

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

**TOWNSHIP BOARD COMMITTEE OF THE WHOLE MINUTES FOR
MONDAY, JANUARY 11, 2010**

I. CALL TO ORDER

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

II. ROLL CALL

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

Members Absent: Trustee Hicks

Others Present: Manager Richard Watkins, Township Engineer, Dennis Williams
Utility Director Tom Morrissey, Financial Director Jeff Anderson,
Code Enforcement Officer Kelly Figueiredo, and Assistant to the
Manager Jenny Wohlfert

CLERK VEDDER MOVED THAT TRUSTEE HICKS BE EXCUSED FROM THE
JANUARY 11, 2010 MEETING.

TRUSTEE PIZZO SUPPORTED THE MOTION. MOTION PASSED 6-0.

III. SET/ADJUST AGENDA

TRUSTEE POMA MOVED THAT THE AGENDA BE APPROVED AS SUBMITTED.

TREASURER PIZZO SUPPORTED THE MOTION. MOTION PASSED 6 TO 0.

IV. MANAGER'S REPORT

1. Report on Assigned Goals and Objectives

Mr. Watkins indicated that the I-96 interchange improvements would generate a lot of disruption on Saginaw Highway and that several areas of Saginaw Highway would be completely rebuilt. He noted that the Township was currently in discussions with Eaton County regarding the location of a tower on the Township's property located on Mt. Hope Highway for the County's 911 system.

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EDC would be meeting tomorrow morning to start discussions on the preliminary results from the Transportation Survey.

Mr. Watkins proceeded to provide the Board with an update on the assigned goals and objectives the Board had given him over the past year. Mr. Watkins indicated that the performance measurement objectives were first introduced into the 2009 budget and were expended this year. He said with the State Consortium, the Township now had one report which would allow the Township to continually compare itself with other communities that belonged to the consortium as far as the Township's performance measurements and results of the Township's own performances.

Mr. Watkins said in regards to computerization and enhancement, he noted that over the past year, the Township had made a lot of computerization improvements. Virtual servers were now being utilized which had had a significant improvement in the way the Township's servers operated. The Township reduced the number of printers in the building in order to reduce the Township's electricity costs, as well as printing supplies. He noted that it was hopeful that departments would become more conscious of what they printed and move towards becoming paper free. The Township had also been implementing Thin Clients rather than regular PC's which performed much better than what the Township had used in the past and had been a cost savings to the Township. He noted that the Township had implemented digital document management, redesigned the Township's website, implemented Facebook, and were researching the use of Twitter. The Township had placed the Township's virtual tour on the website which had been used at the Township's Community Awards and as part of the Township's Welcome Packets. He said the Township was looking at subscription methods for items such as minutes, agendas, and similar documents, but nothing had been implemented at this time. The Township was also looking into a business newsletter which would be one of the areas the subscription method would be used.

Supervisor Fletcher felt YouTube could be utilized by the Township to advertise key events such as the Township's Greener Delta or Delta Rocks.

Clerk Vedder felt the Township's calendar of events that was no longer in the Township's Magazine, but was now on the Township's website, should illustrate two or three months at a time in order to make it easier for people to plan.

Mr. Watkins reviewed the area of grants by noting that the Township had applied for eight grants during 2009 and had been awarded three. He noted that two grants had been denied and that the Township was still waiting a decision on three other grants that had to do with energy efficiency. The Township Board would be presented a quarterly report detailing the grants the Township had

applied for. He said in regards to Economic Development, the Township would start discussions on the issue of employing an economic development professional the first of the year. He noted that 54 retention visits had been completed, 39 being commercial and 15 being industrial. The Township had redesigned the way they presented their proposals to interested companies who were looking at the area. He noted the Township was working on redesigning the Township's website by putting together a commercial packet to help promote economic development. The Township also had access to CPIX and MEDC web links. The EDC Committee would be provided with preliminary results and that a recommendation would be presented to the EDC Committee and the Township Board. He noted that the Township's Transportation Study would be incorporated into the results of a study done by EATRAN.

Mr. Watkins said the Township continued to be concerned with the Saginaw Highway Corridor, particularly east of Elmwood Road, and that staff had looked at different ways the Township could use incentives to improve this area. The Commercial Rehabilitation Act was one area the Township had looked at as a tool that could be used as an incentive and that the Township continued to work with the Lansing Regional Chamber of Commerce on this matter. He noted that staff had proposed zoning ordinance amendments that would intentionally allow the combining of commercial, office, and residential uses within a single building. It was felt that allowing mixed use buildings may provide an incentive to redevelop properties along Saginaw Highway because developers could diversify potential income within a single building. Mr. Watkins noted that the Township had also participated in meetings with Lansing Township and the City of Lansing regarding possible improvements to the Saginaw Highway corridor. He expressed his interest in coordinating the Township's trail ways along the Michigan Avenue corridor with Lansing Township and the City of Lansing.

