

**ADA TOWNSHIP BOARD MEETING
MINUTES
JUNE 14, 2010**

Meeting was called to order by Supervisor Haga at 7:30 p.m. Members present: Supervisor Haga, Clerk Burton, Trustee Westra, Trustee Smith, Trustee Proos. Also present: Planning Director Jim Ferro, Township Engineer Steve Groenenboom, Recording Secretary Johnson and fourteen community members. Members absent: Treasurer Rhoades and Trustee Sytsma.

APPROVAL OF AGENDA

Supervisor Haga noted two changes to the agenda. Under "IV.B - Receive and File Various Communications" two items were added: Item #12. Supervisor's Report for June - 6/11/2010 and Item #13. Non-Motorized Trail Phase III Update Report - 6/11/2010. **Moved by Westra, supported by Proos, to approve the agenda as amended. Yes - 5, No - 0; Motion carried.**

SPECIAL PRESENTATION TO THE BOARD: KENT COUNTY FIRE COMMISSIONERS

Mr. Jon Denhof, Kent County Purchasing Manager, presented to the Board. He outlined the history and purpose of the Kent County Fire Commission and reviewed the many benefits available to Ada Township as a member. There are eighteen member communities in the Commission; together they pay half of the total operating cost for the Commission. The rest of the cost is paid from the Kent County General Fund to support the Commission's mission to ensure outlying areas have sufficient fire protection. The Board discussed which of the available benefits have been or will be used by the Township and the value received by membership versus the cost of the membership. Fire Chief DuVall did not have specific numbers, but noted the savings realized by the pumper allocated from the Fire Commission to Ada Township and replaced every sixteen years had more than covered the membership fees. Supervisor Haga stated he would check on the insurance coverage to ascertain if the Township was inadvertently paying for dual coverage.

GENERAL TOWNSHIP BUSINESS

CONSENT AGENDA:

Approval of Minutes

May 24, 2010, Regular Board Meeting

Receive and File Various Reports/Communications

1. Planning Commission Minutes - 04/15/2010; 2. Leaf Bag Purchase Report - 05/24/2010; 3. Treasurer's Investment Report - 04/2010; 4. Kent District Library - Director's Resignation - 05/27/2010; 5. Comcast Channel Lineup/Rates - 06/01/2010; 6. Ada Historical Society Minutes - 04/09/2010; 7. GVMC Policy Committee Minutes - 04/21/2010; 8. Utility Advisory Board Minutes - 05/20/2010; 9. MTA Legislative Update Fax - 05/14/2010, 05/21/2010, 06/04/2010; 10 Michigan Rural Water Association - 20th Year Membership Recognition - 05/18/2010; 11. REGIS Minutes - 04/28/2010; 12. Supervisor's Report for June - 06/11/2010; 13. Non-Motorized Trail Phase III Update Report - 06/11/2010. **Moved by Smith, supported by Westra, to approve the Minutes and accept the reports and communications under the Consent Agenda. Yes - 5, No - 0; Motion carried.**

APPROVAL OF WARRANTS AND RECEIPTS

In Treasurer Rhoades' absence, Clerk Burton presented Warrants and Receipts in the following amounts: Hand Checks: #101 \$2,141.85; #205 \$2,580.30; #208 \$1,200.87; #590 \$3,725.34; #591 \$2,190.23; #592 \$430.14; Total All Hand Checks \$12,268.73. Warrants: #101 \$26,792.12; #205 \$6,930.21; #208 \$4,777.42; #211 \$50,001.33; #213 \$22.49; #590 \$153,646.42; #591 \$1,742.54; #592 \$80.78; Total Warrants \$243,993.31. Total All Checks and Warrants \$256,262.04. **Moved by Trustee Proos, supported by Trustee Smith, to approve the Warrant Report for June 14, 2010, in the total amount of \$256,262.04.**

The Board discussed the status of the sanitary sewer forcemain excavation for evaluation; Supervisor Haga stated approximately eighty-nine feet of forcemain were replaced during the excavation for analysis; the results of the post-excavation analysis are pending from Det Norske Veritas (DNV). A DRAFT Administrative Consent Order has been sent to the Michigan Department of Natural Resources and Environment (DNRE). The Board reviewed Item #42, which pertains to legal services. The Board discussed Item #43, which is the website services charge for June. Trustee Westra expressed concern the changes still being made and still required for full functionality should not be billed as monthly charges, but should be considered part of the total project cost originally and already expended. Supervisor Haga noted he would reimburse the Township for the cost of the lunch with Google (Item #1) which he was unable to attend due to issues with the sewer forcemain.

Roll Call: Yes - Proos, Smith, Westra, Burton, Haga. No - 0. Absent - Rhoades, Sytsma. Motion carried.

