



ACME TOWNSHIP REGULAR BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
Tuesday, December 6, 2011, 7:00 p.m.

MEETING CALLED TO ORDER AT 7:00 p.m.

Members present: D. Dunville, R. Hardin, W. Kladder, P. Scott, E. Takayama, L. Wikle, F. Zarafonitis
Members excused: None
Staff present: S. Vreeland, Township Manager/Recording Secretary
J. Jocks, Township Counsel

- A. STUDY SESSION:** None
- B. APPROVAL OF AGENDA:** Motion by Wikle, support by Zarafonitis to approve the agenda as amended, to move the presentation of Henkel's certification from Correspondence to Special Presentations, move the discussion about the Hoxsie House from Old Business to Special Presentations, and add five items to the Correspondence section. Motion carried unanimously.
- C. LIMITED PUBLIC COMMENT:** Kladder stated that separate public comment would be entertained during the discussion about the Hoxsie House and the discussion about user fees for the Orchard Shores sanitary system. No public comment was offered at this time.
- D. INQUIRY AS TO CONFLICTS OF INTEREST:** Takayama indicated a conflict of interest with the amendment to County Ordinance #17 because he is a licensed solid waste hauler who is licensed by the body subject to the ordinance. The board accepted his recusal.
- E. CONSENT CALENDAR:** Motion by Scott, support by Dunville to approve the Consent Calendar as presented including:

RECEIVE AND FILE:

1. [Treasurer's Report](#) as of 10/2011
2. [Clerk's Report](#) as of 12/01/11
3. Draft Unapproved Meeting Minutes:
 - a. Planning Commission [11/28/11](#)
 - b. Metro Emergency Services [10/25/11](#) and [11/02/11](#)
 - c. Zoning Board of Appeals [11/10/11](#)
 - d. Shoreline Advisory [10/26/11](#)
4. [Parks and Maintenance Report](#) – Tom Henkel
5. [Planning, Zoning & Administrative Update](#) – S. Vreeland
6. "The Metro Insider" [Newsletter](#)

ACTION – Consider approval:

7. Township Board meeting minutes of [11/01/11](#)
8. [Accounts Payable](#) of \$65,562.22 through 12/01/11 (recommend approval: Dunville)
9. [2012 Regular Board Meeting Schedule](#)
10. [Annual MDOT ROW Permit Resolution R-2011-27](#)

Motion carried by unanimous roll call vote.

F. ITEMS REMOVED FROM THE CONSENT CALENDAR: None

G. REPORTS:

1. [Sheriff's Report](#) – Mike Matteucci: In November there were 35 traffic citations, 17 crashes

and 244 total calls for service with 44 being non-criminal in addition to the crashes. There has been another string of larcenies from vehicles in the Holiday Hills and Scenic Hills area, and Deputy Matteucci encouraged everyone to lock their car doors. The thieves attack the easy targets. There was a breaking and entering at the K-Mart where gold was stolen which is related to two incidents in Traverse City.

2. MESA Report – Chief Pat Parker: There were 328 calls for service, with 41 calls on Acme’s Station 8. There have been over 3,700 total calls for service this year. The Acme calls for service included 2 fires. Santa is coming to Acme on Friday, December 9. The Fire Department will meet him at Burger King at about 6:30 p.m. to escort him on the rounds, which will end at the Masonic Lodge where people can visit and snack.

a. Discussion on Cost Recovery Ordinance (No action this meeting): This ordinance has been proposed in response to the MESA board looking for ways to cover costs. The plan is for the department to begin billing the insurance companies of the people involved in accidents in which we assist. If the insurance companies don’t pay the billed amounts will be written off; the citizen will not be billed further. MESA will also bill the electric power companies for any time over 1 hour when the department is on the scene to provide public safety when wires are down. A public hearing on the proposed ordinance will be held at MESA’s December board meeting.

b. Discussion on Fire Prevention Ordinance (to be distributed at meeting; no action this meeting): Updating the township fire prevention ordinances has been a project for several years. A proposed draft has been provided. Under the ordinances MESA would be an agent of the township civil infraction ticketing offices. If someone is non-compliant with the fire prevention ordinances after numerous attempts to correct the situation, MESA would contact the township in which the situation occurs and work with the township to issue a Civil Infractions ticket.

This new version of the ordinance also proposes to ban the burning of yard wastes in Acme Township. It is already banned by state statute in East Bay and Garfield Townships due to their population sizes. Leaves can be composted or taken to the County Drop-Off site. Kladder stated that our single solid waste hauler also picks up leaves and yard waste if placed in appropriate bags. Campfires or other recreational fires would still be permissible except when a state-issued burning ban is in effect due to weather conditions. A bonfire, defined as larger than a small recreational campfire, would require a permit from MESA. Agricultural operations would be exempt from the new provisions. Trash burning in acceptable burn barrels would still be permitted according to state law. Chief Parker is hoping to achieve adoption of this ordinance in each MESA member township in January 2012.

Kladder asked if Jocks has any legal concerns with the township deputizing the MESA officers to enforce the fire prevention ordinance. Jocks does not have any concerns at this time, and will coordinate this ordinance with the dictates of the township Civil Infractions Ordinance.

