VILLAGE OF SHELBY
REGULAR COUNCIL MEETING OF TUESDAY, AUGUST 25, 2026 at 6:00 P.M.
COUNCIL PROCEEDINGS

1. CALL TO ORDER:

The regular meeting of the Common Council of the Village of Shelby was called to order at 6:00 P.M. by President John Sutton.

2. ROLL CALL:

Answering the roll call: Mike Termer, Steve Crothers, John Sutton, Dan Zaverl, Crystal Heykoop, Samantha Gottschalk and Curt Trott.

Staff present: Village Administrator Phil Morse, Village Clerk/Treasurer Miraya Gissell Diaz, DPW Supervisor Jeremiah Helenhouse, and Police Chief Dean Roesler.

3. PLEDGE OF ALLEGIANCE: All stood for the pledge.

4. INVOCATION: Invocation was shared.

5. MINUTES:

a.) August 10, 2026

Crystal Heykoop moved to approve the minutes of the Regular Council Meeting of August 10, 2026 as presented.
Seconded by: Mike Termer

Voice Vote: All in favor.
Motion Carried.

6. ADDITIONS TO THE AGENDA: No Additions.

7. PRESIDENT'S REPORT:

President Sutton noted that summer is winding down and shared a reminder to watch for school buses and children crossing the road as they get ready to start school again.

8. ADMINISTRATOR'S REPORT:

VA Morse reported that work on the S. Michigan project is expected to begin in mid-September following a pre-construction meeting earlier in the day. He presented updated downtown development concepts, including renderings for "The Browne" on N. Michigan Avenue and "Shelby Commons" at the former Rankin Hardware site. The Browne is planned to include eight residential units and three commercial units, while Shelby Commons is proposed to include sixteen residential units.
VA Morse also shared an illustration of the estimated timeframe for each development to pay off the total construction cost based on projected rental rates. The projection did not factor in annual

maintenance, tax payments or property-maintenance expenses. The presentation further demonstrated the projected revenue the Village would receive toward the water and sewer funds based on each unit using two (2) units of water. He stated that the presentation illustrates why a typical developer would not invest in a community like Shelby, as the timeframe to recoup costs does not pencil out. He added that this is why requests for fee waivers help make such developments feasible.

9. DEPARTMENT HEADS' REPORTS:

DPW Supervisor reported that construction on S. Michigan should be starting soon. He noted that Ryerson has been moving through the project quickly and he believes they will get into a rhythm and begin to pick up pace. He further reported that the school lights are all set and should be ready for Monday.

Chief Roesler reported that Deputy Simon finished his Village duties as of Monday, August 24, and is back with the school.

10. CORRESPONDENCE: No Correspondence.

11. CITIZEN PARTICIPATION:

a.) Leo Padot, 80 N Michigan Ave., expressed concern about the status of the noon siren and the demolition of several downtown buildings. He stated that residents may not fully understand the scope of the proposed development and requested a public presentation to ensure transparency. He emphasized the importance of preserving historic structures and maintaining the character of the Village.

President Sutton thanked Mr. Padot for his input and noted that DPW Supervisor Helenhouse had earlier stated that the siren is currently malfunctioning, and that it was previously discussed that the siren may be relocated if the building is moved. He further stated that he believes the intent is to continue the siren. DPW Supervisor Helenhouse noted that, should demolition occur, the DPW crew will attempt to salvage historically significant items from the building, such as the "Shelby Fire Dept 1948" signage at the front of the building.

b.) Sharon Hallack, Oceana Echo Correspondent, stated that there have been a few articles about the building at the corner of N. Michigan and Fourth St. and the downtown development, but she also noted that this is the first she is hearing about it as well. She stated that although this is the first she is hearing about it, she believes it will open up a conversation and that the Echo will present it as discussed.

c.) Guadalupe Cain, 56 Grant St., stated that she would like to know what the development is on the issue at 172 S State St. regarding the trees in their yard.

President Sutton stated that, from what he understood, it is a civil matter. VA Morse further emphasized that any sort of boundary matter is between the two property owners and becomes a civil matter.

