

PENINSULA TOWNSHIP

13235 Center Road, Traverse City
MI 49686

www.peninsulatownship.com

Township Board Special Meeting March 25, 2024, 7:00 p.m. Township Hall Minutes

1. **Call to Order** by Chown at 7:02 p.m.

2. **Pledge**

3. **Roll Call**

Present: Achorn, Sanger, Sanders, Rudolph, Shanafelt, Chown

Absent: Wunsch

Chown: as you can see, our supervisor is still on paternity leave, but rumor has it he'll be back this week.

4. **Citizen Comments:** none

5. **Approve Agenda**

Achorn moved to approve the agenda with a second by Sanger. Motion passed by consensus

6. **Conflict of Interest:** none

7. **Consent Agenda:** none

8. **Business:**

1. Bayshore Marathon Application (Tabled from 03-12-24 Township Board Regular Meeting)
(Cram)

Cram: since our last meeting, we have received the requested escrow to cover the professional services that have exceeded the application permit fee. We also received an updated application accepting the current fee schedule. The Bayshore organizers have scheduled two meetings with community partners for safety. All outside agencies that need to be talking are in contact. A meeting is scheduled for April 3, and another in May. Everyone is committed to making sure we have a backup plan if the first phase of construction is not complete. MDOT feels it will be. In the event that it's not, there will be a plan so emergency services can get people where they need to be. The indemnification agreement has been drafted. It isn't yet complete, but legal counsel feels it's close. All the items we needed for a complete application have been submitted.

Shanafelt: at the last meeting, Dave [Sanger], you were worried about the safety plan. Are you comfortable with the level of progress at this point?

Sanger: I am.

Chown: in terms of the indemnification, has our [legal counsel] made a recommendation about approving the application pending receipt of an acceptable agreement?

Cram: yes. if the board is comfortable with everything else, the event could be approved conditionally. We could set a reasonable time limit to have the indemnification signed by both parties.

Sanders: bravo, track club. You've done a lot in a short amount of time. Thank you.

Sanders made a motion to approve the Bayshore Marathon pending receipt of the

indemnification agreement, which [must be] in hand and signed no later than the close of business on April 4, 2024, with a second by Rudolph.

Roll call vote: yes – Sanger, Sanders, Rudolph, Shanafelt, Chown, Achorn **Approved unan**

2. First public hearing on proposed fire fund millage rate for fiscal year 2024-2025 (Achorn)

Achorn: I have prepared the budget the last seven years. When Katie Clark came on as my deputy last year, I brought her into the process. This year I felt we needed to cross train more of our board members. I asked Isaiah [Wunsch] and Maura [Sanders] to assist. It spreads the wealth of knowledge to have backup. Chief Gilstorff knows his budget, so we let him present it himself.

Chief Gilstorff: the fire department millage is staying at the same rate of 2.6. For this budget year, I am presenting a total expenditure cost of 2.5 million.

Gilstorff gave an overview of the proposed budget included in the packet and of the department's new ability to put a member in the water to rescue people.

Sanders: the old AEDs, are they still usable?

Gilstorff: yes, we will keep them in service. I carry one in my vehicle. We have some paid-on-call EMTs; we may give some to them. There's no trade-in value to them and they still work.

Sanders: regarding the new water rescue abilities, are we capable of going out to train others?

Gilstorff: yes. I've mentioned that to all the chiefs. We want to try to recuperate the cost of learning this skill. We're good at the boat operations but we were limited in being able to get off the boat to help people.

Sanders moved to close the township board special meeting and open the public hearing with a second by Sanger. **Motion passed by consensus.**

No public comments.

Rudolph moved to close the public hearing with a second by Shanafelt. **Motion passed by consensus.**

3. Public hearing on proposed police fund millage rate for fiscal year 2024-2025 (Achorn)

Achorn: we set a new millage proposal two years ago that maxed out at .5 mills. Last year we decided to collect .23 mills. It's a minimal amount. This budget proposes .35 mills. It gives the township the opportunity to add enforcement officers as we need them, if we need them. We want to be prepared for any additional possibility of increasing our presence here in the township. Also, we have purchased a lot of equipment for our sheriffs, and we need to keep it updated and in good repair.

