



7275 W. Main Street  
Kalamazoo, MI 49009

**Capital Improvements Committee**

*VIRTUAL ZOOM MEETING*

*Tuesday, April 18, 2023*

*1:00 P.M.*

**Meeting Summary**

1. Welcome/Call to Order:

Present: Clare Buszka, Marc Elliott, Zak Ford, Anna Horner, Ken Hudok, Bernie Mein, Ryan Minkus, Zach Pearson, Jim Porter, Ryan Russell (P&N)

2. Approval of March 21, 2023, Meeting Summary: Marc provided some clarification edits for KRWWC and UPC updates from the 3/21 meeting. Member Ford motioned to approve with clarifications; Member Buszka seconded. No opposition, summary accepted.

3. USDA Sewer Neighborhood Expansion Project Update

a. Review Phase 1 scope and budget: The intent for this is preparation for the next Board meeting and also recap with CIC, who have been integral in guiding USDA project recommendations and how they are structured financially. Understanding philosophy behind sewer capital project funding, started incorporating long-term sustainable, legacy practices, i.e., road millage, USDA loans with low interest rate and 40-year payback plan, as well as SAW grants for existing sewer system to maintain. Implemented a larger surcharge to plan for improvement projects. Revenue sources: surcharge (45%, a 12% avg increase after USDA bonds), connection fees (16%), general fund (13%), and road fund (26%). Summary of costs for Phase 1: construction and contingency, admin/prof. services/etc., cash flows, Oshtemo to use cash before drawing on loan.

b. Twp Sewer CIP: Reviewing overall sewer funding, still need to complete SAW grant projects, long-term capital maintenance and planning where there is no funding. Need to provide initial reporting and community input to receive other financing. Director Horner clarified we need to consider financing, bonds, and grant funding which are critical to completing the sanitary sewer project in each neighborhood. Bendzinski has used a \$7,500 connection fee to calculate that Oshtemo can pay back the loan. Commercial charged by benefit unit and not a flat fee like residential. Member Ford asked, if possible, to adjust the cost of the benefit unit to commercial users to capture back some of the \$90k revenue loss. Director Horner relayed it could increase to an extent, but it would still lose revenue. Attorney Porter detailed it is computed as a Residential REU calculated with 250 gallons of water. With changes in water flow, we have requested a connection fee sanitary sewer rate study since the previous benefit unit was determined in the 1960s. Also, the rate resolution is changing. Member Hudok asked if ordinance clarifies per project basis for setting rates, if there is anything that can be adjusted? Jim conveyed they would like to revise the ordinance based upon requested rate study. Municipalities may decide rate based on a new sewer agreement which might allow us to set our rates. Lift stations and pump stations should be a part of this analysis. If city rates increase, there could be additional revenue, but will need to closely monitor. Bendzinski prepared surcharge that fluctuates between 5 – 15%, so using 10% average, to not change residents' surcharge annually. The city's rate adjustments are also factored in. If many more users come, it will affect revenue used from SAW grants and debt projections, etc. Essential to do a comprehensive review of sewer ordinance: a rate study review, benefit unit table, language for ordinance, and produce a utility financial policy to outline goals and to manage a sustainable future plan. This would help to see revenue sources and determine what are our priorities and projects and how we contribute to these capital projects. Some ARPA funds have also been allocated to complete work in the next year or two.

c. Bond closing: the closing date is set for May 23, 2023. The April 25<sup>th</sup> Township Board meeting will discuss standard requirements for closing of bonds. The Township to set sewer interest rates: charges and fees (expected \$7,500 connection fee). Once USDA bond closes, Contractor can share which neighborhood to begin work. After dates are set, Public Works' highest priority is to prepare a communications strategy, ensuring enough information and neighborhood meetings are planned accordingly. Will look at either contracting a communications person, or if Township approves hiring a communications person, depending upon timing. Intent to keep the same connection fee for Phase 2. F&V are working to finalize design estimates. Submitted first round of permits and incorporating feedback. The goal is to go for final permits and bid this fall.

4. Director's Updates

- a. KATS Technical Committee: have developed several subcommittees: nonmotorized; an interactive GIS map (important for Oshtemo in Master Plan work); traffic signal coordination (infrastructure needs) throughout the county (and for Oshtemo, Drake Road).
  - i. Iris (Planning Director) and Anna recently attended a Road Safety Audit with MDOT re: West Main from Drake to 10<sup>th</sup>. RCKC is doing a construction project adding a north side lane along West Main. A design kickoff step was to conduct a safety audit. Major concerns communicated were the pedestrian crossing at Maple Hill on West Main; the timing of the signal; concern there's not enough time to cross and for vehicle left turns with so many using the access road; also offset driveways and intersections. The Police Chief stated many accidents occur at 10<sup>th</sup> and Lodge Lane intersection. There will be another onramp, from West Main at US 131. MDOT plans to put an additional lane on the south side and boulevard in the center. Confirmed there would still be two lanes in each direction but no Michigan left. The raised intersection will help control traffic turns.
- b. Nonmotorized and Parks Asset Management Plan was awarded to Prein & Newhof, a partially ARPA-funded project, and should have a new Parks Director hired soon, to work with this project.
- c. 2023 Capital Projects:
  - i. Big Rock Update: scheduled pre-construction meeting and will start work in June.
  - ii. Parkview Avenue: project is underway. The sanitary sewer is complete, and the next step is to install stormwater sewer, work on concrete and gutter, and alignment of roundabouts. This work is to be completed in August. Oshtemo installed sewer and working on plans for nonmotorized path, so will not be completed with road project but goal is to have grading and prep work completed.
  - iii. KL Avenue Path: phase 1 from Drake to US 131; have been through MDOT review meeting and just waiting on easements, which are three properties owned by the same company. Our final negotiations meeting is Thursday. Still plan to have constructed this year. For the 131-bridge replacement project, MDOT goal is to bid in May and start late this year. KL Ave will be closed completely during that time. This would delay starting phase 2 if this project is not done on time.

5. Member Comments and Information Items:

Director Horner doesn't foresee having a May CIC meeting. Ryan Minkus notified members that RCKC has started local road projects including KL Avenue as well as various chip seal projects. Anna asked about the status of ice storm damage cleanup. Ryan received confirmation this morning the ice storm damage cleanup is complete. There have been other storms since, however, where cleanup is taking place.

Adjournment: approximately 1:31 p.m.