12. OLD BUSINESS: No Old Business.

13. NEW BUSINESS:

a.) Fee Waiver Policy

The Village Council previously requested that staff develop a formal fee-waiver policy for its consideration. The proposed policy would establish that the Village Council retains sole authority to waive any fee, charge, permit cost, or assessment imposed by the Village, including but not limited to water and sewer fees, zoning and planning fees, administrative charges, and other general operating fees. The purpose of the policy is to provide a consistent and transparent process for considering fee-waiver requests while ensuring that such decisions remain under the direct authority of the Village Council.

The policy also outlines its considerations and limitations.

During discussion, Councilman Zaverl expressed concern about past legal guidance regarding utility billing fee waivers. Councilwoman Heykoop stated that she believes it is a good idea to seek counsel regarding waiving fees for water and sewer billing; however, in this situation, fees are not being waived. She noted that the policy simply clarifies that the Village Council holds the authority to make such decisions. She further stated that the Village should ensure it is working within the law, as the policy changes who has the sole authority. Councilman Termer stated that, if such a situation were to arise, the Village Council would want to ensure it is acting legally and doing the correct thing.

Mike Termer moved to approve the Fee Waiver Policy for the Village of Shelby.
Seconded by: Crystal Heykoop

Roll Call Vote:
Ayes: Termer, Heykoop, Crothers, Gottschalk, Trott, and Sutton
Nays: Dan Zaverl
Motion Carried 6-1

b.) MDNR Tree Management Grant

The Village applied for and was awarded an MDNR Tree Management Grant to retain The Response Growth Collective, Inc., (TRGC) to assist with developing a long-term approach to managing Shelby's urban forest. Through this project, TRGC will provide the following services:

- Define forestry management needs and develop and execute a data collection strategy based on those specific needs.
- Collect tree data, including location, condition, and maintenance recommendations, using GIS technology on mobile devices.
- Use the collected information to prepare a long-term Urban Forestry Management Plan that outlines goals and budgets for the short, medium, and long term.
- Assist in creating a Tree Board or Commission to help implement the goals of the Urban Forestry Management Plan.

- Create a long-term tree planting plan and provide community outreach and education to Shelby residents.

The total grant award is $20,345. Of that amount, $18,745 will fund the tree management contract with TRGC, and $1,600 will cover Village of Shelby administrative costs.

Steve Crothers moved to approve acceptance of the MDNR Tree Management Grant and to authorize Village Administrator Phil Morse to sign all related grant documents.
Seconded by: Samantha Gottschalk

Voice Vote: All in favor
Motion Carried

c.) Shelby Acres Park Sewer Connection Request

The Shelby Development Corporation is currently developing a $1.5 million community park at Shelby Acres. To support this project, the Corporation is requesting permission to connect to the Village sanitary sewer main located along Aspen Hill Drive, adjacent to the park property. Under normal circumstances, connection to an existing sewer main is routinely authorized provided the applicant pays the required fees and submits the appropriate right-of-way application. The unique aspect of this request is that the park is located within the township rather than within Village limits. To the knowledge of Village staff, there are currently no township properties connected to the Village sanitary sewer system.

Village Administrator Morse recommends granting special approval for this connection at the same rate as the rest of the sewer customers. The sewer main is already located adjacent to the property, and the additional usage is expected to generate revenue for the sewer fund while having minimal impact on system capacity. Furthermore, approval would demonstrate the Village's support for a significant community investment that will provide recreational opportunities and benefits for Village residents.

During discussion, Councilman Zaverl questioned why the request was submitted after construction had begun. VA Morse stated that he had assumed they were going to be installing a septic system, and he further stated that he did not feel it was his responsibility to ensure that they sought the right-of-way permit, as he believed a septic system would be installed for the park. He added that he wished he had been made aware ahead of time so that he could have been more proactive. Councilman Termer asked if a septic system was an option for them. VA Morse stated that it could be, but it is very expensive.