Ms. Wohlfert said staff had been working with the Corridor Improvement Authority for future improvements along West Saginaw Highway such as lane closures and the reconfiguration of lanes, but she noted that everything was preliminary at this time.

Mr. Watkins noted that code enforcement had placed emphasis along this area of the Saginaw Highway corridor for maintenance purposes and that the Township's retention visits had focused on discussions with business owners and their concerns.

Mr. Watkins noted that the Township amended its contract with the Eaton County Sheriff's Department for this year and that the Township continued its talks with the County regarding future services. He said the Township had also been looking into coordinating its services with other municipalities throughout the county.

Mr. Watkins said in regards to organizational duties and reassignments between departments, he noted that the Township had looked at the department's workloads and needs and were continuing to look at ways to reorganize in order to deal with the economy the Township would be faced with over the next few years. He felt the retreats for both the directors and employees were successful and that Lew Bender was the keynote speaker.

Supervisor Fletcher noted that an issue that had come forward was the fact that employees didn't feel they were given specific training they needed for their job. He questioned whether the Township had developed a better training system for its employees.

Mr. Watkins said the Township had put together a specific job training list for all new employees and that they were also provided training when they started employment. He noted that the Township had logged 6,233 hours of specific training for its employees last year.

Mr. Watkins noted that the Township had established a sustainability committee to look at how the Township could become greener by looking at modifications to the Township's vehicle fleet, as well as more energy efficient buildings, better access to recycling, and ways to become a greener community by passing green standards. Mr. Watkins used an example of Zoning Ordinance amendments that were being considered in order to reduce the amount of required parking for developments which would reduce the amount of impervious surface.

Trustee Poma brought up the fact that the Township's Library had removed all of their reserved parking for green vehicles. It was noted that the Library deleted these parking spaces in response to several complaints they had received from the public.

Mr. Watkins noted that the Township Board adopted a resolution to participate in the Green Challenge to become a greener community. He noted that the Green Challenge would be working in conjunction with the Greener Delta event in an effort to better promote the event and involve more of the community. He noted that the Township's road plan and sidewalk plan would continue to be reviewed and updated and that amendments to the Non-Motorized Transportation Plan would be presented to the Board in February. Mr. Watkins felt the Township had contributed a lot in the area of regional cooperation and that the Township continued to work with LEAP and many other regional groups. He addressed cost saving measures by noting that the Township had used regional cooperation to serve the Township's purchasing efforts and provide assessing services to the City of Grand Ledge. He noted that the Township had benefitted from participating in MI Deal which was a State of Michigan purchasing program and CAESC for fire training.

Mr. Watkins indicated that the Township spent a lot of time last year on the public transit survey which provided the Township with information to guide the Board in their decision making as they moved forward on this issue. He noted that the Township had looked at developing a three and five year budget proposal but due to the current economic situation, the Township felt a five year projection would be problematic at this point. It was decided to develop a three year budget projection which indicated that the Township would have some challenges over the next two years. Mr. Watkins noted that Township departments were working on written policies and procedures, along with the Township Board policies and procedures that had been compiled. At this point, the Utility, Accounting, and the Library had completed a work plan for their department and that other departments were in the process of completing their plan.

Mr. Watkins felt identity was one area the Township had made a lot of strides in that the Township was successful in maintaining the existing post office. He also noted that the Township's website was completely redesigned; a virtual tour video had been designed and showcased at various events, as well as the creation of a new resident informational packet and the implementation of the Township's Facebook. He noted that a welcome packet for new businesses in the Township would be completed in 2010.

Supervisor Fletcher said due to the fact that five out of the seven Board members were new last year, the Board extended Mr. Watkins' contract for a year rather than conduct a formal assessment of his performance. He noted that this was why Mr. Watkins was provided a list of objectives the Board wanted accomplished in 2009. Mr. Fletcher proceeded to review the evaluation process by noting that Mr. Watkins would provide the Board with a self-evaluation, each Board member would be given a questionnaire/evaluation to fill out for discussion, and then the Board would present Mr. Watkins with a final evaluation.

