



**ACME TOWNSHIP REGULAR BOARD MEETING  
ACME TOWNSHIP HALL  
6042 Acme Road, Williamsburg MI 49690  
6:30 p.m., December 6, 2005**

**Meeting called to Order with the Pledge of Allegiance at 6:34 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  
C. Bzdok, Legal Counsel

**INQUIRY AS TO CONFLICTS OF INTEREST:** None noted

**Motion by Kladder, support by Takayama to enter closed session to discuss settlement strategies in the pending litigation in CCAT v. Acme Township v. the Village at Grand Traverse and Meijer, Inc. against the township 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 6:36 p.m.**

**Motion by Kladder, support by Scott to reconvene the open meeting at 7:22 p.m. Motion carried by unanimous roll call vote.**

**A. CONSENT CALENDAR:**

**Motion by Kladder, support by Zarafonitis to approve the Consent Calendar as presented, including:**

**RECEIVE AND FILE:**

1. **Treasurer's Report 10/31/05**
2. **Clerk's Report 11/30/05**
3. Draft unapproved minutes **11/28/05 Planning Commission meeting**
4. Draft unapproved minutes **New Urbanism Advisory Committee 10/28/05, 10/31/05, 11/04/05, 11/07/05, 11/11/05, 11/14/05**
5. Draft unapproved minutes **10/31/05 Farmland Preservation Advisory**
6. Interim Report on: Structural Failure **Grand Traverse County Septage Treatment Facility**

**ACTION:**

4. Approval of Board meeting minutes from **11/01/05 meeting**
5. **Accounts Payable** in the amount of \$123,403.81 through 11/30/05
6. Approval of **2006 Township Board Meeting Schedule**

**Motion carried by unanimous roll call vote.**

**B. LIMITED PUBLIC COMMENT:** None

**C. CORRESPONDENCE:**

1. Grand Traverse Conservation District re: **Fall Gypsy Egg** Mass Survey for 2005
2. **David Alexander**, 4081 Westridge Drive, Williamsburg

3. Email from **Denny Rohn** dated November 9, 2005
4. **Dan Rosa**, 4707 Hampshire Drive, Williamsburg, dated December 4, 2005

**D. NEW BUSINESS:**

1. **Revision of Retainer Agreement with Olson, Bzdok & Howard, legal counsel to the township:** Bzdok noted his letter dated November 18, 2005 proposing a \$5/hour increase in the hourly rate for legal services from his firm, or approximately 3%. The increase would not apply to the \$1,000 month retainer for general monthly legal services, which would remain unaffected at least through the end of the township's current fiscal year on June 30, 2006.

Kladder asked how the additional cost would fit in with the approved budget. Bzdok replied that it should have little effect, since most services are covered by the retainer, the litigation budget is limited and there is relatively little activity relative to the lawsuit at this time. Kurtz stated that by comparing notes with other townships he has been told that the rate being offered is extremely favorable. Staff has done a good job managing legal expenses, and the retainer has worked extremely well.

**Motion by Takayama, support by Zarafonitis to approve the proposed revision to the legal services agreement, firm file number 5385.00, as presented. Motion carried by unanimous roll call vote.**

2. **Presentation of Annual Audit Report by Plante Moran:** This is the first year Plante Moran has performed the township's annual audit. Sharon Vargo, Partner in charge of the audit, and Darlene Middleton who staffed the audit, attended to present the results.

Ms. Middleton stated that the township was given the highest possible rating. She drew attention to the graphs provided this evening in a supplemental report as being a good overview of the township's financial position. She characterized the township's financial position as "strong." Revenue decreased slightly, primarily due to decreased state revenue sharing dollars. "Other" revenue decreased most markedly because the year ended 2004 had some one-time payments from other governmental units that were not experienced in the year ending 2005. Property tax revenues continue to grow at a modest rate.

General Fund Expenditures in 2005 were approximately \$75,000 ahead of the previous year. Legislative expenses grew by approximately \$18,000, much of that due to the hiring of a DDA consultant. There was only one election in 2005 but two in 2004. Public safety costs remained fairly static, although approximately \$18,000 of expenses in 2005 were classified into the legislative category. Recreation costs nearly doubled, primarily due to changing over the Parks & Maintenance Manager from a salary to an hourly pay schedule and a large comp time payout.

