

CITY OF ST. JOHNS
CITY COMMISSION MINUTES
SPECIAL MEETING
JANUARY 7, 2025

The special meeting of the St. Johns City Commission and Bingham Township Board was called to order by Mayor Dzurka at 5:30 p.m. at the Clinton County Courthouse, 100 East State Street, 2nd Floor, Room #2200, St. Johns, Michigan.

CITY COMMISSIONERS PRESENT:	Eric Hufnagel, Brad Gurski, Scott Dzurka, Chris DeLiso
CITY COMMISSIONERS ABSENT:	Chris Hyzer
STAFF PRESENT:	Chad Gamble, City Manager; Mindy J. Seavey, City Clerk; Justin Smith, Director of Public Services; Michael Homier, Attorney
BINGHAM TOWNSHIP:	Eric Silm, Jessica Smith, Amy Wirth, Eric Harger, Tony Hufnagel
GUESTS:	Brian House, Spicer; Andy Campbell, Bendzinski

Agenda

Bingham Township Board approved their agenda.

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

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

YEA: Hufnagel, Gurski, Dzurka, DeLiso

NAY: None

Motion carried.

Minutes

Motion by Commissioner Hufnagel seconded by Commissioner DeLiso that the city commission approve the December 3, 2024 Joint Meeting Minutes with Bingham Township; December 9, 2024 Special Meeting Minutes; and December 9, 2024 Regular Meeting Minutes.

YEA: Hufnagel, Gurski, Dzurka, DeLiso

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NAY: None
Motion carried.

Review of Discussion and Progress from December 3, 2024

City Manager Gamble discussed the progress since the December 3rd meeting.

- **Infrastructure Agreement Discussion**

Discussion on the draft agreement by Foster Swift; asset management and infrastructure. Two consultants, Andy Campbell and Brian House, were introduced to provide insights on the agreement and infrastructure planning.

Discussion of Spicer Group's Water/Sewer Feasibility Study

Brian House, Spicer Group, was present.

- **Water and Sewer Utilities Feasibility Study**

Mr. House presented a high-level overview of the feasibility study for water and sewer utilities, discussing potential benefits, market analysis, and the creation of an authority.

- The feasibility study is a planning cost analysis to help create an authority and figure out the pros and cons of connecting water and sewer systems.
 - The study involves market analysis and asset management.
 - Different models of authority management were discussed.
- There are no major hurdles in creating an authority, but testing is needed for water system integration.
 - Mixing waters requires testing, which is not included in the current proposal.
- The study will help determine the best spots for system connections and the market areas for development.
- The authority can operate multiple systems without needing to combine them immediately.
 - Systems can remain separate and be interconnected in emergencies.
- **Authority and Ownership Models**

Various models for authority and ownership of water and sewer systems were discussed, including the potential for separate systems to coexist under one operational authority.

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- **Funding Mechanism and Process**

There was a discussion of the potential funding mechanism and the process for moving towards an authority; the importance of completing engineering tasks before finalizing articles of incorporation.

Presentation of Proposal from Bendzinski & Co. and Related Discussion/Action Items

Andy Campbell, Bendzinski, was present.

- **Introduction of Andy Campbell**

Mr. Campbell highlighted their expertise in municipal finance advising and their role in overseeing financial implications of agreements.

- **Municipal Advising and Authority Discussion**

He explained the role of municipal advisors, and the considerations for forming an authority versus an intermunicipal agreement. He discussed the benefits and challenges of each approach.

- Conduct confidential discussions with each entity to determine goals and explore options.
- Prepared a proposal with a minimum fee of \$15,000, including five in-person meetings and 40 hours of additional time.
- Municipal finance advisors can help in overseeing financial implications and exploring different options like authorities or intermunicipal agreements.
 - Examples include the Kalamazoo Lake Authority, City of Jackson, and City of Coloma.
- Authorities are rare between just two entities; intermunicipal contracts are often easier.

- **Trust and Authority Establishment**

The discussion emphasized the importance of trust between communities and advisors in establishing authority and contracts. Trust is crucial to ensure confidentiality and effective collaboration.

- **Spicer's Role and Market Analysis**

Spicer is tasked with conducting a market analysis and potential development analysis. This will inform negotiations and decisions regarding community development and infrastructure expansion.

- **Negotiations and Development Processes**

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Negotiations involve determining development capacities, processes, and approvals between entities. The focus is on balancing development needs with infrastructure capabilities.