V. DEPARTMENT REPORT

2. Utility Department Report

Mr. Morrissey said the Board had been provided with charts that depicted water and sewer activities over the past few years. He noted that the Township's water usage was down from the past three years primarily due to the lack of production and the closure of the General Motors plant. However, he noted that water usage increased as a result of GM reopening and their increased production. Mr. Morrissey provided an overview of GM's water usage since 2006 and the Township's prediction of water usage in 2010 which should result in additional revenue for the Township.

Mr. Morrissey indicated that the Board had been provided with a chart which illustrated lost revenue. This was a difference of what the Township purchased from the Board of Water & Light and the Township's calculated amount of water the Township sold which was the difference in revenues the Township used, but did not resell. Examples of unmetered systems would be the Fire Department's use of water during training, the Township's ISO Fire Flow testing, water main breaks, GM's fire protection system, and any other unmetered use of water. Mr. Morrissey indicated that one of his goals was to bring those numbers down so that the Township was not losing revenues. He indicated that in 2005, the Township constructed the Millett water tower and during that process, the water tower had to be filled several times and taken back out of service which was a loss of millions of gallons of water each time that occurred.

Mr. Morrissey proceeded to review the flows at the Waste Water Treatment Plant from 1974 thru 2009. He noted that in 2009, the treatment plant treated 1.7 billion gallons of wastewater. The plant had experienced a drop in wastewater flow in 1994 and in 1995 due to the fact that the Township started purchasing treated water from the Board of Water & Light and residents were disconnecting their water softeners. He indicated that Mr. Watkins had requested that the treatment plant attempt to lower their electricity consumption by 10% which he felt had been done. However, he felt the savings were hard to determine due to the increase in rates. Mr. Morrissey reviewed the plant's process of cleaning the sanitary sewer mains and that the entire system was being cleaned every two years instead of every four years. He reviewed the number of calls and complaints the treatment plant had received from residents who had experienced problems. There were between 15 to 20 calls per year and that the plant had experienced between 3 to 4 calls per year from residents who had experienced problems with blocked sewer mains. He felt the Township had been very proactive in preventing sewer backups in residents' basements. Mr. Morrissey provided the Board with a list of utility topics that he would be bringing forth for discussion at future Board meetings.

Mr. Morrissey felt the Township had experienced a reduction in sanitary sewer problems due to the fact that the system was cleaned every two years. He said staff also had the capabilities of filming the inside of sewer mains to determine what exactly caused a problem so that it could be prevented in the future.

3. Engineering Department Report

Dennis Williams noted that a letter had been sent out to the residents affected by the Creyts/Webster pathway informing them that the Township was moving forward with the pathway project, but more importantly, he wanted to update the residents on the Watson and Watson storm drain work that would continue in the spring. Mr. Williams indicated that it was unknown at this time whether the storm

drain project would create any traffic disruptions in the area. He also noted that the Township would be coordinating the installation of the pathway with the resurfacing of Creyts Road from Saginaw Highway north to Woodstream Drive. Mr. Williams noted that the Township had removed approximately 46 trees along Creyts Road in conjunction with the pathway project and that it had been his recommendation that the Township replace as many trees as possible. He noted that additional trees would have to be removed south of the Blue Stone/Creyts Road intersection and that a retention wall would be installed in this area in order to save the remaining trees. Mr. Williams indicated that his initial recommendation was to replace the number of trees that had been removed, however, after he had surveyed the area, there were only 2 to 3 parcels that actually had room for another tree once the pathway was installed. He noted that additional trees could be installed at the Creyts/Willow/Webster intersection in order to compensate for the trees that had been removed along Creyts Road. Mr. Williams noted that the informational letter sent out to the residents also addressed the east-west pathway that would be constructed along the east side of Creyts Road at Woodstream to Sharp Park. He noted that this project would necessitate the removal of trees as the project progressed. He said as soon as the Township received authorization from the DNR, the Township would clear areas where surveying work needed to be done.