There has been a Fund Balance decrease 2003-04 and 2004-05, but the township maintains well more than the recommended 4 months-worth of operating expenses in the fund so our general fiscal health remains good. Water and Sewer assets are approximately twice liabilities, which is also a good position. Revenues dropped by approximately \$50,000. Depreciation expenses were up due to costs for the township's share of regional treatment plant upgrades. Net water and sewer assets have dropped which should be monitored closely – debt service should not be allowed to diminish the fund. Rather, fees need to keep up with expenses.

The General Fund is only one portion of the township's financial picture. There are

also factors such as the township's share in Metro Fire, which must be considered per GASB 34 and segregated funds that the township holds such as the farmland preservation millage proceeds and some segregated funds for the Arnold Road Special Assessment.

Turning to the overall letter, there were no items of the most severe level to report. Some "reportable conditions" – areas where an error could occur but might not be caught quickly – were noted. The first was a lack of segregation of duties relative to cash receipts. More than one person should handle and record receipts. At present the receptionist handles most receipts, but controls could be strengthened by involving more individuals. Property Tax Cash Account receipts are currently only hand led by one individual – the treasurer. This procedure can be strengthened by involving the clerk in the process. The bank account reconciliation policy needs some strengthening as well. A budget must be established for the new Farmland Preservation Fund.

Also noted were the fact that the Deputy Clerk was paid more than was budgeted, and the salary line item for parks and maintenance increased by almost 50%. A formal written credit card policy would be beneficial and is legally required. The written investment policy needs to be updated to comply with GASB 40 and PA 196 of 1997. The employee vacation policy does not indicate whether the benefit year is a fiscal, calendar or employment anniversary year.

Kurtz and Boltres indicated that the suggested policy changes were discussed at a staff meeting yesterday and are already being implemented. Corpe noted that there is a formal written ACH/EFT policy and that she would provide a copy to Plante Moran.

Kurtz feels that things are generally going well from a fiscal point of view. He indicated that work on next year's budget will begin in April and the Board will continue to look for ways to run the township efficiently.

Kladder feels it would be beneficial to compile and maintain all policies in a central location. He asked if the tend to have sunset dates; Corpe replied that they do not. Ms. Vargo indicated that Plante Moran will help the township keep up-to-date on changes in the accounting rules and state law that would trigger review and update of the policies.

**Motion by Kladder, support by Zarafonitis to accept the audit report for the fiscal year ended June 30, 2005 as presented. Motion carried by unanimous roll call vote.**

3. **Consider Adoption of Social Security Number Privacy Policy**: Dunville reported that going forward, Social Security numbers must be removed from the computer system and maintained in a secure location. State law requires that a policy be adopted. The proposed policy conforms to suggested language from the Michigan Township Association.

Kladder expressed appreciation for the policy and hopes that a general privacy policy will be implemented that will include a requirement for secure passwords on the computer systems.

**Motion by Kladder, support by Scott to adopt the Acme Township Social Security Number Privacy Policy as presented.**

Zarafonitis asked what would constitute a "legitimate" need for access to employee

Social Security numbers. Corpe believes that as the township currently operates, the only need is for the Clerk's office to use those numbers to file employment tax documents.

**Motion carried by unanimous roll call vote.**

**E. OLD BUSINESS:**

1. **Update on boundary study – Kane Property/Sayler Park:** At the last meeting, Corpe discussed the Kane property immediately to the north of Sayler Park. It appears that the Kane house may extend into the park property. When the Kanes purchased the house they entered into a license agreement with the township stating that the house could be maintained and used as-is during their lifetimes, but that it could not be passed on as-is to their heirs. The Kanes have found this situation distressing and feel that the license agreement has been interpreted in varying ways over the years, and are seeing a way to correct the situation that would permit the house to exist and perhaps be expanded indefinitely. Corpe previously suggested pursuing a course of action whereby the township and the Kanes would trade some property in a way that would make the house completely on their property and conforming to setback requirements. The Board suggested pursuit of the idea of a revised license agreement that would permit the house to be used for a long enough period of time, such as 50 or 100 years, such that the natural end of its lifespan would be reached and the owners would want to demolish it and rebuilding in a conforming manner.

