



ACME TOWNSHIP REGULAR BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
6:00 p.m. July 11, 2006

Meeting called to Order with the Pledge of Allegiance at 6:00 p.m.

Members present: B. Boltres, D. Dunville, B. Kurtz, P. Scott, E. Takayama
Members excused: W. Kladder, F. Zarafonitis
Staff present: S. Corpe, Township Manager/Recording Secretary
C. Bzdok, Legal Counsel
N. Birdsall, Legal Counsel

Motion by Takayama, support by Dunville to enter closed session to discuss pending Meijer Inc. v. Acme Township litigation because discussion in open session could have a detrimental impact on the financial interests of the township. Motion carried by unanimous roll call vote.

Public meeting recessed at 6:01 p.m.

Motion by Takayama, support by Dunville to resume public session at 7:00 p.m. Motion carried by unanimous roll call vote.

A. CONSENT CALENDAR:

Motion by Takayama, support by Scott to approve the Consent Calendar as presented including:

RECEIVE AND FILE:

1. **Treasurer's Report** as of 05/31/06
2. **Clerk's Report** through 06/30/06
3. Draft unapproved minutes **06/26/06 Planning Commission**
4. Draft unapproved minutes **06/12/06 Shoreline Advisory Meeting**

ACTION:

5. Consider approval minutes from **06/06/06 regular** Township Board Meeting
6. Consider approval of **Accounts Payable** of \$152,973.29 (recommend approval: Dunville)
7. Consider approval of 2006-2007 **contract with Grand Traverse Regional Land Conservancy Farmland Preservation Specialist**
8. Consider Adoption of **Resolution #R-2006-13, Credit Card Policy**

Motion carried by unanimous roll call vote.

INQUIRY AS TO CONFLICTS OF INTEREST: None noted.

B. LIMITED PUBLIC COMMENT: None

C. CORRESPONDENCE:

1. **Letter from Foster, Swift, Collins & Smith, P.C. Attorneys at Law dated June 16, 2006**
2. **Notice of dismissal of Meijer Federal court case**
3. **Letter dated June 5, 2006, from Ken Crawford**
4. **Resignation Letter from Pat Collins**
5. Letter from Andy Andres, Jr. regarding **Personal Wireless Services Ordinance**: Mr. Andres read his letter for the audience's benefit.

D. SPECIAL PRESENTATIONS:

1. **Septage treatment plant update** – Michael Houlihan, DPW attorney and K. Ross Childs
 - a.) **Consider line of credit offered by Grand Traverse County to Acme, East Bay, Peninsula, Garfield and Elmwood Townships for \$500,000.00 to cover Septage Treatment Plant:** Repairs to the Septage treatment plant are approximately 90% complete and should be finalized by November. The plant was only inoperative for 11 days; at present it is active as a collection station where pre-treatment occurs before the waste is sent to the regional wastewater treatment plant for completion of the treatment process. The goal is for the plant to be economically self-sustaining through a charge of \$0.12/gallon for septic system waste and \$0.04/gallon for holding tank waste. A spreadsheet has been provided showing that flow volumes and revenues are below expectation. While they are covering daily operating expenses, they are insufficient to meet a \$400,000 bond payment coming up in November. The plant is accepting “special waste” from places such as the Williamsburg Receiving Station (WRS) and Bay Harbor, which is enhancing revenues. County Administrator Dennis Aloia is working on a longer-term fiscal solution.

In the meantime the County is offering a credit facility agreement (line of credit with the County) in the amount of \$500,000 at an interest rate equal to the quarterly interest rate earned by County deposits. This agreement has not received final approval from the County Board at this time, but is preliminarily seen as preferable to asking the five townships involved in the Septage treatment plant (Acme, East Bay, Elmwood, Garfield and Peninsula) to act on the guarantees they gave to back the bonds.

Mr. Houlihan stated that Elmwood Township accepted the credit facility agreement at a meeting last night and that Peninsula Township is considering it today.

