Township of Arcadia

February 8, 2018

Board Meeting Minutes

3422 Lake Street, Arcadia, Michigan 49613

**Present:** Janice McCraner, Supervisor; Patti Wilson, Clerk; Debra Eckhout, Treasurer; Mike Cederholm, Trustee; Greg Wisner, Trustee

Call to order by Supervisor, McCraner at 7:00 p.m. Pledge of Allegiance and Invocation

**Public Comment:** Eric VanDuesen questioned policy of Township concerning Public Comment, stated Michigan laws concerning attorney representation

**Approval/Amendment to the Agenda:** McCraner asked to add under Harbor Committee $100.00 for dredging permit to State of Michigan, **Motion:** Wisner, second Cederholm AIF/Passed. Clerk ask that under her report $56.00 check to be signed, copies for bank, **Motion:** Wilson, second Wisner AIF/Passed. Treasurer wanted added to New Business, who authorized Attorney Rolfe to file appearances on behalf of Township and Board members, **Motion:** Eckhout-no support. When was the decision made to have Attorney Rolfe represent Township and officials, **Motion:** Eckhout-no support. Has the claim been reported to Liberty Mutual Liability Insurance Company, **Motion:** Eckhout-no support. Attorney Rolfe conflict of interest representing Arcadia Board in the law suit filed by Debra Eckhout, **Motion:** Eckhout-no support. FOIA appeal from Attorney Kristen Houle requiring reply within 10 days, a special meeting to be scheduled tonight, **Motion:** Eckhout-no support. **Motion:** by Wisner, second Wilson to approve agenda as amended, AIF/Passed.

**Treasurer’s report:** No report

**Clerk’s report: Motion:** by Clerk, second Wisner to approve purchase Log Me In Account in amount of $349.00 for one year-two user license AIF/Passed

**Approve Minutes for January 11, 2018-Motion:** Wisner second Cederholm, AIF/Passed

**Approve Minutes for January 26, 2018 Special Meeting-Motion:** Wisner second Wilson-McCraner, Wilson, Wisner, Cederholm-yes, Eckhout abstained/Passed

**Approve Minutes for January 29, 2018 Special Meeting-Motion:** Cederholm second by Wisner- McCraner, Wilson, Cederholm, Wisner-yes, Eckhout abstained.

**Correspondence:** Revenue Sharing Grant

**Committee, Commissions, & Departments Reports:**

**Harbor/Marina:** Steve Bruford reported ice buildup on fishing dock. Stoops will check on bubblers. Electric switch for fuel tank monitoring was turned off and is now taped so that cannot happen again. **Motion:** by Wisner second by Cederholm to approve $100.00 check to be used for application fee of Dredging permit for 5 years-AIF/Passed

**Planning Commission:** Wisner reported on work session for updating of terms and definitions and regular meeting distributed copies of Master Plan- John Spence and Franco Marino have completed the Michigan Citizen Planners Class. February 21, 2018, will be the next work session.

**Fire Department:** Chief Hull reported Onekama, Bear Lake and Arcadia departments will be doing ice water rescue training. 5 medical runs

**Grants:** no report

**Cemetery:** no report

**Historical:** no report

**Roads:** no report

**Parks Commission:** no report

**Junk and Blight:** no report

**Old Business:** Forensic Audit report- Karl Haiser and Laura Merchant

Haiser and Merchant explained the procedure they used for the engagement and findings. Explained the deficiencies reported by Gabridge & Co. concerning townships yearly audit. Had a difficult time reconciling the Marina accounts. The bank statements were not found at township hall and some not able to be secured by the auditor. A search warrant was issued by Manistee Sheriff’s Department to secure bank records. Auditor reported there was an outstanding check for 120 days that was eventually deposited. Withdraws were made without board approval according to Township of Arcadia’s Policy Manual. Still unsure if all accounts have been accounted for. In conclusion, according to the scope of what was audited, there was no documented proof of fraud, but still have unreconciled accounts. Supplied with incomplete records, tax payments being mailed to treasurer’s personal address is a liability, and recommend increase insurance.

**Attorney Issues:** FOIA request from Attorney Houle.

Smith trespass issue discussed **Motion:** direct Attorney Rolfe to send letter to Paul Smith’s attorney stating townships position on the trespass issue, by Wisner second by Wilson; AIF/Passed Weed control issue resolved with County Treasurer. Those properties were removed from the tax roll. Special assessment district is in the last year. Board will have to decide if it wants to continue the district. Trustee Wisner has made contact with representatives from association to see if they want to be involved again.

Land applications and fees for ordinance. Revisit at future board meeting. Debra Eckhout has filed suit against Township. Appointed council from our insurer has been contacted. Issues of financial governance of the township concerning practices and procedures. Presented the board with copies of legal resources and guidelines. There was discussion about lack continuity between treasurer and clerk. Concerns were voiced about unauthorized movement of funds by treasurer. Irregularities concerning Maria deposits. The treasurer stated she had used her personal funds of $150.00 to fund a request that the Harbor had requested from the clerk for cash reserves to be used during Arcadia Daze. She admitted commingling her personal funds with township funds.

Date decided by all board members to hold a special meeting to discuss options to move forward with financial issues. All board members agreed the Special Meeting would held on February 15, 2018 at 3:00p.m.

**Public Comment:** Bonnie Werly expressed concern about the lack of functionality of board for past, almost 2 years. Questioned Treasurer about her absence from meetings and safe deposit box. Urges Treasurer to move to Township hall. Jerry Niemi stated that he felt the board had dealt with these same issues last year in February and called for new Treasurer.Eric VanDuesen expressed concern over Township Attorney representing Township in lawsuit filed by Treasurer, read laws. Also stated Treasurer has right to all communication from attorney to any board members.

Arcadia Citizen, questioned the legality of board member confirming with counsel during a board meeting and alternatives for paying property taxes other than sending to Treasurers personal residence.

**Motion:** by Wisner second by Wilson to go into closed session at 10:30 p.m. AIF/Passed **Motion:** by Wisner second by Cederholmto come out of closed session at 10:40 p.m. AIF,**passed**

**Motion** by Wisner to accept attorney Craig Roelf’s suggested handling of the Houle

FOIA Appeal as presented, second by Wilson. AIF, **Passed.**

Motion by Wisner to Adjourn meeting, second Wilson, AIF, **Passed**

Meeting Adjourned at 10:45pm

Respectively submitted,

Patricia Wilson, Clerk Township of Arcadia