Mr. Williams noted that in the mid 80's, the Township constructed a sewer pump station west of Saratoga Farms between Baywood Boulevard and White Oaks Drive. He noted that when the sewer system was built in this area of the Township under an EPA Grant, the Township could only build the sewer beyond what the existing capacity of the treatment plant could handle. Since the sewer pump station was built, development had taken place to the east of Saratoga Farms, but the pump station was not designed to handle the additional capacity. Mr. Williams noted that he had been in contact with the property owner located adjacent to the pump station in order to purchase additional property for the expansion of the existing pump station. He noted that the Township had also been in contact with the Grace Brethren church located at the northwest corner of the Willow/Waverly Road intersection which was for sale. He noted that the Thomas L Parkway lift station was built in the 60's when the Township's first sewer system was built. A few years ago, the Township built a 600,000 gallon equalization basin adjacent to the lift station in order to collect sewage and pump it to the treatment plant at a maximum dedicated by all of the existing pipes that flowed to the lift stations. Mr. Williams pointed out that if the Township had to make major repairs, or perform maintenance on the facilities, the Township would need to obtain temporary construction easements from the church. He noted that the Township was currently in discussions with the church to purchase additional property so that the Township would be able to make repairs on those facilities if needed.

Mr. Williams noted that the Township had purchased property from the DNR adjacent to the Grand River along Willow Highway adjacent to an existing sewer pump station. He noted that in conjunction with the purchase of the property, the Township had promised the DNR that the property would be used as a public outdoor recreational use. Mr. Williams indicated that since the property was adjacent to the river, he felt a canoe launch would be a good use and noted that he had contacted the Eagle Scouts to inquire as to whether they would be interested in building a canoe launch as a project. He noted that the property the Township had purchased from the DNR had a large concrete block garage that would be suitable for a pump house. He said new pumps would replace the pumps in the existing pump station. Mr. Williams felt time was running short on when major repairs or replacement of the old pump station would be necessary.

Mr. Williams indicated that he had sent letters to property owners along North Canal regarding the Township providing sanitary sewer due to private septic failures. He indicated that he had received a call from a property owner who had purchased one of the homes and was informed that the health department would not sign off on the home due to the lack of a proper on-site septic system. He noted that the property owner had spoken to his neighbors about sanitary sewers, but none of the neighbors were interested. Mr. Williams recommended that sanitary sewers be installed in this area of the Township and that this item would be placed on the Board's January 19th agenda for discussion.

An inquiry was made in regards to whether the homes would be condemned if they did not connect to public sewer.

Mr. Williams felt the property owners could have an engineered system designed in order to obtain approval from the health department. He noted that a similar system existed further north on Canal Road that was on an annual inspection basis.

Mr. Williams said he had approached the Road Commission regarding an enhancement grant for the installation of sidewalks along the south side of Willow Highway and extended to an existing sidewalk at Grand Woods Park's entrance.

Mr. Watkins indicating that the Township would be looking at other areas as well.

Mr. Williams indicated that he had also requested grant monies for the installation of sidewalks along St. Joe Highway from Nixon Road to Marketplace Boulevard. He noted that at the last CART's meeting, Tri-County had announced that there would be the potential for additional funds. Mr. Williams indicated that he had contacted the Road Commission regarding the availability of additional funds, but he was informed that the Road Commission would not be interested in enhancement grants for non-road projects. Mr. Williams indicated that he had

also suggested the installation of sidewalks along the south side of Elmwood Road from Willow south where the Township had received complaints about the lack of sidewalks near the Elmwood School. The due date to submit projects to Tri-County was February 15th. Mr. Williams presented the Board with a history of private development projects within the Township as follows:
Year 2006, the Township experienced 17 projects with a value totaling \$1,755,000.00 to the water system and \$800,024.00 added value to the sanitary sewer system.

Year 2007, the Township experienced 11 projects with a value totaling \$809,700.00 to the water system and a total of \$565,000.00 added value to the sanitary sewer system.

Year 2008, the Township experienced 10 projects with a value totaling \$722,500.00 to the water system and a total of \$400,000.00 added value to the sanitary sewer system.

Year 2009, the Township experienced a total of six projects with a value totaling \$222,000.00 to the water system and a total of \$37,000.00 added value to the sanitary sewer system.

Mr. Williams informed the Board that Oneida Township would be meeting with its residents on February 4th to discuss a potential agreement with Delta Township for the extension of sanitary sewers to serve Oneida Township. He noted that the Engineering Department had been adding more storm drains into the Township's GIS system and had been using planimetric mapping which was where an aerial photo could be plotted so that maps could be viewed in 3-D. Mr. Williams noted that this process could be used to inventory trees on properties and specify what type of trees existed.

Mr. Williams noted that the Township had had discussions with the Drain Commissioner and the Road Commission regarding the hole in Thomas L Parkway caused by a broken storm drain. He indicated that the Township had discussed the possibility of repairing the drain, but both the Road Commission staff and the Drain Commissioner's staff were concerned with Delta correcting the immediate problem of the broken pipe and hole in the road and then the Inter-County Drain Board thinking the problem had been solved and therefore, nothing else needed to be done. The Inter-County Drainage Board must acknowledge that the "orphan" drain needed to be adopted by the Board such that when the next hole appeared, the drainage board could get it fixed as they were responsible.

