

**CHARTER TOWNSHIP OF COMMERCE  
TOWNSHIP BOARD OF TRUSTEES QUARTERLY MEETING  
2009 Township Drive  
Commerce Township, MI 48390  
Tuesday, January 28, 2025, 7:00 p.m.**

**CALL TO ORDER:** Supervisor Gray called the Township Board of Trustees Quarterly Meeting to order at 7:00 p.m.

**ROLL CALL:** Present: Larry Gray, Supervisor  
Melissa Creech, Clerk  
Molly Phillips, Treasurer  
Rick Sovel, Trustee  
George Weber, Trustee  
Robert Long, Trustee

Absent: Bob Berkheiser, Trustee

Also Present: Hans Rentrop, Township Attorney  
John Kummer, Township Attorney  
Jim Dundas, Fire Chief

**MOTION** by Sovel, supported by Creech, to amend the agenda by adding Item 2.1 ZBA Review.  
**MOTION CARRIED UNANIMOUSLY**

**ITEM 1: Public Comments**

Supervisor Gray opened Public Comments. Seeing none, Supervisor Gray closed Public Comments.

**ITEM 2: Fund Balances**

Trustee Weber said that as fiduciaries the Board needs to understand what it takes to manage each of the key funds and the associated expenditures whether it's capital expenditures or personnel, etc. In order to better protect the Township from unforeseen issues, whether it's a 2008 issue or a natural catastrophe, whatever it is that will have a significant affect on incoming tax. The Township should have some level of protection so that for a period of time the Board can manage critical infrastructure for the residents. He thinks the best way to do that is by identifying some number of months of operation that the key funds need to be funded at, prioritized by safety and then community. He referenced a document emailed to the Trustees by Treasurer Phillips that was fantastic and made him consider things that he previously had not considered and it also provided structure. Of the examples provided by Treasurer Phillips, he falls somewhere between Orion Township and Fruitport with the exception that it seemed they arbitrarily picked the number of 25%. This discussion should be regarding the number of months

**ITEM 2: Fund Balances continued**

we need on hand. Originally it was 90 days but he thinks 90 days is too short and would like to see somewhere between a 4- and 6-month time frame.

Trustee Sovel agreed that the information was super helpful and he liked the information regarding the City of Ironwood, Orion, and Fruitport. He thinks the Board needs to logistically and chronologically identify all the different categories. The Township is also different from all these communities from the standpoint of we have specific SAD's for police, fire, library, and parks. The Board should also identify any contractual obligations and noticing requirements and make sure to fund those obligations and contracts within each subdivision of the general ledger. Do our auditors have a professional recommendation?

Treasurer Phillips said the auditors will not do that because there are too many variables between municipalities.

Trustee Sovel further said that somehow this needs to co-exist with our budget.

Trustee Weber said that if we have a strategy now, we can manage it and work on it and lock it in for the 2026 budget.

Treasurer Phillips said that in her opinion, when she was reviewing the information from other municipalities, some were created as guidelines and some were created by resolution, but if you lock yourself into a resolution, and if through circumstances you're not going to meet the resolution, then you're either rescinding it or rewriting it every single budget year that you don't hit the target. There is a myriad of reasons why you would not hit your target number whether it's an insurance claim that doesn't get paid out or expensive equipment which needs to be replaced. She thinks if you say we are establishing a target, that's with the caveat that we might not end with 6 months in the general fund at the end of 2026 for various reasons.

Trustee Long said that there can be issues if the Township is over-funded.

Trustee Weber says the Board needs to be cognizant of the issues that it needs to overcome. But once that debt balance goes away, the Township should not have any funding problems, barring some catastrophe. There should be a point in time where the Board asks if it should lower the tax rate? If the Board has a guideline or a policy that it's met, then at some point in time it may not need all the income coming in.

Trustee Sovel said with the DDA debt, the Board has a funding issue. When we no longer have the DDA, we'll have a refunding issue. We have to find the sweet spot between refunding too little or too much.

**ITEM 2: Fund Balances continued**

Treasurer Phillips said the biggest issue is deciding what are our next steps to deciding how to determine the number of months in each fund?

Trustee Weber asked if Treasurer Phillips got any insight from Orion where all their balances are 25% except their general fund where they have a balance of 70 to 80% of expenditures, which seemed very high and more than 9 months' worth?

Treasurer Phillips responded that we don't know how they use their general fund and she can't speak to their percentages.

Trustee Weber said that to move forward, does the Board want to list the funds that we think are most critical? Those funds are the general fund, police, fire, water, and sewer.

Treasurer Phillips answered that water and sewer are self-funding.

Trustee Weber said he would like to start by listing the priority funds.

Treasurer Phillips listed all the funds: general fund, road improvement fund, fire, sheriff, building and improvement, cemetery, historic fund, library, parks and open space, debt service, sewer and water, and the Building Department fund, which the auditors consider part of the general fund.

Trustee Weber said that of those 12 funds listed, he thinks the highest priority is the general fund and the board should discuss it first because it's also the fund where the Trustees have the most flexibility. Then fire and police in that order. Then Parks as number 4.

Trustee Long said that if the Township was not able to provide anything then the 3 most critical things, not in any type of order, are police, fire, and garbage pick-up.

Supervisor Gray said he would add library to Trustee Weber's list.

Treasurer Phillips said that she would place parks and open space lower, historic low, the building and improvement fund is self-sufficient, debt service is self-sufficient, and then the road fund.

Trustee Weber asked if the Board would want 6 months of annualized operating expenditures for general, police, and fire? And, for library and parks, 4 months? And, everything else, 2 months? We've seen municipalities operated based on tax and spend, such as the County, and I think that's one of the things that sets this Board apart. We try to protect the tax payer and we only spend money on the need to have, not the bells and whistles.