Boltres asked if new cash flow projections have been prepared for the Septage treatment plant; they have not. Boltres strongly recommended that this be done, expressing concern for the potential devastating impact on the township’s finances.

Kurtz stated that earlier today he faxed various documents to Mr. Houlihan, including minutes from the September and October 2002 township Board meetings at which the funding of the proposed Septage treatment plant was discussed. He has also listened to the recordings of those meetings. He ascertained that Mr. Houlihan serves as the attorney to the Board of Public Works, and Mr. Childs indicated that the engineer for the project, Gourdie Fraser was contracted for by the participating townships and not directly by the DPW. Mr. Houlihan stated that the documents were faxed to him after his customary office departure time of 4:00 this afternoon so he has not had adequate time to review them. He would be pleased to entertain written questions for future discussion.

Takayama expressed concern that the proposed credit facility agreement is really just “delaying the inevitable” – a time when the townships will have to pay to cover shortfalls in plant usage versus original projections. Mr. Houlihan believes the township will be successful in attracting more special waste users over the next year to help make up the shortfall. Failing that, the County is considering the imposition of increased septic system and holding tank permitting and construction fees. They will also be looking for ways to alternatively finance part of all of the financial obligations. Takayama feels that in an odd way the County is fortunate that WRS needs to send special waste to the plant, or the fiscal

situation would be even bleaker than it already is.

Kurtz noted that the spreadsheet prepared by Chris Buday providing projections for the last six months of 2006 appears to simply double the flows and revenues experienced during the first half of the year, and doesn't represent any sophisticated attempt at more accurate projections. He also strongly believes that the five townships who made the financial guarantee should not be deciding whether or not all septic users in the entire County will experience increased permit and/or user fees, and that the financial responsibility for the repairs and flow shortfalls against projections should be placed elsewhere. Kurtz asked why five townships entered into this project for the whole county to begin with. Mr. Houlihan stated that the five townships initially entered into the project to serve their own needs. They invited the rest of the county to use the facility in the hopes of leveraging their investments according to his understanding.

Kurtz stated that during the past month, no special waste flows were received. Mr. Houlihan is confident that others are out there to be found. He also stated that the flows being received are "nowhere near" the flows projected. Kurtz voted to have the credit facility agreement passed from the County to the five townships for their consideration. He asked if County Commissioner Inman had any comment to make.

Inman stated that to his knowledge the Commission has not been approached at all about the proposed credit facility agreement. They know of it only through minutes and reading about it in the newspaper. He understands it to be a means to provide a short-term solution to the cash flow problem until more lasting solutions can be found for servicing the debt. The Commission has not had a thorough discussion of the situation, but knows through the County Administrator that the matter will be presented to them. He believes that the Commission's questions will be very similar to the ones the township Board has expressed today: how long will it take to be fully operational? Should new flow and revenue projections be performed? What arrangements can be made to obtain more favorable refinancing? Kurtz asked how the County might feel about assuming full responsibility for the financial situation and Inman was uncertain. Kurtz believes that if the County reviews the history of the situation and the representations made to the townships at the time the project was approved and guaranteed by them it would yield important information. Kurtz is seeking ways to make the situation work effectively for the long-term, despite what some may think, but he does not feel that the townships should truly bear the responsibility. Inman recalls that the five townships came to the County with the project and asked the County to bond it for them, and the County agreed to use its credit rating to assist based on a feel that diligent project review had occurred. The bond is the County's bond, even if there are township guarantees, so "the buck stops" with the County. Kurtz feels the townships were misled into giving their guarantees.

Kurtz voted at the Sewer & Water Committee of the DPW to forward the credit facility agreement proposal to the townships. He is uncertain who had the original idea. He asked that consideration also be given to retiring the \$147,000 owed to the City for service, but the County Administrator said that was not an option.

