

CITY OF ST. JOHNS
CITY COMMISSION MINUTES
SEPTEMBER 10, 2024

The special meeting of the St. Johns City Commission and Bingham Township Board was called to order by Mayor Dzurka at 5:31 p.m. at the Clinton County Courthouse, 100 East State Street, 2nd Floor, Suite #2200, St. Johns, Michigan.

CITY COMMISSIONERS PRESENT:	Eric Hufnagel, Jean Ruestman, Brad Gurski, Scott Dzurka, Chris Hyzer
CITY COMMISSIONERS ABSENT:	None
STAFF PRESENT:	Chad Gamble, City Manager; Mindy J. Seavey, City Clerk; Kristina Kinde, City Treasurer; Justin Smith, Director of Public Services; Michael Homier, Attorney (arrived at 5:38 p.m.)
BINGHAM TOWNSHIP:	Eric Silm, Jessica Smith, Amy Wirth, Eric Harger, Tony Hufnagel

Agenda

Bingham Township Board approved their agenda.

Mayor Dzurka asked if there were any additions or deletions to the agenda.

Motion by Commissioner Hyzer seconded by Commissioner Gurski that the city commission approve the agenda as presented.

YEA: Hufnagel, Ruestman, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

Introduction

The Bingham Township Board and St. Johns City Commission and staff introduced themselves.

Overview of Objectives

Mayor Dzurka discussed ongoing conversations we have had with smaller groups. This is a first step with both boards coming together and he was pleased everyone has come together.

**CITY COMMISSION & BINGHAM TOWNSHIP BOARD
SPECIAL JOINT MEETING MINUTES**

SEPTEMBER 10, 2024

PAGE 2

Bingham Supervisor Silm discussed objectives.

Objectives:

- Needs to be a win/win (financial).
- Permanent solution.
- Include current staff.
- Utilization/flexibility of staff.
- Consider Township & City constituents' interests.
- Fair & equitable agreement.
- Clear understanding of roles & responsibilities.
- Clear understanding of problems/solutions/opportunities.
- Clear sense of next steps.
- Understanding of benefits of working together/funding other functions of community.

Review of Collaboration Options by Foster Swift

Michael Homier, Foster Swift, was present. He discussed his role since Foster Swift is the attorney for the city, township and county. He said he won't advocate for one method or another and he tried to make that clear at every meeting. If anyone is uncomfortable with his involvement, you need to let him know. He said it is a facilitative role more than anything else and he has explored with Chad and Eric Silm the objectives and the mechanisms.

Collaborative Options:

- Urban Cooperative Agreement (UCA).
- Act 425 – conditional transfer of property.
- Authority.
- Urban Cooperation Act to Authority.

Attorney Homier discussed:

- Most important are the terms and the objectives and they can draft around that.
- Economic development opportunities.
 - Need infrastructure to further that growth.
- There is always a territorial component to these agreements.
- A draft 425 agreement for vacant property.
- Mutual objectives and terms the parties can agree on?

**CITY COMMISSION & BINGHAM TOWNSHIP BOARD
SPECIAL JOINT MEETING MINUTES**

SEPTEMBER 10, 2024

PAGE 3

There was a discussion of:

- Supervisor Silm – the 425 option is off the table for the township.
- Commissioner Gurski – reluctant to go through a UCA and then an authority.
- Mayor Dzurka – township has infrastructure opportunities.
 - Timeline for creating an authority.
 - Attorney Homier – the biggest challenge is the value of assets; look at audits for good idea of value of assets.
 - 6 months is a good estimate.
- Supervisor Silm discussed bullet points of make-up of the board and assets.
- Commissioner Ruestman discussed having a clear set of pros and cons.
- Commissioner Hufnagel - don't think taking a 425 off the table is an easy solution to remove; win/win questions and equity question; what it will take fiscally to make it a win/win; significant amounts of funds for infrastructure.
 - City Manager Gamble said there was a recognition of an objective of the township contributing in more ways towards community-based services the city offers, trying to find ways to put together and address those.
 - Attorney Homier said he has done a combination of agreements with a UCA; contractual elements along with transfer of property elements; we can achieve whatever goals and objectives you have with the 3 legal agreements, if we understand the goals/objectives.
- Attorney Homier discussed the make-up of an authority board.
- Mayor Dzurka discussed the financial side; a study on cost; ballpark estimate.
 - City Manager Gamble discussed distribution system assets & production assets; authority is financially burdensome, UCA can be made simpler; UCA can be longer term. What the board function is?
 - Attorney Homier said the financial implications should be net zero; enterprise funds; contributions from your users; not supposed to be a revenue producing entity; with an authority, the hard part is getting assets back out. We typically make it hard to get out of authority.
 - Commissioner Gurski said authority can be made up in different ways with assets (can keep assets and contract with authority). For St. Johns, we contract with Bingham already for nothing; this would generate revenue and long-term is growth.
 - Attorney Homier said authority does give some autonomy; possible to do an authority and contract as well.
 - Commissioner Hyzer said they have an authority in Ionia; they retained underground pipe; 4 city council members on 8-member board, 4 townships; water was set up with water franchise agreement;

**CITY COMMISSION & BINGHAM TOWNSHIP BOARD
SPECIAL JOINT MEETING MINUTES**

SEPTEMBER 10, 2024

PAGE 4

capacity drives rate for the users, more users are going to lower our cost, helps stabilize rates for constituents.

Biggest fears: loss of property; expansion burdens felt by city – revenues.

Urban Cooperative Agreement

Pros: ease of drafting; use for other revenues.

Cons: termination challenges; governance by multiple boards; management of staff.

There was a discussion of a 425 agreement.

Mayor Dzurka said 425 is restrictive by district; UCA is broader.

Authority

Pros: have all systems under one hat; operate as designed; shed liability.

Cons: buy-in costs.

There was a discussion of putting “funding other functions of the community” under objectives.

Discussion of Roadmap Towards Collaboration

City Manager Gamble discussed ranking the authority, UCA, and 425. He and Supervisor Silm and Attorney Homier could work together on some of those details.

There was a discussion of:

- The meeting format.

Discussion of Timeline Objectives

Mayor Dzurka said the township has grants pending and needs to make some decisions.

There was a discussion of:

- Frequency of meetings – monthly.
- The first draft of the agreement is the most challenging.
- PA 233.

**CITY COMMISSION & BINGHAM TOWNSHIP BOARD
SPECIAL JOINT MEETING MINUTES**

SEPTEMBER 10, 2024

PAGE 5

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- Revenue sharing component between jurisdictions that wouldn't fall under the PA 233 umbrella.
 - Undertake a study for the buy-in.
 - Need to agree on the method.

Next Steps and Setting of Next Meeting

City Manager Gamble discussed future meeting dates. The group decided on October 22nd at 5:30 p.m.; December 3rd at 5:30 p.m.; and January 7th at 5:30 p.m.

Public Comments

Mayor Dzurka asked if there were any public comments.

There were none.

Amy Wirth, Bingham Township Clerk, said for the first time in a long time we are hopeful. Thank you for being open and listening and willing to work with us.

Adjournment

Motion by Commissioner Hyzer seconded by Commissioner Ruestman that the city commission meeting be adjourned.

YEA: Hufnagel, Ruestman, Gurski, Dzurka, Hyzer

NAY: None

Motion carried.

The meeting was adjourned at 7:57 p.m.