Corpe discussed this suggestion with the Kanes, but they have rejected it. They perceive problems with administration of the existing license agreement and feel a strong need for certainty and permanent closure regarding the issue. Corpe and Mrs. Karen Kane are proposing to the Board that three local surveying firms be contacted and asked for bids to resurvey the common lot line, as the survey stating that the house is partially within the park is subject to some question. One firm would be mutually selected, with the costs of the survey to be equally shared between the parties since both have an interest in clearing up the matter. The survey would be performed, and a plan of action created based on the results. The Board expressed consensus agreement that Corpe proceed to obtain the three bids and report back.

2. **Update from New Urbanism Advisory – Marc Krakow:** Dr. Krakow is one of the advisory Co-Chairs; he gave a brief update along with advisory member Nels Veliquette. The committee is meeting every Monday at 9:00 a.m. and Friday at 1:00 p.m., and all members are welcomed to attend. The advisory has posted a Request for Proposals on the township website to attract a New Urbanist planner to bid on a project to create a concept design for a downtown mixed use development encompassing five properties and approximately 450 acres. Response from planning firms has been moderate, and the advisory continues to actively pursue additional applicants. Proposals are due by Friday, December 16. Expenses to date are limited to \$500 for membership in the Congress for New Urbanism. The advisory expects to recommend a planner for the township to hire for the project on January 10. They have provided each Board member with a copy of a book about Smart Growth called "Choosing our Community's Future."

Kladder asked what examples of New Urbanist development exist in Michigan. Takayama believes that most of the examples would consist of urban redevelopment/infill rather than large new developments. Kladder asked if the County is involved in the project at all; Corpe reported that County Planning was invited to send a representative and has chosen to employ Lee Grant, already an *ex officio* member of the advisory, in that role.

**F. REPORTS**

1. **County Commissioner's Report** – Larry Inman: Kurtz noted that they key issue at the County level right now seems to surround the Septage Treatment Plant. He came to this meeting directly from a meeting about proposed revisions to the contract between the county and Gourdie-Fraser/Christman, the design-build firm. They are up to draft 10 of the proposed revisions; one key stumbling block has been whether or not the design-build firm would put up a bond to guarantee future performance and what entity would have the final say over the suitability of future repairs and reconstruction. Kurtz was displeased to find that discussions about the contract revisions have bypassed the Sewer and Water Committee, ostensibly going directly to the DPW board to expedite the process although the next committee meeting is only days away. It now appears the committee will have a chance to review the document prior to Board action.
2. **Maintenance & Grounds** – Tom Henkel: received and filed.
3. **Zoning** – John Hull: received and filed.

**G. PUBLIC COMMENT & OTHER BUSINESS THAT MAY COME BEFORE THE BOARD:**

Corpe reported that another session of the Future Land Use Map Steering Committee will be held on Wednesday, December 14 at 7:00 p.m. at Bertha Vos Elementary School. Our planning consultant has reviewed the maps created by the public at the last meeting and has combined them down into three maps which will be on display within a day at the township hall. At the next meeting these maps will be further condensed down into one map for public input at the January 10 Board meeting. The

Virginia Tegel, 4810 Bartlett Road, noted that it has been just over a year since the new Board took office. She congratulated them for their professional conduct, and thanked them for reading reams of materials to educate themselves and make thoughtful decisions. Mrs. Tegel appreciates the work that has gone into the farmland preservation map appended recently to the Master Plan. She thanked Henkel for the manner in which he cares for the parks, particularly the installation of a new paved walkway. She hopes that the Board will continue to encourage the preservation of rural character and water quality, conduct public input sessions and handled diverse input effectively, and encouraging development that is designed to maintain and enhance quality of life.

**Meeting adjourned at 8:28 p.m.**