

GRAND HAVEN CHARTER TOWNSHIP BOARD
MONDAY, MAY 22, 2017

WORK SESSION – 6:30 P.M. (In Board Room): Note Later Start Time

1. Vredeveld Haefner LLC Present FY 2016 Financial Audit

REGULAR MEETING – 7:00 P.M.

- I. CALL TO ORDER
- II. PLEDGE TO THE FLAG
- III. ROLL CALL
- IV. APPROVAL OF MEETING AGENDA
- V. CONSENT AGENDA
 1. Approve May 8, 2017 Board Minutes
 2. Approve Payment of Invoices in the amount of \$213,663.15 (*A/P checks of \$94,222.67 and payroll of \$119,440.48*)
 3. Amendment to MERS Define Contribution Agreement (*establish 80 hours/month as a minimum for participation*)
- VI. PUBLIC HEARING
 1. PUD – Village at Rosy Mound – Housing for the Elderly
- VII. OLD BUSINESS
 1. First Reading – Approve PUD – Village at Rosy Mound – Housing for the Elderly
 2. Discussion Only – In-Line Skating Rink at Mercury Park
- VIII. NEW BUSINESS
 1. First Reading – Tax Exemption Ordinance – Village at Rosy Mound
 2. Approve Resolution 17-05-01 - Authorize Waste Management to Provide Services
 3. Approve Resolution 17-05-02 - Budget Amendments from Special Work Session
 4. Renew Charter Communications Uniform Video Service Franchise Agreement
- IX. REPORTS AND CORRESPONDENCE
 1. Correspondence
 2. Committee Reports
 3. Manager’s Report
 - a. April DPW Report
 - b. April Legal Review
 4. Others
- X. EXTENDED PUBLIC COMMENTS/QUESTIONS ON NON-AGENDA ITEMS ONLY
(*LIMITED TO THREE MINUTES, PLEASE.*)
- XI. ADJOURNMENT

NOTE: The public will be given an opportunity to comment on any agenda item when the item is brought up for discussion. The supervisor will initiate comment time.

**GRAND HAVEN CHARTER TOWNSHIP BOARD
MONDAY, MAY 8, 2017**

REGULAR MEETING

I. CALL TO ORDER

Supervisor Reenders called the regular meeting of the Grand Haven Charter Township Board to order at 7:00 p.m.

II. PLEDGE TO THE FLAG

III. ROLL CALL

Board members present: Reenders, Behm, Meeusen, Kieft

Board members absent: Larsen, Redick, Gignac

Without objection, Treasurer Kieft was appointed as the Temporary Clerk

Also present was Manager Cargo.

IV. APPROVAL OF MEETING AGENDA

Motion by Treasurer Kieft and seconded by Trustee Meeusen to approve the meeting agenda. **Which motion carried.**

V. APPROVAL OF CONSENT AGENDA

1. Approve April 24, 2017 Regular Board Minutes
2. Approve April 27, 2017 Special Board Minutes
3. Approve Payment of Invoices in the amount of \$724,872.13 (*A/P checks of \$631,819.32 and payroll of \$93,053.10*)
4. Approve Speedway PUD Contract and Private Road Agreement

Motion by Trustee Meeusen and seconded by Trustee Behm to approve the items listed on the Consent Agenda. **Which motion carried.**

VI. OLD BUSINESS

1. The Board discussed the proposal on document/records management.

Motion by Treasurer Kieft supported by Trustee Behm to (1) revoke the original decision to expend \$120,000 of the General Fund undesignated cash reserves for a document/record management system; (2) increase the 2017 Parks Capital Improvement budget by \$120,000 for parks pathway maintenance; (3) instruct staff to scan all new construction and planning documents into the BS&A software system tied to parcel numbers using current staff; and, (4) instruct Manager Cargo to include monies in the FY 2018 budget to scan construction and planning records, from the year 2012 forward, into the BS&A software using current staff and part-time staff and/or paid interns.

Which motion carried.

