
Village of Hesperia, Michigan
Special Council Meeting
September 26, 2023
5:30 PM

Call to Order: President Mike Farber called this Special Council Meeting to order at 5:30 PM in the Village Hall. Pledge of Allegiance was recited. Roll Call was taken and a quorum was present.

Roll Call: Members Present: Don Bostrom, Stephanie Halverson, Dan Herin, Joyce McDonald, Jackie Slocum, Jim Smith, Mike Farber

Also present: Clerk Burrell, Jon Moxey, Ben Kladder, Jim Brode from Fleis & VandenBrink and Andy Campbell and Brittany Brower from Baker Tilly.

Brief Public Comment on Agenda Items only:

President Farber introduced the Fleis & VandenBrink team and turned the meeting over to them. Jon Moxey stated that they were excited to talk about receiving the \$20 million grant from the Michigan State Revolving Fund. Ben Kladder gave an overview of the grant. The Village of Hesperia scored 90 points out of 100 on their application and would receive 84% of the \$23.7 million that was applied for. The Village of Hesperia qualifies for a \$3.7 million dollar loan at a 1% interest rate which could be spread out over 20, 30 or 40 years. He stated that it was pretty amazing that the village scored so high and it was good timing because there was a lot of different agencies adding money into the state fund including, ARPA, EPA and the State of Michigan. McDonald asked if the village had to use the ARPA funds received and it was explained that these ARPA funds were in addition to the ones that the village had already received. Slocum asked what were the chances of the village getting this loan. Ben Kladder explained that it was very high. He said that it might shift slightly but the final version would be released very soon. Farber stated that it is pretty much guaranteed that we would get the grant.

Jim Brode for the Wellhead Protection team talked about the placement of the new well and would work with the village to identify a place for it. A few different properties were discussed by council as possibilities. A meeting regarding the site was suggested to discuss the options.

Andy Campbell from Baker Tilley, a financial advisory firm, discussed options regarding the loan for \$3.7 million. He explained that the State of Michigan requires that the village have three teams in place in order to move forward with this project. They consist of an engineering firm, a financial advisor team and a legal bond firm. The three teams will keep the tasks on track and get the project completed. Campbell explained that the village would have an account set up and as the projects progressed, funds would be withdrawn to pay down the incoming invoices. He presented three different plans including a 20 year loan, a 30 year loan and a 40 year loan. The interest would be set at 1%. He stated that this is a one and only opportunity for this type of grant. He encouraged the village to seize the moment and move forward with the grant process. He said that EGLE would like to know a firm answer by the end of October for the village to move forward or to decline the offer. He stated that a rate study would be completed and that the customer’s monthly water invoice could be raised up to \$25.00 per cycle. A discussion was had with the council members stating that they would not like to see any increase in the residents water rates but this is too good of an opportunity to pass on. The last rate increase was in 2011 and the water rate study is past due. President Farber discussed options on how to reduce that amount, including paying money toward the loan in advance. One of the options from Andy was to possibly pay off the USDA loan that the village has from 2011, thus saving the village money on not having to pay the 3.25% interest rate.

Clerk Burrell asked if all the subcontractors were included in the original quote or if there would be additional fees. Fleis & VandenBrink explained that the sub contractors fees were included in the original quote. Clerk Burrell asked if the loan would be reduced if 100% of the Lead and Copper lines did not have to be replaced. Fleis and VandenBrink replied that no points would be deducted and the loan would be reduced equally.

Jon Moxey suggested that a Town Hall meeting be held in celebration of being awarded the \$20 million grant dollars. The council agreed that this would be a great idea and will work on getting one set up. President Farber stated that he is very pleased that the village was awarded the grant but would like to have the residents thoughts on it.

Motion by McDonald **Seconded** by Herin **(motion CARRIED)**
Motion to move forward with the Drinking Water State Revolving Fund Grant in the amount of \$23.7 million dollars.
Yeas: Bostrom, Halverson, Herin, McDonald, Slocum, Smith, Farber
Nays:

Jon Moxey explained what the next steps would be including having the following items put on the agenda for the October meeting. They include proposals from Fleis & VandenBrink, Baker Tilly (Financial Advisory Team) and Dickinson Wright (Legal Bond Counsel).

Public Comments:
Miscellaneous:

Motion by Slocum **Seconded** by McDonald **(motion CARRIED)**
Motion to adjourn
ALL IN FAVOR
Meeting adjourned at 7:05 PM

Respectfully submitted,

Vicki R. Burrell
Hesperia Village Clerk

“Village of Hesperia is an equal opportunity provider and employer”