



ACME TOWNSHIP REGULAR BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
Tuesday, June 2, 2009 6:30 P.M.

MEETING CALLED TO ORDER AT ACME CEMETERY AT 6:40 P.M.

Members present: D. Dunville (7:00), R. Hardin (7:00), W. Kladder, P. Scott (7:20), E. Takayama, L. Wikle, F. Zarafonitis

Members excused: None

Staff present: S. Vreeland, Township Manager/Recording Secretary
C. Bzdok (7:00), Legal Counsel
T. Henkel, Parks & Maintenance Supervisor

- A. STUDY SESSION - Visit to Acme Cemetery, led by Parks & Maintenance Supervisor Tom Henkel:** Henkel led a tour of Acme Cemetery and pointed out improvements such as underground sprinklers and the fencing that is gradually being erected around the perimeter to minimize conflicts with the adjacent golf course. He pointed out the oldest marked grave in the cemetery, that of Thomas Hopper who was born July 7, 1787 and died February 11, 1877. Originally the township owned land to the south of the existing cemetery boundaries where condos exist today. Paul Nine initiated a land swap of this land for the northern portion of the cemetery, which has clay soils. Henkel is unaware if there have ever been any formal memorial services here for veterans, although he has seen a bugler stop by on key days on a circuit. It takes Henkel 3.5 hours to mow the cemetery, and another 2 to weed whip around the monuments.

Meeting recessed at 6:55 p.m.

Meeting called back to Order with the Pledge of Allegiance at 7:05 p.m.

- B. CLOSED SESSION: Discuss CCAT v. Acme Township v. VGT & Meijer, Inc.: moved to end of meeting.**

C. LIMITED PUBLIC COMMENT:

Jeff Stanley, 6632 Deepwater Point Road, read a prepared statement regarding the growing Acme Business Association. They are working on a joint advertising campaign centered on the concept "Discover Acme" and are working to promote the township in positive partnership with the Board to serve the community. He encouraged the Board to participate actively in the ABA meetings, despite any rumors to the contrary. The ABA seeks to promote and protect the business community as its primary goals. They regard the proposed Bates Crossings and Village at Grand Traverse (VGT) projects as very positive to the local economy and local employment. Mr. Stanley asked that the Board seek to understand the positive impact the projects could have for the township and the region, setting aside the confusion that diverse opinions can create. He believes the Board could be heroes to those struggling in the current economic environment. Having direct influence on the quality of citizens' life is a huge thing. The ABA supports protection of wetlands, green spaces, waterways, watersheds, natural resources and wildlife corridors. Studies have shown that people want controlled growth that protects our agricultural production areas. Slow or no growth will take a toll in the sinking economy. He does not believe that we can allow opportunities we could have to go to other communities, or any more businesses to close or buildings to remain empty. Many members of the ABA had a dream of owning their own business. Some are second or third-generation business owners who want to leave a legacy to their children. The future can be bright and healing can begin in a community that is a great place to live and work. The ABA seeks to be a professional, positive influence.

Gordie LaPointe, 5375 Plum Dr. had some comments about the direction the Holiday Hills road repair project is taking. He has not been to any of the meetings, but he has reviewed the information available through the website. He empathizes with the plight of the people living in the Holiday Hills area. He is concerned because the idea of a township-wide millage for road repairs appears to be gaining momentum. He feels that this is changing the rules in mid-game; that the rules for how road repairs are funded are already set and that if a millage is passed, special assessment districts (SADs) will never be used as a funding tool again. Mr. LaPointe also feels that this avenue "lets the county off the hook." If the township does this, he believes the township would be funding all the repairs. The County Road Commission by state law can fund up to 50% of the cost, and their current policy is to fund 25%. He worries that a township millage would create a disincentive for the Road Commission to participate in the cost to the maximum extent allowed by law. Also, what would a millage cost? Repair or replacement of all roads in the township is estimated to cost about \$13 million. He believes a 10-year 1 mill levy would only raise about \$2.5 million, which is not enough to complete all the repairs. Would we wait to fix the other roads for 10 years until the first millage expires, or would we pile new millages on top of old ones? Before the township commits to a millage, he encourages thinking carefully through all the considerations.

Gene Veliquette, Elk Lake Road in Whitewater Township, supported both of the prior speakers and feels that the township needs to move forward instead of backwards. He feels that a major source of the problem is the township's current legal counsel, whom he believes has a conflict of interest. He would not support an increase in what they are paid.