VI. ITEMS OF DISCUSSION

4. Rental Registration/Inspection Ordinance Discussion

Mr. Watkins stated that this item was discussed at the last Board meeting at which time the Board heard from an apartment owner who had expressed concerns with the Township's rental fees. He noted that the Board had requested that staff research this matter further and return with alternatives for the Board to consider. Mr. Watkins said one of the alternatives staff had brought forth this evening was a proposal to break the cost of rental fees up into three equal payments instead of charging the fees up front. Mr. Watkins noted that at the last meeting, the Board had looked at reducing the rates and charging more for inspections, but staff felt this would be difficult to administer. He noted that staff felt the rates could be left as is, but divided into three year increments, as well as provide a 10% discount for those that were in full compliance. He noted that administratively, staff felt this method would be easier to handle rather than attempting to collect additional fees from the landlords after they were charged a lower rate. He felt this method also took the burden off landlords to pay the three year amount up front, but still provide them with two inspections and an incentive.

Clerk Vedder noted that she wasn't concerned with what the Township was charging nor did she object to spreading the cost over a three year period, but she noted that she was concerned with the Township arbitrarily reducing the fees.

Mr. Watkins noted that one of the alternatives the Board had been provided with provided a reduction in the fees, but staff attempted to base the fees on what staff felt would be 100% compliance.

Clerk Vedder inquired as to whether 100% compliance applied to per unit.

Mr. Watkins felt it would be per year in that if 1/3 of the units were inspected per year and there was 100% compliance, the Township would provide a discount if further inspections were not needed.

Ms. Figueiredo noted that apartment complexes were broken up into sections due to the fact that staff could not get through all of them at once. She noted that this method was actually proactive in that eventually the violations improved due to the fact that the landlords knew what the inspectors were looking for.

Supervisor Fletcher felt one of the reasons why landlords were complaining about the rental fees was due to the current economic times. He felt breaking the fees into a the three year cycle would help landlords during these trying times. Mr. Fletcher felt providing an incentive encouraged landlords to be in compliance.

Clerk Vedder said she agreed but felt it was going to be difficult for the township to come up with a policy so that the Township didn't get accused of impartiality when the discount was applied.

Ms. Figueiredo noted that the City of East Lansing cited the landlord for tenant violations and that it was the landlord's responsibility to deal with the tenant.

Mr. Watkins didn't feel the Township would be able to write policies that would address all of the violations the Township discovered.

Ms. Figueiredo noted that during the second cycle of inspections, staff would be focusing on attics. She noted that there had been three fires in the Township last year that were suspected of starting in the attic. She noted that when officials inspected attic areas, several violations were found.

Mr. Anderson questioned whether the annual payment schedule and discount proposal pertained to all rental units.

Mr. Watkins said the annual payment schedule would only pertain to the multi-family apartment units and that the discount would pertain to all rental units.

This matter would be placed on a future Board agenda.

5. Prevailing Wage Policy Discussion

Supervisor Fletcher noted that last year, individuals from the local building trades approached him and thanked the Township for having the construction of the Library and the Fire Station under prevailing wage and had asked that it be converted into an established policy for the Township.

Todd Tennis said he represented the International Brotherhood of Electrical Workers for the Michigan State Conference. Also in attendance were Andy Mosser, President of the Mid-Michigan Construction Alliance, and Mike Crawford who was the Director of the Chapter of the National Electrical Contractors Association. Mr. Tennis provided an overview and history of prevailing wage and why they felt it was important that the Township adopt a policy. Mr. Tennis said on a tax funded construction project, one of the requirements for bidders on the contract was that they had to pay their employees the prevailing wage of the region. He said those wages were determined in different ways depending on whether those projects were related to the Federal or Michigan acts. Depending on what types of tax dollars were used, a lot of what the Township did at the present time was probably already covered by prevailing wage. He said in addition to those two acts, many local municipalities had established their own local policy when the project was being

paid for strictly by local funds. He felt the policy proposal the Township was considering would apply it to the Federal prevailing wage which had a slightly different way of determining how those wages were determined.

