

CHARTER TOWNSHIP OF DELTA
Public Meeting Room A
Delta Township Administration Building
7710 West Saginaw Highway
Lansing MI 48917

**TOWNSHIP BOARD REGULAR MEETING MINUTES FOR
MONDAY, FEBRUARY 1, 2010**

I. CALL TO ORDER

Supervisor Fletcher called the meeting to order at 6:00 p.m.

II. OPENING CEREMONIES – Pledge of Allegiance

III. ROLL CALL

Members Present: Supervisor Ken Fletcher, Clerk Janice Vedder, Treasurer Howard Pizzo, and Trustees Jan Cunningham, Jeff Hicks, Barb Poma, and Cara Spagnuolo

Members Absent:

Others Present: Manager Richard Watkins, Planning Director Mark Graham, Lt. Jeff Warder, Finance Director Jeff Anderson, and Manager's Assistant Jenny Wohlfert.

IV. PRESENTATIONS AND PROCLAMATIONS

1. Kathleen Ernst Retirement

- a. 13 year employee, Manager's Office Executive Secretary

Supervisor Fletcher recognized Kathleen Ernst for her 13 years of faithful service in the Manager's Office as Executive Secretary to the Township Manager and the Township Board.

V. SET/ADJUST AGENDA

TRUSTEE CUNNINGHAM MOVED THAT THE AGENDA BE APPROVED AS PRESENTED.

TRUSTEE POMA SUPPORTED THE MOTION. MOTION PASSED 7 TO 0.

VI. PUBLIC HEARINGS AND ACTION - None

VII. COMMUNICATIONS - None

VIII. PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

Mayada Shafie, said she was a resident of the Township and was very interested in raising the issue of building a Township community center. Ms. Shafie noted that she had recently attended lectures at the East Lansing's Community Center and noted that it was a very impressive facility. Ms. Shafie noted that she had several ideas that could make a community center a valuable asset to the community. She felt the depth of what a community center could provide to the community was enormous, especially from a health perspective. Ms. Shafie said she was a sociologist and had worked intensively with many kinds of situations and had come to a point in her life where she could contribute her resources to the community.

Supervisor Fletcher agreed with Ms. Shafie that the City of East Lansing had a very nice community center. He felt this should be referred to the Township's Parks & Recreation Commission.

Curt Brockhaus said he was a resident of the Mar Moor subdivision and had grown up in this area of the Township. Mr. Brockhaus said the reason why he was present this evening was to speak about the Community Mental Health facility that was located next door to him. Mr. Brockhaus noted that when he purchased his home, it was in a great deal of disrepair and that he had made a lot of upgrades. He noted that there were 12 to 15 different cars a day coming and going from the facility and that several cars were parked in the street on a daily basis. Mr. Brockhaus indicated that the residents had organized a Neighborhood Association and that his neighborhood was zoned RB, Low Density Residential. Mr. Brockhaus noted that he had researched other communities in the State of Michigan and had found that many communities required special use permits for foster group homes within single family residential areas. Mr. Brockhaus said he didn't know how this type of facility was permitted to locate in his neighborhood without obtaining a special use permit from the Township. He noted that the City of Lansing didn't require a special use permit, but that the City permitted foster care group homes up to six children by-right. Mr. Brockhaus said he was present this evening to speak against the mental health facility and express his concerns with the additional traffic that had been generated in the neighborhood.

IX. INTRODUCTION OF ORDINANCES - None

X. PASSAGE OF ORDINANCES

- 2. Adoption of Proposed Amendments to Code of Ordinances Pertaining to the International Fire Code, 2009 Edition** – The Fire Department recommends the Township Board adopt an ordinance to designate Delta Township as an enforcing agency for the International Fire Code, 2009 Edition.

TRUSTEE HICKS MOVED THAT THE TOWNSHIP BOARD OF THE CHARTER TOWNSHIP OF DELTA ADOPT AN ORDINANCE TO DESIGNATE DELTA TOWNSHIP AS AN ENFORCING AGENCY TO DISCHARGE THE RESPONSIBILITIES OF THE *INTERNATIONAL FIRE CODE, 2009 EDITION*, IN ITS ENTIRETY, AS WELL AS *APPENDIXES A, B, C, D, E, F, G, H, I, AND J*; AND FURTHER;

WITH THE EXCEPTION OF *903.3.1.3 NFPA 13D SPRINKLER SYSTEMS* WHICH READS: *WHERE ALLOWED, AUTOMATIC SPRINKLER SYSTEMS INSTALLED IN ONE- AND TWO-FAMILY DWELLINGS AND TOWNHOUSES SHALL BE INSTALLED THROUGHOUT IN ACCORDANCE WITH NFPA 13D*; AND FURTHER;

TO REPEAL ALL ORDINANCES INCONSISTENT WITH THE PROVISIONS OF THIS ORDINANCE, AND FURTHER;

SAID ORDINANCE SHALL BE CONSIDERED FOR FINAL ACTION BY THE TOWNSHIP BOARD AT THE FEBRUARY 1, 2010 REGULAR BOARD MEETING, AND FURTHER;

THE TOWNSHIP CLERK IS HEREBY DIRECTED TO PUBLISH SAID ORDINANCE AND THE RULES, REGULATIONS, PROVISIONS, REQUIREMENTS, ORDERS, AND MATTERS ESTABLISHED AND ADOPTED HEREBY SHALL TAKE EFFECT AND BE IN FULL FORCE UPON FINAL PUBLICATION OF ADOPTION.