3. County Commissioner’s Report – Larry Inman: Tomorrow morning at 8:30 at the airport will be a special presentation by the area Veterans Coalition. The airport was a US Naval Air Station during World War II, and they are dedicating a plaque to those who served here. This was a secret base between 1942-46 where drone bombers were tested. The ceremony is open to the public. The County Commission approved its 2012 budget after cutting over \$1 million and dipping into the fund balance. The fund balance now stands at 18% of annual operating expenditures, the bare minimum recommended by the auditors to maintain an AA bond rating. Custodial services have been contracted out after preserving the jobs in house for several years, which was a difficult decision. Other layoffs that were less publicized have occurred over the past few years to balance the budget and trim the size of government. There

is continued talk about job reclassification at the County. Inman asserted that the newspaper article insinuating that raises were given to high-level officials is inaccurate, and that no raises beyond cost of living have been approved at this time. The County has decided to build a new public health services building, having just paid off bonds on the existing and aged facility on Garfield Road. The financing plan is expected to be budget-neutral, with construction covered by what the County has been paying to lease the existing space and sale of the existing building. There will be a 25-year loan. The County has decided to freeze the amount that townships pay for CPO services to help with budgets, and the existing contracts that call for a 3% annual automatic increase will be amended to an actual increase/decrease figure annually. Inman expressed his disagreement to Sheriff Bensley with the plan to remove defibrillators from sheriff's cars and is urging a look at other alternatives to reduce costs while continuing the service. A bill has been passed by the state House and is headed to the Senate that would allow county commissions to take over the duties of road commissions. This initiative comes from some downstate situations where the county commission and road commission are at odds, and this is not the case locally. Inman suggested to Senator Walker that the ability to do this be based on a county achieving a certain population size. He does not expect Grand Traverse County to take this action. He wished everyone happy holidays.

Zarafonitis asked Chief Parker if the cost of maintaining defibrillators is higher than initially expected. The sheriff estimates a \$7,000 annual cost per unit, including \$200 per battery. Chief Parker says his department obtains batteries for closer to \$100 per battery, but they are different batteries. The current sheriff's defibrillators are 12 years old and there is probably newer, better, more efficient technology available. Inman has asked for data on how many times the units have been used by police who are first to a scene. He would like to see more defibrillators installed in county buildings.

H. SPECIAL PRESENTATIONS/DISCUSSIONS:

1. **[Tom Henkel 05-24-11 Michigan Natural Shoreline Professional Certification](#)**: Kladder presented a framed copy of Henkel's certification. This program promotes the use of green landscaping and erosion control to protect Michigan's lakes. The goal is protecting natural shoreline landscapes. A round of applause and congratulations were given to Henkel.
2. **[2010-11 Fiscal Year Audit](#) – Dennis, Gartland & Niergarth**: Trina Edwards presented the preliminary audit report to the Board. The report must be finalized by December 31 to meet state requirements. Next year is an election year and recognizing that the board membership could change, so they plan to present the final results of the 2011-12 audit at the October meeting next year.

Edwards covered the financial highlights in the Financial Statements packet. Net assets of the township increased by 3.2%. The General Fund balance increased to \$989,250 by June 30, an increase of approximately \$86,000. Much of these funds have been either restricted or committed by the Board to things like operating reserves and capital improvements. The township has approximately 12.5 months of operating costs on hand as of June 30, 2011. Total township assets are over \$19 million, with liabilities of just over \$3 million. \$13.3 million of the assets are fixed items such as buildings, the sewer system and parklands. Purchased farmland development rights are valued at \$1/year.

Internal controls and compliance with laws and regulations were also examined. Comments from previous years regarding working with the auditors to report financial data and segregation of duties are present again and attributed to the fact that the staff size is so small that it is impractical to fully segregate all duties. The auditors posted some adjusting entries to the general ledger this year in the amount of approximately \$78,000. The Shoreline Preservation Fund had a deficit this year due to an outstanding grant receivable from the state. The deficit will be cured when the final grant payment for the shoreline phase I is received in the current fiscal year.

Under separate audit-related communications, some non-binding recommendations from the auditors are presented. It mentions that the auditors assisted with posting some year-end accrual transactions, and that there were some end-of-month out-of-balance situations when funds were transferred from one bank account to another and the two transactions ended up posted one on the last day of a month and one on the first day of the next month. The payroll deduction clearing account is not always clearing appropriately and it is possible that working with the software provider will correct the situations. It was noted that we adopted the GASB 54 accounting standards when allocating fund balances. The last page contains required communications about whether there were disagreements with management (no), consultations with other outside accountants (no), or other issues (no.) Overall the township was given the highest possible audit opinion of “unqualified.”

Edwards mentioned that accrued but unused vacation time was noted but not included in the reports because it is an insignificant portion of the total financial picture. This is related to the ability staff has to accrue a limited number of personal time off hours per year in a long-term bank in case of need for an extended medical absence.

3. **Hoxsie/Knollwood House Retention Decision:** Vreeland summarized the packet materials. Last month the Board members were asked to provide feedback on what issues are the most important to them in making a decision to retain or remove the Hoxsie house from the shoreline park. The responses were tabulated and staff proposed a plan of action for providing desired information regarding the two highest ranking issues: the range of Trust Fund-allowable uses and the up-front/significant repair and/or maintenance costs.

Scott felt that it would be difficult for him to provide the staff with a list of uses he would like to see at the site without first knowing the range of uses the Trust Fund would allow. Takayama felt this data would be best gathered during the upcoming placemaking public visioning sessions. He particularly thought that the planner(s) we hire to conduct this process can be beneficial to use discussion. Scott agreed. Wikle expected to be presented with a list of things that could or could not be done with the building and how it might be paid for at the outset of this discussion over a year ago. She did not expect the township to have to provide a list of what needs to be done and what they would do with the building, and nobody has come forward with such a proposal. Scott asked if it was possible for members of the public to do so, and Zarafonitis said he thought the point of allowing the Acme Heritage Society access to the building was so they could create a proposal. Dunville disagreed to some extent.

Sally Frye, Acme Heritage Society listed a number of actions she asserted that the group had offered to perform for the township. She noted that the Heritage Society has paid for all of the expenses related to maintenance of the building for the past year, with no costs to the taxpayers. She is completing a Masters degree in the field of historic preservation and stated that given sufficient time and access of approximately a semester her professor and fellow students could provide detailed information on the historic value of the property. She asserted that a few evenings ago she offered to Kladder to complete the application to the National Historic Registry for the building at no cost but was turned down. Because it is a public building she asserts she has the right and intention to submit the application independently. She stated that she is fully trained and qualified and is already conducting such activities for other communities.

Kladder stated that he received an e-mail from Ms. Frye this weekend and submitted it to the township attorney for review. Ms. Frye stated that her group is frustrated because they feel they have continually offered help and support to the township and been turned down. They feel their access to the building has been unreasonably limited, so they have not been able to adequately allow the public access to the building. She said their open houses were not always publicized by the township. Ms. Frye asserted that their assistance would be unbiased and effective.

Scott believes that the Board asked the Historical Society to do the list of things Ms. Frye gave, and they have had a year to do so. Ms. Frye indicates that there has been miscommunication between the township and the Acme Heritage Society that may have hampered their ability to proceed with a proposal. Scott feels that he needs professional advice on what future uses of the building can be before he can think about what uses he would like to see there. He also felt it was inappropriate to be asked to provide input within 3 days after the Board meeting as suggested in the staff proposal, and that the suggested process represents a roadblock to decision making rather than facilitating it.

Wikle acknowledged that people have emotional ties to places. However in this situation she is concerned with whether or not the building has value to the community as a usable place at a reasonable price to the community.

Ms. Frye believes that the DNR already has a list of allowable uses for properties they fund through the Trust Fund, and that claims that we need to ask for their advice are a roadblock.

Takayama does not recall the Heritage Society being charged by the Board with coming up with a full use proposal. They were asked to provide certain basic information, and he believes that if they have failed to do so it is through some fault of the Board's. He can understand asking the Trust Fund about the eligibility of a list of community-generated desired uses. Overall he feels that people will not want to come to a place unless there are reasons to do so. He believes that incorporating a range of uses into the house will create an important draw as a unique community activity center.

Vreeland stated that one reason that the staff proposed the process the way they did has been apparent this evening: the staff's integrity in terms of the information it has provided and other activities that have occurred is being questioned. By gathering the list of desired uses and submitting them verbatim to the Trust Fund, and by providing back to the Board and public the document received back from the Trust Fund, there should be no room for questioning the validity of the resulting answer.

Paul stated again that he had expected to receive a business plan from the Heritage Society by now.

Kladder asked if Ms. Frye had seen the list provided to Dunville by Vreeland of possible uses for the building, provided by the Trust Fund in response to earlier questions. Ms. Frye stated that she has seen the list and has offered to put together a business plan but has not done so to date. She says the Heritage Society has a list of possible uses in mind. Kladder suggested that they provide a plan that incorporates several different use models and/or combinations. This could serve as a focus for further Board discussion.

Jocks is researching some of the potential consequences of historical registration of the building. He would like to verify that registry would not unduly hamper the decisions of the Board in the future about the property. He would like to do his best to understand any potential conflicts between historical registration of the property and Trust Fund requirements. Violating the latter could cause the township to have to repay part or all of the substantial grant received.

Dave Hoxsie, 6259 M-72 East, has lived there for 32 years. On behalf of the Hoxsie family he conveyed support for preservation of the ancestral house. He stated that the township has few remaining historical structures that connect us to our past. He applauded the efforts of the Acme Heritage Society to raise funds for the house and document its worth to the community. He feels that they can come up with a plan to retain the house as a valuable part of the community at no cost to taxpayers.

Sarah Haughn is the daughter of Jennie Hoxsie Haughn and a descendent of Larry Hoxsie and

read a statement from Jennie Haughn aloud. The e-mail supports preservation of the house as an integral part of the history of the community.

Tom Hoxsie, from the 6th generation of the family stated agreement with Takayama. He has worked at the Resort for 15 years, and when he drives guests through Acme he shares some of the history of the area. He feels that retaining the house would add character to what would otherwise be just another stretch of park along the shore. It is important to retain the building to help tell the story of the history of Acme. Tom Hoxsie Sr. was present in support of his son's comments as well. He thanked the Board for being informative.

Marcy Timmins lives on Bartlett Road and is on the Parks & Recreation Advisory. Many of the questions she came with have already been answered this evening. She quoted a Native saying that we don't inherit land from our fathers, we leave it to our children. In that spirit she encouraged the township to retain the house and find a use for it that will be central to the community. She asked if there is anything she and the advisory can do to facilitate the process. Her first idea for the house was eco-tourism with a tie in to water sports enjoyment. She seeks to help the house generate revenue for the community as well as family traditions for visitors.

Chuck Walter, 6584 Bates Road, has been a township resident for about 40 years. He was a Board member several years ago, and at that time discussed some of the same issues discussed today. He is supportive to Takayama's comments, and believes the Board has an obligation to the citizens to decide how the process will proceed and how the Heritage Association can be part of bringing back the information so the Board can make a decision. This is a decision of the business of the people of Acme Township.

Kladder asked for a show of hands from all the Hoxsies in the audience. At least a third of those present raised their hands. Members of the 5th, 6th and 7th generations were represented. Kladder thanked all of them for attending the meeting.

Doris Edwards has lived in Acme most of her life. She and her children attended Bertha Vos. She learned there about self-worth and about community. She also learned that Acme has great vision, and has never had a time when some activity wasn't happening here such as a lilac festival or the Little Miss Acme contest. Ms. Edwards listed a number of bygone business establishments that once made up the community, as well as community family names. She is a member of the Heritage Society and feels they have gone to great lengths to demonstrate that they want to preserve the house for the future and that they are willing to pay the bills and to do the work to validate a preservation decision. Offering additional shoreline open space to the community is excellent, and in her opinion it would also be excellent to preserve the house as an anchor to the park and community. She wonders how displaying items of historic value in the home might be in conflict with the surrounding public park. She mentioned that the older portion of Bayside Park already contains interpretive displays and wondered how this could be; Kladder noted that the funding source for that park was different. Ms. Edwards feels that Acme is a great place for communities to grow and that having the house remain in the park would add to the value and vision and retain a sense of history.

Gordie LaPointe, 6375 Plum Drive echoed Mr. Walter. This discussion began a year ago and he expected that there would be a complete business plan for the building by now. Such a plan would be valuable as the basis for a decision. He observed that the township is well on the path of purchasing large portions of the shoreline, and he is expecting an overall master plan for the park. One factor in the decision is how the proposed use of the building would fit in with the overall master plan for the parkland. He feels that progress has been very slow over the past year.

Rachelle Babcock, 4261 Bartlett Road has found this evening's discussion informative.

Planning is key to the situation and she fully supports the placemaking initiative as generally beneficial and beneficial specifically to this decision. She feels that the home can never be replicated in its historical value, and she hopes to see signed papers that would permit Ms. Frye to proceed with activities related to its preservation that would not conflict with ongoing study of potential legal issues. Considering the possible uses can be part of the later placemaking process. She supports preserving the house.

Dave Hoxsie asked if creating a business plan for the house would be the purview of the Planning Commission. Kladder would expect them to oversee and coordinate the entire planning process, with participation from several other advisories and the general public. We and the Regional Land Conservancy have been working hard on acquisition of the shoreline properties, and while this is ongoing we are also transitioning into planning their future. The Board will act on all this advice to make the final decision.

Kladder outlined the need to understand the possible uses of the building according to the Trust Fund, the need to understand the physical condition of the house, and the need to understand its historical value.

Hardin stated that for him the issue “gelled” when he understood the house as the house built by Leonard Hoxsie, the founder of the community. Perhaps this is the only reason needed for wanting to preserve the building. He suspects that the Trust Fund will want to work with the community to find a mutually suitable use for the building, and this hinges on the community explaining what it wants to do, why it wants to do it, and why it’s so important to us. If the focus on the use of the house can be narrowed down it can be easier to say “yes” to a plan. Scott agreed, but stressed the need for a viable business plan. There could be several viable use plans for the property, but some might be more economically sustainable than others. Hardin countered that the Heritage Society has already proven that they can foot at least some of the bills and its members assert having the expertise and the drive to do some of the work. Now we need a detailed plan.

Takayama concurred with both Scott and Hardin. He believes that beyond a business plan, and beyond the dictates of the Trust Fund, he comes back to the concept of placemaking. Governor Snyder is emphasizing this concept as necessary to attracting and retaining young professionals and business start-ups – you need a place those people want to live. In the New Economy people choose where they want to live and then they choose what they will do for a living while they are there, which is generally the reverse of the older model. Takayama stated that the Governor’s office is creating a “short list” of communities they will support with funds to carry out placemaking, and he feels we have the potential to get on that short list. We need to hire an excellent placemaking planner who can help us do this. If we are chosen as a model community in this regard we will be a leader, and the uses of the building and the Trust Fund’s approval for those uses will, in his opinion, be secondary to the Governor’s desires in the matter.

Zarafonitis has been generally opposed to preserving the building, but he is beginning to be somewhat persuaded it could be retained. He feels that those who wish to preserve the building should be the ones to propose a business plan to the Board. He has been approached by numerous people who thought that the community was going to create open space, not retain buildings for reuse.

Motion by Wikle, support by Zarafonitis to have the Acme Heritage Society to create a business plan at their own cost and present it to the Board at a future date.

Kladder wondered what type of business would be the focus of the business plan? He would expect it to show expected revenues and expenditures. Viability of the plan may still be in part dependent on input from the Trust Fund.

Ms. Frye asked if the Heritage Society will have full access to the property to conduct any and activities and studies necessary to help them prepare their plan. Wikle stated that when she suggests a business plan she expects a full report on the condition of the building, whether it is structurally sound, what would be required to make it sound or repair it, what it would be used for, revenues and expenditures and the potential costs and profits to the township. One or more uses could be incorporated into the proposal. Takayama objected to the term “business plan,” preferring that it be called a “thorough report.” All of the things mentioned before plus long-term sustainability have to be parts of that report. He does not believe that the full aspect of a business plan may be within the group’s skill set.

Jay Zollinger, 4232 Williamston Court, noted that this discussion has been pending for a year. There is a lot of talk about details, but the broader question of whether or not to keep the house seems to him to be the first question. People are being very emotional about the decision. With the Shoreline project people had a vision and they took action to make the vision reality. The question is: do we want to preserve a piece of history when there is no other building in the community with that type of historical value? Considering detailed uses comes later for him, after the basic question of desirability of keeping the building is decided. After studies, if it’s not feasible the decision can be remade and changed.

Motion by Takayama, support by Scott to amend the foregoing motion to direct the Acme Heritage Society or any other interested group to provide assistance to put together a thorough report of the condition of the Hoxsie House, costs for immediately-needed repairs, and potential uses for the February 7 Board meeting. Motion carried unanimously.

Amended motion carried unanimously.

A brief recess was declared by the Chair from 9:25 – 9:30 p.m.

I. CORRESPONDENCE:

1. [11/07/11 Road Commission Letter to Senator Walker](#) re: **SB 784 and 785:** Takayama asked if anyone knew if these bills has been voted on yet. Inman stated that it has passed the House and is under consideration in the Senate. Received and filed.
2. [11/08/11 Judith Overbeek letter](#) opposing roundabouts on **M-72:** Received and filed
3. [11/09/11 TCAPS](#) letter summer tax levy resolution: received and filed
4. [12/01/11 Letter to MI Natural Resources Trust Fund](#) requesting extension of **Phase II Grant:** received and filed
5. [12/01/11 Letter to Orchard Shores Homeowner Association Member Property Owners:](#) received and filed.
6. [12/05/11 Letter from John & Antoinette Holtz re Orchard Shores:](#) received and filed.
7. [12/06/11 Virginia Tegel e-mail](#) regarding **Hoxsie House:** received and filed.
8. [12/05/11 Tim Hoxsie e-mail](#) regarding **Hoxsie House:** received and filed.
9. [12/06/11 Jennie Haughn e-mail](#) regarding **Hoxsie House:** received and filed.
10. [12/06/11 CCAT e-mail](#) regarding **VGT review process:** received and filed.
11. [Kladder note](#) about discussion with **Rob Bahra re: open burning:** received and filed.

J. PUBLIC HEARINGS: None

K. NEW BUSINESS:

- 1. Review and/or amend monthly Orchard Shores Sanitary System fees:** Wikle summarized the materials in the meeting packets. The township has done its best to reconstruct the history of the revenues and expenditures for each of the township water and sanitary systems, including the Orchard Shores sanitary system. Each now has segregated fund accounting. At the present time, over the past two years the system has operated at a deficit of approximately \$5,000 that has been subsidized by the regional sanitary sewer users of the township. As a result analysis suggests that the current user fees should be raised to at least \$30/month per developed lot and \$15/month for undeveloped lot to repay the deficit and move the system towards a sounder financial footing. At the same time some residents of Orchard Shores have indicated a desire to assume ownership and management of the system from the township.

Zarafonitis noted from the correspondence received that not all property owners using the sanitary system are in favor of assuming system ownership and operation.

Mr. LaPointe said he was stating that he is representing the entire Orchard Shores Homeowner's Association. He asserted that in November he sent a letter to all members asking if the association should pursue acquiring ownership of the system. Of 23 property owners he states receiving 20 responses in favor of acquiring the system and the other 3, including Mr. Holtz, did not respond.

Mr. LaPointe asked what benefit there is to the neighborhood association or the community at large for the township to continue owning and operating their sanitary system. Two years ago the user fee was increases by 33%, with which he did not entirely agree. Two years later an increase he characterized as 75% is proposed. His perspective on the background of the situation is that the system is a closed-loop serving 23 properties on association-owned property. Installation was paid for by the subdivision developer. Each home has a traditional septic tank which feeds into gravity lines to a lift station that pumps the flows to a dosing station and from there to a community septic field. Space has been set aside for a secondary drainfield if ever needed. Most homes have only 1-2 residents and some are only occupied seasonally.

The system was turned over to the township shortly after completion in 1989. At that time only a local unit of government was state-authorized to own and operate such a system. In subsequent years the DEQ dropped this requirement, and now private entities can own and operate such systems. Another subdivision in the township owns and operates its own similar system.

Mr. LaPointe has an issue with the fact that the township has full control over the system. It contracts with the County DPW to provide operation and maintenance. AS far as he can tell there is not full accounting for the number of man-hours spent, the costs of those hours and, the cost of parts and equipment. Each homeowner has full liability for their own individual septic tank, and the ultimate shared responsibility for total system costs.