Howard Schelde, owner of TraVino Restaurant on M-72 E. stated appreciation of all of his customers. They came to the township several years ago based on the belief that there would be additional development along the M-72 corridor which has not yet materializes. Each time a business closes in the township, he loses customers and it hurts the entire community. They have worked hard to do a good job, but if more businesses leave they will need to shut their doors as well. More people will be out of work. He encourages additional development. They followed the township's development rules when they joined the community.

Kladder noted that the new veterinary office of Dr. Peck just opened in a very nice new facility. This is at least some new progress.

- D. APPROVAL OF AGENDA:**
Motion by Zarafonitis, support by Takayama to approve the agenda as amended to move the closed session meeting to the end of the agenda. Motion carried unanimously.
- E. INQUIRY AS TO CONFLICTS OF INTEREST:** Takayama expressed a conflict with item F11, the proposed increase to the Olson, Bzdok and Howard retainer as he has done work for his firm. This item was removed from the Consent Calendar so that Takayama could vote on the remaining items.
- F. CONSENT CALENDAR:**
Motion by Takayama, support by Zarafonitis to approve the Consent Calendar as amended to remove the purchase of audio visual equipment, OBH retainer and proposed farmland preservation services items for further discussion.

RECEIVE AND FILE:

1. **Treasurer's Report** as of 04/23/09
2. **Clerk's Report** as of 05/28/09
3. Draft Unapproved Meeting Minutes:
 - a. GT County Road Commission **4/15/09** , **4/22/09** and **5/06/09**
 - b. **Marina Advisory 05/13/09**
 - c. **Heritage Advisory 05/15/09**
 - d. **Planning Commission 05/18/09**
 - e. Metro Emergency Services Minutes **03/24/09** and **04/28/09**
4. Metro Emergency Services Newsletter **May 15, 2009**

5. **Annual Deepwater Point Natural Area Conservation Easement Monitoring Report**

ACTION – Consider approval:

6. **Township Board meeting minutes of 5/12/09**
7. **Accounts Payable** of \$35,312.23 through 05/21/09 (recommend approval: Dunville)
8. **Summer 2009 Road Brining Contract with GT County Road Commission**
9. ~~**Purchase of basic audio visual recording equipment** for Heritage Advisory oral history project~~
10. **Signature of Proposed MTA Principals of Governance**
11. ~~**Increase to monthly legal services retainer fee for Olson, Bzdok & Howard**~~
12. ~~**2009-10 Contract for Farmland Preservation Program Services with the Grand Traverse Regional Land Conservancy**~~
13. Approve **ballot submission for Charter Bankruptcy proceedings**

Motion carried by unanimous roll call vote.

Purchase of basic audio visual recording equipment: Kladder asked Dunville to explain how she chose the proposed equipment. She asked Richard Brauer, of Brauer Productions, for his professional opinion. She noted that the Acme Civic Association/Masonic Lodge gave the Heritage Committee a \$2,000 grant. Mr. Brauer recommended these items as suitable for collecting oral histories. Takayama has learned from an experienced friend that if you use digital equipment you need to upgrade it every two years to keep up with other general computer changes. He wonders if therefore it would make more sense to obtain non-digital equipment that will not require replacement so often. She stated that she asked Mr. Brauer this question and he said he'd used the same digital equipment for at least four years now. The proposed equipment includes two microphones for the interviewer and interviewee. Zarafonitis doubts that upgrades will be needed so frequently. Items on the proposal with arrows next to them would be included, and items at \$0 cost are included in the base price. The offered cost is within what remains in the Heritage Fund account.

Motion by Scott, support by Dunville to accept the bid for audio visual equipment for the Heritage Advisory. Motion carried by unanimous roll call vote.

Increase to monthly legal services retainer fee for Olson, Bzdok & Howard: Bzdok reported that most township legal work is performed for a flat monthly fee to help communication and work flow as needed instead of worrying about billing every phone call. Currently the fee is \$2,000 a month and excludes litigation and ordinance work. The firm tracks their actual hourly costs and expenses, and on average these exceed the amount billed by \$1,000/month. Therefore they are seeking an increase to \$2,500 to offset some of this. In a recent comparison of township legal costs in the newspaper Acme was competitive with many local townships and less than many others.

