

Melrose Township Board of Trustees Minutes
May 12, 2020 7:00pm

Call to order 7:02 pm V. Goodwin called to order

Present: V. Goodwin, S. Burr, L. Stephens, D. Nowland, R. Hissong Berry

Approval of the Agenda

Motion to amend the agenda by adding server update under new business and approve as amended.

Motion: L. Stephens 2nd S. Burr approved 5/0

Approval of minutes from previous meeting:

Minutes of the April 14, 2020 Regular Meeting

Motion to approve the minutes of the April 14, 2020 Regular Board meeting as presented.

Motion: S. Burr 2nd D. Nowland approved 5/0

Minutes of the April 28, 2020 Special Meeting

Motion to approve the minutes of the April 28, 2020 Special Board meeting as presented.

Motion: L. Stephens 2nd D. Nowland approved 5/0

Guest None

Old Business

- **Sewer Update** – no report from Performance Eng.
- **Water Update** –
The Township attorney is responding to the 2-page letter from WLWS. The letter was read aloud at the meeting. See included copy.
- **Park Ordinance Revision review draft**- not available yet
- **Third Street**- the tree cutter is a few weeks away from being ready to do Third St.
- **Circle Park Easement proposal – legal opinion**
Attorney letter shared, there is no concern with the easement agreement as written
Motion to proceed with production of a draft for the DNR Land Grant application for the purchase of the Circle Park land.
Motion: V. Goodwin 2nd D. Nowland approved 5/0

New Business

- **Census** – only 30% of our county has responded. Important to encourage people to complete their census information.
- **Explore131North letter of support**
Motion to write a letter of support for the M.I.T.T.N. Grant Application for the Village of Kalkaska
Motion: V. Goodwin 2nd S. Burr approved 5/0
- **Permanent Absent Voter List**
Discussion of the requests received from voters to be on a permanent AV List and the cost to provide this service to voters. Board supported not starting a permanent AV list. Consensus was to mail letter with a AV request form explaining we do not offer a permanent list at this time.
- **Bear River Water Trail System Planning Grant**
R. Hissong Berry reported that Bear Creek Township has received a grant for the planning process to develop Bear River as a water trail. It will include the whole length of the river. The work group will be organized soon and the Township will be included.
- **Server Upgrade**
Motion to approve the computer server upgrade proposal from North Country IT for \$790.36.
Motion: V. Goodwin 2nd S. Burr approved 5/0

Financial Report

- **General fund reports**

Motion to accept the financials as presented with the addition of Kalamazoo Flag bill for \$156.24 bill and pay all bills.

Motion: :L. Stephens 2nd S. Burr approved 5/0

- **Sewer fund reports**

T. Mackie presented the included report.

Motion to accept the financials as presented and pay all bills.

Motion: S. Burr 2nd D. Nowland approved 5/0

Zoning Administrators Report see included report

Assessors Report no report

Employee Grounds Report no report

Committee Reports

- **Planning Commission** meeting June 1, 2020
- **Zoning Board of Appeals** meeting on May 28, 2020

- **Road Committee**

E. Lee presented the Bid for Jensen Rd. work

Brining and grading currently being done.

Motion to accept the Sackrider Construction bid for Jensen Rd. work for \$10,617.50.

Motion: D. Nowland 2nd L. Stephens approved 5/0

- **Park Committee** no report

- **Fire Department**

L. Stephens presented the included report.

- **DDA** no meeting date set for Spring

Correspondence

Letter from G. Lasater Char. Co. Commissioner announcing his retirement was shared.

Public Comment called for

Adjournment 8:15 pm

Walloon Lake Water System Inc.
2640 Magee Rd. N.
Boyne Falls, MI. 49713
Ph. 231-535-2542
E-mail wlws@hughes.net

May 9, 2020

To: Bryan E. Graham
Young, Graham & Wendling, P.C.
P.O. Box 398
Bellaire, Michigan 49615
(231) 533-8635
From: Walloon Lake Water System Inc.
02640 Magee Rd.
Boyne Falls Mi.
231-535-2542

Dear Brian:

This letter is in response to your email of 5/4/2020. I have read your information and I understand the Twp. is interested in the purchase of Walloon Lake Water System Inc. (WLWS). There are several problems that we do not want to repeat if talks were to move forward. In the last round WLWS was asked to provide a multitude of information to the Twp. which it did. And in turn the next step was for the Twp. to tender an offer. That did not happen. Then came the requirement that WLWS must allow for a physical inspection of the system to obtain a value before an offer could be made. This requirement came after the information was provided in good faith. WLWS clearly rejected this and still does today. WLWS has maintained that this transaction needs to be handled like any other business purchase. WLWS will entertain offers from the Twp. They must contain a good faith deposit of 10% only refundable if contingencies are not met. The contingencies would have to be worked out before the deposit of the funds. NDA's would have to be signed.

You previous communications stated that you would not allow the Twp. to move forward without a physical inspection prior to an offer. This leaves us with two options. One being you drop that unnecessary restriction or two they seek other counsel willing to move forward. The reasons for this requirement do not make fundamental sense in this deal for the following reasons.

- 1) The appraiser would not be an ordinary appraiser, but would have to have prior experience and credentials to show they have the expertise.
- 2) The sale of the water system is not like buying a car where there more than one to choose from and have the ability to dicker on the price.

- 3) WLWS would in all likelihood reject the assessment of your appraiser as he would be looking out for your interests not ours.
- 4) WLWS will only consider selling if the price makes economic sense. (i.e. Is the sale worth losing our ROI and taking the money)
- 5) WLWS has had conversations with officials who have stated in essence whatever price that the two parties come to terms on. There is cheap money with very liberal terms to pay for it with. In essence price in no object.
- 6) The statement that tax payers will pay for it. They already have voted to have a special assessment district if needed without a price restriction.
- 7) Melrose has previously negotiated a price in this fashion which was moving forward but was stopped due to a lawsuit that did not have anything to do with the way the deal was put together.

So WLWS will not move forward with this restriction so it is up to both the Twp. and yourself to decide if you can proceed or if you want to cite this unnecessary restriction as a reason you cannot make a deal. Please forward this letter to the Twp. Board and made part of the record at the regular board meeting. WLWS looks forward to your answer and would hope you would waive this unnecessary requirement.

Sincerely

Dennis Hass President

Walloon Lake Water System Inc.