



ACME TOWNSHIP REGULAR BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
Tuesday, October 1, 2013, 7:00 p.m.

MEETING CALLED TO ORDER WITH THE PLEDGE OF ALLEGIANCE AT 7:00 p.m.

Members present: C. Collett, C. Dye, A. Jenema, G. LaPointe, P. Scott, D. White, J. Zollinger
Members excused: None
Staff present: J. Jocks, Township Counsel
N. Edwardson, Recording Secretary

A. LIMITED PUBLIC COMMENT: None

B. APPROVAL OF AGENDA: Zollinger asked to add Road Commission Improvement Ballot under Reports Item # 3 and Jenema asked to put Tart Trails/Snowplowing under Old Business.

Motion by Jenema, support by LaPointe to approve the agenda as amended to include one new item under Reports and one under Old Business . Motion carried unanimously.

C. INQUIRY AS TO CONFLICTS OF INTEREST: None noted

D. CONSENT CALENDAR: Motion by Scott, support by LaPointe to approve the Consent Calendar as amended to remove the Board minutes from 9/3/13, Treasurer's Report and Accounts Payable for further discussion, including:

1. RECEIVE AND FILE:

- a. ~~Treasurer's Report~~ as of August 2013
- b. Clerk's Report as of August 2013
- c. Draft Unapproved Meeting Minutes:
 - a. Planning Commission 09/16/13
- d. Parks and Maintenance Report – Tom Henkel
- e. The Metro Insider Newsletter September 2013
- f. Planning, Zoning & Administrative Activity Report

2. ACTION – Consider approval:

- a. ~~Township Board meeting minutes of~~ 09/03/13
- b. Accounts Payable of \$4208.32 and Current to be approved of \$57,694.18 + 2,400.00 (recommend approval: Dye)

Motion carried by unanimous roll call vote.

E. ITEMS REMOVED FROM THE CONSENT CALENDAR:

1. Township Board meeting minutes of 09/03/13:

Jenema noted that on page 3 in the first paragraph a motion was made by herself for services provided by Beckett & Raeder and the numerical amount of \$6,500.00 was not reflected. She would like the minutes to be corrected to show the amount. This will be done and presented again in November for approval.

2. Treasurer's report:

The Treasurer's report was pulled from the consent calendar by Collett stating that the format had changed and needed an explanation. Collett explained the reason for the change was to improve the understanding of the report. An analysis of the report revealed that the balance in the 101 general fund in the August report showed a general fund balance of \$634,024 of which \$614,000 was assigned or committed leaving a \$20,000

balance in the uncommitted that could be used to pay outstanding bills. She went on to further explain that this was more of a cash flow problem and not a budget problem. Dye asked if this was a historical problem at this time of year, Collett responded that she did not know. LaPointe inquired as to the Board's ability to lower the committed or assigned reserves if necessary. Collett raised the question with \$57,000 of open payables where do we get the money from to pay the bills? Zollinger mentioned that he had never seen this cash flow problem before. Collett reiterated that there is \$634,000 in the bank but \$354k, \$61K, \$187K and \$10k can't be touched.

LaPointe asked if the funds assigned to the septage plant could be lowered as they seem to be breaking even? Zollinger responded that the accounts payable and the septage reserves could be lowered but he would need a better analysis from Collett on projected revenues first. There was a discussion by Collett on near term revenue projections.

Larry Inman provided an update on the Septage plant finances so the board could better determine if that reserve could be lowered. Conclusion is that although the finances of the septage plant has improved it would be premature to eliminate the reserve but the board may want to consider lowering the septage plant monies reserved within the general fund.

Jenema inquires as to what revenues may be coming in the near term that could lessen the shortfall. Collett responded that current revenues are not reflected but neither are current expenses reflected in the August report. There was further discussion on what reserves could be lowered in order to increase the uncommitted balance.

Zollinger mentioned that he had never seen this cash flow problem before. Zollinger commented that he also had never seen this at any of the board meeting he had attended. He then clarified, to an earlier question that the Township does not have to maintain a 6 month balance of "committed" funds in the general fund for payables as 3 month is the minimum requirement.

A question was raised by a member of the public that the board should consider cutting expenses as an option. Zollinger and LaPointe responded that the magnitude of the shortfall could not be met by cutting discretionary spending.