Mr. Tennis said the reason for doing this were many, but the primary reason was an attempt to level the playing field with local workers. He said the prevailing wage policy prevented contractors from other areas of the State or Country to bring in cheaper labor. Mr. Tennis used the City of Mason as an example where cheaper labor was brought in from Grand Rapids to build the new court house. He felt this was a detriment to the residents of Mason who were unemployed. He said the major fear that elected officials had with adopting a prevailing wage policy was because it would cost more money to complete a project. However, he noted that that was not the case and that there had been a number of comparison costs that had found that there was no statistically significant difference between the cost of projects that were prevailing wage or were non prevailing wage.

Andy Mosser, President of the Mid-Michigan Construction Alliance, noted that most of the workers who had worked on the Mason project came from the west side of the State where wages were less. He indicated that he had members who were losing their homes in Mason and he didn't want to see that happen in this area.

Mr. Crawford said that the Board had heard from the building trades unions, but he represented the Management of the Electrical Construction Industry. Mr. Crawford said he had built a house in the Township in 2001 and he paid prevailing wage on most of the trades which was a personal decision that he had made because he wanted a job well done. Mr. Crawford said he was a local resident and had seen what prevailing wage produced. He represented contractors who either employed one person or hundreds of people and those contractors strongly supported prevailing wage on both the Federal, State, and local level. Mr. Crawford indicated that they had worked with many local units of government throughout the State to help initiate, implement, and enforce prevailing wage law. He said local contractors paid local property taxes, local income taxes, local sales taxes, and local school millages which were all reinvested into the local community. Mr. Crawford said since locating in the Township, he felt the Board had done a great job with their economic development opportunities in the Township and that prevailing wage would be a good compliment to this community.

Mr. Tennis said another misconception about prevailing wage was that it was a requirement that only union contractors were hired. He said they encouraged municipalities to hire union contractors, but prevailing wage policy only leveled

the playing field not only for union contractors, but for local non-union contractors who paid their employees a fair wage.

Trustee Cunningham inquired about the difference between the State and Federal prevailing wage acts.

Mr. Tennis felt the major differences were that the two acts were enforced and calculated differently. He said the State Act was tied more to labor contracts whereas the Federal Act conducted more survey work. He felt the Federal Davis-Bacon Act provided the Township a broader representation of the actual prevailing wage in a community.

Treasurer Pizzo felt the type of contracts the Township dealt with when grant monies were involved would be more consistent with the Davis-Bacon Act. He noted that the proposed policy provided a cap of \$25,000 and above which represented the contracts that came before the Board for their approval. Mr. Pizzo said when the Township used its own funds for projects such as sidewalk projects, a number of contractors the Township hired were small independent contractors.

Mr. Crawford said he dealt with several small businesses and that compliance had never been an issue because they kept good records. He said if local units of government were concerned with instituting a prevailing wage policy and restricting the number of bidders, he didn't feel there would be a problem in today's market. He said when the country was in the midst of the boom times in 1998, they didn't experience any problems getting bids on prevailing wage jobs due to the fact that prevailing wage jobs were publically funded and employees could be assured that they would be paid. Mr. Crawford felt having a prevailing wage policy would attract bidders to a project.

Supervisor Fletcher noted that the policy before the Board this evening was modeled after the policy Eaton County had adopted and that contracts at \$25,000 or more had been inserted into the proposed policy because those were the contracts that came before the Board for approval which followed the Davis-Bacon Law.

Trustee Cunningham questioned whether the Board would be provided another presentation on this issue.

Supervisor Fletcher said this was the first discussion the Board had had on this matter.

Trustee Cunningham noted that she wanted to make sure the Board had a balanced approach and that there were other organizations that had a different approach. She felt the Board should listen to both sides of the issue.

Supervisor Fletcher noted that the public was always welcome to come to Board meetings.

Trustee Cunningham questioned whether Mr. Fletcher had asked these people to attend this evening's meeting.

Supervisor Fletcher said the gentleman in attendance this evening had asked the Township to consider this issue.

Mr. Watkins inquired about the level of administrative enforcement the prevailing wage policy would cause the Township.

Mr. Tennis said other municipalities that he was familiar with had contracted with Michigan Fair Contracting which essentially provided the enforcement. However, he did not know what percentage of a project's cost that would be.

Mr. Watkins said the last two major Township projects were prevailing wage where a construction manager handled the administration of the project. He was concerned what effect prevailing wage would have on the Township's cost if the Township approached Michigan Fair Contractors to administer it.

Mr. Tennis said he would further research Mr. Watkins' concerns. He felt the number of projects in the Township would be very small because a majority of the work the Township had done either had State or Federal monies already tied to it. He said depending on how many projects the Township would do with only Township funds may determine how much administrative cost there would be.