Sanders: for 2023-2024, the estimated revenue coming in for the Police Fund is \$354,000. The majority is coming out of the tax collection pay over and a few delinquent taxes. There's a significant amount of interest income and some increases on the appropriation side.

Sanders gave an overview of the proposed police budget.

Achorn: the county bills us.

Sanger: it's all in one. The bill includes the equipment, the training, officer salaries, and benefits.

Sanders: we are budgeting for \$210,000 there. Camera lease costs have gone up. We didn't have anything in capital outlay last year. We are requesting \$10,000 going forward. What is the capital outlay for?

Achorn: perhaps more speed signs. I'm not sure how the financing would work for any new equipment, whether it would be leased or from capital. For now it's in capital.

Sanders: total appropriations for the Police Fund are \$242,400. This is significantly less than our estimated revenues. That fund looks good.

Rudolph: do the estimated revenues reflect the .35 mil?

Achorn: yes.

Sanger moved to close the special meeting and open the public hearing with a second by

Rudolph.

Motion passed by consensus.

Nancy R. Heller, 3091 Blue Water Road: there used to be a monthly report included in the packet of the activity of our community police officers. It sort of disappeared. As a resident, I'm out and about a limited amount of time, but I'm not seeing adequate nighttime coverage. I'd like to see someone in charge of overseeing the scheduling. I commented last time on the two officers being scheduled at the same time. Becky [Chown] responded that they were catching more speeders.

Chown: I actually said there was the potential to catch more speeders.

Heller: we don't know; we don't get the report. I feel like when the idea of having two officers was discussed, the idea was we might have more nighttime coverage. I don't feel like we're getting it.

Sanders moved to close the public hearing and return to the regular meeting with a second by Rudolph.

Motion passed by consensus.

4. Public hearing on proposed general fund and special funds budget for fiscal year 2024-2025 (Achor)

Achor: because [Sanders and Wunsch] are not allowed to input data into our software system, they had to use Excel. There's a little bit of non-conformity for now since they had to do it on the software they could use. Once the budget is approved at our next meeting, the treasurer's office will input the numbers into the township software so it will be back to the way you recognize it.

Sanders: in the packet is the cover sheet to go over the budget for 2024-2025. In the General Fund, our revenue is at about 1.745 million dollars with roughly the same expenses. The big line item is appropriations and the \$140,000 appropriation in. \$70,000 will be coming from Cable Fund and \$70,000 from our Tower Fund.

Shanafelt: the appropriations line is to make sure our budget works, right?

Sanders: yes, so that it is balanced.

Achor: more so that it's bringing cash in because there isn't sufficient cash.

Shanafelt: from our regular operational income. That's my point.

Sanger: what salary increases are planned?

Sanders: across the board, we are looking at a 3.2 percent increase. This is this year's standard federal cost of living increase.

Shanafelt: in legal fees and allocations, the 2023-2024 WOMP lawsuit costs were about half a million dollars. Are we only allocating \$125,000 for the next fiscal year?

Achor: yes, because we now have an insurance attorney.

Sanders: I caught something in the line item for clerk. The salary for newsletter and salary for parks and cemeteries was \$3,000 each. We are taking that down to \$1,500 each because the salary for the clerk was not accounted for correctly.

Sanger: state law requires that when we assign additional duties to one of the three who have statutory duties that we unbundle the compensation. In the past it was all bundled. Those two items are in addition to the statutory duties.

Shanafelt: Marge [Achor], do you have the staff you need to run the treasurer's department effectively?

Achor: yes, we have a half-time person.

Sanders: in assessing, department 257, under salary for temporary employees, we have a bump in that office that Sally [Murray, the assessor] has been requesting.

Sanders continued presenting the proposed General Fund.

Rudolph: there's an increase in engineering costs [for Fund 204, Roads]. Is this related to Bluff Road?

Achor: yes.

Sanders briefly presented the parks and cemetery budgets.

Achorn: at the bottom of the Cemetery Fund [209], there's a \$14,100 loss. This is allowed because it already earned that income in a prior year. There's a sufficient fund balance and cash to support this.

Shanafelt: where do prior year balances show up then?

Sanders: total fund balance.

Achorn: net income rolls over into the fund balance.

Sanders continued presenting the proposed fund budgets, including the Dougherty House and Replica Log Church fund budgets.

