

PENINSULA TOWNSHIP

13235 Center Road, Traverse City MI
49686 www.peninsulatownship.com

Township Board Special Meeting March 26, 2025, 10:00 a.m. Conference Room - Township Office Minutes

1. Call to Order by Sanders at 10:02 a.m.
2. Pledge
3. Roll Call

Present: Alexander, Chown, Clark, Sanders, Sanger

Excused/Absent: Milliken, Wunsch

4. Brief Citizen Comments (for agenda items only)

Public Comment – Steve Roach (Attorney, Miller Canfield, on behalf of Marty Lagina and affiliated entities): expressed opposition to Resolution 2025-03-26 #1, stating the proposed fines are unconstitutional and otherwise unlawful as outlined in a letter submitted by his colleague Joseph Infante, which is included in the meeting packet. He also objected to what he characterized as an improper attempt to restrict short-term rentals in agricultural and commercial districts. Citing a prior legal opinion provided to the township, he argued such restrictions were deemed applicable only to residential zones and urged the board to reconsider the resolution accordingly.

Sanders: clarified that the term “residential” pertains to the actual use of the structure—as a dwelling for habitation—rather than the zoning district designation of the parcel.

5. Approve Agenda

Motion by Sanger to approve agenda as written, seconded by Alexander.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

6. Conflict of Interest: none
7. Consent Agenda: none
8. Business:

A. Second fire department and police millage fund rate public hearing for fiscal year 2025–2026

Sanders: two changes were noted: the camera lease cost was adjusted from \$20,000 to \$18,000 due to the removal of an unexpected tax charge applied despite the township’s government status. The millage rate was reduced to 0.23 as previously discussed at the last board meeting.

Sanders opened public hearing.

Jordan Travis, Record-Eagle: Suggested the locked front door may violate the Open Meetings Act.

Chown: said she will verify compliance.

Sanders closed the public hearing.

Motion by Clark to approve the fire department and police millage fund rate for fiscal year 2025-2026, seconded by Chown.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

B. Adopt fire department fund rate, police department fund rate, general fund and special fund budgets, and fiscal year 2025–2026 calendar via the appropriate resolutions

General Fund Adjustments

Township Board Salaries: updated to reflect a 5% COLA increase for township board trustees. New total: \$31,500. **Board of Review Wages:** confirmed at \$2,500. **ARPA Transfer Adjustment:** FY 2024–2025: \$50,000 ARPA match for Kelley Park grant will be zeroed out due to no grant award. FY 2025–2026: \$50,000 reallocated in current year’s budget to keep it visible. **ARPA Fund Appropriations Transfers:** \$110,000 total: \$25,000 from Lighthouse Fund, \$42,500 from Cable Fund, \$42,500 from Tower Fund.

Special Funds Adjustments

Temporary Employee Wages: \$1,575 moved from Cemeteries to Clerk’s Office where hiring is managed. **Peter Dougherty Society Appropriation:** Request to increase FY 2025 contribution from \$7,500 to \$10,000 to support a \$17,000 capital improvement plan (painting, HVAC, and roof replacement). Long-term plan is to split funding 50/50 between township and society through FY 2029. The additional \$2,500 will be split equally between Cable and Tower Funds. (See attachment at the end of the minutes.) **Lighthouse Gift Shop:** interest income for FY 2025–2026 budgeted at \$2,500, consistent with past years despite exceeding it in FY 2024. Sales tax (income and expense lines) for lighthouse will be zeroed out as they are in-and-out items and not budgeted. **Sewer Fund – Debt Service:** \$2,000 interest expense line removed to match earlier removal of debt service principal.

Lighthouse Manager Compensation Clarification: manager’s salary is split 50/50 between Lighthouse and Gift Shop funds. Medical expenses reflect full-time employment.