CLERK VEDDER SUPPORTED THE MOTION.

ROLL CALL:

AYES: TRUSTEE CUNNINGHAM, SUPERVISOR FLETCHER,
TRUSTEE HICKS, TREASURER PIZZO, TRUSTEE POMA,
TRUSTEE SPAGNUOLO, AND CLERK VEDDER

NAYS: NONE

ABSENT: NONE

MOTION PASSED 7 TO 0.

- 3. Adoption of Proposed Zoning Ordinances Pertaining to Mixed Use Buildings**
– The Planning Department recommends the Township Board adopt the proposed amendment to the Delta Township Zoning Ordinance to permit Mixed Use Buildings in the Township’s commercial zoning districts.

Treasurer Pizzo noted that Section 18.15.0 S(1)(g) of the proposed amendments should be corrected to read 15% instead of 20%.

TREASURER PIZZO MOVED THAT THE DELTA TOWNSHIP BOARD AMEND THE TEXT OF THE DELTA TOWNSHIP ZONING ORDINANCE, IDENTIFIED AS CASE NO. 10-09-07, TO PERMIT MIXED USE BUILDINGS IN THE TOWNSHIP'S COMMERCIAL ZONING DISTRICTS UPON THE GRANTING OF A SPECIAL LAND USE PERMIT. THE TOWNSHIP CLERK IS HEREBY DIRECTED TO PUBLISH A NOTICE OF ADOPTION OF THE AMENDMENTS IN THE LOCAL NEWSPAPERS AND THE AMENDMENTS SHALL BECOME EFFECTIVE UPON PUBLICATION.

TRUSTEE SPAGNUOLO SUPPORTED THE MOTION.

ROLL CALL:

AYES: SUPERVISOR FLETCHER, TRUSTEE HICKS, TREASURER PIZZO, TRUSTEE POMA, TRUSTEE SPAGNUOLO, CLERK VEDDER, AND TRUSTEE CUNNINGHAM

NAYS: NONE

ABSENT: NONE

MOTION PASSED 7 TO 0.

- 4. Adoption of Proposed Utilities Ordinance Pertaining to Private Well Licensing** – The Planning Department recommends the Township Board adopt amendments to Sections 18-26.2, 18-26.2-1, 18-26.3, and 18-32 of the Delta Township Utilities Ordinance pertaining to private well licensing.

TRUSTEE POMA MOVED THAT THE DELTA TOWNSHIP BOARD AMEND SECTIONS 18-26.2, 18-26.2-1, 18-26.3, AND 18-32 OF THE DELTA TOWNSHIP UTILITIES ORDINANCE. THE PROPOSED AMENDMENTS WOULD PERMIT THE DRILLING OF PRIVATE, NON-DRINKING WATER WELLS UPON THE ISSUANCE OF A LICENSE BY THE TOWNSHIP ENGINEER. THE TOWNSHIP CLERK IS HEREBY DIRECTED TO PUBLISH A NOTICE OF ADOPTION OF THE AMENDMENT IN LOCAL NEWSPAPERS, AND THE AMENDMENTS SHALL BECOME EFFECTIVE UPON PUBLICATION.

Trustee Hicks offered a friendly amendment that Section 18-33 of the proposed amendments be changed to read 18-32. Trustee Poma accepted the friendly amendment.

TRUSTEE SPAGNUOLO SUPPORTED THE MOTION.

ROLL CALL:

AYES: TRUSTEE SPAGNUOLO, SUPERVISOR FLETCHER,
TRUSTEE HICKS, TRUSTEE POMA, CLERK VEDDER,
TRUSTEE CUNNINGHAM, AND TREASURER PIZZO.

NAYS: NONE

ABSENT: NONE

MOTION PASSED 7 TO 0.

XI. CONSENT AGENDA

TREASURER PIZZO MOVED THE CONSENT AGENDA BE APPROVED WITH THE REMOVAL OF THE JANUARY 11, 2010 COMMITTEE OF THE WHOLE MEETING MINUTES.

TRUSTEE POMA SUPPORTED THE MOTION.

ROLL CALL:

AYES: TRUSTEE HICKS, TRUSTEE POMA, CLERK VEDDER,
TRUSTEE CUNNINGHAM, TREASURER PIZZO, TRUSTEE
SPAGNUOLO, AND SUPERVISOR FLETCHER

NAYS: NONE

ABSENT: NONE

MOTION PASSED 7 TO 0.

5. Minutes – January 19, 2010 Regular Board Meeting

TREASURER PIZZO MOVED THAT THE JANUARY 19, 2010 MINUTES BE APPROVED AS SUBMITTED.

TRUSTEE POMA SUPPORTED THE MOTION. MOTION PASSED 7-0.

