



**ACME TOWNSHIP REGULAR BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
6:30 p.m., February 7, 2006**

Meeting called to Order with the Pledge of Allegiance at 6:30 p.m.

Members present: B. Boltres, D. Dunville, W. Kladder, B. Kurtz, P. Scott, E. Takayama, F. Zarafonitis

Members excused: None

Staff present: S. Corpe, Township Manager/Recording Secretary
T. Henkel, Parks & Maintenance Supervisor

INQUIRY AS TO CONFLICTS OF INTEREST: None noted

Motion by Kladder, support by Scott to enter closed session to discuss status of mediation between representatives of the township, Concerned Citizens of Acme Township (CCAT), The Village at Grand Traverse, LLC and Meijer, Inc., and receive additional direction which, if discussed in open session could have a detrimental impact on the township's financial interest. Motion carried by unanimous roll call vote.

Open meeting recessed at 6:34 p.m.

Motion by Kladder, support by Scott to reconvene the open meeting at 7:13 p.m. Motion carried by unanimous roll call vote.

A. CONSENT CALENDAR: Motion by Kladder, support by Takayama to approve the Consent Calendar as amended to remove the accounts payable and the minutes of the 01/10/06 Board meeting for further discussion, including:

RECEIVE AND FILE:

1. Treasurer's Report as of 12/31/05
2. Clerk's Report 01/27/06
3. Draft unapproved minutes 01/30/06 Planning Commission meeting
4. Draft unapproved minutes New Urbanism Advisory Committee 01/06/06, 01/11/06, 01/23/06, 01/30/06, 01/31/06

ACTION:

6. ~~Approval of Board meeting minutes from 01/10/06 meeting~~
7. ~~Accounts Payable in the amount of \$173,222.51 through 01/27/06~~

Motion carried by unanimous roll call vote.

B. LIMITED PUBLIC COMMENT:

Chuck Walter, 6584 Bates Road, asked when the last time the Treasurer's and Clerk's books were reconciled was. Boltres stated that he reconciles his books with the bank statements monthly. Doris Boltres stated that the two offices are nearly finished reconciling to the end of 2005. Boltres stated that the books had not been reconciled for years and were so off-balance that the auditors had to create a cut-off point from which to start afresh. Mr. Walter stated that it might be nice to see the fund balance printed on each Board agenda; Boltres noted that this information is contained in the Treasurer's report, which is linked to the agenda on the website.

C. CORRESPONDENCE:

D. SPECIAL PRESENTATION

1. **Kelly Ignace, Manager, Resource Recovery:** Ms. Ignace provided a newsprint piece created by the County in the fall which provides some background information. She started by asking if anybody on the Board has ever been paid for their trash or recyclables, or if they have ever paid for space at the landfill. The questions were designed to illustrate the fact that people pay for these things in ways that perhaps they don't realize; for instance, paying for trash pickup is essentially paying for space to deposit the trash in the landfill.

The County has a Solid Waste plan; each County is mandated to have one by the State. Part of that plan must be to divert some waste from landfills. The state and County goals for diversion (recycling) are 25%, the achieved rates are 19% and 18% respectively. There is a section of the plan that should contain goals and objectives for recycling, but the current County plan is lacking one after a previous initiative was voted down. In the previous attempt there was little public opinion representation; the new effort seeks to include extensive public input which in turn generates public support. Public meetings have been held to generate several key ideas, and now this information is being provided to all townships to try to narrow them down to a solution. Ms. Ignace is not seeking to force any particular outcome, but to understand and implement what the public wants.

In many areas of the County, curbside recycling is available. There are also several recyclables drop-off sites scattered about. While it may seem this service is free because materials can be left without payment, in fact the service is funded through charges that are part of each household or business' trash bill. The County has been identifying different options for how to pay for services, and these ideas were rated and ranked by participants at one of the public meetings. Several potential workable systems have been identified and are now being presented. There were three key meetings, and each generated different possible solutions. At one meeting at Twin Lakes Camp the idea of a waste authority, possibly extending beyond the County boundaries, was raised. Each unit of government would decide to join the authority or not; if they participated then the cost for their participation would be calculated. That government would then have to figure out how to meet the cost. Such authorities are organized under the same PA 233 that governs water and sewer service authorities, since these are all public health issues. Authorities created under this act do not have taxing authority, but must rely on their members to generate revenue. Each member unit would appoint a representative to an authority board. There are several successful authorities in the state, including the Mid-Michigan Waste Authority (32 member units, 72,000 households). They provide unlimited removal of 30 gallon trash bags, curbside recycling, a bundle of brush and 2 bulky items (such as a couch) per week, plus seasonal yard waste pickup. The highest household cost in the authority service area is just over \$10/month. In Grand Traverse County the average household pays about \$16/month for trash pickup and curbside recycling only. This fall they began receiving money for their recycling rather than having to pay for it.