Sanders: the Dougherty House 501(C)3 group sent the township a letter requesting these two funds be split up. The groups have independent accounting.

Sanders continued presenting funds.

Sanders: In the PDR [Purchase of Development Rights] Fund, 397, estimated revenues for next fiscal year are 1.938 million dollars. We are looking at spending \$149,250.

Achorn: 1.5 million is planned for purchases once they go through the process.

Cram: we should have the first four appraisals in the coming weeks. We received 10 applications.

Shanafelt: we don't budget for those yet because they haven't happened yet, but we do know how much we have available.

Achorn: on the cash column in the summary, there is more than five million dollars.

Sanders: in the Tower Fund, 502, we are appropriating \$160,000 out. \$15,000 is going to Roads, \$75,000 to Parks, and Compactor is getting \$4,000.

Sanders: the Lighthouse Fund projected revenue is \$134,500.

Shanafelt: most of that goes to expenses, net \$20,000.

Sanders: between the Lighthouse Fund, 508, and Lighthouse Gift Shop Fund, 509, Ginger [Schultz, the lighthouse manager] is pulling her full salary. [The manager's salary is split between the two funds.]

Board discussed Sewer Fund, 590, Water Fund, 591, and Compactor Station Fund, 596.

Achorn: overall, we have used up the income from our Tower Fund and Cable Fund to operate this township. We've had to dig into our emergency reserves. This is not doable into the future. We must have an additional source of funding for the operations of the township. I am working on a ballot proposal for the August ballot to reset Headlee back to 1.0 mills. This would give us the same amount of tax funding that we are taking from our emergency fund.

Sanger: the tower referred to is the big tower up by fire station 1. For years, we leased out antenna space. The Cable Fund is a franchise fee for the Cable TV service in the township.

Achorn: I don't know how long they're going to last. In case something drastic happens such as another Covid, we need to plan ahead to make sure township finances will be secure.

Shanafelt: we need some funding for emergencies.

Sanders: the Tower Fund has been pennies from heaven, but we can't lean on it.

Sanger: several of these are restricted funds. If we're short on money, we can't dip out of the PDR fund, for example. The cash balance looks healthy but we can't use it in an emergency.

Achorn: even if the road needs funding, it can't come out of these other special funds.

Sanger moved to close the regular meeting and open the public hearing with a second by Rudolph.

Motion passed by consensus

Nancy R. Heller, 3091 Blue Water Road: I thank everybody for the hard work. I wasn't able to get through it all. That is my responsibility. It's hard to get through because of the way it's formatted. I thank the treasurer for clarifying that the end product will look more familiar. If you have to use this formatting in the future, please use page numbers, head all the columns on all the pages, and color code the funds and departments. It would expedite trying to get through it. I know it was a

lot of work and I thank you. I will have comments on Wednesday.

Pam Boyce, 8764 Horizon Dr: I'm here to ask about the American Rescue Plan dollars. Kudos for printing the budget update in the last newsletter. We started out with \$600,000 in funds. My understanding was that those funds had to be committed or spent by end of this year, 2024. Who are the decision makers for the fund, what is the process by which decisions are being made, and what are the current plans? It looks like two-thirds of that money is still available.

Sanger moved to close the public hearing with a second by Rudolph. Motion passed by consensus

Achorn: ARPA monies have to be committed by the end of this year, 2024. They have to be spent by the end of 2026. The board has decided where the funds are to be committed. Most of the funds are going to the parks. We don't know exactly which park but we are not required right now to determine that. We have commitments for two different parks, Kelley Park for the boat launch and Pelizzari Natural Area for the raised walkway in the hemlocks.

Rudolph: thank you, Maura [Sanders], for all your hard work on the budget.

9. Citizen Comments: none

10. Board Comments

Shanafelt: I commend you, Marge [Achorn], for spreading institutional knowledge.

Sanders: thank you to Marge and Katie [Clark, deputy treasurer] for their patience.

Chown: Isaiah helped but found himself occupied. Maura probably ended up shouldering more of this than she expected.

Sanger: it's the first time in a long time we have a budget that is easy to understand.

Chown: thank you to the board for the efficiency of this meeting. Thank you, Fred [Gilstorff], for your presentation.

11. Adjournment

Shanafelt moved to adjourn with a second by Sanger.

Motion approved by consensus

Adjourned at 8:15 p.m.