6. Bills & Financial Transactions

TREASURER PIZZO MOVED THAT THE BILLS & FINANCIAL TRANSACTIONS IN THE AMOUNT OF \$5,422,538.66 BE APPROVED.

TRUSTEE POMA SUPPORTED THE MOTION. MOTION PASSED 7-0.

XII. ITEMS REMOVED FROM CONSENT AGENDA FOR DISCUSSION

5. January 11, 2010 Committee of the Whole Meeting Minutes.

Trustee Cunningham said she had spoken to the Township Clerk and had asked that the January 11th Committee of the Whole meeting minutes be amended to accurately reflect the full discussion that had taken place on the Prevailing Wage Policy.

XIII. ITEMS ADDED TO AGENDA UNDER SECTION V. SET/ADJUST AGENDA

7.

8.

XIV. ITEMS OF BUSINESS

- 9. Final Action for Proposed License Fees for Private Wells** – The Planning Commission recommends the Township Board adopt a fee of \$280 for filing an original private well application and a fee of \$70 for filing a renewal of private well application.

TRUSTEE SPAGNUOLO MOVED THAT THE DELTA TOWNSHIP BOARD ADOPT THE FOLLOWING FEE SCHEDULE PERTAINING TO PRIVATE WELL LICENSE APPLICATIONS AND RENEWALS. THE TOWNSHIP CLERK IS INSTRUCTED TO PUBLISH THE FEE SCHEDULE:

ORIGINAL PRIVATE WELL LICENSE APPLICATION: \$280
RENEWAL OF A PRIVATE WELL LICENSE APPLICATION: \$70

TRUSTEE HICKS SUPPORTED THE MOTION. MOTION PASSED 7-0.

- 10. Waiver of Lien, Deed of Grant, and Easement Grant – Lansing Asphalt Terminal Site** - The Engineering Department recommends the Township Board accept the Waiver of Lien, Deed of Grant, and Easement Grant for the water facilities installed to serve the Lansing Asphalt Terminal site at 3900 South Creyts Road.

TREASURER PIZZO MOVED THAT THE CHARTER TOWNSHIP OF DELTA BOARD OF TRUSTEES ACCEPT THE WAIVER OF LIEN, DEED AND GRANT AND EASEMENT GRANT FOR THE WATER FACILITIES INSTALLED TO SERVE THE LANSING ASPHALT TERMINATE SITE IN THE NORTHEAST QUARTER OF SECTION 34 OF DELTA TOWNSHIP AT 3900 SOUTH CRYETS ROAD, AND FURTHER, THAT SAID WATER FACILITIES BE ACCEPTED INTO THE DELTA TOWNSHIP WATER SYSTEM, AND

THAT FEBRUARY 1, 2010 BE ESTABLISHED AS THE DATE OF ACCEPTANCE.
CLERK VEDDER SUPPORTED THE MOTION. MOTION PASSED 7-0.

- 11. Eaton County Lease Agreement for Communications Tower -** The Manager's Office recommends the Township Board approve the resolution authorizing the Township to enter into agreement with Eaton County to lease a portion of the Township's property in Section 24, along with easements for ingress and egress over portions of the Township's property for the purposes of construction of and operation of a monopole communications tower.

TRUSTEE SPAGNUOLO MOVED THAT THE TOWNSHIP BOARD OF THE CHARTER TOWNSHIP OF DELTA APPROVE THE REQUEST AND AGREEMENT WITH EATON COUNTY TO LEASE A PORTION OF THE TOWNSHIP'S PROPERTY IN SECTION 24, ALONG WITH EASEMENTS FOR INGRESS AND EGRESS OVER PORTIONS OF THE TOWNSHIP'S PROPERTY FOR THE PURPOSES OF CONSTRUCTION OF AND OPERATION OF A MONOPOLE COMMUNICATIONS TOWER, AND FURTHER, THAT THE TOWNSHIP MANAGER BE AUTHORIZED AND DIRECTED TO EXECUTE SAID LEASE AGREEMENT.

CLERK VEDDER SUPPORTED THE MOTION.

ROLL CALL:

AYES: TRUSTEE POMA, CLERK VEDDER, TRUSTEE CUNNINGHAM, TREASURER PIZZO, TRUSTEE SPAGNUOLO, SUPERVISOR FLETCHER, AND TRUSTEE HICKS

NAYS: NONE

ABSENT: NONE

MOTION PASSED 7 TO 0.

XV. COMMITTEE OF THE WHOLE

12. Prevailing Wage

Supervisor Fletcher noted that Prevailing Wage was not a new issue in the Township and that Prevailing Wage had been applied when the Township's Library and Fire Station were built, as well as several other projects within the Township that included Federal and State monies. He noted that the extension of Michigan Avenue and the Creyts Road pathway project would

also include Prevailing Wage. Mr. Fletcher noted that the draft proposal that was provided to the Board was very similar to a policy that had been adopted by Eaton County and amended to reflect a contract amount involving \$25,000 or more which was the contract level that was required to come before the Board for approval. He noted that Township departments did not need approval for projects less than \$25,000.

