



**ACME TOWNSHIP SPECIAL BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
7:00 p.m. Tuesday, June 29, 2004**

Meeting called to order at 7:02 p.m.

Members present: R. Agruda, D. Amon, D. Hoxsie, N. Knopf, C. Walter

Members excused: None

The purpose of the meeting was to discuss and finalize the proposed budget for 2004-05. Amon began by asking everyone to turn to Section 2 of the budget binders he distributed, where he read from lists of 2003-04 short and long-term goals and offered brief commentary on the way in which he felt many of the goals had been met or significant progress had been made. Walter observed that the township's Parks & Open Space Plan calls for linkage of the TART from Bunker Hill Road to the Lautner Road and Bates areas. He doesn't believe that a linkage to Lautner Road is possible until/unless the proposed Village at Grand Traverse Mixed Use Development (MUD) is approved. Bids are being accepted now on work to link the TART to the Bates area.

Amon then reviewed a list of his goals for 2004-05, also provided in the binders. They included: addressing current and future sewer and water issues; cooperation with the Road Commission and East Bay Township to repair Holiday Hills Road, continued cross-training/cooperation/teamwork for office staff and creation of a new East Bay boat launch facility.

Next came a discussion of capital improvements proposed for 2003-04 versus those implemented and desired capital improvements for 2004-05. Amon noted that during the current budget year, \$16,000 in capital improvements were requested and made to the office area, while \$5,000 is requested for the coming year for new computers, printers and a digital projector.

Detailed discussion followed regarding proposed parks & maintenance capital improvements for the coming year. Looking at items not completed this year but carried forward to next year such as playground equipment and Saylor Park bathhouse trail paving, Walter asked why they would be carried forward if they weren't critical enough to complete in the current year. Henkel responded that it wasn't a matter of them not being critical; it was a matter of him not having enough time to do everything on the list and being sensitive to Board requests to limit spending. Any of the items can be deferred to another year if necessary.

Items deemed critical were: repair of drains in fire engine bays (Knopf noted that these back up occasionally and create dangerous slippery situations), purchase of a bronze plaque recognizing donors to the YCNA and informational kiosks for the trailheads, purchase of trees for the YCNA, paving the path to the Saylor Park bathhouse (for fullest ADA compliance), and replacement of wolmanized landscaping timbers at Bayside Park. Items removed from the coming year's budget included an epoxy coating for the firehouse floors, new playground equipment for the parks, removal of asphalt at the YCNA parking area on Yuba Road, purchase of new picnic tables, and construction of a sidewalk along US 31 North in front of Bayside Park.

Revenues:

Corpe has prepared a proposed new fee schedule for the Board's consideration, as well as an estimate of how much income might be generated if it is adopted. Due to these projections, Amon added \$14,000 to the fee revenue budget. He also investigated the probable impact of receiving the K-Mart personal property tax settlement funds. Out of the total of nearly \$12,000 expected from the settlement, most will go to other taxing authorities with Acme receiving only about \$420. Amon feels we should approach the other taxing authorities and ask them to pay a share of the legal expenses we incurred to get them their settlement. Hoxsie stated that we may also get to keep any accrued interest. He also mentioned that the expected \$420 should be moved to line 9, delinquent personal property tax.

Other Expenses:

Amon removed the contingency line item from this cost center to help balance the budget. Knopf was unsure that this would be a good idea, feeling that there should be a ready place from which to draw funds for unexpected expenses. Walter agreed with Amon that the line item should be removed, and that if an unforeseen expense arises, the Board can direct a transfer to pay for it from the Fund Balance Forward.

Board of Trustees:

Amon proposed a reduction in the per diem amounts for trustees by \$2,000. He also mentioned his admiration for Larry Belcher, the township's representative to TC-TALUS who attends the meetings actively by choice and without asking for any reimbursement. He also reduced the proposed DDA consultant expenses by \$6,000. Walter noted that this means that more of the work must be done in-house, but expressed confidence that we are capable to do so. Hoxsie suggested a reduction to \$16,000 for clean-up day, a target that will likely be achieved by limiting citizens to one free truckload next year with a charge for additional loads, rather than unlimited free access as has been provided for the past two years. Amon also reduced education expenses for trustees to attend the MTA Educational Convention by \$2,000 based on actual cost information for attendance this year that Corpe provided.