## **ITEM 2: Fund Balances continued**

Supervisor Gray summarized the Board's consensus that the top 3 funds are general, police, and fire with library and parks listed as 4<sup>th</sup> and 5<sup>th</sup>. The goal is to achieve 6 months' worth of operating costs in the top 3 funds and 4 months' worth of operating cost in the library and parks funds

Treasurer Phillips said the Board needs to look at the current fund balances and approved budgeted items for 2025 to figure out how to achieve the fund balance goals of 6 and 4 months' worth of operating costs.

Supervisor Gray asked the Board to review the information given to them by Treasurer Phillips, the Board will look at the fund balances at the end of 2024, the Township will use Orion as the template, and the Board would address the topic at the regular March board meeting.

### **ITEM 2.1: ZBA Review**

Trustee Sovel said that the issue is the ZBA ordinance was changed a few years back. The ZBA used to have some flexibility and now petitioners have to meet all 6 standards to get a variance which has caused some problems and has the potential to cause more problems. For example, if we follow the letter of the law, if your house is 1 inch over the setback, then you have to tear your house down because you can't get a variance. That is not in the spirit of what anyone wants to do. I met with every ZBA member and the Planning Department and reviewed different scenarios and everyone agreed that there should be some flexibility in certain cases. At the same time, we don't want to promote the idea that if residents don't get a permit, and then they get caught, we won't make them tear it down. The main concern is when someone buys a house someone else previously owned and the previous owner did work without obtaining a permit and then the Township becomes aware of the situation and we force the new owner to tear it down. The other example is if something is built not as planned and ends up being too close to the setback line, and the owner has to tear it down. I met with Dave and Paula and we came up with some potential wording to change the zoning ordinance. The next step is to do some internal drafting and then meet with the ZBA to get their input. Once we arrive at a consensus, I'd like to bring it back here. At some point, I'd like to ask for a budget and turn it over to Hans and John.

Treasurer Phillips summarized by saying you want to add more subjectivity into the decisions the ZBA makes.

Trustee Sovel agreed that is his goal.

Trustee Weber asked what is the document that grants the ZBA's authority?

Attorney Hans Rentrop said it's the zoning ordinance. The right of the ZBA to create a variance is provided by law which provides certain very general language. The courts

### **ITEM 2.1 ZBA Review continued**

have interpreted that general language more narrowly. Can we massage that language? We tried to last year but there are limits. The problem with too much discretion is it can potentially be unfair to some petitioners.

Trustee Weber says that he supports the increased discretion for dimensional variances but he's still not clear in which document we'd change the language?

Attorney Hans Rentrop replied that it would have to be the zoning ordinance.

Trustee Weber confirmed that Dave will craft some language?

Trustee Sovel agreed and outlined the next steps.

Clerk Creech asked if there are any potential variance requests going before the ZBA in the near future?

Trustee Sovel said no, this is not to accommodate a petitioner.

The Board agreed that Trustee Sovel can move forward.

### **ITEM 3: Closed Session**

**MOTION** by Gray, supported by Creech, to enter Closed Session to discuss pending litigation and real estate appraisal services re: Lowe's Home Centers, Inc. v. Commerce Township; MTT Docket No. 24-001132 and to discuss pending litigation and real estate appraisal services re: Wal-Mart Real Estate Business Trust v. Commerce Township; MTT Docket No. 24-001250.

### **ROLL CALL:**

**Ayes:** Gray, Creech, Weber, Long, Sovel, Phillips

**Nays:** None

**Absent:** Berkheiser

**MOTION CARRIED UNANIMOUSLY**

Entered Closed Session at 8:12 p.m.

Returned from Closed Session at 8:43 p.m.

**MOTION** by Gray, supported by Creech, to adjourn from Closed Session and approve the Closed Session minutes.

**MOTION CARRIED UNANIMOUSLY**

**MOTION** by Creech, supported by Phillips to authorize the attorneys to engage the services of John Widmer of Frohm & Widmer, Inc. for the amount as discussed in Closed Session for the Michigan Tax Tribunal, MTT Docket No. 24-001132 Lowe's

### **ITEM 3: Closed Session motion continued**

Home Centers, Inc. v. Charter Township of Commerce and authorize the Appraisal

Retainer Agreement to be executed by Supervisor Gray.

**MOTION CARRIED UNANIMOUSLY**

**MOTION** by Creech, supported by Phillips to authorize the attorneys to engage the services of John Widmer of Frohm & Widmer, Inc. for the amount as discussed in Closed Session for the Michigan Tax Tribunal, MTT Docket No. 24-001250 Wal-Mart Real Estate Business Trust. v. Charter Township of Commerce and authorize the Appraisal Retainer Agreement to be executed by Supervisor Gray.

**MOTION CARRIED UNANIMOUSLY**

**ITEM 4: Other Matters**

Trustee Long

Commends all board members that were involved in the construction, design and implementation of the M5 bridge. It turned out great and it's something to be proud of. He still feels like all Township logos should be consistent with one another and that we may need to look into updating it.

Supervisor Gray

Would like to discuss changing the time of the board meetings to 6:30 p.m.

Walled Lake Consolidated School District will be voting on the SRO (School Resource Officer) Agreement next week.

Bruce may be at our next Quarterly meeting or our April meeting for an update. Our next Quarterly meeting will also be a joint meeting with Parks and Recreation Commission. During his OCATS meeting there was discussion with other Supervisors on moving away from Oakland County and having our own police department in the future, 3-4 years from now. It's something to start thinking about and discussing now.

**MOTION** by Creech, supported by Phillips, to adjourn the meeting at 8:46 p.m.

**MOTION CARRIED UNANIMOUSLY**

  
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Melissa Creech, Clerk  
Charter Township of Commerce