Pat Hanes, 1690 Watertown Place, East Lansing, said he was present this evening as an interested citizen of the Greater Lansing community. Mr. Hanes said he was an attorney who had been practicing in the Lansing area for approximately 35 years and that a substantial portion of those years had been dealings in the construction industry. Mr. Hanes noted that he was the past president and past chair of the Lansing Chamber of Commerce, founding chair of the Lansing Economic Club, he had served on the Board of three different construction associations in the Mid-Michigan area, and was the past president of a local construction association. Mr. Hanes said he had served on the Williamston School Board for 11 years, during which time he presided over an excess of \$10 million worth of construction and felt he had a great deal of background in business and Prevailing Wage issues. Mr. Hanes said he had reviewed the minutes of the January 11th Committee of the Whole meeting and had hoped that they would have reflected more of the Board's discussion on the Prevailing Wage issue.

Mr. Hanes referred to the January 11th minutes where Mr. Tennis, of the IBEW (International Brotherhood of Electrical Workers) had noted that Prevailing Wage prevented contractors from other areas of the State from bringing in cheap labor. Mr. Hanes said this was not an accurate statement and that Prevailing Wage did not prevent people from different communities from coming in and doing the work. He said Mr. Tennis also stated that there was no statistical difference in the cost between Prevailing Wage jobs and Non-Prevailing Wage jobs. Mr. Hanes said he would be happy to provide all of the citations to anyone who was interested, but he would direct the Board to a university study that was reported in the Wall Street Journal approximately one year ago indicating that Prevailing Wage, on the average, increased cost by approximately 22%. He said the Wall Street Journal reported that Prevailing Wage was essentially a reward to unions for political campaign contributions and support. He noted that both the State and the Federal Departments of Labor supported a lot of the information he had provided the Board this evening. Mr. Hanes pointed out that he had found nothing to support the proposition that Prevailing Wage did not increase the cost of construction. He said when the Williamston School District was involved in school construction projects, the school district was required to use Prevailing Wage due to the type of funding sources that were used by school districts. He noted that the school district conducted a few studies and it appeared that the school district was only able to build approximately 85% of what the school district wanted to

construct because Prevailing Wage increased the cost of construction by approximately 15%.

Mr. Hanes noted that Mr. Crawford, who represented MECA (Management of the Electrical Construction Industry Association), who was also present at the Board's January 11th meeting, had indicated that in 1998, Prevailing Wage was not a detriment to obtaining bidders for construction projects. However, Mr. Hanes noted that if you look at Michigan's history, there was a 30 month period where Prevailing Wage was struck down by the Federal Courts. He noted that the Mackinaw Center had compiled a lot of information concerning this and had indicated several specific examples that when Prevailing Wage was suspended in the late 1990's, that school districts saved 13% to 16% for the cost of construction by not having to use Prevailing Wage. He noted that when he had served on the Williamston School Board, they were very concerned about Prevailing Wage, but there was nothing the School Board could do due to the source of funding, however, he noted that the Township had the choice and had the ability to keep costs down. Mr. Hanes said if the Township had a fiduciary relationship or responsibility to the citizens of the Township, he felt the Township should look at every opportunity to keep their costs down.

Mr. Hanes said the proposed policy contained language that indicated that reputable research had shown that Prevailing Wage requirements did not raise the overall construction costs, but rather protected local economies, ensured greater productivity, increased the supply of apprenticeships and workers skills, improved worker safety, raised health and pension coverage of workers, and delivered quality construction. However, Mr. Hanes asked what "reputable" research the Township had been provided to support those statements. He questioned whether the January 11th meeting minutes would show the statistics and the information that the Township had been provided so that the Township wouldn't be making a conclusive statement based on a guess. Mr. Hanes noted that OSHA and MIOSHA statistics, as well as the US Department of Labor, had shown that there was absolutely no support whatsoever for an increase in safety on a Prevailing Wage job and that there was no distinguishable difference in the quality of construction. Mr. Hanes felt the Township should be looking at this issue from a budgetary standpoint of wanting to keep costs down for its taxpayers and that research had found that the cost of construction was higher when using Prevailing Wage.

Trustee Cunningham said she wanted to clarify that there wasn't a proposal before the Board on Prevailing Wage, but rather, the Board was discussing a concept and gathering pros and cons on Prevailing Wage. Ms. Cunningham noted that at the January 11th meeting, the Board had been provided with a Prevailing Wage policy that had been passed by the Eaton County Board of Commissioners and that the term "Delta Township" had been inserted in the

document to be used as an example for discussion purposes only and had not been drafted by the Township.

Trustee Poma said the January 11th Board meeting represented the Board's initial discussion pertaining to Prevailing Wage. She indicated that there wasn't anything that had been locked in and that the proposal could be revised as necessary.

Trustee Hicks felt it was worth pointing out that the document that had been presented to the Board at their January 11th meeting was nothing more than Eaton County's policy with the Township's header placed on it.

Supervisor Fletcher said that was correct and that the County's policy had only been used as an example for discussion purposes.

