



**ACME TOWNSHIP REGULAR BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
6:30 p.m. August 7, 2007**

CALL TO ORDER WITH 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
J. Hull, Zoning Administrator
C. Bzdok, Legal Counsel

Motion by Kladder, support by Scott to enter closed session to discuss pending litigation in CCAT v. Acme Township v. The Village at Grand Traverse LLC and Meijer Inc. and Meijer Inc. v. Acme Township 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 6:32 p.m.

Motion by Dunville, support by Takayama to resume public session at 7:22 p.m. Motion carried by unanimous roll call vote.

INQUIRY AS TO CONFLICTS OF INTEREST: None noted.

APPROVAL OF AGENDA:

Motion by Takayama, support by Dunville to approve the agenda as presented. Motion carried unanimously.

A. CONSENT CALENDAR:

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

RECEIVE AND FILE:

1. **Treasurer's Report** as of 06/30/07
2. **Clerk's Report** as of 08/01/07
3. Draft Unapproved Minutes of
 - a. **7/25/07 Shoreline Advisory**
 - b. **7/30/07 Shoreline Advisory Communications Subcommittee**
 - c. **07/30/07 Planning Commission**

ACTION:

4. Consider approval **07/03/07 regular** Township Board meeting minutes
5. Consider approval **Accounts Payable** of \$188,986.32 through 08/01/07

Motion carried by unanimous roll call vote.

B. LIMITED PUBLIC COMMENT: None

C. CORRESPONDENCE:

1. **Letter to School Board members from Larry Inman**, County Commissioner Dated 7/17/2007: Received and filed.

D. SPECIAL PRESENTATIONS: None

E. PUBLIC HEARINGS:

1. **Proposed Zoning Ordinance Amendment #138, PUD and Development Options:** This matter was on the agenda for the July 3 meeting. The Planning Commission was considering whether to recommend an amendment to the proposed ordinance to the Board, so the matter was tabled. It has been republished as a new public hearing for this evening.

Hull summarized the proposed ordinance amendment, which has three key components: clustered housing provisions, conservation subdivision provisions and planned unit developments. Clustered housing allows dwelling units, particularly in a rural setting, to be clustered on half or less of a tract of land, allowing the remainder to be preserved as open space or for continued agricultural use. Conservation subdivisions again allow smaller lot sizes and creativity in neighborhood layout to preserve natural features in a traditional subdivision setting. PUDs would allow for variety in housing, mixed housing/commercial, or commercial development settings.

At the June Planning Commission meeting the concept of suggesting a change to the ordinance as the Board considered approval was raised at the last minute when Commissioners could not be properly prepared for the discussion. The matter was discussed again at the July meeting, and the Commission decided it supported the terms of the ordinance as originally presented to the Board without change.

Public Hearing opened and closed at 7:29 p.m., there being no public comment.

Kladder, the current Board representative to the Commission was not part of the Commission during development of the ordinance. He and Hull discussed the ordinance at length earlier today, and he would like some of the questions answered again on the record for public benefit.

How can residential development rights be transferred to and applied in a B-3 Shopping Center? The ordinance allows density transfers to B-3, Planned Shopping Center zoned properties. Hull has been working on some punctuation and grammatical edits to the ordinance which should clarify matters somewhat; copies were placed on the meeting table during the closed session. A mixed use PUD on a B-3 property would have to contain at least 40% residential development. A PUD user could purchase density from other areas to use in this scenario. Purchasing development rights is not necessary for a planned shopping center, which is a use by special use in the B-3 district in any case.

For open space developments, at least 50% of the land must be left in open space. Where does that figure come from? State law (Michigan Zoning Enabling Act) requires that townships offer a clustering option that permanently conserve at least 50% of the land in open space while concentrating the allowable density on the other 50%. More open space may be provided or required. The township does not have to offer a density bonus for clustering, but it may. The proposed ordinance provides a potential 20% density bonus for using the cluster housing option if the open land remains in active agriculture.