At another meeting held at the Waterfront, participants wanted the County to manage recycling and to obtain contracts, but again they wanted local government units to generate the revenues to pay to the County for operations. The City of Holland operates this way. There is a special assessment with five different price/service tiers. The tiered approach can provide a fair outcome for seasonal residents. A 90-gallon container (here most people have 96-gallon containers), recycling and seasonal yard waste pickup costs a resident about \$14/month.

At the third meeting held in Paradise Township, participants liked the service and

funding system to be left unchanged. Based on the input from all three meetings, one option for township review is a hybrid system where areas of the County that would like a new model could have one, but areas that would like to maintain the status quo could do so.

Ms. Ignace needs to know what the Township would prefer for who will manage trash and recycling (it could be separate entities for each) and what funding mechanism will best serve our community. She would also like to know if there is any condition that would be a “deal breaker” for the township. In Garfield Township, a deal breaker for them would be if there is only curbside recycling and no drop-off service. 40% of their residents live in multi-family housing where trash pickup is included in rent, and they most often do not have access to curbside recycling. For the City of Traverse City, they will not support any solution that does not include local unit representation on the governing body. Also to be considered is whether there should be mandatory recycling or expanded curbside recycling and should there be bulky and/or yard waste pickup service.

Ms. Ignace has provided Kurtz with a sample resolution for the Board to consider filling in with its selected alternatives and adopting at the next meeting. The input will be compiled into a draft plan by the County and submitted to the DEQ for approval, and would come back to the local public for public hearings and final adoption.

At the end of 2006 the surcharge on trash haulers for use of the landfill will end. The County needs to find alternative funding sources. Also, this has been an unstable revenue source and since our revenues are higher when more trash reaches the landfill it provides a disincentive to recycling. County Commissioner Larry Inman noted that the surcharge has been raised from time to time to cover shortfalls. The County does not own and operate the landfill, so it is unable to monitor, measure and assess activity levels to determine if the revenue levels are what they should be; they have to accept the owner’s word on the matter. The County doesn’t know what some operating costs are until after the revenues are received, which resulted at one point in the County having to spend \$100,000 from their Fund Balance forward to cover revenue shortfalls. Is there a better way to create a more dependable, predictable operating revenue stream? Ms. Ignace also noted that one load of trash could contain items from 2 or 3 different counties where a route crosses borders. The hauler has to make their best guess as to how much waste to report as being generated in each location, which impacts the amount of revenue to each. Looking for new ways to divert waste will ultimately result in lower waste dumping expense.

Zarafonitis asked if the 18% recycling figure includes recycled construction waste; it does not. The state model for measuring municipal solid waste (MSW) is used, which only covers residential and commercial recycling but not very large scale commercial or industrial recycling.

Kladder asked to whom a new waste authority would be accountable. Ms. Ignace replied that it is accountable to its member local governmental authorities. It can be likened to a utility co-op. Kladder asked if this would mean an expensive new bureaucracy with a need for offices and staff; Ms. Ignace noted that this is one of several approaches that are still at a conceptual phase. Regional collaboration could eliminate duplication of effort and result in efficiencies that might offset additional layers or costs. Kladder asked if it could be less costly in overhead if solid waste was managed through the existing DPW management infrastructure; Ms. Ignace thought it would be hard to say at this point, but if done this way the DPW could only address Grand Traverse County and any opportunities to work with other counties for economies of scale would be lost.

Takayama asked if having an authority would eliminate existing differences in costs that currently exist depending on which hauler a person uses and whether or not they are in a curbside recycling district and layers in the current service provision chain. She stated that several different layers of current administration could be consolidated down into one.

Kladder asked how curbside recycling can be made more efficient. It is difficult to know which day to put out recycling and how to sort it and keep it dry in the rain. Ms. Ignace noted that right now there are 7 waste haulers operating in the County. Generally each one picks up trash for their customers on one day and recycling from them on another, generating up to 14 truck trips through neighborhoods each week. Clearly there is room for streamlining. Also, right now the haulers' primary focus is on trash; they generate much less interest in recycling outreach. Under a contract system no matter what sort of entity manages it, there can be one uniform message and program put out to everyone. Kladder observed that a more centralized contract system could put some current haulers out of business, and then when it was time to rebid the contract periodically there might be fewer potential competitors. Ms. Ignace felt that this might or might not be true. There could be more than one contract with various haulers based on routing based on the unique geography of the region. If one contracted hauler was not performing up to snuff, there would be competitive options for other haulers to take over the contract.