Crystal Heykoop moved to approve the sewer connection request for Shelby Acres Park. Be it further resolved to bill the Sewer Ready-to-Serve and the Sewer Usage fee at the current rate for Village residents.
Seconded by: Mike Termer

Roll Call Vote:
Ayes: Heykoop, Termer, Crothers, Gottschalk, Trott, and Sutton
Nays: Dan Zaverl

Motion Carried 6-1

d.) Shelby Acres Park – Water and Sewer Tap Interpretation

The Shelby Acres Planned Unit Development (PUD) Agreement includes the following provision in Section 5(b): "The Shelby Village Council commits to adopting a resolution waiving all Right-of-Way Permit fees for Phase 1 of the Development and each subsequent phase if the development is constructed by a non-profit developer."

The developer of Shelby Acres and the connected Shelby Acres Park has expressed the understanding that utility tap fees associated with the park should also be waived because the park is part of the broader Shelby Acres Development and aligns with the Village's commitment to support the development. VA Morse is seeking guidance from the Village Council regarding the intended application of this provision in relation to a newly installed 2-inch water tap and a pending 4-inch sewer tap serving Shelby Acres Park. Specifically, Council is asked to clarify the Village's commitment to support the Shelby Acres Development – that it should be interpreted as extending to the waiver of utility tap fees for project components developed as part of the overall Shelby Acres initiative.

Additionally, staff have been unable to locate a resolution formally adopting the fee waiver contemplated by Section 5(b) of the PUD Agreement. Council may therefore wish to consider whether the absence of such a resolution affects the interpretation of the Village's original intent regarding fee waivers associated with the development. The Considerations are as follows:

- The Village Council's decision to waive fees for the Shelby Acres Development was intended as a means of in-kind contribution to the project.
- Shelby Acres Park was planned and developed after the original PUD approval.
- Shelby Acres Park is open for all Village residents to use.
- The park property is currently located within Shelby Township and outside the Village limits.
- The developer has expressed a desire to annex the park property into the Village.
- Staff have been unable to locate a Village Council resolution formally implementing the fee waiver referenced in Section 5(b) of the PUD Agreement.

Current Water Tap Fees:

- Up to 1-inch: $300.00
- 1.5-inch: $5,056.00
- 2-inch: $8,146.00
- 3-inch: $30,899.00
- 4-inch: $39,326.00

Current Sewer Tap Fees:

- 4-inch and below: $300.00
- 6-inch: $2,713.00

Councilman Crothers stated that he would think yes, that it would be part of the overall Shelby Acres

Development. Councilman Zaverl stated that the waiver applied only to the housing, and that as more additions are made, more waivers will be requested. He further shared concerns regarding waiving fees, as any other landowner is required to pay.

Alex Katt, 327 Walnut St., stated that he would like to point out that, as previously noted, the park is located in the Township and not within the Village limits. He stated that he would assume – although he is unsure what the past practice was – that the development would be added to the sewer and water systems. He shared, as a Village resident, that his water bill is over one hundred dollars and noted that tapping off the new park and waiving the tap fees would equate to roughly eighty houses' water bills for the season.

Mr. Katt asked the Village Council, when looking at all the new parks, whether they felt the majority of Village residents would utilize the Shelby Acres Park or whether they might be hesitant because it is part of an HOA and does not exactly feel like the Village. He also asked whether Village residents and children would cross Oceana Drive to use that park or whether they would continue using the local parks. He shared that what would benefit the community more is building up the Water and Sewer Fund, and stated that he believes applying the fees would help accomplish that.

Councilwoman Heykoop asked whether a park was always planned as part of the initial build, and VA Morse stated that the initial drawing did not include a park. Councilwoman Heykoop stated that, whether the Council decides to waive the fees or not, she believes the PUD originally approved by the Council reflected what the Council was told would initially be built there, and that the park and additions are new elements not covered under the original agreement. She stated that if the park is brand new and separate, then it is a completely new and separate situation; and that if the project originally brought to the Council had included the park, then the waiver would apply. She stated that she does not believe the waiver under the previous agreement applies, as the park was not included in the original agreement.

Councilman Termer added that each extension or expansion the developer wished to pursue was to come to the Board for consideration and review, and he agreed with Councilwoman Heykoop that these are two separate situations. After discussion, the consensus was that the situations are separate, as the park was not previously considered.