If property could yield 10 housing units based on zoning, but some of the property is in unbuildable wetlands so from a practical standpoint only 9 units could be developed, would clustering allow the whole 10 units to be developed? Yes. The 10 units could be clustered on half or less of the tract of land, rather than developing 9 spread out units. Wet soil conditions are specifically discussed in the proposed ordinance. This demonstrates a benefit to a developer for using the cluster ordinance. Kladder asked if there was conscious discussion at the Commission level; Hull does not recall deep discussion on the subject but it was a conscious creation of the planner who drafted the ordinance, John Iacoangeli.

Zarafonitis asked if these proposed ordinances would allow Schelde Enterprises to develop

the former Sandtrap as condominium housing. The TraVino property is zoned B-2 and could pursue this action through a mixed use PUD.

Motion by Kladder, support by Zarafonitis to adopt Zoning Ordinance Amendment #138.

Hull stated that the township has received a three-page report of cross-references in the ordinance that need to be cleaned up as part of the ordinance amendment. Hull still needs some legal information to complete the details, and to insert today's date.

Motion carried by unanimous roll call vote.

F. NEW BUSINESS:

1. **Distribution of Proposed Personnel Policy Manual for review and future deliberation:** Dunville has prepared the proposed personnel policy manual. She asked for feedback prior to the September 4 Board meeting. It will ultimately require Board action to adopt.

2. **Shoreline Preservation Advisory Requests**

a. **Proposed Budget Amendment Resolution #R-2007-16, Shoreline Preservation Fund:**

Motion by Zarafonitis, support by Dunville to adopt Budget Amendment Resolution #R-2007-16.

Kladder commended the slow but steady work the Shoreline Preservation Advisory is doing.

Motion carried by unanimous roll call vote.

b. **Consider contract for appraisal services – Shoreside Inn and Willow Beach Motel:**

Motion by Kladder, support by Zarafonitis to approve a contract with NMREC to perform two shoreline property appraisals in the amount of \$3,485.00. Motion carried by unanimous roll call vote.

G. OLD BUSINESS:

1. **Discuss township health insurance program:** During the budget discussions the Board asked that we look into options for managing health care costs. Corpe summarized some key points from her memo: that whether Blue Cross (BCBS) or Priority Health, various plan elements such as open or closed drug formulary, level of deductible, level of co-pay and level of office visit cost can be mixed and matched in nearly endless combinations to come up with different benefit and premium levels. Overall, the employees participating in the plan favor maintaining the highest possible level of coverage, meaning low out-of-pocket costs at time of service, and are generally willing to contribute a greater share of the premium cost than they currently are to maintain the coverage level if possible.

Kladder asked if we are part of a larger rate group. Mr. Wolter stated that we are; our group is the Michigan Municipal League. It doesn't affect our rates, but it does affect what set of services is available to us. We are geographically in "Area 7." Overall participant ages for this geographic area determine the rate offered to all users in this area.

Kladder had heard that the average rate increase for Blue Cross this year would be 10%; the township estimated it would take a 13% increase but has actually been handed a 16% increase. Kladder asked if the average rate increase was closer to 10%. Mr. Wolter replied

that BCBS is also overfunded. Its rates are set by the state, which directed that it should cut rates due to this condition. BCBS argued that it should be allowed to keep the money in consideration of the increasing cost of prescription drugs, and also to start moving to a “closed formulary.” The point of a closed formulary is to discourage creation of expensive new drugs for conditions where drugs are already available for treatment. This encourages patients to encourage their doctor to prescribe the older and less expensive medications.

Kladder stated that on Mr. Wolters’ spreadsheet the Community Blue 1 option the township currently uses is clearly the best of the three, but asked if it is the “Cadillac” or if a better one is out there. Mr. Wolter stated that there is no higher level of coverage available. BCBS has found that when businesses switch to plans with deductibles, plan usage decreases. Premiums began slipping, so BCBS asked the state to allow them to raise the rates for the top-notch plan.

Zarafonitis asked why the premium for a two-person plan is more than double the single rate. Mr. Wolter noted that it is 6% more than double, because the underwriters can statistically prove that married men visit the doctor more than single men because their wives make them go.

Takayama asked about the closed formulary, and why the rates would go up so much if it is saving them so much money. Mr. Wolter replied that the severe rate increase for the open formulary is an attempt to force people to shift to the closed formulary. If not many people switch they may be way over-funded next year and perhaps there will be premium decreases. He has seen groups where premium reductions have occurred.

BCBS has a process by which a person can seek approval to continue using a tier 3 drug. Priority Health will not cover the cost under any conditions.

Takayama asked why one might not go to a Priority Health plan if it is comparable to a BCBS plan but costs less. Mr. Wolter stated that one should always ask oneself what the cost will be elsewhere for a lower premium up front. All money collected for premiums is paid back out for claims. Lower premiums for apparently comparable plans mean you should ask where the savings to the company will be. Priority Health is more difficult to use for most people than BCBS.

Rachelle Babcock commented that she has Priority Health and has had no problems. There is a big list of local doctors available, and arrangements for other doctors can sometimes be made. Mr. Wolter stated that coverage on the west side of Michigan the coverage is very good in terms of doctors, and better than BCBS for some specialists. Out of area referrals cannot be made. Costs for an out-of-area specialist for an extreme condition might not be made.

Some discussion about various options and plan participant attitude towards risk followed. Takayama expressed concern about the drastic increases in healthcare costs that are leading to calls for national health care systems. Kladder believes that employees are the most important asset for the township, and with very minimal cost of living increases in salary providing high-quality health insurance is important. He suggested that the township already budgeted for a 13% increase in premiums this year, so the allocation of the premium between the township and staff should be adjusted to meet that 13% figure. This would seem to him a good compromise: keeping the current coverage level but increasing the employee contribution minimally.

Motion by Boltres, support by Kladder to amend the budget to cover the full premium increase for maintaining BCBSM Community Blue Option 1 coverage with Open Formulary, township paying 85% of the premium and employees paying 15% of the

premium for single coverage, plus employee paying full cost to cover additional family members.

Takayama expressed that is not trying to be mean to the employees; he simply believes that the governments in general are overfunded for employee benefits and that the township must “tighten its belt” across the board. Rubberstamping an increase in healthcare costs is not a good way to run government in his opinion.

Boltres stated that he has tried to do everything he can to decrease costs for the townships. He does not believe that the employees are paid large sums of money; some struggle to get by. This seems to him like a fairly small thing to do on their behalf.

Zarafonitis echoed Kladder’s comment. He does not believe an extra \$80/month total premium (the township paying 85%) is too much. The Board does also need to look at saving funds, and he wouldn’t mind going to an 80/20 premium cost-sharing arrangement.

Motion carried by a vote of 5 in favor (Boltres, Dunville, Kladder, Scott, Takayama), 1 opposed (Zarafonitis) and 1 abstaining (Kurtz).

H. REPORTS

1. **County Commissioner’s Report** – **Larry Inman:** received and filed
2. **Parks and Maintenance** – **Tom Henkel:** received and filed
3. **Sheriff’s Deputy** – **Mike Matteucci:** received and filed

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

Hull stated that Horse Sports by the Bay wrapped up its first season at its permanent home in Acme Township, generating an estimated \$8 million net dollars to the local economy. He also reported that several weeks ago Ordinance Amendment 139 took effect, creating some uses by right in the business districts approvable with just one site plan review meeting. The township is expecting its first such application for an Olympic-class table tennis training facility, and a second site plan review application for the September Planning Commission agenda. Takayama echoed Hull’s rave reviews for the horse sports facility.

Meeting adjourned at 8:51 p.m.