Jack Finn, said he was a Township resident and that he was present this evening not to speak in favor or against Prevailing Wage, but rather he wanted to provide some historical perspective. Mr. Finn said he was the Administrator of the Wage and Hour Division for the State Department of Energy, Labor, & Economic Growth and had been with the State since November, 2003. Mr. Finn said one of the four statutes where it was entrusted to educate and enforce was the Michigan Prevailing Wage Act. Mr. Finn felt the claim that Prevailing Wage was just a bonus to unions based on campaign contributions was a prejudicial comment. He noted that the original Davis-Bacon Act was enacted in the 1920's and included Republican sponsors and that the Michigan Prevailing Wage Act was signed in 1965 by Republican Governor George Romney.

Mr. Finn said there were many studies on Prevailing Wage and that Michigan State University Professor Dale Belman had authored a couple of excellent studies on the costs and experiences of the use of Prevailing Wage law, including the time period when there was an enforcement of the law. He noted that the law was held in abeyance based on Judge Cleveland of the Eastern District of Michigan District Court Judges determination and had been fully enforced since 1994. Mr. Finn noted that there had been studies showing Prevailing Wage was also an effort by a community on a state or national level to provide not only a safe working environment, but that it was more cost effective. He noted that there was a shibboleth that the media specifically claimed that Prevailing Wage was a cost situation, but there had been studies for the opposition's point of view that Prevailing Wage was cost effective and safer than not having Prevailing Wage. Mr. Finn noted that Bay County Michigan had a Prevailing Wage ordinance and that there were 10 to 12 communities in the State of Michigan who had their own Prevailing Wage ordinances. He noted that the Catholic Dioceses in Detroit also had their own Prevailing Wage requirements. Mr. Finn felt the question about cost versus

safety and quality were continual sources of debate, but he wanted to bring out some of those instances. Mr. Finn provided the Board with copies of a brochure which gave an overview of the Michigan Prevailing Wage Act for their review, as well as a phone number and e-mail address for Dr. Belman at Michigan State University. Mr. Finn also provided the Board with the Department of Labor & Economic Growth for Wage & Hour Division's phone number and website.

Joe Drolett, 5736 Whitehaven Drive, said historically the policy of the Township Board had always been to watch over the Township's expenses. Mr. Drolett said when he left the Board, the Township was in good financial shape and was sure the present Board was doing the same, but the country was in economic times where everybody was trying to save. Mr. Drolett noted that anyone who felt that Prevailing Wage would not increase the cost of a project was not being reasonable. He noted that the Board had discussed limiting projects over \$25,000 which he felt was a low threshold point and that the Township had spent more than that on sidewalk projects. He felt Prevailing Wage would increase the cost of sidewalk projects by 8% to 15%. Mr. Drolett noted that he was not speaking against special interests groups or labor unions and that he had worked closely with General Motors during his tenure on the Township Board, but he didn't feel the Township needed a Prevailing Wage policy.

Mr. Drolett noted that in the history of this country, private enterprise was where businesses were allowed to pay their employees fair wage. He noted that there was minimum wage and that people were doing work for the Township that didn't have Prevailing Wage who had been with companies for several years. Mr. Drolett noted that the Township had used Prevailing Wage when the Fire Station and Library were built, but this was due to the harassment that was given to workers during the expansion of the Township Hall and that a separate entrance had to be provided for union and non-union workers. Mr. Drolett said another issue that had been mentioned this evening was the quality of work and safer working conditions that resulted from Prevailing Wage. Mr. Drolett disagreed with this statement due to the fact that all contractors were held to the same standards. Mr. Drolett asked the Board to protect the taxpayer's money and not adopt a Prevailing Wage policy.

Joseph Brehler, 4213 Chadburne Dr., Lansing, said he was the Chairman of the Eaton County Board of Commissioners. Mr. Brehler noted that the County passed their Prevailing Wage policy in 2007 and since that time, there had been three major construction projects. He noted that two of those projects came in under bid and that the third project was over bid due to the poor economy and the price of steel. Mr. Brehler noted that Prevailing Wage did not add any more expense to the County's construction projects and that he felt the County's Prevailing Wage policy sent a message to the community that

the County valued the people who lived and worked in the community. He noted that Mr. Hanes was correct when he stated that workers from out of the area could be brought in to work, but those companies generally already paid their workers less. Mr. Brehler said that in the last three years, the County had started and completed a number of projects that were above and beyond other communities within the State. Mr. Brehler noted that the County was getting closer to providing Broadband access to every individual in the County and that construction on a new dental clinic would begin soon. He indicated that the County was also attempting to provide access to health care for those in the community and felt the County's Prevailing Wage policy helped in creating these opportunities. Mr. Brehler noted that it had been mentioned this evening that there had been several studies done on Prevailing Wage, but he felt those studies reflected the individual's point of view and that the County had completed projects where Prevailing Wage had been utilized without an increase in costs.

Chris Fisher, representing Associated Builders and Contractors, noted that they were a trade association that represented commercial and industrial construction industries. Mr. Fisher said he was present this evening to urge the Board's opposition to a Prevailing Wage policy. He felt Prevailing Wage was fundamentally a flawed policy and that there was an undisputable line to increased construction costs as well as studies that had demonstrated that Prevailing Wage resulted in adverse affects on local jobs. He said there was no evidence to support the assertion that Prevailing Wage would result in better quality work or safety conditions and that the State Building Code required that all work had to meet the same standards regardless of whether it was subject to Prevailing Wage. Mr. Fisher encouraged Board members to speak with contractors who had worked on recent projects the Township had been involved with that were not subject to Prevailing Wage and inquire whether there would have been an increase in costs if Prevailing Wage had been applied. He noted that the individual who spoke this evening was correct in that there had been study after study done for both sides of the issue, but it was up to the Board to determine whether Prevailing Wage increased costs to a project. Mr. Fisher said he would be happy to work with the Board on this matter and answer any questions the Board may have.