Ms. Ignace would like to present a draft to the DEQ in March, and would appreciate a resolution of support for whatever the chosen method would be to be made at the March Board meeting.

Paul Rundhaug noted that not all households use garbage pickup. Some compost and recycle as much as they can. He feared that he would be assessed for a service that he doesn't use. Ms. Ignace replied that an assessment system can be developed to address different levels of need. It's also required that there be periodic public review of assessments. There could be provision for a homeowner to file an affidavit that they don't use the system and be excused from the assessment. Mr. Rundhaug felt that the reason the previous initiative failed was the fear that the assessment would be levied on people who don't use the system. Zarafonitis pointed out that if Mr. Rundhaug is using recycling, he is, in fact using the system even though he isn't using it right at his house.

Margy Goss heard that there is a goal to divert 25% of trash from landfills and a mention of various ways to meet this goal. Are there other ways than those mentioned that are being tried to divert trash? Where does the other 75 – 80% of the waste not diverted go and what backup plans do we have for that? Ms. Ignace stated that this is one current problem for the County. A significant amount of recyclable construction waste is being taken to landfills right now. If there were facilities to take the materials, more could be diverted. This requires some up-front investment in facilities and/or programming, as well as public and hauler education. There has historically been an effort to promote residential recycling but not much to promote commercial recycling. Most of the waste is generated commercially, so similar percent reductions in residential and commercial waste in reality result in far different percentage impacts on the total waste picture.

E. NEW BUSINESS:

1. **Consider proposed Budget Amendment Resolution:** Kurtz referred to the information provided in the meeting packets. He stated that another budget review will be performed in April to assess year-to-date status and begin to prepare next year's budget. The current review was prepared by him, Boltres, Mrs. Boltres, Dunville and Corpe. He would estimate the current fund balance forward at around

\$800,000.

Zarafonitis asked about the proposed increase in allocations for the Deputy Treasurer, and what has changed between the previous and current administrations in terms of need in this regard. Boltres replied that he felt there should be parity between the allocations for the Deputy Clerk and Deputy Treasurer. He passed along a study he prepared regarding local Deputy Treasurer salaries. Mrs. Boltres has worked slightly over 1,700 hours per year; he is unsure how this compares to the amount of time put in by previous holders of the position. Kladder felt that the proposed allocation increase should be examined more closely, being uncomfortable with a substantial salary change request that is not accompanied by substantial documentation and support. He would like to defer that portion only of the proposed amendment to a later meeting. Boltres took exception to this, stating that he had just passed along the comparable salary study; Kladder stated he did not have an opportunity to study this information since it was not in his packet. Zarafonitis expressed an appreciation for Mrs. Boltres' efforts but doesn't see how things have changed. Boltres does not believe that they have, and said that she is working a full 40 hours per week and is not billing the township for all of that time. He noted that he is providing his office space and office equipment in his house. He would like his deputy to be compensated for 20 hours per week, the same as the Deputy Clerk. He noted that the amounts being paid to most of the Deputy Treasurers in the other townships is significantly higher. Kladder still felt it inappropriate to approve the request for salary increase as presented and needs further time to study and evaluate it, which he is willing to do.

Takayama expressed confusion. Boltres has stated that Mrs. Boltres is working 40 hours per week, and it has been stated that she earns \$14.50/hour. She was paid for hours worked up to the budgeted amount \$6,500 but has not been paid for hours worked beyond that point. It seemed confusing as to whether the position is being paid as hourly or salaried, and it was discussed that she works different amounts of hours at different points in the year. Some members felt more comfortable understanding that the request is not for an increase in hourly rate but for an increase in hours to be paid. Kladder still feels that putting a salary increase in the budget for the wife of the Treasurer without discussing it as a salary increase based on information provided in advance is inappropriate and would reflect poorly on the Board. Kurtz expressed agreement with this point of view. He knows Boltres feels very strongly about the issue, and believes there is a long history of tension over this issue. He does agree that Boltres is asking for far less compensation for his deputy than other townships our size or larger, but would appreciate having a separate discussion on this issue at the next meeting. Kladder and Scott both expressed appreciation for the good job Mrs. Boltres does and feel it's less a matter of merit than approaching the issue properly and with due discussion.