Fund Balance Strategy/Investment Plan: there has been an effort to minimize reliance on Cable and Tower funds in the proposed FY 2025–2026 budget, which was balanced without initially drawing from those sources. A small portion of Cable and Tower funds is now being used to support Dougherty House, roads, trash compactor, and parks. In alignment with recommendations from the Maner Costerisan financial report to increase the township’s overall fund balance to 150%, the township plans to transfer \$500,000 from Cable and Tower fund balances into the General Fund. This will allow the township to invest the funds through Michigan CLASS, where it may earn a higher return (approximately 4.6% compared to the current 3.65%). The total available in the Cable and Tower fund balances is approximately \$1.85 million. The initial transfer is intended as a test case to evaluate performance before potentially transferring additional amounts.

Planning and Zoning Clarification: these functions have been separated in the current fiscal year. Previously, they were combined. The budget reflects that the township planner is a contracted professional, not a full-time employee, so expenses appear under Contractual Services. Zoning enforcement and related staffing costs have been moved to the zoning budget, including a \$75,000 placeholder for the anticipated zoning administrator hire.

Contracted Maintenance Clarification: the change to \$81,000 reflects a 3% cost-of-living increase, as outlined in Bob Wilkinson’s existing multi-year maintenance services contract.

Resolution 2025-03-26 #1 was tabled because the amended general fund budget for FY 2024-2025 will not be made available until 04/01/25. Resolution # reassigned to Business Item 8C (Schedule of Civil Fines for Unlawful Operation of Short-Term Rentals)

Resolution 2025-03-26 #2

Motion by Alexander to adopt the general fund budget as amended for fiscal year 2025-2026 at the department level and to appropriate spending the budgeted money, seconded by Sanger.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

Resolution 2025-03-26 #3

Motion by Sanger to adopt the fire department fund budget for fiscal year 2025-2026 at the department level and to appropriate spending the budgeted money, seconded by Alexander.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

Resolution 2025-03-26 #4

Motion by Clark to approve the resolution to set the 2025-2026 millage for the fire department fund at 2.6 mills, seconded by Sanger.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

Resolution 2025-03-26 #5

Motion by Alexander to adopt the police department fund budget as amended for fiscal year 2025-2026 at the department level and to appropriate spending the budgeted money, seconded by Sanders.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

Resolution 2025-03-26 #6

Motion by Clark to approve the resolution to set the 2025-2026 millage for the police department at .23 mills, seconded by Alexander.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

Resolution 2025-03-26 #7

Motion by Chown to adopt the special fund budget as amended for fiscal year 2025-2026 at the department level and to appropriate spending the budgeted money, seconded by Sanders.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

Resolution 2025-03-26 #8

Motion by Clark to adopt the fiscal year 2025-2026 calendar, seconded by Chown.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

Resolution 2025-03-26 #9

Motion by Alexander to authorize the clerk and treasurer to pay recurring bills to avoid late charges and/or finance charges and authorize the supervisor to make budget adjustments and authorize bills up to \$10,000.00, if necessary, seconded by Sanger.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

Resolution 2025-03-26 #10

Motion by Chown to authorize the treasurer to utilize financial institutions of her choice as provided by law, seconded by Sanders.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

Resolution 2025-03-26 #11

Motion by Sanger to authorize the treasurer's office to access online banking through Independent Bank, State Savings Bank, Huntington Bank, and MI CLASS, seconded by Sanders.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

Resolution 2025-03-26 #12

Motion by Clark to authorize the township supervisor to receive a 5% cost of living adjustment, seconded by Alexander.

Roll Call – Yes: Alexander, Chown, Clark, Sanger

Abstain: Sanders

Motion Passed

Resolution 2025-03-26 #13

Motion by Clark to authorize the township clerk to receive a 5% cost of living adjustment, seconded by Sanders.

Roll Call – Yes: Alexander, Clark, Sanders, Sanger

Abstain: Chown

Motion Passed

Resolution 2025-03-26 #14

Motion by Sanger to authorize the township treasurer to receive a 5% cost of living adjustment, seconded by Alexander.

Roll Call – Yes: Alexander, Chown, Sanders, Sanger

Abstain: Clark

Motion Passed

C. Resolution 2025-03-26 #1, Schedule of Civil Fines for Unlawful Operation of Short-Term Rentals

The board discussed and supported the adoption of a resolution establishing a violation fee schedule for unauthorized short-term rentals (less than 30 days) in non-owner-occupied residential dwelling units. While the underlying ordinance has been in place since 1999, enforcement has been limited, in part due to the lack of a defined penalty structure.