Supervisor:

Amon reduced his proposed supplies & postage expenses by \$125. He removed travel expenses and dropped miscellaneous expenses by \$400. He removed his contingency line item. Walter stated that he believes that the township's meal reimbursement policy should state that the township will never pay for a business meal in the local area, since everyone needs to eat lunch whether they are having a meeting or not. Out-of-town meals should still be reimbursed. He also feels that whenever possible, our service supplies should be hosting township officials as part of their business practices. Hoxsie and Amon concurred, with Amon noting that he would like to put an administrative policy in place during the coming year to address this and other similar issues.

Elections:

Knopf stated that there will be at least 3 elections in the coming year, and that she has not asked for an increase in election worker wages. She reduced the costs of both publications and miscellaneous items by a half to \$250 each. Walter asked why the polling place for precinct 1 couldn't be held in the fire hall so that the township offices can remain open on election days. Knopf responded that the facilities would be inadequate and unsafe. She expressed concern about where the fire trucks would be temporarily located, and about routing voters past the restrooms. Henkel also noted that this isn't feasible from his point of view due to Homeland Security dictates in the post-9/11 era.

Assessing:

No change.

Clerk:

Knopf reduced proposed travel expenses by \$500 and miscellaneous expenses by \$800. Education was cut to \$500. Hoxsie expressed concern regarding the proposed raise in wages for the Deputy Clerk; the proposed amount exceeds the COLA and all other salaries were kept roughly to a COLA increase at most. Knopf agreed to reduce the deputy's wages to \$14,731. Jeannie Thaxton asked why each category in the budget seems to have both miscellaneous and contingency line items, when the idea of a budget is to have a spending plan. Amon noted that the contingency line item is being eliminated in all cost centers.

Board of Review:

No change.

Treasurer:

Hoxsie made two small changes to his cost center, one being to reduce education costs slightly.

Townhall:

Amon added \$2,000 to supplies and postage for the copier maintenance contract, as we are making more copies than anticipated and the contract cost is based on copies made. Walter suggested that during the coming year a phone costs survey be performed to look for potential savings. He stated that usually a consultant will perform this service for a fee that is a percentage of savings generated. Hoxsie stated that having the Treasurer's office in his home can be a complicating factor; he has a business voice and business fax line. Walter observed that even if his office were moved to the hall, at least one of those lines would still be necessary. Walter also asked if the budget for natural gas is high enough, as he believes there will be a 15% cost increase this winter.

Cemetery:

No change. Walter asked about current plot purchase costs (\$100 each) and whether or not they have been reviewed. Knopf replied that we need to update our Cemetery Ordinance and increase our plot fees to at least \$300 each.

Planning & Zoning:

Amon mentioned that he provided some thoughts regarding this cost center to the Board via e-mail already. He suggests setting the Planner's Salary at \$0 for now, leaving Corpe's salary on a separate line. He reduced the Attorney-Litigation budget from \$50,000 to \$20,000, stating that as in years past we should view litigation as an extraordinary item. Some funds are needed to complete work on outstanding lawsuits. Funds for any new suits would be transferred from the Fund Balance Forward as happened this year. Amon feels that at some point, both officials and general public need to decide if litigation is the best way to spend public funds, or if there are better ways for everyone to make their points and settle differences. Smith observed that this is the "worst" year he can recall as regards litigation expenses, and agrees that recent history can be tempered with long-term history.

Thaxton noted that attorney and planning consultant expenses are projected to rise, and wondered if planning and zoning per diems are in line. Smith stated that the legal and consulting expenses are projected based on continued Master Plan review, rewriting the Zoning Ordinance and creating a future land use map for the Master Plan during the coming

fiscal year. Per diems are up as well because the Planning Commission is now meeting twice as often as it used to in order to keep up with external workload and internal projects.

Knopf was concerned about continued references to transferring funds from the Fund Balance Forward if needed. She cautioned the Board against this philosophy. She feels it's important not only to maintain at least 1 ½ years worth of operating budget but to also continue to save towards the cost of constructing a new township hall. She also recommended that the township attorney does not need to be at every Board and Planning Commission meeting. She felt he should be invited when a clear need for his attendance was perceived, but right now when he attends every meeting, there are often evenings when he never says a word. Walter asked if a problem might arise if Christopherson was not present at a meeting and a legal question arose, and if an applicant might be unduly delayed from receiving a plan approval. Smith, Corpe and Amon all felt that in such circumstances, a motion to move the process forward contingent upon a favorable response from counsel would be in order.