Mr. Watkins pointed out that the Township didn't have many federally funded contracts as a city may have and that most of the Township's projects were related to public utilities that were locally funded.

Trustee Cunningham said she would like to know the difference between the Davis-Bacon Act and the State Prevailing Wage Act. She noted that when she was involved with contracting law for several years, it always was through the Bacon-Davis Act, but she wanted to know whether there was any cross differences, especially as it related to the health care portion of this issue and which one required health care to be paid. Ms. Cunningham said if the Township was going to adopt a policy, she wanted to know whether there was a distinction between the State and Federal Acts because nothing prevented the Township from using whichever one was more beneficial to the Township. She said if the

Township was not required to use one or the other, there may be one that was more suited for the Township.

Clerk Vedder said it was her understanding that Mr. Watkins' was concerned with the cost of implementing prevailing wage and maintaining it on smaller projects and what the cost would be if the Township contracted with someone else.

Mr. Watkins felt the administration on smaller projects would be a bigger percentage than administration on a larger project.

Mr. Tennis felt that would be one of the reasons why the cap was set at \$25,000.

Clerk Vedder asked if it would make a difference if the level was set higher than \$25,000 such as \$50,000, \$75,000, or \$100,000. She questioned what the percentage would be.

Mr. Watkins said he did not know what the percentage would be.

Trustee Poma felt Federal and State level grants were part of the auditing procedure and that the Township would not be paying more just because prevailing wage was being paid. Ms. Poma indicated that she supported individuals earning a fair wage and that she had witnessed employers paying lower wages because the market was flooded with individuals who were looking for work. She said not only were employers not helping with health care, they were also paying their employees a lower wage. Ms. Poma said she witnessed this everyday in her line of work and she felt if the Township wanted to look at investing its money and interests into the individuals that made up the communities that we live in, she felt the Township needed to consider what it took to raise a family.

Trustee Cunningham didn't know whether the living wage was the same as prevailing wage which was why she wanted to make sure the Board had heard both sides of the issue and understood the distinctions between the two laws before the Board acted on this issue. Ms. Cunningham said it was her understanding that prevailing wage wasn't a local issue and that it didn't guarantee that workers from the Township would get the job, but rather people working on a project would be paid prevailing wage.

Trustee Poma felt prevailing wage made an impact on how much employees were being paid, how much contractors were willing to bid, and what type of skilled labor was used.

Trustee Cunningham said she didn't disagree, but she wanted the Board to have more information on this issue in order to make an informed decision.

Mr. Moser said he couldn't guarantee that Township residents would be hired on construction projects, but because of his local jurisdiction, the Township would have someone from this region if the Township hired one of his contractors.

Trustee Cunningham felt the issue was getting into union and non-union and that the Township didn't want to make that distinction.

Mr. Moser said any contractor in the area would have to compete in his market compared to competing in a market where they could pay lower wage.

Mr. Tennis said Ms. Cunningham was correct in that there were no guarantees that local employees would be hired under prevailing wage, but at least there would be a level playing field. He felt there would be less of an incentive for contractors to bring in workers from another region where the average wage was lower to compete directly. Mr. Tennis noted that they wanted to be able to compete on things like quality, efficiency, and aptitude and not just who was paying more or less.

Trustee Cunningham said the Township had had projects over the years where a local contractor had not been awarded a contract because they were not the lowest bidder and they worked for prevailing wage. She felt if workers were being paid a living wage, that that was a different public policy issue than saying that if the Township adopted some type of a prevailing wage Policy that local workers would be hired.

Trustee Poma said she understood the fact that there wouldn't be a guarantee that prevailing wage would mean that local workers would be hired, but she would be very interested in looking at some of the data that prevailing wage would support the community that had more prevailing wage opportunities.

Trustee Cunningham said what if the Board heard from smaller business owners who indicated that being forced to pay prevailing wage prevented them from bidding on jobs. She felt the Board needed to hear from both sides of the issue.

Trustee Poma said there would always be people who expressed those types of concerns because they may not want to pay their employees health care or a fair wage.

Supervisor Fletcher said an employee could pay their employees prevailing wage on a prevailing wage project and that it didn't mean they had to pay their employees that wage on all projects.