**PAY APPLICATION #7F (FINAL), PHASE II NON-MOTORIZED TRAIL – KNAPP STREET SECTION:
KATERBERG-VERHAGE**

Steve Groenenboom, Moore & Bruggink, Township Engineers, presented the pay application to the Board. He stated this was the final pay application for this section. Although the date of substantial completion was 11/01/2008, there is a one-year warranty on landscaping. There were some replantings that needed to be done; they are completed. This final payment is the release of retainage. **Moved by Westra, supported by Smith, to approve Pay Application #7F to Katerberg-Verhage for the Knapp Street section of the Phase II Non-Motorized Trail Project in the amount of \$30,000.00.**

Roll Call: Yes - Smith, Westra, Burton, Proos, Haga. No - 0. Absent - Rhoades, Sytsma. Motion carried.

**PAY APPLICATION #6, PHASE III NON-MOTORIZED TRAIL – HONEY CREEK / CONSERVATION / MCCABE SECTION:
KATERBERG-VERHAGE**

Township Engineer Groenenboom presented the pay application to the Board and reviewed the two change orders which had been approved and were incorporated into this pay application. **Moved by Smith, supported by Proos, to approve Pay Application #6 to Katerberg-Verhage for the Honey Creek / Conservation / McCabe section of the Phase III Non-Motorized Trail Project in the amount of \$118,032.72.**

Roll Call: Yes - Westra, Proos, Smith, Burton, Haga. No - 0. Absent - Rhoades, Sytsma. Motion carried.

PAY APPLICATION #1, PHASE III NON-MOTORIZED TRAIL – BAILEY DRIVE SECTION: KATERBERG-VERHAGE

Township Engineer Groenenboom presented the pay application to the Board. He updated the Board on the easements for this section of the trail. Currently, 25 of the 27 proposed easements have been finalized; the remaining two may yet be obtained. **Moved by Westra, supported by Proos, to approve Pay Application #1 to Katerberg-Verhage for the Bailey Drive section of the Phase III Non-Motorized Trail Project in the amount of \$86,795.08.** The Board emphasized the importance of completing the work according to bid cost; change orders will be unacceptable. Township Engineer Groenenboom had information on an issue that may need to be discussed for a potential change. Due to the fact this issue was not on the agenda, Supervisor Haga directed the issue to be addressed with the Trail Committee to ensure there was clear communication between all parties.

Roll Call: Yes - Smith, Proos, Westra, Burton, Haga. No - 0. Absent - Rhoades, Sytsma. Motion carried.

PUBLIC COMMENT OTHER THAN AGENDA

Don Mitchell, 8771 Conservation Street, reminded the Board many of the members ran election campaigns based on focus on major issues and commitment to financial accountability. Mr. Mitchell had sent six emails regarding the bidding process for the sewer contract. He expressed great displeasure with the very limited response from Supervisor Haga to his emails. Mr. Mitchell strenuously urged the Board to focus on two key priorities critical to Ada Township. First, he felt very strongly the purchasing policy must be reformed to encourage open, public, fair, and competitive bidding on all items over \$5,000.00, which would not only ensure the Township receives the best quality products and services at competitive prices, but would also eliminate the current exposure to the liability for potential kickbacks or the appearance of kickbacks in the current process. He encouraged the formation of a purchasing policy review committee that would include Ada Township residents and offered to sit on the committee. Second, he urged the Board to hire a professional, qualified Township Manager to improve financial controls and create efficiencies in the Township management. In response to Mr. Mitchell's inquiry, Supervisor Haga confirmed the sewer contract bidding specifications have not yet been prepared, bid, and awarded.

Brian Schiffelbein, 7247 Bronson Street, has been a citizen of Ada for 20 years and serves on the Ada Ethics Board. He reviewed the history of Ada Township's commitment to the Bronson Street project, which was originally proposed twenty years ago. It has been approved, but has never been funded or begun. He indicated there have been many costly efforts to seek input from the residents from the original charrette project to the recent focus groups, but there has been no follow-through on the input received. He expressed distaste for the long history of seeking direction followed by failure to act.

April Armstrong, 406 Ada Drive, has been a resident for one year now; she is also a local business owner. She shared her appreciation for the Ada community and thanked the Board for their hard work.

Frank Hoover, 700 Marbury Street, commended the Ada Township Fire Department for their fantastic response in the recent accident emergency. He noted the funds spent on Fire Department training were money well spent. He spoke strongly against character assassinations. Finally, he commented on Board member absenteeism.

Deb Millhuff, 7582 Fase Street, indicated she had researched the federal stipulations for meeting FOIA (Freedom of Information Act) requests and she had discovered that all records are to be available for viewing for walk-in requests with the exception of pending litigation and social security numbers. She learned up to 100 copies can be obtained without cost to the walk-in requestor.