Mike Crawford, 4604 San Gabriel, said he had been a resident of the Township for approximately 10 years. He noted that he operated a trade association for electrical contractors who typically made up 10% to 15% of a project's cost. He referred to research Dr. Peter Phillips had done on the Davis-Bacon Act and the fact that in 2001, Dr. Phillips had prepared a study that compared when Prevailing Wage laws were in effect and when they were suspended in Michigan, Kentucky, and Ohio. Mr. Crawford provided the Board with Dr. Phillips study for their review. He noted that the conclusion of the study indicated that there were no statically significant differences in cost on

over 391 publically funded projects in three different states. Mr. Crawford also referred to a study prepared by Dr. Vedder on Prevailing Wage which the electrical contractors association had reviewed and had found flawed statically manipulated misinformation contained in the study. Mr. Crawford provided the Board with a rebuttal to Dr. Vedder's study which also indicated that there wasn't any statistically significant increase in Prevailing Wage costs. Mr. Crawford felt the Board had a decision to make as to whether taxpayer's money should be spent recognizing the living standards of the contractors and building tradesmen and women who had negotiated what living standards were in a given community. Mr. Crawford said there was a perception that small businesses couldn't comply with Prevailing Wage; however, he represented several smaller businesses who bid jobs all the time. Mr. Crawford said Prevailing Wage was not a detriment and that there were many non-union contractors that did Prevailing Wage work. Mr. Crawford asked the Board to keep the social costs in mind when discussing Prevailing Wage.

Mike Davis said he was a taxpayer in the Township and was also a contractor. Mr. Davis said approximately 80% of his work was Prevailing Wage which increased the cost of construction projects. He noted that contractors were struggling in today's economy and he asked the Board to help keep costs down as much as possible.

Brian Schertzing, 2400 Hearthstone, immediate past president of the Greater Lansing Homebuilders and Remodelers Association, said he was asked to be present this evening to express their opposition to Prevailing Wage. Mr. Schertzing noted that from what the homebuilder had experienced, prices would increase and taxpayers would have to pay the price for the difference of having Prevailing Wage.

Justin Jones, St. Johns, Michigan, noted that he worked for Delta Electric which had been a family owned business for over 30 years and that he was the third generation to work for the company. Mr. Jones noted that Delta Electric provided an average of 50 to 60 employees an opportunity to work annually and were able to provide them with a standard of living which made them an asset to the community and not a burden. Mr. Jones noted that the employees were provided with health insurance, pension, and training and that he would like to voice their support for Prevailing Wage.

Kristen Beltzer, Senior Vice President of Government Relations for the Lansing Regional Chamber of Commerce, noted that Township Board members were provided with a letter from the Chamber's President, Tim Daman, in regards to this issue. She said the Lansing Regional Chamber of Commerce represented over 1,100 members in the Tri-County region and was strongly opposed to the proposed Prevailing Wage policy currently before the Township Board. The Lansing Regional Chamber of Commerce was opposed

to Prevailing Wage on the premise that Prevailing Wage inflated wage costs and increased the overall costs of construction projects. Ultimately, Prevailing Wage laws resulted in fewer projects, less job creation, and a reduction of economic development. The building trades who backed Prevailing Wage were interested in protecting jobs and that the Chamber was in complete agreement that more jobs was a good thing for the Greater Lansing region. However, the proposed ordinance was a job killer in that it imposed unnecessary and burdensome regulations which would reduce Delta Township's attractiveness as a business location. The Chamber believed that business and government should act in partnership to promote job creation and economic growth for all citizens. The Lansing Regional Chamber of Commerce respectfully requests that the Delta Township Board recognize what was in the best interests of all the residents of Delta Township and reconsider moving forward with a Prevailing Wage resolution.

Dave Tebben, 2312 Rockdale, said he was a contractor and although he may not do the percentage of work Mr. Davis did with Prevailing Wage, it would cost the Township more money. Mr. Tebben indicated that this was not the first time this issue had come up and that people had asked him about Prevailing Wage in the past. He had always asked them to look at their own circumstances and inquire as to whether their homes and local businesses were built with Prevailing Wage and that they would probably find that Prevailing Wage was not used. Mr. Tebben said he was present this evening to ask the Board to consider their own personal experiences when discussing this issue.