Councilwoman Heykoop stated that she does not support waiving the tap fees, as the Village cannot waive fees for every business that comes into the Village. Councilman Termer added that, after raising the water and sewer rates, it does not make sense to waive the fees. He further noted that he might consider it if it were a different issue than water and sewer, which had just increased and affected everyone in the Village. He stated that utility billing is a sensitive topic for residents, and that being mindful of how bills impact people is important. He acknowledged that waiving the fees might be beneficial for the developer and could be long-term beneficial for the Village; however, given that the rate increase is new and residents are still adjusting to higher bills, he believes it would leave more of a negative impression on the Village to approve the waiver at this time.

Steve Crothers moved to approve to waive the Village's 2-inch water tap fee and 4-inch sewer tap fee for Shelby Acres Park, finding that the park is part of the overall Shelby Acres Development and that the fee waiver is consistent with the Village Council's intent to support the project.
Seconded by: Samantha Gottschalk

Roll Call Vote:
Ayes: Crothers, Gottschalk, Trott, and Sutton
Nays: Mike Termer, Dan Zaverl, and Crystal Heykoop
Motion Carried 4-3

14. COMMITTEE REPORTS:

a. **PLANNING COMMISSION: Ex-Officio: John Sutton, Samantha Gottschalk:**

The Planning Commission met Tuesday, August 18, to discuss the final draft of the Zoning Ordinance rewrite, and a public hearing is scheduled for the next Planning Commission meeting on September 15, 2026, at 6:00 P.M.

b. **WATER & SANITATION: Chair: Curt Trott, Crystal Heykoop:**

Water and Sanitation Committee Chair Curt Trott reported that the S. Michigan project will be starting soon and noted that this is good news, as residents have been waiting for some time to receive improvements.

c. **STREETS AND SIDEWALKS: Chair: Dan Zaverl, Curt Trott:**

Nothing to report.

d. **PARKS, REC. & BLDGS: Chair: Samantha Gottschalk, Steve Crothers:**

Nothing to report.

e. **FINANCE and INSURANCE: Chair: Steve Crothers, Mike Termer:**

Nothing to report.

f. **PERSONNEL: Chair: Mike Termer, Samantha Gottschalk:**

Nothing to report.

g. **ORDINANCES – Chair Crystal Heykoop, Dan Zaverl:**

The Ordinance Committee Chair Crystal Heykoop reported that the Committee met at 5:00 P.M. prior to the Council meeting. The Committee had previously presented a collection-and-disposal ordinance that failed due to multiple concerns, including requirements for removing waste cans from the roadway. VA Morse, the Village attorney, and Chief Roesler prepared a revised draft that removed some sections and updated various definitions.

Regarding lawn-care equipment roadway use, legal review confirmed that Michigan State Law restricts what may operate on public roads, and the Village cannot legally adopt an ordinance

permitting lawnmowers for roadway use. Ordinance Committee Chair Crystal Heykoop read a portion of the letter provided by the Village attorney, which stated:

"MCL 257.62 defines 'special mobile equipment' as 'every vehicle not designed or used primarily for transportation of persons or property and incidentally operated or moved over the highways.' The statute lists examples such as road construction machinery, ditch-digging apparatus, and well-boring equipment. A lawnmower used to travel routinely between customer properties fails both prongs of this test as there is a significant distinction between occasionally crossing or traveling a short distance on a road to get to the next work site and making substantial roadway travel a routine part of the business."

Based on this guidance, the Ordinance Committee concluded that permitting roadway use would conflict with state law and increase Village liability. While limited, short-distance travel may be interpreted with discretion, the Village cannot authorize regular roadway use for lawn-care equipment.

15. PAYMENT OF BILLS:

a.) August 25, 2026

Steve Crothers moved to approve the payment of the bills of August 25, 2026 in the amount of $133,937.07.
Seconded by: Curt Trott

Roll Call Vote:
Ayes: Crothers, Trott, Termer, Zaverl, Heykoop, Gottschalk, and Sutton.
Motion Carried 7-0

16. ADJOURNMENT: President Sutton adjourned the meeting at 7:18 P.M.

Council minutes are not official until approved at the September 14, 2026 Council meeting.

Approved ☑

Minutes Respectfully Submitted by Miraya Gissell Diaz, Village Clerk/Treasurer

09/14/2026
Date