

**PROPOSED MINUTES
LAKETOWN TOWNSHIP
BOARD OF TRUSTEES
4338 BEELINE ROAD
ALLEGAN COUNTY
HOLLAND, MI 49423**

SPECIAL MEETING
September 30, 2009

ARTICLE I. CALL TO ORDER

Supervisor Terry Hofmeyer called the Special Board of Trustees meeting to order at 9:00 A.M.

MEMBERS PRESENT: Terry Hofmeyer, Wendy Van Huis, Ed Stielstra, Gary Dewey,
Bob Scanlan

MEMBERS ABSENT: None

STAFF PRESENT: Al Meshkin – Township Manager
Charlene Fields – Recording Secretary

ARTICLE II. APPEAL OF FOIA DENIAL

A. RESOLUTIONS

Township Manager Al Meshkin reviewed the FOIA request and recent State of Michigan Director of Elections Memorandum. Clerk Van Huis noted she was happy they waited for the State’s opinion before making a decision. Clerk Van Huis noted the opinion defines the chain of custody for the ballots, restricts handling and photographing of ballots, and requires supervised oversight. Mr. Meshkin noted the Resolution outlines additional guidelines; fees, etc. Following discussion, **a motion was made by Ed Stielstra and seconded Gary Dewey by approve Resolution 2009-13 FOIA Appeal Resolution as drafted. UNANIMOUS DECISION – MOTION APPROVED**

ARTICLE III. BOND ISSUANCE RESOLUTUION

Township Manager Meshkin reviewed the resolution, noting the resolution would authorize the township to issue capital improvement bonds for the purpose of construction of a new non-motorized path, reconstructing the existing non-motorized path and other related appurtenances located in the township. Following discussion, **a motion was made by Bob Scanlan and seconded by Gary Dewey to approve Resolution 2009-14, resolution approving the capital improvement project and approving insertion of notice of intention of the Township of Laketown to issue capital improvement bonds as drafted. UNANIMOUS DECISION – MOTION APPROVED**

ARTICLE IV. RECOVERY ZONE ALLOCATION RESOLUTION

Township Manager Meshkin reviewed two new bond options created by the Federal Government under the American Recovery and Reinvestment Act. Mr. Meshkin noted Michigan is the second largest recipient of monies available under the new bond options. Money is spread between

counties and major cities, with \$7.5 million for public bonding and \$11 million for private bonding available to Allegan County. Public bonds could be used for governmental purposes that would allow the township to borrow at a lower cost than traditional tax-exempt financing. Mr. Meshkin noted the resolution requests Allegan County be declared a Recovery Zone and therefore reallocate \$550,000 funds to Laketown Township toward the Capital Improvement Bonds. Mr. Meshkin noted the intent would be to use the \$550,000 for bike path and culvert repair on 147th Avenue and to pay for the township's share of the new bike path. Al Meshkin will be meeting with the Allegan County Board of Commissioners on October 1, 2009 to present this resolution if approved. Following discussion, **a motion was made by Gary Dewey and seconded by Bob Scanlan to approve Resolution 2009-15, Resolution requesting creation of Economic Recovery Zone and Reallocation of some of the Allegan County Recovery Zone Economic Development Bonds to the Township of Laketown. UNANIMOUS DECISION – MOTION APPROVED**

ARTICLE V. 147TH CULVERT REPLACEMENT BID

Al Meshkin reviewed the bids for repair and replacement cost to the culvert, bike-path, cleaning of streaming, etc, on 147th Avenue, noted the bid did come in twenty-five percent below original estimates. Following discussion, **a motion was made by Gary Dewey and seconded by Bob Scanlan to approve the 147th Culvert Replacement Bid as presented. UNANIMOUS DECISION – MOTION APPROVED**

ARTICLE VI. AUDITOR'S REPORT

Al Meshkin reported receipt of notice from the State regarding a deficit balance in the Felt Mansion fund. Mr. Meshkin noted the 2007 Restoration Project expenses exceeded budgeted amounts and the accounting requirements for the Felt Mansion fund have lead to a deficit amount of \$91,000 in the mansion fund.

Mr. Joe Kuiper of Kiekover, Scholma & Shumaker, Township Auditor, reviewed the differences between governmental accounting and enterprise fund accounting requirements. Mr. Kuiper noted the Felt Mansion falls under the enterprise fund accounting practices, which are more complex, requiring the reporting of fixed assets as related to debt. Mr. Kuiper noted, at this time, the cash outlays have exceeded cash receipts in the mansion fund which creates negative spendable assets.

After discussion with the Township Auditor, Mr. Meshkin's recommendation to satisfy the requirements of the State would be to double the annual transfer of \$23,900 from the General Fund to the Felt Mansion fund, for a total transfer of \$47,800 annually for the next five years. Noting the only other option would be one lump-sum payment, which would be difficult this year with the extra storm expenses already incurred.

Ed Stielstra stated he put much faith in the Building Authority and feels it was based on fundamental assurance. He also noted previously expressing concerns for additional reporting on revenue and expenses in the mansion fund.

Terry Hofmeyer stated the need to have a plan that will be acceptable to the State. If the Township Board approves increasing the annual transfer to the Felt Mansion fund, it could be adjusted if the revenue/expense situation improves.

Al Meshkin acknowledged responsibility for the increase in expenses, however accounting rules where unknown at time. Mr. Meshkin noted this is a new business and it will take time to get things worked out. He also stated some expenses where approved with the intention of reducing some expenses; energy savings, creating a viable rental facility, etc.

Wendy VanHuis asked about adjusting expenses in the Felt Mansion fund, noting a budget is a budget and a line is a line.

Terry Hofmeyer stated the Felt Mansion is an asset not worth losing, and expressed the need to develop a plan that would be suitable to the State. He noted it will cost the township some money, but believes it needs to be done and will only be short-term. Mr. Hofmeyer stated the Board is responsible and more oversight will be necessary.

The Board also discussed the proposal with Mr. Kuiper. Mr. Kuiper said the State will either certify the proposed reduction plan, request changes or additional information. He noted plans are typically certified if they seem reasonable.

Wendy Van Huis asked the Board what they thought the reduction plan should be.

Ed Stielstra suggested increasing revenue and reducing expenditures, as to increasing the annual transfer amount.

Terry Hofmeyer again stated the need to satisfy the State with a reasonable plan. His recommendation would be to follow the proposed plan and review the fund on a monthly basis. He also stated the need for due diligence on the part of the Board to monitor the situation.

Ed Stielstra requested that with closer monitoring, and increase in revenue and reduction in expenses should offer a reduction in the annual transfer amount.

Terry Hofmeyer agreed, noting an improvement to situation should be reflected in the annual transfer amount. He also noted the need to be sensitive to all concerns and feels confident the situation will improve with better oversight.

Ed Stielstra stated he doesn't appreciate the late notification of the letter, the overspending, or being forced to make a quick decision. He also noted he would like to move towards a zero transfer requirement from the General Fund.

Bob Scanlan stated the Felt Mansion is a tremendous asset to the township and feels it's essential to remedy the situation.

Following discussion, **a motion was made by Gary Dewey and seconded by Wendy VanHuis to approve Resolution 2009-16 Felt Mansion Deficit Elimination Plan Resolution. UNANIMOUS DECISION – MOTION APPROVED**

ARTICLE VII. CITIZEN'S COMMENTS - None

ARTICLE VIII. ADJOURNMENT

A motion was made by Gary Dewey and seconded by Bob Scanlan to adjourn the meeting at 9:55 A. M. UNANIMOUS DECISION – MOTION APPROVED