2. **Motion** by Trustee Meeusen, supported by Treasurer Kieft to authorize the Superintendent to execute an agreement with Nederveld, Inc. to complete a Community Engagement Event on June 14th and develop proposed plans for the development of the Witteveen and Wolfe parcels at a cost not-to-exceed \$25,000; but, the firm must keep Manager Cargo informed of the hours utilized under each stage with an objective of keeping the price at the \$20,000 level. **Which motion carried.**
3. **Motion** by Trustee Meeusen, supported by Trustee Behm to instruct staff to complete a contract with Riverworks Construction, Inc of Holland, MI for the completion of the Hofma Park and Preserve Trail Rehabilitation at a cost of \$127,237.50. Further, staff is instructed to complete the necessary budget amendments for the project. **Which motion carried.**

VIII. NEW BUSINESS

None

IX. REPORTS AND CORRESPONDENCE

- a. Correspondence was reviewed
- b. Committee Reports
- c. Manager's Report
 - i. April Building Report
 - ii. April Ordinance Enforcement Report
- d. Others

IX. PUBLIC COMMENTS

1. Rhonda Umstead (*i.e., Director of Neighborhood Housing Services*) provided an update on the program noting that since July of 2016, 17 clients from Grand Haven Charter Township were served. Umstead also noted significant number of Township residents are interested in the NIP home repair grants (*i.e., up to \$7,500*) based upon an article in the last Township newsletter.
2. Laird Schaefer (*12543 Wilderness Trail*) asked if the Township was planning to adopt a short-term rental ordinance. It was noted that the Board has not made any decision on whether a short-term rental ordinance is necessary for the Township; but, that short-term rentals would be discussed at a future work session. The Board also discussed legislation at the State level that would allow short-term rentals in single-family residential districts.
3. John Mellema (*Crockery Township*) requested that the Township maintain the in-line rink at Mercury Park. Staff noted that a second in-line rink is available in Spring Lake Village and that usage numbers of this facility were very low.
4. Eric Platte (*10665 North Cedar*) requested that the in-line skate rink at Mercury Park be maintained.

X. ADJOURNMENT

Motion by Trustee Meeusen and seconded by Trustee Behm to adjourn the meeting at 7:45 p.m. **Which motion carried.**

Respectfully Submitted,

William Kieft, III
Grand Haven Charter Township Temporary Clerk

Mark Reenders
Grand Haven Charter Township Supervisor



Vredeveld Haefner LLC

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May 10, 2017

Members of the Board of Trustees
Grand Haven Charter Township
Grand Haven, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Grand Haven Charter Township for the year ended December 31, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 25, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Results

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Grand Haven Charter Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are the useful lives of capital assets and the estimate of other post employment benefit (OPEB) plan obligations.

Management's estimate of the useful lives of capital assets is based on historical actual usefulness and expected future usefulness of those assets, and the estimate of OPEB plan obligations is based on an actuarial valuation of the Plan. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Specializing in services to governmental and nonprofit entities

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 10, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and the major fund budgetary information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board and management of Grand Haven Charter Township and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Uredaxold Haefner LLC



COUNTY OF OTTAWA, MICHIGAN

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2016



Vredeveld Haefner LLC

Grand Haven Charter Township

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INDEPENDENT AUDITORS' REPORT

May 10, 2017

Members of the Board of Trustees
Grand Haven Charter Township
Grand Haven, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Grand Haven Charter Township (the Township), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the information on pages 39 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Wendell Haefner LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS



Management's Discussion and Analysis

As management of Grand Haven Charter Township (the Township), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- New construction activity shattered the previous 2002 record of \$44.2 million with a new record of \$71.8 million. About \$1.4 million was industrial, \$19.8 million was commercial and the remaining \$50.6 million was residential with 97 single family homes, 156 apartments, and 41 mobile homes.
- About 2.91 miles of roadway were re-surfaced at a cost of about \$392,000.
- The Township resurfaced about 3.8 miles of bike path along Mercury Drive and Lakeshore Drive at a cost of approximately \$282,000.
- The Township successfully administered four elections in 2016 including the presidential election at a cost of just over \$100,000.
- The Fire/Rescue Department experienced a record year with over 1,128 emergency runs with a budget of about \$1.15 million.
- In the first year of a five-year project, the DPW department replaced 1,246 MXU's during 2016 at a cost of approximately \$270,000.
- Harbor Transit provided over 49,000 rides with the Township contributing about \$379,000 to this authority.
- Township residents approved a 15 year 0.45 debt millage to construct an additional 10 miles of pathway to be added to the existing 26.7 miles throughout the Township.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Grand Haven Charter Township's financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused compensated absences, accrued interest, etc.).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, community and economic development, and culture and recreation activities. The business-type activities of the Township include the water and sewer systems.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, municipal street fund, and fire protection fund which are considered major funds.