In the interests of greater transparency, she urged the Board to revisit the policy of charging for fulfilling FOIA requests. She reminded the Board there did not used to be a charge for the first copy requested of the Board review packet for meetings. She recommended action on the Bronson Street project which has languished for twenty years.

Jon Sarb, 590 River Street, felt momentum has been abandoned on pursuing projects based on the charrette. He stated the Bronson Street section very much needed to be addressed. He suggested working to create centralized parking in the village. He noted local speeding was excessive and highly dangerous. Mr. Sarb expressed disappointment that the Township Board had voted against the project to obtain extra patrols to write speeding tickets.

Brian Schiffelbein, 7247 Bronson Street, concurred with Mr. Sarb on the extremely unsafe driving through the village. He noted changes outlined in the Bronson Street project would have addressed some of the safety aspects. He strongly encouraged the Board to take steps to at least address the safety issues with the crossing.

BOARD COMMENT

Trustee Westra expressed concern over the non-contract sewer expenditures on the Warrant Report. He expressed his opinion that the purchasing policy exemption did not apply to the services provided by Ryan's Modern Sewer Cleaning because there was no contract in place.

Trustee Westra inquired about the status of the response to the DNRE. Supervisor Haga indicated the consent order is not yet accepted or approved.

Trustee Westra outlined two areas of concern on the website project: the search functionality is still compromised and the calendar functionality is not fully accessible for all calendar users. He felt these core issues should be addressed as warranty corrections related to the original contract.

Trustee Westra stated residents have expressed great satisfaction with Roselle Park, but some have indicated interest in a park closer to their homes. He suggested a park was needed closer to where the majority of the Township residents live. He encouraged the Township to investigate the property behind Canterbury Creek to ascertain if there is an opportunity for acquisition. Roughly 60% of Ada Township children could walk or bike there without crossing a major street.

Trustee Smith inquired about the Finance Committee review of the purchasing policy. Supervisor Haga indicated that, due to vacations, the committee has not yet met.

Trustee Smith indicated she supported the Bronson Street project, but felt the roads needing repairs were of a higher priority for this year. She noted the engineering costs had been budgeted for this fiscal year and expressed the hope the remainder of the project would be slated for next fiscal year.

Clerk Burton concurred with Trustee Smith on the prioritization of the Bronson Street project below the urgent road repairs and echoed her desire to see the project move forward next year.

Clerk Burton provided an update on the website project. She indicated the department heads were doing most of their own updates at this point. The vendor is still working on the Google search function, which is having an indexing issue. The calendaring function allows users to transfer events to their own calendars, but not the entire calendar. She noted part of the ongoing costs for the project are due to the growth and evolution of the project. Trustee Smith requested a breakout detail of the monthly website charges.

Clerk Burton noted the voter turnout for the school elections was 4.5%.

As a follow-up to a question in an earlier meeting, Clerk Burton reported doggie bags for the parks cannot be ordered in bulk and there were no storage facilities for them in any case.

Trustee Proos noted the Bronson Street project was a wonderful project for when the time is right. There is little funding for the charrette currently and there are economic concerns with the very real possibility of falling tax revenues. It is essential to preserve the general fund levels.

Trustee Proos commented the purchasing policy reform will happen; a fair and equitable purchasing policy is crucial to the community. He promised a policy to the Board within ninety days.

Trustee Proos noted the Township pays the East Precinct for patrol and enforcement. He stated it was important to hold the East Precinct accountable to their commitment rather than paying extra for patrols. Trustee Proos noted it may be time to re-evaluate various aspects of police and safety to make sure it all works together well for Ada Township.

Trustee Proos explained the various focus groups have served different needs. The most recent focus group was designed to target the essential areas for the capital improvement plan, given the need to protect resources in a bad economy with declining revenues.

Trustee Proos encouraged unity to move forward on the major issues. He commended Planning Director Ferro for his quick response to the recent tree-cutting incident on Township property.

Supervisor Haga noted the Supervisor's Report included the speed board report from May 20th and covers the area that was discussed earlier in the meeting. That section does have excessive speeding. It is slated for additional selective enforcement.

Supervisor Haga apologized to Mr. Mitchell for his lack of response to his email inquiries. Supervisor Haga stated for the record he has never received any kickbacks.

UNFINISHED BUSINESS

WATER AND SANITARY SEWER RATES PROPOSAL

Supervisor Haga explained the rate increase might be necessary. The current fund balances are healthy as a result of charging depreciation on the system to ensure money available for repairs and replacement as needed, but the costs have significantly overtaken revenue and led to fund balances beginning to decline. Township Engineer Groenenboom reminded the Board roughly 75% of the total costs are costs from Grand Rapids, which have been going up steadily as the Ada Township rates have remained static. The cost increases have been absorbed, but they need to be passed on at this point. **Moved by Westra to not approve the water and sewer rate increases until competitive bids are obtained for water and sewer maintenance services. Support by Smith.** The Board discussed the impact of the bidding process on the timing for the rate increases, the relative value of bidding the maintenance services, and the percentage of the total costs which may be impacted by bidding the maintenance services. The Board considered how potential repairs to the sewer forcemain may or may not affect the bottom line and how delays in approving a rate increase continually reduce the current fund balances.

PUBLIC COMMENT ON WATER AND SANITARY SEWER RATES PROPOSAL

Deb Millhuff, 7582 Fase Street, proposed a public hearing to keep the utility customers informed on the proposed rate increases and address questions. She stated the current fund balances are significantly elevated beyond standard recommendations, so the costs incurred by postponing a decision could well be absorbed by the funds and would effectively reimburse the overinflated levels of the funds to the utility customers who had paid into the fund.

Brian Schiffelbein, 7247 Bronson Street, spoke briefly about the daily costs incurred for postponing the decision versus the potential savings which may be achieved by putting the maintenance elements out to bid.

CONTINUED BOARD COMMENT ON WATER AND SANITARY SEWER RATES PROPOSAL

The Board discussed the funding levels in the water and sewer funds. They noted the current daily loss of \$1,000.00 is a loss from potential revenues which would be collected if an increase passed; until such time as an increase passes, that is money the utility customers do not have to pay. Township Engineer Groenenboom indicated the funds are currently at approximately a ten-month operating balance, but they are moving rapidly to a nine-month operating balance. He emphasized the importance of having a system that is debt-free and prepared to handle potential repair or replacement issues. The Board discussed the advisability of a timely public hearing and the importance of transparency to the utility customers. The Board considered the importance of moving forward on the related purchasing policy issues.

Moved by Smith to postpone action on the water and sanitary sewer rates until a public hearing can be held on the proposed rate increase. Support by Westra.

Yes - 5, No - 0; Motion to postpone carried.

CONTINUATION OF MEETING PAST 10:00 PM

Supervisor Haga called for a motion to continue the meeting past 10:00. **Moved by Burton, supported by Westra, to continue to proceed on the agenda after the 10:00pm hour. Yes - 4, No - 1; Motion carried.**

NEW BUSINESS

TOWNSHIP COPY MACHINE LEASE

Clerk Burton presented the need for replacing the copy machine on lease and outlined the various lease options which had been researched. **Moved by Smith to approve the recommended copy machine lease for the Konica Minolta alternate for \$483.22 with the fixed maintenance plan estimated at \$96.12 for an estimated monthly total of \$579.34. Support by Proos.** The Board discussed reducing paper consumption and the importance of gradually moving toward a paperless office.

Yes - 5, No - 0; Motion carried.

ORDINANCE O-061410-1, ZONING ORDINANCE AMENDMENT TO ADD REGULATIONS FOR WIND ENERGY SYSTEMS

Planning Director Ferro was present to outline the proposed Ordinance to amend the existing zoning ordinances to add regulations for wind energy systems. **Moved by Westra to postpone action on Ordinance O-061410-1, which is a zoning ordinance amendment to add regulations for wind energy systems. Support by Smith.**

Yes - 5, No - 0; Motion to postpone carried.

OPPORTUNITY FOR ADDITIONAL PUBLIC COMMENT

Don Mitchell, 8771 Conservation Street, spoke up to correct a communication misunderstanding in that he had not implied Supervisor Haga himself was involved in kickbacks. He had pointed out that reliance on handshake agreements, particularly in an environment without open, public, competitive bidding, can have the potential exposure for kickbacks, not that kickbacks were actually occurring in Ada Township.

Jon Sarb, 590 River Street, questioned why the increasing costs charged to Ada Township by Grand Rapids for water and sewer services over the years were not automatically and directly passed onto the utility customers at the time the increases happened. By not passing through the charges, as is customary in other governments and in business, the Township has put itself in the position of needing to put through a very large increase in rates at this time to protect declining fund balances. If the charges had been passed through all along, this proposed steep spike in rates would be unnecessary and healthy fund balances would have been maintained to be prepared for expensive repairs/replacements as needed.

Brian Schiffelbein, 7247 Bronson Street, requested a copy of the road projects that were approved in lieu of proceeding with the Bronson Street project. He also inquired as to how the village residential roads became classified with the general roads.

ADJOURNMENT

The meeting was adjourned at 10:04 p.m.

Respectfully submitted,

**Susan Burton
Ada Township Clerk**

RS/kj