LaPointe commented that the board had to (1) address the \$20,000 general fund balance problem and (2) determine "how we got in this mess". If there was some huge expense in the previous month that was unforeseen that might explain this.

Scott asked if we were just looking at this the wrong way?

LaPointe said that the July Treasurer's report showed a general fund balance of \$2.79M and this month went down to \$634K. Discussion followed again on how to properly interpret the Treasurer's report.

Jenema requested that Collett and Dye pull the reports from the previous year at this time to see if there was a similar issue.

Motion by LaPointe to loan \$50K from the monies assign to the septage plant until such time the board understands the real cash flow situation of the uncommitted general fund balance where once the true cash balance is understood the proper adjustments could be made.

Scott reiterated that he thinks the report is wrong as the format changed and that in 8 or 9 years he had never seen anything like this. Collett responded that she thinks the problem has always been there but was just hidden before.

White asked the question of how much money was needed to get the Township through the next month. There was further discussion on what numbers should be added and what numbers should be subtracted in the report to determine the correct balances of the general fund.

It was determined that \$50K was not sufficient to pay the bills, Zollinger stated the need for a special board meeting as we don't understand the numbers and how they could change so much from month to month.

Scott asked why this was not brought to the board with more answers since the report was generated last week and that learning of this very substantial issue, the way the board did, was inappropriate.

After it was determined that a loan of \$70K was need rather than \$50K **LaPointe amended his motion to - loan the general fund \$70K from the septage fund to be repaid no later than Feb 15, 2014 or sooner. Seconded by Dye.**

Collett than raised the question can any bills be delayed. After much discussion and a recess to review the outstanding invoices it was determined that this was not a viable option.

A roll call vote on LaPointe's motion passed 7-0.

A motion was made to accept the Treasurer's report by White, no second, motion failed.

Scott stated that the board should not accept the Treasurer's August report as the board does not understand it. Jenema restated her lack of understanding of the report. **Motion then seconded by Jenema. Roll call vote to accept the Treasurer's August report failed two in favor (Collett, White) and five opposed (Jenema, Lapointe, Dye, Scott, Zollinger).**

Accounts Payable:

Dye stated the current bills to be approved were \$57,694.18. An additional bill for \$2,400.00 was presented after the original report was ran. This additional bill is a normal monthly billing.

Motion by LaPointe, seconded by Zollinger to approve the current bills of \$57,694.18 and the additional bill for \$2,400.00. Motion carried by a roll call vote of four in favor (Dye, Jenema, LaPointe, Zollinger) and three opposed (Collett, Scott, White)

F. REPORTS:

1. Sheriff's Report – Deputy Ken Chubb:

Chubb reviewed the monthly stats. Chubb also said he will be at the Acme Kmart store on Saturday, October 5, talking about safety awareness.

2. County Commissioner's Report – Larry Inman:

Inman commented that the commission is still working on the budget that is due in November. We are still waiting for quotes from Blue Cross Blue Shield for health care coverage.

3. Road Commission Improvement Ballot Proposal

Bill Mouser, Road Commissioner, had brochures for the upcoming November 5 election. He said Grand Traverse County is proposing an increase of 1 mil per year for three years to repair and improve local streets, roads, highways and bridges, The increase would provide \$4.4 million annually. The cost to taxpayers is \$100 per \$100,000 in taxable value.

G. SPECIAL PRESENTATIONS/DISCUSSIONS: None

H. CORRESPONDENCE:

1. Metro Fire Open House Invite

Zollinger commented on the 2013 Metro Fire Open House, Saturday, October 5, 11am-2pm at Station 11 located at 3000 Albany, off Veterans Drive.

2. Zollinger read into the record a note from a resident to the treasurer regarding the poor road conditions on Deepwater Point Road.

I. PUBLIC HEARINGS: None

J. NEW BUSINESS:

1. Proposal on Shoreline Management to GTRLC – Zollinger

Zollinger referred to a letter written to Megan Olds at the Grand Traverse Regional Land Conservancy (GTRLC) regarding partnering with GTRLC to provide support and services in the creation of a park design for the Bayside Park properties that have been acquired. A Memorandum of Understanding will be developed that will outline roles and responsibilities, as well as a timeline and action plan for activities and deliverables.