Mr. LaPointe spoke with Mike Slater, the Director of the DPW. He asserts that Mr. Slater stated that the DPW does not possess the full range of equipment necessary to inspect and maintain the system. To inspect the septic tanks they open the tank and stir the contents with a shovel to determine the level of sludge present, which Mr. LaPointe witnessed and felt was ineffective. Inspecting all of the tanks required about 12 hours of work. At the last inspection the worker came and went several times over several days, not getting the entire job done at once. Mr. LaPointe suspects that their system was charged travel time for each inefficient trip back and forth. Mr. LaPointe asserted that the manual annual tank inspections have never been performed prior to this year. He also asserted that the neighborhood association has been paying \$35/month for a phone line for the SCADA system. He asserted that a phone line was

installed over 20 years ago but the actual SCADA system signals are sent by a radio system. He estimates that about \$10,000 has been wasted by the association on an unused phone line.

Mr. LaPointe asserted that when he spoke to Mr. Slater he was told that the DPW has “bigger fish to fry” and suggested that private contractors could maintain the system much more effectively. He stated that the “escrow” account is a “mess” with no records of receipts and expenses, and asserted only sketch attempts to track these items since 2006. He is uncertain which party owes whom any money.

Mr. LaPointe believes that \$45,000 has been paid over a 16 year operational period based on what the user fees have been and when each system connected. He has no way of knowing what actual expenses for operating and maintaining the system were before 2006. He takes issue with the requirement in the master deed for the development that the septic tanks be pumped every other year. He stated that the state guidelines for a 2-person home are for pumping every 12 years, and that on average most people pump every 3-5 years. He asserts that Gordie Fraser inserted the 2-year requirement because that was the standard at the time, but that doing it so often is actually counter to the optimal operation of a septic system. When he asked to have the pumping cycle changed to every 3 years he says he was told that the standard currently set had to be adhered to, and was given information about the use of grinder pumps that he felt was not applicable.

Mr. LaPointe does not believe there is a reason why it is in the best interests of the residents of Orchard Shores or the township at large for the township to continue to own the system. He asks that the Board delay any potential rate increase pending a final decision on whether or not it will transfer the system to the homeowners. He asks that the township work with the homeowners association to work out a mutually acceptable figure for the actual balance of the Orchard Shores operating account. He asks that the two entities work expeditiously to transfer the system to the homeowners association with each party paying its own expenses for the process. The letter sent to the homeowners requests that all expenses incurred by the township, DPW or any other party assisting the township be paid by the homeowners association, and Mr. LaPointe disagrees with writing this “blank check” so that the township can get out of a situation he feels it should be out of. He feels that by delaying any potential user fee increase it will motivate the township to work faster towards system turnover to the neighborhood association.

Mr. LaPointe provided [written copies of his comments](#).

Kladder asked if any other residents of Orchard Shores present wished to comment, and none did. Kladder asked Jocks for the basis of the requests made of the homeowners association in the recent letter. Jocks stated that potential turnover of the system will require work by the township, an amendment to the state permit for the sanitary system, and legal review. He informed Kladder that the township should receive confirmation from the individual, essentially an applicant, that he had valid authority to make the request and any commitments to the situation. It would be disappointing to put in work on a process and find out down the road that the person you were working with did not have authority to work with you. So, he recommended obtaining written indication from the neighborhood association that the people contacting us had the authority to do so and that they were working towards a specific purpose. Kladder stated that he conveyed this orally to Mr. LaPointe at a meeting over coffee well before the recent letter was sent. Mr. LaPointe stated that he has discussed the situation with the DEQ and that their position is that they have issued a permit and they don't reissue permits – that it's an issue between the township and the homeowners. He also stated providing Kladder a letter signed by the homeowners association representatives indicating that they wanted to pursue the matter. He has now been asked for minutes of a meeting indicating that the board was authorized to make this request, but indicated that they are the board and asserted being able to make the decision independently. He took the poll because he knew that he needed two-thirds of the landowners to agree to make associated necessary

changes to the master deed for the subdivision. Jocks stated that if the DEQ is willing to remove Acme's name and liability from the permit by letter he will accept this, but it has been his experience that this is not the way it works. The permit creates responsibility for the township and liability to the DEQ by the township, so it is imperative that the township's name be removed from the permit to end that liability. When Jocks read the neighborhood bylaws he did not see anything that indicated that the board had authority to makes such a request without approval from 2/3 of the homeowners. He cannot recommend that the township incur substantial cost without a more substantial commitment from the neighborhood association pursuant to a 2/3 vote to accept responsibility for the system. Mr. LaPointe does not feel he can ask for a vote from his neighborhood unless the township will commit to the process. It is possible that the neighborhood would change its mind based on the conditions stipulated by the township. He offered to provide documentation of the results of the informal poll he took and feels this should be sufficient information for the township.

Mr. LaPointe said the neighborhood knows that it is required by the DEQ to establish an escrow fund for the ongoing maintenance and operation of the system. The operation of the system is of vital importance to the Orchard Shores landowners, but he believes it is of little importance to the rest of the community. Wikle stated that the township has expended money for several recent pump repairs, system inspection and pumping that needs to be repaid. She suggested that everyone agree to a "line in the sand" for the balance of the fund, and that the homeowners agree to cover the township's expected costs for going through this process. Mr. LaPointe would like to sit down with Wikle to come up with a mutually acceptable dollar amount.

Kladder stated that he does not believe anyone associated with the township has any reason to want to continue owning and operating the system.

Motion by Scott, support by Dunville that the Treasurer and any other officials warranted meet with the Orchard Shores neighborhood association to come up with a plan for turnover and present it at the February 7 meeting. Otherwise the Board will continue with consideration of a proposed rate increase at that meeting. Motion carried unanimously.

2. **Accept Assignment of Option to Purchase the Mt. Jack's property** : Vreeland reported that the current property owner and the GT Regional Community Foundation are currently working towards having the township close on the property purchase on December 29. As with our Shoreline Phase I properties, the Conservancy entered into a purchase option agreement some time ago so that when the Trust Fund gave approval the township could assume and exercise the option to purchase.

Hardin asked if the cross-easement issue has been resolved. Jocks replied that there are a number of easement issues that needed to be addressed. The property owner and the marina are working to completely extinguish the cross-easements prior to the township closing on the property purchase to clear the way for the use of Trust Fund money. The marina will be constructing a new building on their property for offices, restrooms and laundry facilities, and this is part of the negotiations between the landowners. Ownership of "E" dock will be granted to the marina with a clause stating that if the area ceases to be used for marina purposes it will revert to the township. Currently the common lot line between the marina and the property bisects the northern driveway. A portion of land including the whole driveway will become owned by the marina but the township will have an easement over the driveway enabling public use.

Motion by Zarafonitis, support by Wikle that Acme Township adopt the assignment of the option to purchase the Mt. Jack's property from the Grand Traverse Regional Land Conservancy as presented, and that the Supervisor, Clerk, Treasurer, Manager and legal counsel be authorized to take any actions and sign all documents required to close

on the purchase of the property on or before December 31, 2011.

Scott asked when the Mt. Jacks building might come down. It could be as late as late fall 2012. The marina needs to stay in its current space in the lower level of the building until its new building is constructed, with a maximum end date of October 31, 2012.

Motion carried by unanimous roll call vote.

3. **Consider approval of License Agreement with East Bay Harbor:** This issue was discussed several months ago, but was put on hold pending resolution of other negotiations between the marina and the current Mt. Jacks landowner. Jocks provided an updated draft of the proposed license agreement that would allow the marina to continue using the existing space in the building until October 31, 2012 at the latest at their sole expense for operations and upkeep, that the marina will maintain liability insurance on the property and name the township as a covered party by the policy. Jocks is also proposing that the marina pay the township \$4,000 to cover costs including sewer usage and electricity. We have investigated and the township does not anticipate increased liability insurance costs, and we are likely not to plow the property during the winter. Township staff will need to check on the property minimally. The remaining \$1,000 over sewer and electricity expenses is in consideration of the township granting the license.

Scott asked how the marina will manage parking. The marina owns its own parking lot on its own property that has well more than the zoning ordinance-required number of spaces.

Motion by Zarafonitis, support by Takayama to approve the proposed License agreement subject to final amendment and approval by township counsel and authorizing the Supervisor to sign the final form of the agreement. Motion carried unanimously.

4. **Approve completion of 3 [Farmland Purchases of Development Rights](#):** Farmland Preservation Specialist Bourdages summarized his memo. He asked the Board to authorize closing on three farmland development rights purchases subject to final approval of all documents by the Township Manager and legal counsel. We had hoped to close by the end of the year but some issues related to existing oil and gas exploration leases may cause a delay. The terms of our federal grant agreement require us to close by March 31, 2012.

Bourdages is also working with Rick Saylor, our remaining PDR Round 1 applicant, towards optioning and eventually purchasing his development rights.

1,328 acres of land have been offered to a second PDR round, and the application scores have been delivered to Kladder. They will be provided to the township Farmland Preservation Advisory in the future for recommendations to the Board regarding future action.

If issues with the mineral rights on the three immediate PDR target properties cannot be resolved in time, we would begin working down a list of potential alternate properties and ask for federal approval to substitute them into the grant. There is also an intent to apply for additional federal grant funding. We need to finish working with the current three landowners if possible, but the Saylor Farm would be next in line after them.

Motion by Zarafonitis, support by Takayama to have the township proceed towards closing the purchase of development rights on three farmland parcels subject to approval of documents by the Township Manager and township legal counsel. Motion carried by unanimous roll call vote.

5. **2% Grant Requests**
a) **[Yuba Historic Society](#) – Electrical, Plumbing & Heating system replacement for**

Yuba School House: Vreeland summarized the grant proposal from the Yuba Historic Society. This group has asked us to sponsor two grant applications, the first of which was funded and the second of which was not. Donna Sayler of the Yuba School House was present to answer any questions.