Ray Michaels, noted that he was a construction trades professional and an electrician by trade, as well as the President of the International Brotherhood of Electrical Workers Local Union 665. Mr. Michaels said he represented residents and families from Delta Township who consumed goods and services from local businesses. Mr. Michaels encouraged the Board to adopt a Prevailing Wage policy which was quality public policy. He felt Prevailing Wage leveled the playing field and encouraged responsible procurement for construction services. He said Prevailing Wage created a viable and sustainable construction industry where contractors competed based on merit, innovation, and productivity instead of the ability to depress the wages and the purchasing power of the consumer base, as well as the tax base. He noted that the Davis-Bacon Act was enacted in 1931 and was a law that had been in existence for a very long time in order to safeguard the construction industry in local economic geographic areas. Mr. Michaels noted that the construction industry was approximately 10% of GDP which was a major base for jobs and employment for the citizens and a generator of tax revenue. Mr. Michaels felt Prevailing Wage safeguarded the local construction industry and the good employers who provided good jobs to the residents by generating consumers

for small businesses and tax revenue for the community. Mr. Michaels encouraged the Board to adopt a Prevailing Wage policy.

Brian Hiesrodt, Director of Real Estate Development & Acquisition for Auto-Owners Insurance Company, noted that he supervised construction projects in 26 states that Auto-Owners conducted business and based on their experience, Prevailing Wage increased construction costs 10% to 15%. He noted that Prevailing Wage inflated overall construction costs and would make Delta Township a less desirable business environment. Mr. Hiesrodt indicated that Auto-Owners put every project out for competitive bids and that they had found that the cost of a project increased with Prevailing Wage. He noted that Delta Township had always done a good job of being fiscally responsible, but adopting a Prevailing Wage policy would not be in the best interest of the Township.

Dave Clark, 1534 Smokedrift, noted that Clark Construction Company was a family owned business that had been located in the Township since 1964. Mr. Clark said they had been a good member of the community and that they operated a respectable company who employed approximately 65 people. Mr. Clark felt Prevailing Wage was an attempt to artificially stimulate what a person was worth. He noted that there was minimum wage and that employees would not stay with a company that was not treating them fairly. Mr. Clark said it had been mentioned this evening that Prevailing Wage leveled the playing field so other people could compete, but he questioned who determined whether their wages were fair. Mr. Clark noted that his company bid jobs and that Prevailing Wage did increase the cost of construction projects. Mr. Clark asked the Board to act in the best interest of the Township and send a message to the rest of the Tri-County area that Prevailing Wage did not make fiscal sense.

Trustee Poma said Prevailing Wage was something that “came up on her radar” through her job with the **Capital Area Michigan Works Service Center where she literally saw a thousand people a day that were unemployed in the State of Michigan.** Ms. Poma said **a concern that she had in favor of Prevailing Wage, and I go back and forth on this, but definitely since I’ve been doing more research and looking at real data, and not peer data, but statistical data, is that Prevailing Wage could provide some form of health insurance for individuals and provide some form of protection from those businesses that chose to look at the market that may be flooded with individuals at this time and pay the lowest wage. She certainly did not believe that all companies worked that way. She felt that the Township owed it to the individuals to be able to say to them that we are committed to them having a fair wage.** She said the **data that she had looked at, the statistical data that she had looked at,** did not support the perception that Prevailing Wage increased the cost of a project. Ms. Poma

invited the public to e-mail **her data, statistical data, I'm not interested in peer group data that would support your argument on either side.**

Trustee Hicks said at the January 11th Board meeting, Mr. Tennis made the comment that the number of projects in the Township that Prevailing Wage would apply to would actually be very small. Mr. Hicks felt this raised the issue of why the Township was creating a new policy that would affect such a small number of projects. He said in creating a new policy, the Township would be sending the message that it valued the work of those in the trades more than the lower wage workers. Mr. Hicks questioned how creating a special class didn't result in some type of disparate treatment. He said if the true impetus behind the policy was health care, why the Township would pick a certain class.

Mr. Hicks said the other issue that had been made very clear to him was that there had been studies upon studies that only presented the fact that there was no agreement on this issue. Mr. Hicks noted that the problem he had was the fact that the Township would be faced with budgetary difficulties in 2011 and 2012 and even if there was the remote chance of increased costs with Prevailing Wage, he questioned how that was financially responsible sound decision making. Mr. Hicks said the issue relative to the fact that other municipalities had a Prevailing Wage policy and the idea that that was somehow dispositive of whether or not Prevailing Wage was good public policy and the Township should adopt it too was nothing more than a red herring and didn't feel it would be sound decision making. He said relative to the County's policy and whether or not construction projects came in under bid, he said the Township would never know what the other bids would have been due to the fact that there was a Prevailing Wage policy in place and that there was nothing to compare it to.

Mr. Hicks questioned the timing of the policy and the ability to apply it to such a small number of projects. He questioned why the Township was looking at such a finite group of people and relaying the message that the Township somehow valued that relationship more than others. Mr. Hicks said the idea that Prevailing Wage provided jobs to local contractors ignored the fact that the Township's own businesses bid for work outside of their local community. Mr. Hicks said he had a difficult time establishing separate classes based on a policy the Township may or may not create.