Amon mentioned that Christopherson says that a continued appeal of the ruling in the CCAT lawsuit will be a) expensive and b) a process that could extend 2 years or more. There will be long periods when nothing much happens during this time, so the timing of costs will be hard to predict. Amon also increased the Planning & Zoning line item for general attorney services, as we still need to discuss questions and issues with Christopherson during the daily course of business.

Regarding proposed planning consultant costs, Amon asked Russ Clark to evaluate the amounts we spent on such services over the past year and project what we might expect in the coming year. Amon also noted that the Board will be discussing adoption of a new fee schedule that should offset consulting costs, and there seems to be a general desire to bring as much of the planning review work back in-house as possible. In this line item, he also included \$4,000 for participation in the County GIS framework project as presented by Laurie Spencer, the Equalization Director.

Regarding the education line item, Smith hopes that all Planning Commissioners will have an opportunity to attend Citizen Planner training if they have not done so already. County Planning and other entities often provide ongoing education and training that are valuable to enhance the skills of commissioners and staff.

Maintenance & Parks:

Amon asked about the \$2,000 on line 13 for supplies. Henkel stated that he buys an entire year's worth of paper products (toilet paper, paper towels) for the hall and the parks at one time every year. A worksheet has been prepared that breaks down the proposed \$9,300 in repairs and maintenance expenditures. The Parks Wages line item now contains all of the wages for park maintenance workers.

A discussion of Henkel's comp time followed. Amon stated that at the beginning of the fiscal year, after a substantial amount of comp time that had been built up over the years had been paid out, Henkel had a balance of 480 hours. During the winter months some of these hours were used up, when there isn't much outside work to do, and in the spring and summer they begin to build up again. The current balance is approximately 300 hours. He sees three options: a) pay off the entire balance now; b) pay off part or all of the hours in the next budget cycle or c) as comp time decreases with the addition of a part-time duty position, half could be paid out now and the other half used up. Knopf has concerns with the comp time concept altogether, saying that if a financial allowance for comp time is included

in the salary line item, the township also has to pay FICA on that amount. Henkel reminded the board that his comp time arrangement has been in place for 16 years to take into account the fact that more man-hours used to be needed in the summer than the winter. He also said that he is increasingly busy year-round.

Knopf stated an expectation that with a part-time duty officer at the fire hall, the need for comp time can be entirely eliminated. She said that the township has never compensated Henkel for being the Fire Chief, and Henkel agreed. He said he would be uncomfortable having his salary level depend on whether or not he was re-elected Chief. Knopf is generally uncomfortable with the comp time arrangement and feels it should end and that until it ends it should have a separate line item in the budget.

Walter feels that funding a duty officer is important so that someone is close to the fire equipment at all times so as to reduce response times to emergency calls. Hoxsie interprets the duty chief position as being a mechanism by which Henkel can somewhat divorce himself from fire duties during the workday. Walter would still expect him to respond to emergency calls, but having duty staff would mean that the equipment and facilities would be in readiness at all times. Walter also dislikes the comp time, believing that people should be paid for the actual hours they work. Henkel observed that when he has to come to the hall to plow snow several times over a weekend to keep the building accessible, the costs could add up quickly.

Knopf had thought the outstanding comp time was fully paid off at the end of the last fiscal year; Amon and Hoxsie replied that it had not been. Agruda noted that the auditor has recommended that all comp time be paid out and the program terminated, saying that the concept is not applicable to salaried individuals and may not be legal. Amon favored paying out 50% of the remaining comp time now with the rest to be used up. Knopf favored a full payout and immediate termination. Because no consensus could be reached quickly, Walter recommended that the comp time issue remain as is for now, be settled later and that the Board finish the budget adoption process now.

Summary:

At the end of the previous budget meeting, the Board was facing expected expenditures that were \$207,995 more than anticipated income. With cuts and revisions discussed this evening the expected deficit has dropped to \$27,464. Bill Kurtz asked where the current year's budget deficit stands and was told it is \$117,539 at present, to be finalized after the annual audit is complete. There is a balance of approximately \$609,000 in the sewer fund.

Motion by Knopf, support by Hoxsie to Adopt the Acme Township Appropriations Act for 2004-2005 with estimated expenditures of \$745,480. Motion carried by unanimous roll call vote.

Meeting adjourned at 9:52 p.m.