- b) **Township Operations & Planning:** This grant proposal is similar to the one submitted in December 2010 seeking a grant commensurate with the estimated amount of property taxes the two parcels near Turtle Creek would be paying had they not been taken into federal trust status in 2008. The proposal is presented in accordance with a settlement agreement between the Tribe and the State. Funds received would be used towards general operating and planning expenses.
- c) **Survey of and Mitigation Plan for Stormwater Drains to Bay:** it is known that there are three US 31-related road drainage pipes through which storm water runoff from the road directly enters the bay within the wall of East Bay Harbor without any pre-treatment. It is unknown how many more such drains may exist. The Watershed Center recently helped the Village of Suttons Bay identify such drains and obtain federal grants to remediate them and create shoreline wetlands to filter the runoff before it reaches the bay. A proposal has been received from the Watershed Center to assist Acme in a similar way, with a menu of interchangeable items that would range in total cost from \$3,000 to \$12,000. The Manager and Supervisor would work together to create a finalized proposal for grant funding.

Motion by Wikle, support by Dunville that the township submit all three grant requests to the December 2011 Grand Traverse Band of Ottawa & Chippewa Indians 2% Grant cycle. Motion carried unanimously.

- 6. **Amendment to County Ordinance # 17 (Solid Waste Handling & Resource Recovery):** Kladder provided this for information only. The township need only take action if it wishes to object to the proposed amendment. Resource Recovery would report to the County Commission rather than the DPW in the future if adopted, allowing the DPW to focus on sewer and water issues.
- 7. **Annual Township Health Insurance Policy Renewal:** Vreeland summarized the packet materials. The current Priority Health insurance plan is experiencing a 24.17% premium increase for the new policy year beginning January 1. The Supervisor, Treasurer, Clerk and manager solicited bids for other options from our current and two other agents, and met with our current agent and one of the other agents to discuss the options. The options were reviewed with staff and by the Personnel Committee. The Personnel Committee recommends that the township stay with the current plan at this time, largely because the township has been unable to offer cost-of-living wage increases for many years now and changing to other plan options would significantly increase out-of-pocket expenses for covered employees, particularly in major medical situations. The Personnel Committee also recommends keeping the premium cost sharing at its present level.

Wikle, as a former insurance agent confirmed that she is seen 20-25% increases for many people she knows. The Conservancy, Fire Department, and Olson, Bzdok & Howard all have experienced an identical premium increase for the same plan this year. There was also a discussion about the new 1% state tax on insurance companies on the benefits they pay out. We expect this to amount to less than \$400 for the township. The Personnel Committee recommends that the township pay this full cost, as by the time a 15% share is divided between plan participants and then by 26 paychecks the deductions would be miniscule.

The township budgeted for a 20% increase in premiums. The additional 4% increase will cost the township approximately \$4,000 over what was budgeted. This amount can be covered by the unexpected receipt of higher than expected reimbursements for the most recent election

and by a shareholder dividend returned to the township by our liability insurance carrier.

Finally, the Personnel Committee is recommending that the township switch insurance agencies from The Larkin Group to Great Northern Benefits. Our former agent moved from Larkin to Great Northern earlier this year. She has not solicited our business in any way, as this would be a breach of professional ethics. However, her customer service was superb while she was our agent and she really got to know our needs and propose good options for us so we asked her for some options. We felt that replacement agent at the Larkin Group could have done much more to get to know us after our account was assigned to him, and we learned of our premium increase in a letter rather than from him personally. He provided some good alternatives for us to look at, but was reactive to our concern over the increase rather than pro-active. Pricing on the plans is the same no matter what agency you use; the differences really are in the customer service.

Motion by Scott, support by Dunville that Acme Township approve maintaining the current Priority Health Insurance Plan for the January 2012 calendar year, continue paying 85% of the premiums for employees and 50% of the additional premiums for a second person and that we use Great Northern Benefits as our insurance agency. Motion carried by unanimous roll call vote.

8. [TC-TALUS Contract](#): Kladder summarized the TC-TALUS Organizational Strategic Plan.

Motion by Scott, support by Dunville to move forward with suggested changes to TC-TALUS. Motion carried by a vote of 6 in favor (Dunville, Hardin, Kladder, Scott, Wikle, Zarafonitis) and 1 opposed (Takayama.)

Takayama has long-standing questions about the purpose of TC-TALUS and perceives a lack of measurable outcomes. Vreeland suggested having Director Matt Skeels make a presentation about his program at an upcoming board meeting.

9. [Appoint 2012 representatives to the Metro Emergency Services Board](#):

Motion by Scott, support by Hardin to reappoint Kladder and Zarafonitis as the regular representatives to the MESA board and to reappoint Dunville as the alternate. Motion carried unanimously.

10. [Appointments to Board of Review](#): One member of the Board of Review, Valerie Thornberg, had to resign because she moved out of the township. Kladder is appointing Rick Cooper to complete the final year of her term of office. He would also like to appoint Karly Wentzloff as an alternate with a term expiring December 31, 2012.

Motion by Dunville, support by Takayama to ratify the appointments to the Board of Review as presented by the Supervisor. Motion carried unanimously.

L. OLD BUSINESS:

1. **CPO Contract**: Not provided for discussion.
2. [Potential Sewer Authority Update](#): Kladder stated there is a meeting on this issue coming up next week. The next step is likely to be hiring Plante Moran, which has experience in creating and amending sewer authorities and how to share costs and assets appropriately. This information will help support a decision on whether to proceed further or not.

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

Meeting adjourned at 11:01 p.m.