Bzdok asked about paragraph two of the resolution. He perceives that a letter of credit is being offered if the townships entering into the agreement not only offer their financial guarantee for the letter of credit but also re-confirm the guarantee offered for the original bond contract in 2003. Mr. Houlihan stated that he

inserted this language to match the guarantee in the 2003 bond documentation and essentially append the letter of credit to the existing 2003 agreement. Mr. Houlihan also stated that when time to make the bond payment comes, if there is a shortfall and a township has not entered into the proposed credit facility agreement, County Treasurer Bill Rokos will simply take the needed funds from the township's accounts. Bzdok stated that he needs more time to review the proposed agreement before he offers advice to the Board.

Mr. Childs stated that when the plant becomes fully operational again it will be able to accept grease trap waste. That represents a currently lost revenue stream that could be regained, generating 3 gallons of Septage per gallon of grease. He also stated that our Septage treatment plant is the best in the state and it will operate well in the future.

2. **Consider approval of Memorandum of Understanding regarding the Land Use and Transportation Study (LUTS):** Ken Kleinrichert was present in support of the proposed memorandum. As a result of the Federal highway study, MDOT and TC-TALUS coming together to find a way to match approximately \$3 million in federal funding locally for regional land use and transportation needs. LUTS would like to perform a study, and is asking each township to contribute \$1.00/year/resident towards the cost. The County has offered to front the funds to the township if they can't be found in the current fiscal year budget. He provided an audio presentation. LUTS hopes to have a consultant hired by the end of the year.

Mr. Kleinrichert noted that diverse points of view are represented on the committee, from "pavers" to "tree-huggers." He perceives Acme Township as a municipality that will be one of the most impacted, being both small and subject to significant development pressure.

Kurtz characterized the proposed memorandum as a key component to getting the study done. The City of Traverse City and Garfield Township have both made contributions to the cause. A noted speaker from Utah told the group that the opportunity to perform a significant study of this nature comes along perhaps once every 10 years. Kurtz recommends adoption of the memorandum of understanding and contribution of \$1.00/year/resident (based on the 2000 Census figures).

Scott asked if the proposed study would be duplicative of the work the township hopes to have RTKL complete for the township in terms of a town center, and what would happen if the two studies were contradictory in some way. Kurtz stated that since the Board approved the concept of working with RTKL, the County Planner and several other prominent regional land use planning officials have been introduced to the concept behind the project. Mr. Kleinrichert stated that when the LUTS study is conducted, those conducting it will approach each individual township for their specific input into the process. The study will cost up to \$2 million and require approximately 1 year to complete.

The LUTS group operates on a whole-group consensus basis. Every member, with their diverse points of view and goals but facing the same issues, must agree on each decision made.

Boltres favors the project, and hopes the study will include consideration of a bypass around Traverse City as first discussed approximately 20 years ago. Mr. Kleinrichert stated that a prominent consultant believes that the first question is not how to move cars, it's how to move people. Local and regional zoning has a significant effect on travel patterns, and for instance the promotion of a greater number of community centers that provide shopping and other needs can reduce the number of car trips through towns.

Motion by Boltres, support by Scott to adopt the proposed LUTS Memorandum of Understanding. Motion carried by unanimous roll call vote.

3. **Recognition of Retiring Planning Commissioners Diana Morgan & Owen Sherberneau Recognition of Retiring Zoning Board of Appeals member Pat Collins:** Certificates of Appreciation were prepared thanking all three individuals for their service.

E. **PUBLIC HEARINGS:** None

F. **OLD BUSINESS:**

1. **Consider proposed Job description and pay rate for part time Parks and Recreation employee:** Corpe summarized the contents of her memo as to how she and Henkel worked together on the proposed new job description. She pointed out that employment costs were studied for two possible initial hourly wage figures: \$12/hour and \$15/hour.

Motion by Boltres, support by Takayama to create the part-time Parks & Recreation Worker position as proposed at an initial pay rate of \$12.00/hour.

Corpe asked how the hiring process should be conducted. Originally it was discussed that she and Henkel will conduct the search and submit a recommended candidate to the Board for their confirmation.

Scott asked what Henkel had been advised regarding overtime, and if any would be paid to him in the future. As mentioned in the memo, Corpe replied that a relatively small amount of overtime will be inevitable due to the unpredictable nature of the emergency response portion of Henkel's job. However, by and large the 250 hours of overtime Henkel requested for the year will be replaced by over 600 hours of work from the part-timer.

Takayama asked a question about how the fire service and township maintenance portions of Henkel's job fit together. Corpe noted that Henkel is paid to be on-call for emergency services during the workweek, and to maintain the fire hall and rescue equipment. His position as Fire Chief is paid a separate \$1,000 annual stipend through Metro Fire. Henkel provided a report as to how his time is spent between fire-related and more general tasks which showed that approximately 30% of his time is spent on the fire-related tasks. This is why the new fiscal year's budget shows 30% of Henkel's salary coming from the fire fund and 70% from the general fund. All active firefighters also earn "points" for each emergency assistance run they make. At the end of the year, all points earned by all firefighters are totaled and divided into a budgeted Metro line item. Checks are issued with a small stipend depending on the number of points each individual earns.

Kurtz noted that the agreement under which Metro Fire operates is currently under review by Acme, East Bay and Garfield Townships.

Motion amendment proposed by Scott and accepted by Boltres and Takayama to allow Henkel and Corpe to submit a candidate for hire to Kurtz, Boltres and Dunville for their final hiring approval. Motion carried by unanimous roll call vote.

G. **NEW BUSINESS:**

1. **Planning Commission Appointments - expiring 3-year terms of Owen Sherberneau, Bob Carstens and Clare David:** Kurtz indicated that Sherberneau has chosen to retire from the Commission, but Carstens and David have indicated interest in new three-year term appointments. Kurtz is recommending Dr. Patricia Matusky Yamaguchi, who expressed interest in serving several months ago. Another highly qualified candidate was

also interviewed by he and Corpe, and two additional residents were asked to apply but declined. Kurtz read his memo supporting his appointment along with Dr. Yamaguchi's resume.

Motion by Dunville, support by Takayama to confirm Bob Carstens, Clare David and Patricia Matusky Yamaguchi to three year Planning Commission terms expiring on July 15, 2009. Motion carried by unanimous roll call vote.

2. Consider **moving retirement plan to Fidelity** from AG Edwards: deferred to the August agenda.

3. Consider **Supervisor's appointments to Advisories**

- a) **Owen Sherberneau as Co-Chair for Parks & Recreation Advisory:** While Sherberneau is retiring from the Planning Commission, he remains active on the Shoreline advisory and would like to add the role concerning Parks & Recreation.

Motion by Dunville, support by Takayama to appoint Sherberneau as Co-Chair for Parks & Recreation Advisory. Motion carried by unanimous vote.

- b) **Doug Dunnigan as Chair of Budgetary Advisory (replacing Bill Foster):** Mr. Foster has become busy in other facets of his life, and spends his winters in Florida now. The township has ended the fiscal year with a current-year surplus after several years of deficit spending, and there are big financial issues looming on the Department of Public Works level. Kurtz has appreciated the Board's support in continued close examination of the Septage treatment plant financial situation, and he would like the advisory's first focus to be on this issue.

Motion by Boltres, support by Takayama to appoint Doug Dunnigan as Co-Chair for Parks & Recreation Advisory. Motion carried by unanimous vote.

4. Consider Supervisor's proposal to employ **longer summer administrative office hours** for the public until Labor Day: Kurtz spoke to Corpe several weeks ago about the idea of extending office hours for the rest of the summer to help working people to be able to access the staff on their way to or from work. To provide the extended coverage between 8:00 a.m. and 6:00 p.m. Monday through Friday, Corpe and Hull would change their work schedules, each working 4 10-hour shifts per week and having one weekday off. Their schedules will be regular so people know when to expect to find them. Initially Corpe will be off on Mondays and Hull on Fridays. Scott expressed concern that people might choose to come to the office with questions on a day that they know someone they want to avoid is off; Corpe stated that they will work hard to balance immediate service with ensuring that the appropriate staffer is handling each question or request.

Motion by Scott, support by Dunville to employ longer summer hours as proposed until Labor Day, and evaluate the benefits of the program at that time. Motion carried by unanimous roll call vote.

5. **Shoreline Preservation Advisory update:** Paul Brink, advisory Co-Chair, provided the update. Co-Chair Pat Salathiel is currently on vacation. A written update has been provided. Brink appreciates the makeup of his committee. He reported on the May 19 full-day strategic planning session conducted by Kathleen Guy and her consulting partner, Bill Craft, which was attended not only by township officials but representatives from diverse regional and state municipal, charitable and business organizations. As a result the advisory has formed four subcommittees to focus on key tasks that will promote the goal of acquiring and preserving shoreline land for public spaces. Their next major undertaking is proposed to be the commissioning of a public survey to find out if

the community would be willing to support a millage request to enable the township to acquire available waterfront parcels of land from willing sellers. He also highlighted the fact that slightly over \$2,300 in contributions have been received from the public, and \$345 has been expended towards the strategic planning session. No taxpayer funds have been used to this point.

Kurtz expressed particular gratitude for Dr. Guy's involvement in the strategic planning session, feeling that the level of broad-based community attendance was largely due to her efforts and connections.

Brink still feels that acquiring waterfront properties may be a long shot, but that now is the time to see if it can be done.

Kurtz noted a proposed letter, drafted by the Grand Traverse Regional Land Conservancy, constituting a request to them for their services in performing a public survey at no cost to the township or public, and asked for the Board's approval to sign and submit the letter.

Motion by Scott, support by Takayama to sign and submit the letter asking the Conservancy to conduct the public survey. Motion carried by unanimous roll call vote.

H. REPORTS

1. **County Commissioner's Report** – Larry Inman
2. **Parks** – Tom Henkel
3. **Update on Holiday Road Repairs** – Sharon Corpe: Corpe provided a verbal report on a meeting held two weeks ago between representatives of Acme and East Bay Townships, the Friends of East Bay Township, the Road Commission and TART. By law the Road Commission can pay a maximum of 50% towards the cost of a much-needed reconstruction of Holiday Road. Boltres asked if the Road Commission committed to sharing in the cost of needed repairs; they have not. The next step would be for some preliminary design work for improvements to be done. This could take up to a year, and the Road Commission is asking East Bay and Acme Townships to guarantee that if the improvements were not ultimately made they would reimburse the Road Commission for the design work costs. Kurtz feels the situation is at a critical level, and the road is being negatively impacted by the construction trucks going up and down the hill to build new condominiums. It will take cooperation between both townships and the Road Commission to get the job done.
4. **Sheriff** – Deputy Bob Sillers

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

Paul Rundhaug, Bunker Hill Road, attended the meetings when the Septage treatment plant was proposed. He does not understand how Gourdie Fraser could conduct the study, draw the plans for the plant, and sell the project but have things turn out so poorly. They must be checked up on all the time.

Corpe made a statement regarding the summer tax bills. She has heard some interesting rumors about why they are running several hundred dollars higher than last summer for the average homeowner. The reason, confirmed by County Commissioner Inman in the audience, is that last year the County stopped receiving state sales tax revenue sharing payments from the state. This caused some cash flow difficulties, so the County began migrating from collecting its taxes in the

winter tax bills to the summer tax bills in 2005. Last year 1/3 of the county taxes were on the summer bills and 2/3 on the winter; this year 2/3 of the county taxes are on the summer bills and 1/3 will be in the winter, and next year the county taxes will be collected entirely in the summertime.

Meeting adjourned at 8:49 p.m.