Board members emphasized that the restriction applies to residential dwellings in all zoning districts, not just those zoned residential. Hotels in commercial zones and bed & breakfasts in agricultural zones are permitted only with a Special Use Permit (SUP) and are subject to health, safety, and building oversight. This resolution enhances public welfare by ensuring unregulated short-term rentals do not bypass those safety standards.

Historical context was provided regarding longstanding confusion tied to the ordinance's original placement solely under Section 6.2.2 R1-A Districts "Uses Permitted by Right," as it could be misinterpreted that short-term rentals were a permitted use by right in other districts. Although the ZBA clarified that the term "residential dwelling unit" refers to the use of the structure, not the zoning, the ordinance text has yet to be updated accordingly.

Board members emphasized that the proposed violation fee schedule is appropriate and justified given the high revenue generated from illegal short-term rentals, with some properties reportedly earning thousands of dollars per week. The existing \$500 fine (or court-default fee of \$235) has been insufficient as a deterrent, making violations simply a "cost of doing business." The new fee schedule addresses this problem by treating each day of violation as a separate offense, providing meaningful deterrence.

Enforcement remains challenging and time consuming, often requiring evidence such as advertising records or guest reviews to demonstrate transient use. There was support for clarifying ordinance language in the future to include terms like "advertised for rent" to assist enforcement efforts. The board confirmed that the township is moving forward with a long-needed zoning ordinance rewrite, now under review by the planning commission and McKenna Associates. The goal is to incorporate all amendments and correct legacy issues, including clarity on short-term rental restrictions.

Finally, the board expressed its intent to inform external partners, such as the local board of realtors and Traverse City Tourism, that while the fee schedule is new, the rental restriction is not, and all parties are expected to uphold it.

Motion by Clark to adopt Resolution 2025-03-26 #1, the schedule of civil fines for unlawful operation of short-term rentals, seconded by Alexander.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

D. Correct Motion for PDR Ordinance No. 23, Amendment #4, Which Updates the Agricultural Preservation Zone Map

The board revisited Amendment #4 of PDR Ordinance #23, which updates the Agricultural Preservation Area (APA) map. At the March 12, 2025, township board meeting, the updated APA map was approved, but the motion did not include the full ordinance amendment language recommended by the planning commission. The corrected motion was presented and read aloud, clarifying that the intent was to formally approve Amendment #4 of Ordinance No. 23, incorporating additional properties identified in the updated APA map.

Motion by Chown to approve Amendment #4 of PDR Ordinance #23 to include additional properties identified in the updated Agricultural Preservation Area map and adopted at the March 12, 2025, township board

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meeting, at the recommendation of the planning commission, seconded by Clark.

Roll Call – Yes: Alexander, Chown, Clark, Sanders, Sanger

Motion Passed

9. Citizen Comments

Jane Boursaw, Old Mission Gazette: requested a copy of the letter to be sent to the board of realtors. Jordan Travis also requested a copy.

10. Board Comments:

Chown and **Sanger** expressed gratitude to fellow board members for their hard work and diligence regarding the budget(s) as well as their service to the township.

11. Adjournment

Motion by Sanger to adjourn, seconded by Clark.

Motion passed by consensus

Meeting adjourned at 11:22 a.m.

PETER DOUGHERTY SOCIETY

DOUGHERTY MISSION HOUSE

	MAINTENANCE					
	Year 1 2025	Year 2 2026	Year 3 2027	Year 4 2028	Year 5 2029	Grand Total
Painting (House and Outbuildings)	6,000	6,000	6,000	6,000	6,000	30,000
HVAC Replacement	3,000	3,000	3,000	3,000	3,000	15,000
Roof Replacement	8,000	8,000	8,000	8,000	8,000	40,000
Grand Total	17,000	17,000	17,000	17,000	17,000	85,000

CAPITAL PROJECTS

Created 3/22/25-Chris Rieser for
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