

## Keene Township Board Meeting – Minutes March 30, 2026

Call to Order: 6:00 PM

Attendees ~ Supervisor: Sandy Smiley

Trustees: Christine Hendrick, Holli Melton, William Pflugradt, Nate Wolff

### I. Agenda & Minutes

**Approval of Agenda** - Motion by Pflugradt, seconded by Wolff → **Motion carried 5-0**

**History, background, current status and facts were read with supporting documents provided.**

**II. Public Comment & Guests** - Approximately 13 members of the public were present. A public comment was made by Walt Stevens regarding the legal fees line item in the appropriations, requesting a more detailed breakdown, as it appears to be a large and growing expense.

It was mentioned that Chuck Prins stated in a public comment to the Saranac Fire Board that he wouldn't budget and that "this board" wastes money fighting everyone.

Board Comments - FY 24/25 15,000 was budgeted but actual spending was 7200.00 or less than half. Legal fees from the general fund were not used to "fight anyone" they were used in part for a Data Center Ordinance, Moratorium Language for new and existing land uses, and settling the civil rights case with a settlement of training (The Civil rights case was prior to this boards tenure) and reduction of the planning commission (which also saves money and improves efficiency.

A resident questioned why there are 2 legal funds. It was explained that we have a legal budget established for the assessment passed in November, which was needed to produce the legal documents, establish a fire district, publish 3 public notices, and prepare the language for the Special assessment. They are 2 separate accounts. It was noted that a special election would also have costs, and that was avoided. Much of the expenses were one-time. They will be much less in the future to renew the special assessment. A township cannot function without some legal expenses.

The legal fees for the Fire and EMS special assessment were necessary; this process cannot be done without legal guidance.

Board Comments - FY 23-24; The recalled treasurer cost the township 10,000 for a forensic audit to look for fraud, and an additional approximate 23,000 to an accounting firm to account for disbursements (another reason the General fund was reduced) Eliminating mowing saved about \$4,500 in the General fund as well.

There was intermittent discussion regarding

Concerns were raised about the township's declining revenue, rising costs, and poor road conditions, which are constrained by voter-rejected millage increases.

A comparative analysis of township finances reveals Keene Township's significant financial disadvantage compared to neighboring townships with more favorable service agreements.

## Key Discussion Points

- **Fire Contract (2012):**
  - Township responsible for annual service fees and a share of capital costs.
  - Costs historically paid from the General Fund.
- **Millage & Revenue:**
  - 0.5 mill (2021) insufficient—did not cover full fire, EMS, or capital costs.
  - Revenue below required costs
- **Financial Condition:**
  - Fund balance reduced ~ 48% in purchasing power since 2012.
  - Rising costs (equipment, inflation) and declining revenue sharing.
  - General Fund no longer sustainable for fire/EMS.
- **Audit History:**
  - Auditor warnings since 2012 that the contract was not financially sustainable.
  - Past deficits and reserve depletion are tied to fire expenses.
- **Rising Costs:**
  - Fire equipment and EMS costs are increasing significantly
- **Contract Discussions:**
  - The Township made attempt beginning in early 2025 to initiate discussions and negotiate an amended contract, including proposing alternative structures such as a flat-rate model to improve cost predictability.
  - **These efforts were unsuccessful. The Saranac Fire Board declined to engage in contract modifications and ultimately voted to retain the current agreement as written, leaving the Township with no ability to negotiate changes to cost structure or terms.**
- **Board Position:**
  - The Board reaffirmed its commitment to ensuring residents receive **high-quality, reliable fire and EMS services**, while also emphasizing the responsibility to secure a model that is **financially sustainable and affordable for taxpayers.**
- **Special Assessment / Fire Fund:**
  - New special assessment replaces expired millage.
  - Dedicated Fire Fund established for Fire/EMS only (Saranac Fire, Belding Fire, and EMS)
  - Annual adjustments based on projected costs.
- **Financial Planning:**
  - Proposal to use 5-year projections to pre-fund major expenditures.
  - Estimated annual fire/EMS cost: ~\$112,838 (~1.1352 mills).

## Key Decisions

- Proceed with the existing fire service agreement due to the lack of alternative or negotiable options.
- Implement fire/EMS special assessment as the primary funding mechanism.
- Use multi-year projections for budgeting and cost stabilization.
- Maintain a separate Fire Fund for transparency and restricted use.

A motion to adjourn by Wolff, seconded by Pflugradt → motion carried 5-0

**Meeting adjourned at 7:25 pm**