Motion by Dunville, support by Zarafonitis to increase the monthly legal services fee retainer to \$2,500/month. Motion carried by a vote of 6 in favor (Dunville, Hardin, Kladder, Scott, Wikle, Zarafonitis) 0 opposed and 1 abstaining (Takayama.)

2009-10 Contract for Farmland Preservation Program Services: Takayama is concerned that the Conservancy is asking for a doubling of the fee for services. He understands the concerns related to the economy, but feels that a 100% increase deserves at least some discussion before a vote. Kladder stated that in the early phases of the purchase of development rights (PDR) program, there was little to do in Acme Township. As Peninsula Township's PDR program has matured and ours has hit a growth phase, more effort is needed in our township than in theirs. We have also just closed our first PDR deal and are working to close a second, and closing costs are additional. Brian Bourdages has also submitted a grant application to the state for a 50% match towards the next two PDR deals, which would make his continued assistance very worthwhile. As we close deals, baseline studies are needed to document the property conditions at purchase as a standard by which new annual inspections will be benchmarked. Kladder originally

questioned the significant increase, but as he looked at the details came to feel it more than fair. This is a one-year contract, so it can be revisited within a short time frame as conditions change.

Takayama appreciated the explanation, but wonders if the monitoring is required so extensively. Kladder stated that by law the easements must be monitored annually or the township can lose its right to enforce the conservation easement. Takayama is concerned with government programs that seem to generate the need for staffing. Is the doubling of the cost intended to save the position of a staffer who would otherwise no longer be retained? Any good salesperson can justify an increase. As a small business owner, he looks for how he can squeeze the most out of each dollar with efficiency and people having multiple responsibilities, making equipment last another year and reducing overhead.

Kladder has been working with Bourdages on expansion of the PDR program to neighboring townships, as this will help support Acme's program. A recent farmland preservation tour for local influential people was funded through a generous private donation. The people who took the tour learned appreciatively and are now advocating for the program out in the community.

Zarafonitis tends to agree with Takayama that we need to make the best use of scarce resources. However, if we don't accept that contract, who can assume the responsibilities? Who has the expertise? Scott asked why we should pay to support growth of neighboring programs; Hardin noted that Acme benefitted from Peninsula Township paving the way. Takayama does not disagree, but does not feel that a proposed 100% price increase should ever be a given. He is inclined to seek to negotiate further. Kladder did negotiate actively, and several services were included within the base price that had not previously been proposed for inclusion. They went back and forth several times. Zarafonitis asked what would happen if the township asks for further negotiation; that would remain to be seen. Hardin wonders how much work over and above \$14,000-worth has been done for us. When do we bring the contract to parity for the work produced. It has taken a lot of work to get to the point where we have actually preserved some land. He agrees that taking a serious look is warranted, but there are many factors to consider. Takayama observed that \$14,000 more spent on the program is \$14,000 less spent to purchase the development rights on another farm. Is there enough in the fund to preserve more farms soon? One more farm will be preserved this year, and we will apply for additional grants. Kladder was skeptical at first as well, but spoke extensively with Conservancy Director Glen Chown and Matt McDonough. Takayama is unsure that there's that much work to be done this year if only one deal is to be completed; perhaps more has been done in the past than will be done in the future.

Vreeland stated that this would be the fourth year of the contract. In the first year the fee charged was \$10,000 for 25% of the Farmland Preservation Specialist's time. In the second year the Conservancy asked for an increase to \$20,000, but was negotiated down to \$14,000. In the third year the amount remained constant at \$14,000. While the contract remained for 25% of the specialist's time we have received well more than this, especially in the last year.

Wikle would like to see the contract amount reduced by about \$5,000 if possible. Kladder noted that the current contract expired on June 1.

Motion by Takayama to make a counter-offer to the Conservancy of \$23,000. Motion failed for lack of support.

Motion by Scott, support by Wikle to respond to the Conservancy with concerns about the amount proposed, an indication that at least a \$5,000 reduction would be compatible with our expected program revenues, and asking for a more detailed explanation of the proposed increase. Motion carried unanimously.

G. SPECIAL PRESENTATIONS: None

H. REPORTS:

1. **Sheriff's Deputy – Mike Matteucci:** Deputy Matteucci provided statistics for May 2009. He has also examined statistics from 2006-2009 for crime trends as requested at last month's meeting. In 2006 there were 1,418 total calls for service, 271 criminal complaints and 118 arrests. In 2007 there were 2,246 total calls for service, 274 criminal complaints, and 126 arrests. In 2008 there were 2,800 total calls for service, 324 criminal complaints, and 163 arrests. There is clearly a rising trend. He can examine the records for more details about which types of crime are increasing if desired. Traffic tickets are down, perhaps because they are busier with other calls. Perhaps it is related to the economy; as he speaks to people many are increasingly desperate for cash but this may not be the entire reason. Hardin asked if it can be determined how many of the arrestees are township residents and how many are from elsewhere; this would require a deep search. Many arrests may be traffic and tourist-related.

2. **County Commissioner's Report: – Larry Inman:** On June 11 at 6:00 p.m. there will be joint County/Commission on Aging meeting to discuss an upcoming millage renewal. A joint County/township/village/city meeting will be held on July 18 at the Civic Center from 8:00 a.m. to noon. Issue updates include: the Grand Vision, the proposed ORV ordinance, time of sale septic system inspection, and the City/Garfield evaluation of a trash authority. At a County meeting later that evening there will be discussion about the current trash dumping surcharge. Ross Childs will update everyone about the septage treatment plan. On June 30 at 6:30 p.m. the County Commission will meet to discuss the status of this last issue, which is being examined on at least four levels: township, Sewer & Water Committee, Board of Public Works and County Commission. Some wish to focus on the financial picture of the plan, but some don't feel this can be done until potential liability issues regarding past consultants is explored. Inman hopes the five townships that built the plant can have some discussion during June and seek some sort of consensus as to the best path to follow, rather than continuing to follow multiple paths. Everyone shares frustration with the condition of local roads. Road Commission Manager Mary Gillis reports that gas tax revenue is barely covering snow plowing and patching. Pressure needs to be applied to the State for better solutions for funding County road repairs. He urges us to contact our state representatives for action on this front.

Takayama asked for a status update on the suggested transitional contract with Michael Houlihan, former DPW attorney. The County is preparing to seek bids for legal services and there has been talk about contracting with Mr. Houlihan during the bid and hiring process. Negotiations are still ongoing. Takayama is uncertain whether what he read in the *Record Eagle* accurately reflects the current situation. Inman believes that there is some support for receiving some interim services from Mr. Houlihan, but perhaps not under the terms that Mr. Houlihan proposed. Kladder noted that he submitted a resignation effective June 30, but the replacement process has not yet begun. If Mr. Houlihan could stay on for a while to help wrap up some things and bring a new person up to speed, this could be beneficial. Takayama has heard all along that this is a unique project and only one company could handle it. Now he's hearing that Mr. Houlihan is the only attorney who can see us through the conclusion of this issue. There are other communities with these facilities, and other qualified attorneys, and he believes it would be best to bring in someone fresh to resolve the issue. Kladder stated that it appears that only Mr. Houlihan has a complete set of knowledge about the construction of the situation and the inter-relationship of 100's of files-worth of documents.

Kladder invited Bzdok to comment as another member of the Board of Public Works. Bzdok

stated that East Bay Supervisor Glen Lile proposed a surprise motion to look into whether there is liability to be pursued. Bzdok voted in favor of the motion, and of laying this question to rest once and for all. He also volunteered to spend his personal time to review various documents and make suggestions about how the investigation might best proceed. Simply saying you want to launch an investigation is too broad and prone to become expensive. By narrowing the scope to the real questions, the process and costs can be managed. He and Ross Childs have been discussing this question and he plans to make a recommendation next week on how to keep the investigation focused, narrow, short, specific and relatively inexpensive. He has already been contacted by many legal and engineering firms looking for work. As to the transition agreement, Bzdok believes that if one took Mr. Houlihan's scope of work and offered to pay \$72,000 that people from as far away as Grand Rapids would bid. He agrees that anyone motivated can assume a large, complex set of files without \$72,000-worth of "hand-holding." He respects much of Mr. Houlihan's work, but he does not believe that his approach to the transition is appropriate.

Inman stated that no funds have been allocated by the five townships to pay for the legal liability review. He agrees that if the scope is not precisely defined, the scope could expand to years and hundreds of thousands of dollars. The Board of Public Works does not have the funds to pay for it, so right now it represents an unfunded motion.

Kladder noted that there will be another septage-related meeting on Thursday. The motion was made at the Board of Public Works and was not addressed by the Sewer & Water Committee. None of the five townships has voted on it, and none has discussed allocating funding. Since the plant itself is already underfunded, it seems that the legal expenses would have to be borne by the townships. Would we pay for it out of the General Fund? Would we pay for it out of the Sewer Fund, which is supposed to be pay for sewer users, not septic users. Right now the townships have been borrowing from the County for bond payment shortfalls each year at a decreasing rate. The plant is already aging and moving towards the need for parts replacements and repairs. The question of where to find additional revenue to support the septage plan is still undecided.

Kladder is concerned about whether the townships that funded the plant have any control over the process anymore. The process of solving the financial problems is bogged down in the liability questions. The Septage Finance Committee may be dissolved in favor of a five-township subcommittee. If nothing is done soon, the County may step in and take over the question. Right now the Septage Finance Committee makes a recommendation to the Sewer & Water Committee, which makes a recommendation to the Board of Public Works – a long and cumbersome process.

Hardin noted that we haven't even technically taken ownership of the plant yet. Who is really responsible for repairs and maintenance? Kladder stated that the documents contain guidelines for "final completion." The construction firm guarantees the plant for one year from date of final completion. What is actually covered by the guarantee is also the subject of debate. Hardin asked who oversees the finance committee. It is composed of representatives from a variety of involved entities, but the Sewer & Water Committee oversees the finance committee. Hardin suggested that a deadline be imposed from the top down for making a decision or disbanding the committee – make them have to function effectively or stop. Kladder is beginning to feel that the finance committee is terminally dysfunctional.

According to a recent study performed by engineering firm URS, the holding tank waste costs \$0.08/gallon to process but holding tank customers are only being charged \$0.04/gallon. Therefore, septic system customers are effectively subsidizing holding tank customers. There are ongoing discussions with Kankakee County about possibly receiving their waste. The DPW is testing pumps and motors and looking for ways to reduce energy use and energy costs, and perhaps switch to more renewable energy sources. Scott supports the concept of looking into the liability issues before the township has to commit additional funds.

3. **Parks and Maintenance – Tom Henkel:** received and filed.

I. CORRESPONDENCE:

1. **05/14/09 Letter from Steve Smith, Village at Grand Traverse (VGT) regarding Phase I SUP/Site Plan review process.** Kladder reported that there was a meeting today at which it was determined that Vreeland would be the primary township contact for the applicant, with Kladder available when she is not. A letter will be sent to Mr. Smith shortly confirming this and containing other information about how the process will continue.

J. PUBLIC HEARINGS:

1. **Proposed Acme Township Phragmites Ordinance #2009-2:** The Watershed Center proposes to treat Phragmites above and below the Ordinary High Water Mark (OHWM) of the bay. The permit they recommend we seek from the state would be for this purpose. The sample ordinance provided by the Watershed Center was to address aquatic nuisance plants, but upon review by Bzdok and Grant it was determined that to accomplish the true goal would require an ordinance for treatment of noxious weeds and not for only aquatic nuisance plants. A combination of the ordinance and the state permit should cover all eventualities above and below the OHWM.

Hardin is concerned about the use of herbicides. On Okinawa where he grew up they sprayed DDT in the streets by truck for mosquito control. The kids played in the spray, and it was sprayed in their bedrooms at night. Now we know what it does to bird eggs and other bad side effects. We see a problem with Phragmites and we have a potential chemical solution, but is there a way to keep track of the long term damage that could result? He related it back to the issue of deep injection wells, where we have been discussion concerns about inadvertent spills, yet the County is using mineral production brine from wells for dirt roads. Perhaps we can't look into the future and see the unintended side effects of the proposed eradication process.

Wikle found the *Record Eagle* forum article in the paper this weekend worth thought. Many things thrive in areas not native to them. Is it time for Phragmites to arrive? Is it perhaps wiser to live with it than eradicate it? By eradicating it what other damage do we cause? Hardin is more interested in whether there are non-chemical alternatives – if you are killing one plant you are certainly going to kill others. Wikle noted Phragmites in a pond that has polliwogs in it, and she is worried about whether than pond will be poisoned and will poison the life in it as well. Hardin asked if there is an ongoing program on Beaver Island to evaluate the long-term effects of the chemicals in the environment. We should do what due diligence we can before we create future regrets.

Takayama stated that Monsanto has been studying the long-term effects of the chemical in question since it was created. All that has been publicly released is that it creates long-term central nervous system damage, but other long-term effects are unknown. It persists constantly in the soil since it was created. He is licensed to use it, and he sprays it around trees in his nursery sparingly, or to destroy an ornamental lawn for replacement with something else. Kladder is recalling that hand-application rather than spraying is planned in this case. Henkel stated that "Roundup" is not to be used; the chemical to be used is "Rodeo." Takayama stated that it's the same product with a different brand name on it; the original patent has expired so many companies are offering it under different brands. Kladder noted that if the township does not oversee application, perhaps it will be riskier to have individual landowners do it.

Samantha Tengelitch is a reporter for the Elk Rapids News, and she is also a survivor of a pesticide related cancer, Non-Hodgkins Lymphoma. She grew up on a cherry farm and was researching the chemicals when she became ill. We tend to think that new species are bad, but they often tend to have a valuable place within the ecosystem.

Kladder raised the question of Phragmites eradication with the County Parks & Recreation Board, because Maple Bay Farms is in the township. Phragmites spreads by root runners as well as by seeding. Kladder included money for the eradication effort in next year's budget, and the township just applied for a grant towards the cost as well. Kladder asked Bzdok if the state can step in and run a program if local governments do not. Bzdok stated that the DNR can do it as an aquatic nuisance control below the OHWM. He thinks the Department of Agriculture can treat it as a noxious weed above the OHWM.

Zarafonitis proposed tabling the ordinance to see what other townships decide to do. Scott observed that unless all area townships work together the effort may be pointless. He would recommend forwarding the matter to the County to address for this reason. Kladder stated that Elmwood Township will be considering the ordinance this month. It may already be adopted in Peninsula Township, and all townships along the Lake Michigan shoreline as far as Charlevoix have been approached about doing likewise.

Public Hearing opened and closed at 9:00 p.m., there being no additional public comment.

Motion by Zarafonitis, support by Dunville to table the proposed Phragmites Ordinance pending transmission to the County and research about what other local units of government are doing. Motion carried unanimously.

K. OLD BUSINESS:

1. Continued discussion regarding possible County and/or Township ORV Ordinances:

The County has asked each township to respond by June 30 and let them know which roads they might want closed to ORV use by a proposed County ordinance. Kladder has heard from some farmers that they would like to prevent additional recreational ORV use because it would promote additional illicit access to their orchards and poaching of their fruit above and beyond what already occurs. Currently, the only Acme roads on the proposed County exclusion list are Holiday Road and a portion of Bunker Hill Road. Kladder asked Inman if the County would be posting any signage about which roads are open or closed to ORV use; there has been no significant County discussion on this issue beyond the basic understanding that money raised from enforcement can be used for repair and grading of shoulders used by ORVs and for signage. There has been some discussion of developing a county-wide brochure for issuance to key user groups of which roads are open to ORVs and which are not. Perhaps vehicle registration records would also be of use in reaching the people who need to be reached. It is not expected that enforcement funds would be sufficient to cover costs.

Takayama tends to feel this is a County issue, as did Zarafonitis and Scott. Kladder noted that the County has asked what roads we should be included or excluded. The Board felt that the list as provided is sufficient. Kladder asked if the township may have a desire to exempt all of the township roads, in which case we would have to exempt all of the roads through our own ordinance. Scott would like to stick with the County list, in part so that it does not complicate the proposed user map the County may provide.

Bzdok observed that unless the County and/or townships adopt ordinances, ORVs will remain illegal on public roads as they are now. One option is recommending that the County not adopt an ordinance and continue to have them forbidden. Vreeland understands that the only reason the County is considering adopting an ordinance is that Sheriff Bensley was concerned about having to enforce differing ordinances for every township. There is nothing about the County adopting an ordinance that would prevent every township from also adopting differing ones as well.

Motion by Hardin, support by Takayama to urge the County to not adopt an ORV ordinance.

Inman stated that user groups came to the county and stated that north of Grand Traverse County there are extensive areas where roads are open to ORVs. They stated that opening our roads to ORVs would create more tourism dollars for the community. Most of the other townships he represents are more rural than Acme and in the south part of the County and currently support opening roads to ORV use and re-evaluating later if needed. He understands why Acme as a more populated township would want to exempt itself, and recommends that we consider adopting our own ordinance. Kladder feels that if individual townships want to allow ORVs they should work together with their fellows and with the Sheriff to draft an ordinance to their liking.

Motion carried unanimously.

2. **Continued discussion about sewer and water issues:** already covered.
3. **Resolution #2009-09 confirming approval of Immanuel LLC rezoning request approved on 05/12/09:** Bzdok reported that the proposed resolution serves to memorialize the decision made last month, complete with findings.

Motion by Scott, support by Dunville to adopt Resolution #2009-09. Motion carried by a vote of 4 in favor (Dunville, Scott, Wikle, Zarafonitis) and 3 opposed (Hardin, Kladder, Takayama).

A brief recess was declared.

L. NEW BUSINESS:

1. **Preliminary 2009-10 Budget Discussion:**

SUPPORTING DOCUMENTS:

- A. **Detailed memo explaining the budget proposal**
- B. **General Fund Budget Worksheets**

Vreeland gave a brief overview of the detailed budget proposal explanation memo. While the first draft contains overall expenditures projected at only about \$8,000 over the current year initial budget, revenues are projected to be down by about \$75,000 leaving a “real” deficit of \$62,000. The actual projected deficit is about \$212,000, but this is because we are projecting payment of the promised \$150,000 from the General Fund balance forward to the Shoreline Fund to complete our first shoreline property acquisitions in this fiscal year. No wage or salary increases were included, and while the increase in health insurance premiums was estimated at 20% the actual figure is coming it at about 16.5%. Scott would like a line item for reviewing potential facilities acquisitions, and budgeting a dollar amount in it for the coming fiscal year. We know we need more space, so we should budget for some of the costs of finding it. An initial amount to budget in this line item would be \$10,000. The Clean-up Day line item will be reduced from \$10,000 to \$0 for the coming fiscal year, but will be revisited in future years.

Kladder prepared a list of potential expenditures which had been budgeted for next year but could be made from a projected \$108,000 surplus for the current fiscal year. Moving these expenditures would enable us to have some needed things such as election equipment and a projector for meetings and also to balance next year’s budget. Another large component of this idea is to create a new permanent self-insurance special fund and transfer \$50,000 to it from this year’s budget. We have been budgeting self-insurance for zoning takings liability for the past five years as a current-year expenditure. It has not been spent, helping to deliver the budget surpluses. We may soon be eligible to obtain this insurance again, which covers only the risk for being sued for monetary damages over a zoning decision and not for just a reversal of such decisions. Our coverage level was \$100,000 for all but one year, when it was

\$1 million. The \$100,000 is the customary level, and that amount does not really go far to defend against such a suit. Vreeland recalls that when this coverage was terminated, the annual insurance premium dropped by about \$5,000. Perhaps rather than purchasing this insurance again when we are eligible, it would make better sense to continue self-insuring for the long run. By setting aside the amount we have been budgeting (and we have also earmarked \$50,000 from the balance forward for this purpose), it will grow as it earns interest and over the long run we can cover ourselves as well as external insurance can, but without additional premium expense.

The budget public hearing meeting will be on Monday, June 22 at 6:30 p.m.

2. **G.T. Resort Triathlon:** The Resort is proposing a Labor Day triathlon, mostly within the Resort property. A swim will occur at the Shores, followed by the biking segment in a circle around county roads, followed by a run through roads within the Resort. Hull is working with the Road Commission on the review and approval process. The entire process will be managed by a professional events firm. They expect up to 300 registrants, with as many as 500-700 next year if this trial year is successful. The ABA is also involved.
3. **Potential special event policy:** Because of an increasing number of requests for special events on commercial properties, we are beginning to feel the need for a special events policy. The triathlon and a proposed August car show at Woodland Creek Furniture.

Motion by Zarafonitis, support by Scott to ask the Planning Commission to recommend a special events policy to the Board. Motion carried unanimously.

M. PUBLIC COMMENT & OTHER BUSINESS THAT MAY COME BEFORE THE BOARD:
None. Bzdok stated that no motions are expected to result from the closed session.

N. CLOSED SESSION: Discuss CCAT v. Acme Township v. VGT & Meijer, Inc.:
Motion by Zarafonitis, support by Takayama that the Township Board enter into closed session to discuss litigation strategy in *CCAT v Acme Township v Village at Grand Traverse and Meijer, Inc* because discussion in open session could have a detrimental impact on the Township's financial interest. Motion carried by unanimous roll call vote.

Open session recessed at 10:15 p.m.

Open session reconvened at 10:25 p.m.

Meeting adjourned at 10:25 p.m.