Trustee Cunningham didn't agree that every business owner who did not pay their employees prevailing wage wasn't paying their health care benefits. She felt the

\$25,000 cap was low and that basically the Township was saying that Township monies would be funneled in a certain way. Ms. Cunningham reiterated the fact that she would like more information on this issue, especially since the proposed policy tied it to the Davis-Bacon Act. She wanted this issue to come back to the Board with more information and a presentation made by anyone who felt prevailing wage wasn't a good idea.

Mr. Anderson said he read the study that Mr. Tennis had mentioned about prevailing wage not increasing the costs of a project which he felt was correct on larger projects. Mr. Anderson said he did some research on this issue and contacted a couple of contractors that the Township had used in the past on smaller jobs. He noted that in 2007, DBI Progressive Concrete performed a job at Michigan State University and had bid a job in the Township at the same time and that Michigan State University paid 15% more per foot than the Township.

Trustee Poma questioned whether the increase in cost was due to the fact that wages were different in one area than another.

Mr. Anderson said the reason why the cost was higher was that Michigan State was prevailing wage and the Township wasn't. He noted that the contractor who painted the Township's water tank last spring would have bid 8% more for the contract if prevailing wage was prevalent.

Mr. Tennis said the studies that were done on prevailing wage were done on the same mythology and that a comparison had been done on non-prevailing wage versus prevailing wage projects. He said the trouble with using this type of mythology to figure out what the costs would be was that it was all perspective. Mr. Tennis said there were a number of studies that had been done around the country that studied the issue after the fact and that Michigan was a perfect state to conduct such a study because Michigan's prevailing wage law was suspended for a period of years in the 1990's due to a court case. He said the author of the study researched the per foot costs to build a school when prevailing wage was in effect and when it was suspended and had found that there was absolutely no difference in the overall costs whether there were prevailing wage or not. He noted that the author of the study also concluded that there was a significant difference based on when the project started and what time of year a project started. For example, a project that started construction in the fall or winter months was much more expensive than if a project was started in the spring.

Mr. Anderson felt those studies compared larger jobs and the amount of labor that was needed. He felt there was less work on smaller jobs to create efficiency than on larger jobs.

Supervisor Fletcher felt some of the smaller sidewalk jobs within the Township could be compared to the larger sidewalk jobs. He said a comparison could be made of sidewalk projects using prevailing wage such as the Creyts Road project.

Mr. Crawford said on behalf of the management side of the construction industry, he noted that they had a certain degree of both legal and legislative experience on this issue. Mr. Crawford said he had lobbied prevailing wage for over 33 years and had litigated prevailing wage for over 28 years. He noted that they had helped negotiate dozens of prevailing wage ordinances with local units all over the State of Michigan. He said if the Board got to the point where they wanted to engage in a study group, there was a vast amount of statistical, legislative, philosophical, and economic resources that could be reviewed that addressed the broader scope of this issue such as health care, pension, and the cost to everyone. Mr. Crawford said there was data that showed that having a prevailing wage policy in fact lowered health care costs which he felt was a significant issue.

6. Selection Committee Discussion

Supervisor Fletcher noted that the former Administrative/Personnel Committee had discussed the selection process for the different Township Commissions and Boards and found that there were some individuals who had applied for multiple boards and were required to be interviewed four or five separate times. It was also felt that the chair and staff person who worked with a particular board or commission were placed in an awkward position by having to make a decision as to whether a member returned. Mr. Fletcher said it was the Committee's recommendation that the Selection Committee be made up of the Supervisor, Treasurer, and Clerk to conduct interviews at one time, and make a recommendation for a vote of the full Board.

7. Overview of the "Winter Warm Up Challenge"

Supervisor Fletcher noted that last year, community leaders were challenged to keep fit by increasing their overall awareness of healthy activity. He noted that the basis behind this year's challenge was to get the community involved in the overall challenge.

Ms. Wohlfert said rather than just having the mayors and supervisors of different communities challenge each other, the challenge would include the community. She noted that the Township would be putting together a wellness group for the employees and felt the winter warm up challenge was a good start to that initiative. Ms. Wohlfert said the Township had ordered pedometers to entice everyone to sign up for the challenge. Ms. Wohlfert proceeded to demonstrate how people could sign up for the challenge on the Township's website.

VII. ADJOURNMENT

Supervisor Fletcher adjourned the meeting at 8:48 p.m.

CHARTER TOWNSHIP OF DELTA

JANICE VEDDER, TOWNSHIP CLERK

KENNETH FLETCHER, TOWNSHIP SUPERVISOR

/as
M:\Comm. Of the Whole Meeting\BD\MIN\2010\January 11 2010
Minutes Approved: