 2021? Hans Rentrop, Township Attorney, said he does not have an update.
- Is the Parks and Recreation Committee the only item on the July Discussion Session Meeting? Answer: yes.
- Thanked Supervisor Gray for establishing effective teamwork with the Township Board asking for and receiving input on hiring and appointing Township employees and boards and commission members.

Treasurer Phillips –

- The auditors would like to present the audit at the July Township Board of Trustees Meeting.

Supervisor Gray –

- Lower Straits Lake will be sprayed for weed control and we will look into harvesting the lake provided there is money available.

ITEM 11:6-8 ADJOURNMENT

As there were no other matters to come before the Board.

MOTION by Berkheiser, supported by Sovel, to adjourn the meeting at 9:31 p.m.

MOTION CARRIED UNANIMOUSLY



Melissa Creech, Clerk
Charter Township of Commerce