- **Timeline and Process Duration**

The timeline for discussions and agreements can range from six months to several years, depending on the complexity and willingness of communities to compromise.

- City of Jackson took over two years.
- Kalamazoo Lake took a year.

- **Authority vs. Intergovernmental Agreements**

The pros and cons of establishing an authority versus intergovernmental agreements were discussed, focusing on liability, management, and community responsibilities.

- **Liability and Community Responsibility**

The transfer of liabilities and responsibilities in the context of forming an authority was debated, highlighting potential confusion and management challenges.

- Forming an authority can transfer liabilities but may not eliminate them.
- Authorities can add confusion if management responsibilities are unclear.

- **Concurrent Work and Development Pressures**

Discussion on whether parts of the project can be done concurrently to address immediate development pressures while planning for long-term goals.

- **Short-term vs Long-term Goals**

Exploration of how to align short-term goals with long-term objectives, particularly in the context of water and sewer system development.

- **Inter-municipal Agreements**

Discussion on the flexibility and benefits of inter-municipal agreements as a temporary solution before establishing a long-term agreement or authority.

- **Legal and Financial Considerations**

Consideration of legal and financial aspects in forming agreements and the potential impact on city and township finances.

- **Concerns about Studies and Spending**

Concerns were raised about the value of spending on studies and whether they provide new insights or direct the project.

City Manager Gamble discussed contributions from the township to the city.

- There should be additional contributions from the township to the city for regional benefits.
 - Non-tiered system for Parks and Rec and festivals.

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- Concerns about vague agreements and the need for clarity.

Review of Roadmap Objectives and Timeline

- **Legal and Strategic Planning**

The discussion focused on the need for a strategic approach to legal matters, emphasizing the importance of understanding goals and assessing numbers before deciding on forming an authority.

- **Service Agreement vs. Long-term Authority**

Participants debated the merits of a service agreement versus establishing a long-term authority, considering efficiency, future growth, and sustainability.

- **Collaboration and Planning**

The group discussed the importance of collaboration and planning to ensure sustainable service delivery to an expanding population, considering phased approaches and cost-effective strategies.

- **Past Attempts and Future Opportunities**

Reflecting on past unsuccessful attempts to bring bodies together, the group emphasized the current opportunity to collaborate effectively for the community's benefit.

- **Budget and Financial Planning**

Discussion on budgeting for fees (Bendzinski's & Spicer's), including payment schedules.

- **Utility System Agreement**

Debate on forming a unified system, exploring short-term agreements, and the potential benefits and drawbacks of an authority versus an urban cooperative agreement.

- **Ownership and Infrastructure**

Concerns about ownership of infrastructure and the role of bureaucracy in managing utilities.

- **Authority and Legal Structure**

Discussion on the possibility of forming an authority, its benefits, and the need for due diligence and clear benefits for the city.

- **Interim Agreement for Development**

Need for an interim agreement to facilitate development and the importance of having meaningful discussions for future planning.

- **Funding and Short-term Agreement**

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The discussion focused on the urgency of deciding on funding and the feasibility of a short-term agreement to utilize funds effectively. Concerns were raised about the implications of not spending the funds within the stipulated time frame.

- **Urban Cooperation Agreement**

The group discussed the Urban Cooperation Agreement as a potential framework for moving forward. There was a general agreement on its importance, but some concerns about its implementation were noted.

- **Infrastructure and Development**

The need for development-ready water infrastructure was discussed, with suggestions for the township to become a bulk water customer as a short-term solution. The importance of expediting permits through EGLE was also highlighted.

- An interim agreement is necessary to proceed with the M-21 corridor development, benefiting all parties involved.
 - Need to establish an agreement to secure funds for regional benefits.
 - Interim agreement is necessary to move forward with development.

Setting Objectives for Next Meeting

There was a discussion of the February 10th meeting and possibly having a conceptual draft of a short-term agreement from Attorney Homier. The group discussed keeping this meeting scheduled unless the draft agreement was not ready for review yet.

Public Comments

Mayor Dzurka asked if there were any public comments.

There were none.

Adjournment

Motion by Commissioner Gurski seconded by Commissioner DeLiso that the city commission adjourn their meeting.

YEA: Hufnagel, Gurski, Dzurka, DeLiso

NAY: None

Motion carried.

The meeting was adjourned at 7:46 p.m.