Data is combined into a single aggregated presentation for the other governmental funds. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements and schedules*.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary funds. The Township maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses internal service funds to account for its other post employment benefits and information technologies services. Because these services primarily benefit the Township's governmental rather than business-type functions, they have been included within the governmental activities in the government-wide statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer funds, which are considered to be major funds of the Township. The internal service fund is included as a single column in the proprietary fund financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resource of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This consists of this management discussion and analysis, major fund budgetary schedules, and schedules of funding progress for the retiree health plan.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets exceeded liabilities by \$18,516,695 at the close of the most recent fiscal year. A summary of net position is as follows:

	Net Position					
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Current and other assets	\$6,463,984	\$7,114,038	\$3,189,133	\$3,384,090	\$9,653,117	\$10,498,128
Capital assets	7,773,028	7,595,046	13,156,518	12,615,417	20,929,546	20,210,463
Total assets	14,237,012	14,709,084	16,345,651	15,999,507	30,582,663	30,708,591
Deferred outflows of resources	-	-	-	386,959	-	386,959
Long-term liabilities outstanding	1,207,692	1,011,826	6,616,607	6,400,133	7,824,299	7,411,959
Other liabilities	920,611	824,464	852,262	852,565	1,772,873	1,677,029
Total liabilities	2,128,303	1,836,290	7,468,869	7,252,698	9,597,172	9,088,988
Deferred inflows of resources-taxes	3,102,095	3,359,994	144,245	129,873	3,246,340	3,489,867
Net position:						
Net investment in capital assets	6,523,028	6,535,046	5,901,938	6,458,487	12,424,966	12,993,533
Restricted	401,588	506,877	30,537	20,524	432,125	527,401
Unrestricted	2,081,998	2,470,877	2,800,062	2,524,884	4,882,060	4,995,761
Total net position	\$9,006,614	\$9,512,800	\$8,732,537	\$9,003,895	\$17,739,151	\$18,516,695

A significant portion of the Township's net position (27 percent) reflects unrestricted net position which is available for future operations while the largest portion of net position is invested in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The government's net position increased by \$777,544 during the current fiscal year.

Changes in Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
	Revenue:					
Program revenue:						
Charges for services	\$ 801,023	\$1,086,261	\$2,555,796	\$2,687,700	\$3,356,819	\$3,773,961
Operating grants and contributions	3,839	-	-	-	3,839	-
Capital grants and contributions	1,198,273	-	303,941	386,379	1,502,214	386,379
General revenue:						
Property taxes	3,066,992	3,176,761	176,755	144,254	3,243,747	3,321,015
State sources	1,186,567	1,216,107	-	-	1,186,567	1,216,107
Unrestricted investment earnings	20,040	32,230	19,813	31,004	39,853	63,234
Other	395,850	393,753	35,150	35,410	431,000	429,163
Total revenue	6,672,584	5,905,112	3,091,455	3,284,747	9,764,039	9,189,859

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Expenses:						
General government	\$1,567,682	\$1,634,780	\$ -	\$ -	\$1,567,682	\$1,634,780
Public safety	1,432,375	1,643,145	-	-	1,432,375	1,643,145
Public works	415,258	439,094	-	-	415,258	439,094
Community and economic development	797,925	911,987	-	-	797,925	911,987
Culture and recreation	565,077	840,641	-	-	565,077	840,641
Interest on long-term debt	22,955	19,659	-	-	22,955	19,659
Sewer fund	-	-	604,195	591,125	604,195	591,125
Water fund	-	-	2,291,426	2,331,884	2,291,426	2,331,884
Total expenses	<u>4,801,272</u>	<u>5,489,306</u>	<u>2,895,621</u>	<u>2,923,009</u>	<u>7,696,893</u>	<u>8,412,315</u>
Change before contributions and transfers	1,871,312	415,806	195,834	361,738	2,067,146	777,544
Transfers	89,660	90,380	(89,660)	(90,380)	-	-
Change in net position	<u>1,960,972</u>	<u>506,186</u>	<u>106,174</u>	<u>271,358</u>	<u>2,067,146</u>	<u>777,544</u>
Net position - beginning of year	<u>7,045,642</u>	<u>9,006,614</u>	<u>8,626,363</u>	<u>8,732,537</u>	<u>15,672,005</u>	<u>17,739,151</u>
Net position - end of year	<u>\$9,006,614</u>	<u>\$9,512,800</u>	<u>\$8,732,537</u>	<u>\$9,003,895</u>	<u>\$17,739,151</u>	<u>\$18,516,695</u>