Treasurer Pizzo said the issues that he focused on when reviewing Prevailing Wage was fairness and equity. He felt a Prevailing Wage policy required construction workers and their employers to be treated fairly and equitably. **Mr. Pizzo felt this held true when the Township approved the contract with the firefighters and paramedics, which provided a 2% wage increase and continued health and training benefits. He said the Township did**

this because we wanted assurance that the best fire and paramedic service in the Township would continue. He said the pay increase and continued benefits were justified as fair when the cost of living increases were considered and equitable when we compared these salaries and benefits with other governmental units in the region. He said while the Board approved salary increases for the Township's other employees, then matched the firefighters and paramedics contract, we wanted to be fair to the Township's reliable and highly efficient staff and equitable when the Board compared their salaries with other governmental units in the region. He said the Board also took action to assure that the health benefit contract for employees would continue at a most reasonable cost to the Township, as well as for the employees. Mr. Pizzo said the Board had also discussed the salaries and fringe benefits they were paid and the fact that they were fair and equitable due to the time the Trustees put into their jobs. Mr. Pizzo said extending this policy to construction workers that worked on Township contracts seemed reasonable and that the Township wanted the best trained workers to deliver safe, reliable, and long lasting construction projects.

Supervisor Fletcher said there was data available for both sides of this issue, but he felt when you're dealing with construction projects, the issue of labor costs should be taken into consideration, as well as the skill level of the workers performing the work. Mr. Fletcher said when a large portion of a project was labor, he felt the Township should make sure there was a level playing field so that residents of the community could make a good living and support their families, as well as ensure that the wages were competitive when bidding on projects in order to make sure that someone from out of the area did not get the job based on lower wage. Mr. Fletcher said he was aware of the fact that Prevailing Wage didn't guarantee that workers from the area would get the job, but it helped guarantee that less skilled labor being paid lower wages didn't have an advantage. Mr. Fletcher indicated that there were companies who had employees who had worked for them for a long time, but when the Township awarded a contract, it didn't know how long those workers had been with a company. He said there were times when the Township didn't accept the lowest bid because of various factors. He felt there were possible benefits of going forward and considering a Prevailing wage policy,

Clerk Vedder felt it was fair to say that there were four votes on the Board in favor of Prevailing Wage. She said on a national and state level, parties were split, but she felt the public appreciated when both sides come together and compromised on an issue. Ms. Vedder said the Township had already done several construction projects with Prevailing wage and they were good buildings. However, she would like to propose that a compromise be made and that the threshold be set higher.

Supervisor Fletcher asked if there was support to continue discussion on a Prevailing Wage policy.

After polling the Board, discussion would continue on this matter. Supervisor Fletcher said this issue would be placed on the Board's February 15, 2010 Committee of the Whole agenda for discussion only. He asked that any additional information or data on Prevailing Wage be provided to the Manager's Office so that it could be forwarded on to the Board for their review.

13. Discussion of Manager's Evaluation

Supervisor Fletcher said Board members were provided with a copy of a form that would be used to perform an evaluation of the Township's Manager, Mr. Watkins. He noted that at the next Committee of the Whole meeting, the Board would conduct an evaluation of Mr. Watkins which was required as part of his contract. Mr. Fletcher asked each Board member to fill out their evaluation and return it to Ms. Wohlfert in the Manager's Office on Thursday. He noted that Ms. Wohlfert would compile the evaluations and forward them on to Board members for their discussion at the Committee of the Whole meeting. Supervisor Fletcher noted that Department Heads and members of staff who were directly supervised by Mr. Watkins would also be asked to do an evaluation on Mr. Watkins which would be forwarded to the Board for their review.

Trustee Cunningham said public notice should be posted that the Board would be going into Executive Session at the time the Manager's evaluation was discussed.

Mr. Watkins noted that he would be requesting that the Board adjourn into Executive Session.

Trustee Hicks questioned whether Department Head evaluations would be done anonymously.

Supervisor Fletcher indicated that Department Heads would turn their evaluations in to Ms. Wohlfert in a manner that would be anonymous and that Ms. Wohlfert would compile those evaluations into one document for the Board's review.

XVI. PUBLIC COMMENTS

Mr. Hanes said some of the Township's largest contractors were present this evening to inform the Board that it had been their personal experience that the cost of projects would increase as a result of Prevailing Wage. He suggested that the Board bid the next three jobs with Prevailing Wage and non-Prevailing Wage for comparison sakes

and make a right business decision by awarding a contract at the best price.

Trustee Cunningham felt that was an excellent idea and she questioned if Mr. Hanes was aware of any communities that had tried that approach in order to obtain a true comparison on project costs. She asked if there was any reason that would prohibit the Township from conducting a pilot program for comparison sakes.

Mr. Hanes said he wasn't aware of any.

Treasurer Pizzo noted that the Tri-County Regional Planning Commission was sponsoring a workshop called Greener Mid-Michigan which was scheduled for February 18th at the Hannah Center in East Lansing from 5:00 p.m. to 8:00 p.m. He noted that the program consisted of a dinner and that a table would be set up for representatives of the Township to exhibit the Township's ideas on creating green spaces within the Township.

XVII. ADJOURNMENT

Supervisor Fletcher adjourned the meeting at 7:40 p.m.

CHARTER TOWNSHIP OF DELTA

JANICE VEDDER, TOWNSHIP CLERK

KENNETH FLETCHER, TOWNSHIP SUPERVISOR

/as

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Minutes Approved: