



ACME TOWNSHIP SPECIAL BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
TUESDAY JUNE 26, 2007 7:00 p.m.

CALL TO ORDER WITH PLEDGE OF ALLEGIANCE AT 7:00 p.m.

Members present: B. Boltres, D. Dunville, B. Kurtz, E. Takayama (7:07 p.m.) F. Zarafonitis
Members excused: W. Kladder, P. Scott
Staff present: S. Corpe, Township Manager/Recording Secretary

INQUIRY AS TO CONFLICTS OF INTEREST: None noted

APPROVAL OF AGENDA: Motion by Dunville, support by Zarafonitis to approve the agenda as amended to add consideration of the County property tax remittance agreement to the Consent Calendar. Motion carried unanimously.

A. CONSENT CALENDAR:

Motion by Zarafonitis, support by Dunville to approve the Consent Calendar as amended to include consideration of the County property tax remittance agreement, including:

RECEIVE AND FILE:

1. Draft Unapproved Minutes of
 - a. 06/13/07 Shoreline Preservation Advisory meeting
 - b. 06/14/07 ZBA meeting minutes

ACTION:

2. Consider approval: 06/05/07 regular Township Board meeting minutes
3. Consider approval of Resolution #R-2007-07 supporting Music House application for grant from Grand Traverse Band of Ottawa & Chippewa Indians
4. Consider approval of Agreement with Grand Traverse County for Remittance of Property Taxes

Motion carried unanimously.

B. LIMITED PUBLIC COMMENT:

Margy Goss, 4105 Bay Valley Drive spoke regarding the resolution to amend the sewer ordinance. She believes if the ordinance is amended this evening the public will have no future right of referendum regarding future sewer ordinances save the option to recall their elected officials. She stated that there have not been the 100 sewer hookups needed per year to support the sewer system, and characterized this condition as being due to a no-growth stance. She asserted that a Meijer store would generate 125 new sewer hookups that would make a rate increase at the current time unnecessary. She asked that the Board not adopt the amendment.

Steve Smith, The Village at Grand Traverse (“VGT”) read a letter addressed to Supervisor Kurtz regarding lawsuit settlement discussions and associated confidentiality agreements. He stated that this letter was in response to comments in a recent township newsletter, the June 5 Board meeting minutes and a letter from RTKL tendering its resignation from a town center planning effort. He characterized recent comments as “misleading.” He stated that VGT has always been willing to meet to resolve disputed issues, and asserted that the township unilaterally violated confidentiality agreements in place. He asserted that the township has stated for some time an intention to hire RTKL to conduct a planning effort but that he believes this intent was never sincere. He stated that the township selection of RTKL as a planning firm never included his firm’s participation, but did include participation from leaders of Concerned Citizens for Acme Township (“CCAT”). Mr. Smith asserted that they only

moved to unilaterally hire RTKL once they felt it was proven that the township had no intent to do so. He stated that another potential developer of a different parcel of land was referred to RTKL, and that the township remains engaged in litigation. The township is seeking to raise sewer rates. Mr. Smith believes that if the township had bargained in good faith with VGT the project would be under construction and would have provided sewer hookups that would eliminate a need for a rate increase and create over 1,000 jobs. He reasserted an ongoing willingness to work cooperatively to resolve disputed issues and placed the blame for a failure of progress on Supervisor Kurtz, the Board, township Counsel Chris Bzdok and CCAT.

C. **CORRESPONDENCE:** None

D. **SPECIAL PRESENTATIONS:** None

E. **PUBLIC HEARINGS:**

1. **Public Hearing to consider resolutions adopting amendment to Acme Township Ordinance #75-2 (“Sewer Ordinance”) and adjusting monthly sewer usage rates effective October 1, 2007:** Corpe read the proposed Sewer Ordinance amendment into the record.

Public Hearing on proposed Sewer Ordinance Resolution opened at 7:18 p.m.

Ron Olson, CEO of the Grand Traverse Band of Ottawa & Chippewa Indians Economic Development Corporation (owner of the Grand Traverse Resort & Spa), stated an objection to the proposed 47% sewer usage rate increase.

Public Hearing closed at 7:19 p.m.

Zarafonitis is uncertain that provision F of the proposed resolution, that setting sewer charges by resolution rather than ordinance amendment, will serve public health, safety and general welfare of township residents as suggested in the text. Kurtz feels that it does, because the resolution will make it possible for rate changes to occur efficiently when needed.

Motion by Zarafonitis, support by Takayama to adopt Resolution #R- 2007-08 amending the Acme Township Sewer Use Ordinance #75-2 as amended. Motion carried by unanimous roll call vote.

Corpe read the proposed resolution adjusting monthly sewer usage rates effective October 1, 2007 into the record.

Public Hearing on sewer usage rate adjustment resolution opened at 7:26 p.m.

Margy Goss, 4105 Bay Valley Drive believes that it is not fair for only sewer system users to bear the increased costs. She does not believe the cost of treating sanitary waste has gone up, but that the township needs funds due to decisions impacting development made by the township Board of Trustees. She believes there is a more fair way to distribute costs.

Public Hearing closed at 7:27 p.m.

Kurtz stated he had considered waiting until a more complete Board was available to deliberate regarding the proposed rate increase. He feels that a rate increase is needed at this time for several reasons: it has been six years since a rate increase and in 2002 and 2003 new bonds were obligated that cost us about \$400,000/year. The housing market is soft as witnessed by the fact that over 100 new housing units have been approved in the township but are not yet under construction. In response to earlier public comment he stated that Meijer has been offered a special use permit but have not yet decided to build pursuant to it. He

hopes the disputes with VGT will come to closure soon, noting that the Court of Appeals is due to render a decision soon that has been awaited for two years. Acme will continue to grow. Perhaps the Board should have considered smaller incremental increases over the past several years rather than waiting so long.

Zarafonitis agreed that the rates should have been visited sooner. A 47% increase is difficult for him as a business owner with multiple benefits in use to endure. Something must be done to avoid a shortfall in the sewer fund, although he would like to see a smaller increase than \$28 at this time, perhaps to be revisited in six months.

Takayama believes an increase is long overdue and that the matter should have been re-evaluated every year. Focus over the first several years has been on balancing the General Fund Budget. Every service that affects household life has increased in price. He just had his septic tank pumped this spring at twice the cost he experienced three years ago. The cost of waste handling and treatment has increased and the expense must be distributed. Septic tank users are hit with increased pumping costs. The costs for permitting and installing a new septic field have recently doubled. This is a big chunk to hit people with all at once after six years with no increase and this saddens him. Many government agencies that provide support to us are reducing their level of support and shunting costs to us; for example road repair costs.

Dunville, who was suffering from laryngitis, asked Corpe to say that she believes that the costs of operating the sewer system have been increasing. Corpe read from spreadsheets prepared for the past three years that Acme's share of the DPW budget as of May 2005 was \$345,890, as of March 2006 it was \$371,650 and as of May 2007 it is \$415,455. This is for the regional sanitary sewer system only and does not include additional expenses for the LochenHeath water and sanitary systems, the Orchard Shores sanitary system or the Hope Village water system.

**Motion by Takayama to adopt Resolution #R-2007-08 increasing sewer user fees.
Motion failed for lack of support.**

Dunville feels some action must be taken. Kurtz expects there will be additional discussion at the July 3 regular Board meeting.

2. Public Hearing to consider adoption of proposed General Appropriations Act (2007-08 Budget):

Public Hearing opened at 7:38 p.m.

Jay Zollinger, Williamston Court, asked to have the proposed 2007-08 General Fund expenditure budget compared to the current fiscal year expressed as a percentage increase or decrease. Corpe asked if he would like the proposed budget compared to the original budget for this year, the budget as amended in April, or the anticipated year-end status; Mr. Zollinger chose the latter. Compared to anticipated year-end total General Fund expenditures, which are coming in under original fiscal year budget, the increase would be 7.09%.

Mrs. Goss asked about funding for TCTV2. Past Board discussions indicated an intention to pull out of the TCTV2 agreement. She has really appreciated the opportunity to view meetings she can't attend personally on public access television, and regrets the decision to limit the public's ability to view its government in action. She asked if the amount not to be paid to TCTV2 should be returned to taxpayers. Also, regarding proposed budget amendments she believes they shouldn't be made by resolution but that the township should have to ask the taxpayers each time an adjustment is made. She is concerned by the increase

in legal expenses she characterizes as 50% from \$1,000 to \$1,500/month. She asked if this is an indication that we anticipate more legal action next year over this year? The amount has increased in the board and planning areas of the budget. She feels this is a way to hide legal costs but she does not believe we should be so adversarial and litigious, and the Board should more closely follow what the people ask of them.

Public Hearing closed at 7:45 p.m.

Kurtz observed that the General Fund budget was discussed in May and June and the Special Funds budgets were discussed in June. The General Fund budget as presented is proposed to be a balanced budget, with a very small surplus projected. In past years we have been able to deliver a larger surplus than budgeted.

Zarafonitis believes the budget as presented is good, and that a 7.09% increase in expenditures year over year is reasonable. He believes that Bzdok's request to increase his monthly retainer for non-litigation work is reasonable.

Motion by Dunville, support by Zarafonitis to adopt the Acme Township General Appropriations Act for Fiscal Year 2007-08, Resolution #R-2007-09 as presented. Motion carried by unanimous roll call vote.

F. NEW BUSINESS:

1. **Consider approval of Resolution – Fourth Amendment to 2006-07 Budget:** Kurtz observed that the current year budget must be amended before the end of the fiscal year to reasonably assure that final expenses through the end of the year do not exceed appropriations on a cost center basis. To be sure this requirement is met some leeway has been suggested in various cost centers.

Motion by Zarafonitis, support by Dunville to approve Resolution #R-2007-10, Fourth Amendment to 2006-07 Budget. Motion carried by unanimous roll call vote.

2. **Award contract for property appraisals for Farmland Preservation Program:** Kurtz reminded the Board that it appointed a committee of Farmland Protection Specialist Brian Bourdages, Trustee Kladder and Corpe to evaluate proposals for appraising land that has applied to the farmland purchase of development rights program and suggest a bid to be accepted. They are recommending Cedar Consulting, Tim Johnson being experienced locally in this type of appraisal. Zarafonitis asked about the appraisal process and Mr. Johnson's qualifications, to which Mr. Johnson responded.

Motion by Zarafonitis, support by Dunville to accept the bid from Cedar Consulting for farmland PDR program appraisals as submitted. Motion carried by unanimous roll call vote.

3. **Consider jointly hiring legal counsel with 10 other local townships to defend Cherryland Electric Tax Tribunal case (recommend approval – Dawn Plude):** Plude brought this to Kurtz's attention several weeks ago. There is a pending tax tribunal case between Cherryland Electric and 9 other local townships that has been looming since 1999. She recommends that we jointly contract for legal services through one provider with the other townships to minimize costs and maximize efficient and appropriate representation. The precise likely cost is unknown. Corpe checked with Bzdok to see whether this would fall under his monthly retainer, but he indicated that Tax Tribunal issues are a form of litigation and would be billed by him in addition to the retainer. It seems to her to make sense to pay 10% of cost of representation by sharing with the other townships rather than paying 100% to have the work duplicated. Plude is confident that the matter will be fairly brief and simple.

Motion by Dunville, support by Takayama to approve joint hiring of legal counsel with other affected townships regarding the Cherryland Electric Tax Tribunal case. Motion carried by unanimous roll call vote.

G. OLD BUSINESS: None

H. REPORTS: None

I. PUBLIC COMMENT & OTHER BUSINESS THAT MAY COME BEFORE THE BOARD:
None

Meeting adjourned at 7:59 p.m.