Motion by Kladder, support by Takayama to adopt the Budget Amendment Resolution as presented except for the proposed increase in the Deputy Treasurer line item. Motion carried by a vote of 6 in favor (Dunville, Kladder, Kurtz, Scott, Takayama, Zarafonitis) and 1 opposed (Boltres)

2. **Public Safety Advisory Committee recommendation re: Metro Fire**: Kurtz stated that the Metro Fire Board has been discussing options relative to how they operate, particularly the idea of operating pursuant to PA 57. The Public Safety Advisory has reviewed information relative to these discussions and passed a motion recommending that the Board allow him to continue to pursue organization under that act. Metro Fire Chief Pat Parker was present to update the Board, as he will also do in East Bay and Garfield Townships. With him is Deputy Chief/Fire Marshall Brad Schnaidt.

Chief Parker stated that before 1980 the entire county except Peninsula Township and Traverse City were part of a County Fire Department. Within this system an alliance was formed between East Bay, Garfield and Acme Township that resulted in an agreement forming Metro Fire and separating them from the County Fire Department (Now called Rural). The goal was to allow for excellent service at reduced cost in their growing communities. Each township is represented on the Metro Board by its Supervisor, and Metro is funded based on the SEV of each community. The Metro Board hires personnel, acquires land and equipment and generally assumes responsibility for all operations.

In 2002 Metro staff was directed to begin a future planning process for the department. The adopted plan includes the hiring of new staff and the creation of new stations to enable the department to meet national response time standards. The introduction of paid staff to supplement volunteer staff was made. Areas serviced by Metro have experienced an ISO rating improvement from Level 10 to Level 6, resulting in decreased insurance costs for property owners.

It has been discovered that the agreement forming Metro Fire in 1980 is no longer valid under current Michigan Law. Its creators were a little ahead of their time and the state of the enabling laws. This jeopardizes their liability insurance and ability to borrow or bond for funds to acquire land and equipment and build new stations. Metro must be reorganized to maintain its legal standing. Metro staff has prepared a proposal for this reorganization under PA 57 and recommends that the proposal be ratified by each member township. PA 57 allows an authority to levy its own taxes, but Metro is not recommending that they do so at this time.

A revised draft of a proposed new Metro agreement has been provided to the Board. In an earlier draft Board representation would have been based on member SEV, so Garfield would have had more representatives than each of the other two townships. The new draft proposes a board with two representatives from each township.

Scott asked if there is an opt-out clause whereby the township could exit Metro Fire at any time; there is such a clause in the draft but Chief Parker noted that the township would remain liable to make payments on debt incurred while they were members until that debt obligation is retired. Scott is concerned about the ability to levy taxes; Chief Parker stated that Metro could only levy a millage if it was approved by the voters. Right now they anticipate that the individual PA 33 funding in place in each township will continue to provide the funding. PA 33 provides for up to 10 mills to be levied; PA 57 allows for up to 20 mills. Chief Parker stated that the latter is because some downstate authorities address a variety of public safety needs including policing and ambulance. Any millage levy vote would occur in all 3 townships.

Zarafonitis asked if Metro Fire already has a strategic plan. There is one in place, but in the comparison of PA 33 and 57 provided they are contemplating the ability of Metro to hire staff, acquire property and equipment, get loans and issue bonds. Chief Parker sees the need for hired staff as critical. Acme Battalion 8 is down to a roster of 13 volunteers, not all of whom are as active as others. There is less of an overall spirit of community volunteerism, and training obligations are heavy and increasing. There were 2,289 calls for service department-wide last year. Calls in Acme Township have risen 25% in the past five years, to about 350 last year. Fire Prevention and Education efforts have reduced the number of fires to 73 last year, so many of the calls were for other emergency services.

Zarafonitis also noted a bullet point about the ability to enact fire prevention

ordinances. A PA 33 department must rely on its member governments to enact such ordinances, whereas a PA 57 department may enact its own.

Takayama recognizes that growth in the need for services brings increased expenses. He looked down the check-off list and feels the need for the reorganization proposed is evident. Chief Parker stated that the way the department is organized right now is more similar to a PA 57 organization than a PA 33 organization. If PA 33 is used there would be issues in how to title the ownership of assets, because the department couldn't own them so it would have to be ownership by the member townships. Takayama likened the situation to having Metro Fire incorporate.

Kladder asked about Article 8 in the proposed articles of incorporation, and asked why a fire service volunteer or employee could not be a Fire Board member. Chief Parker and Deputy Chief Schnaidt stated it would be a conflict of interest for a member of the fire department, a neighboring department or an allied service. They want Metro Fire to be driven by citizens and not just fire service members.