Motion by Jenema, seconded by Scott to proceed with the Memorandum of Understanding with GTRLC. Motion carried unanimously.

Resolution Yuba Historical Society - Zollinger

Motion by White, seconded by Jenema to approve Resolution R#-2013-37 to pay the Yuba Historical Society \$2,892.21 for 2% Tribal grant money received. Motion carried by unanimous roll call vote.

2. **Resolution to correct Beach Club tax charges to Shoreline Account**

Zollinger stated that when the Beach Club was sold taxes were paid by the township. We need to have a resolution to transferred the money from Main & Parks Expenditures where the taxes were paid from to Shoreline to better track these activities.

Motion by LaPointe, seconded by Dye to approve Resolution R#- 2013-38 transferring Monies from Main & Parks Expenditures to Shoreline for property taxes paid on the Beach Club. Motion carried by unanimous roll call vote.

3. **K-mart Bankruptcy DPW write off**

Zollinger refered to a Memo authorizing DPW to write off the sewer use and penalties dating back to 2001 due to K-mart bankruptcy in the amount of \$8,550. 00. Zollinger will sign the memo and bring closure to this matter.

4. **Special Assessing Districts (SAD)**

LaPointe expressed that over the course of time there have been many discussions on fixing the roads and have come to the conclusion that the Road Commission has no funds and that it falls back on the township. The Legislature recognizes these situations, and authorizes townships to raise money by specially assessing part or all of a project's cost against the real property that will benefit from the service or improvement. He said there are currently two groups actively pursuing this, one in Holiday Hills and the other Peaceful Valley. LaPointe has attended the meetings. LaPointe is purposing that under the direction of Jocks we create a Special Assessing District (SAD) Ordinance. This would serve as a road map for anyone interested in doing so. LaPointe encouraged the Board to read the information that was provided. Discussion followed.

L. OLD BUSINESS:

1. **Tart Trails Snowplowing – Jenema**

Jenema recently met with Julie Clark from Tart Trails. Tart is currently working on a connector from the Bunker Hill trailhead to our Parks. Through this discussion Jenema said that last year Traverse City loan plowing equipment to clear the trails. Tart is asking if Acme township would clear the trails from Bunker Hill Rd to Five Mile. It would basically be one swipe.

Motion by LaPointe, seconded by Jenema, to have Henkel, do the plowing/clearing from Bunker Hill Road to Five Mile Road.

Zollinger commented that perhaps Henkel should assess the situation first to make sure he would be able to do this without causing damage to private property along the way.

Motion amended to include a written assessment by Henkel of the situation. Motion carried unanimously.

2. **Septic Bonds**

This is an item that was tabled from the September Board meeting as there was some issues with the wording. Now upon review from Jocks we are ready to act.

Motion by LaPointe, seconded by Collett to approve Resolution to cancel action to

Redeem all of the callable outstanding septage treatment facility project bonds, series 2004 or to maturity. Motion carried by unanimous roll call vote.

3. Resolution Burial Services Fee - Dye

This was presented at the August Board meeting. The Board felt that more information needed to be reviewed.

Motion by LaPointe, seconded by Zollinger to accept the charges that are consistent with surrounding municipalities and Bostwich's charges and go forward with the agreement as reflected in Resolution R#2013-39. Motion carried 5 in favor (Dye, Jenema, LaPointe, Scott, Zollinger) and 2 opposed (Collett, White)

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

G. Veliquette, 8369 Elk Lake Road, thanked the Board for their work and asked about the taxes paid on the Beach Club. He also thanked the Board.

R. Challender, 3885 Bunker Hill Road, expressed questions about the recent audit conducted by Plante Moran, monies spend on the Shoreline. Zollinger will address later with Challender.

D. Stadel, 3518 Kennedy Place expressed his appreciation of the Board. He has not attended a meeting in several months and is very pleased with how things are organized and moving along.

P. Salathiel, 4882 Five Mile Road, commented that it was a commitment from the start of the Shoreline project to not go to the residents with a millage.

Meeting adjourned at 9:45 p.m. on a motion by LaPointe with support from White.