Kladder asked about board member compensation, noting that there is provision for reimbursement of personal expenditures on behalf of the department. Could this include a trip to Sweden to look at a fire department there? Chief Parker stated that there are internal controls and oversight methods, and that Plante & Moran are the current department auditors. Currently the board members receive no compensation.

Motion by Takayama, support by Zarafonitis to authorize Kurtz to explore the possibility of reconstituting Metro Fire subject to PA 57. Motion carried unanimously.

F. OLD BUSINESS:

- 1. Consider additional proposed Resolution for 2003 Sewer Bond Defeasance:**
Kurtz reported that this is one more necessary step to the defeasance of the sewer bond. Corpe explained that the resolution and one similar to it must be adopted by the township and the County to amend the original contract that created the bond. The amendment reduces the bond amount from the original \$2,245,376.78 to the \$988,929.28 actually spent. It also establishes an amended debt service schedule which shows that while originally scheduled payments for 2006 would have totaled \$537,262.50, the new amount for this year will be \$127, 389.50. Total payments to conclusion will be reduced from approximately \$10.3 million originally

Motion by Takayama, support by Scott to approve the Resolution for 2003 Sewer Bond Defeasance #R-2006-04. Motion carried by unanimous roll call vote.

- 2. Update from the New Urbanism Advisory:** Nels Veliquette stated that the advisory is very close to being prepared to make a recommendation to the Board for a New Urbanist Planner to hire to work with several landowners, the township and community to design a mutually acceptable town center. Three high quality firms were attracted to interview and have expressed significant interest in the project. Mr. Veliquette believes that a recommendation will be ready in about two weeks, and the advisory may request a special meeting of the Board for the purpose. Recent draft meeting minutes were provided. He is still encouraged by the possibility to create a project that will be a credit to everyone involved.
- 3. Approval of Accounts Payable:** Takayama asked about the stamp machine changeover charge. He sees several entries related to the postage machine. One was to have a chip replaced that associates package weight on the scale to the

appropriate postage amount, required due to the postage rate increase. The other charges were to download postage into the machine for use; much is required during tax season when receipts are being sent out. He also asked about the presence of streetlight bills for both Consumers Energy and Cherryland Electric. Corpe stated that different lights are in different service areas, and that an inventory of all streetlights has been prepared to facilitate service calls and there are no duplications. Finally, he noted that the heat bills for the township hall are soaring, and asked if any thought has been given to making an attempt to improve building energy efficiency. Corpe mentioned that thanks to Henkel we discovered that the township had inappropriately been paying sales taxes on fuel for township vehicles and equipment that will be eliminated going forward. Armed with this information all of our recurring bills have been examined and further opportunities to eliminate sales tax payments identified. Dunville was even able to obtain a refund of several hundred dollars from one of the energy companies.

Motion by Takayama, support by Zarafonitis to approve the Accounts Payable as presented. Motion carried by unanimous roll call vote.

4. **Approval of the Minutes of the January 10, 2006 Board meeting**; Dan Rosa, 4707 Hampshire Drive, asked for this item to be removed from the Consent Calendar for discussion. The minutes contain a discussion of the future land use map during which Kurtz indicated that 80-90 people attended meetings regarding it. A review of the records indicates between 25-70 attendees at various meetings averaging out at about 46. Kurtz concurred with this finding and appreciated Mr. Rosa's attention to this detail. Kladder noted that the minutes should not be amended because what was said was said and what happened must be reflected as it occurred, but this clarification has become a part of the record of the current meeting.

Motion by Kladder, support by Takayama to approve the minutes of the 01/10/06 Board meeting as presented. Motion carried by unanimous roll call vote.

G. REPORTS

1. **County Commissioner's Report** – Larry Inman
2. **Maintenance & Grounds** – Tom Henkel
3. **Zoning** – John Hull

H. PUBLIC COMMENT & OTHER BUSINESS THAT MAY COME BEFORE THE BOARD

Kurtz thanked Glen Lile, East Bay Township Supervisor, for attending this evening's meeting. He noted that Rob Manigold, Peninsula Township Supervisor, was also present earlier.

Ron Reinhold, 4446 Westridge, thanked Zarafonitis and Kladder for how they addressed the issue of the Deputy Treasurer's salary. He has reviewed the figures and noted the proposed more than doubling of the historic figure which raised a concern for him. He appreciated the noting that the perception of favoritism to an elected official's wife is a concern. He noted that there is a line item for an administration fee of 1% for \$88,000. He wondered what the actual cost is for billing and processing taxes and if this information can be provided.

Meeting adjourned at 9:15 p.m.