Governmental Activities. During the year the Township invested \$1,643,145 or 30% of governmental activities expenses in public safety. General government expenses amounted to \$1,634,780 or 30% of governmental activities while public works, community and economic development, culture and recreation, and interest on long-term debt made up the remaining 40% of governmental activities expenses.

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$3,037,106, an increase of \$561,262 in comparison with the prior year. Of the \$3,037,106, \$2,529,911 is reported in the general fund.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,325,288. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 77% of total general fund expenditures. The fund balance of the Township's general fund increased by \$455,986 during the current fiscal year.

The municipal street fund is used to account for a special tax millage levied by the Township for the construction and maintenance of local streets and support of Harbor Transit transportation services. At the end of the current fiscal year, fund balance was \$52,913, a decrease of \$20,485 over the prior year. Approximately .6 mills are available for support of the Harbor Transit System while the remainder of the millage, supplemented by transfers from the general fund, is used for streets.

The fire protection fund is used to account for Fire Department operations of the Township. At the end of the current fiscal year, fund balance was \$284,854, an increase of \$126,301 over the prior year.

Proprietary funds. The Township's proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

Unrestricted net position of the sewer and water funds at the end of the year amounted to \$1,298,561 and \$1,226,323 respectively. The sewer fund had an increase in net position for the year of \$78,407. The water fund had an increase in net position for the year of \$192,951.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounted to \$16,510,375 (net of accumulated depreciation).

The Township's capital assets (net of depreciation) are summarized as follows:

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,022,055	\$ 55,804	\$ 2,077,859
Buildings and improvements	4,442,559	-	4,442,559
Land improvements	6,317,049	-	6,317,049
Machinery and equipment	-	574,175	574,175
Furniture and equipment	1,031,602	-	1,031,602
Vehicles	1,769,338	-	1,769,338
Shared improvements	543,386	-	543,386
Utility systems	-	20,007,942	20,007,942
Accumulated depreciation	(8,530,943)	(11,722,592)	(20,253,535)
Total	\$ 7,595,046	\$ 8,915,329	\$ 16,510,375

Additional information on the Township's capital assets can be found in the footnotes to the financial statements.

Debt. At the end of the current fiscal year, the Township had total debt outstanding as follows:

	Governmental Activities	Business-type Activities	Total
Accrued employee benefits	\$ 62,691	\$ 28,271	\$ 90,962
Other post-employment benefits	84,135	-	84,135
Bonds payable	1,060,000	6,163,094	7,223,094
Total	\$1,206,826	\$6,191,365	\$7,398,191

The Township made principle payments on bonds outstanding totaling \$5,041,384 during the year, which includes bonds refunded of \$4,132,532. Refunding bonds totaling \$3,752,825 were issued.

Additional information on the Township's long-term debt can be found in the footnotes to the financial statements.

Budgetary Highlights

Significant budget adjustments were made for the following:

- Building permit fees and related trade permit fees exceeded the budgeted amount by approximately \$304,000 mainly due to the Health Pointe and Piper Lakes projects as well as an increase in residential construction activity within the Township.
- Cemetery grave opening fees as well as the sale of cemetery lots increased by \$19,000 due to increased need for these services.

- The Administrative budget was decreased by approximately \$58,000 to reflect the absence of wages for the human resources manager position and related benefits.
- The Assessing budget was increased by approximately \$14,000 relating to the hiring of a full-time assistant assessor.
- The Community Development budget saw a corresponding increase in wages of almost \$9,000 and inspection fees of \$23,000 due to the increased construction activity.
- The Parks and Recreation budget was increased by approximately \$71,500 to reflect the additional costs associated with clean-up of the Witteveen property purchased in 2015.
- The Bike Path account exceeded budgeted amounts by \$16,000 due to increased engineering fees related to the proposed bike path construction.
- Transfers from the General Fund to the Transportation Fund decreased by \$90,000 as a result of less road paving work completed in 2016.
- The DDA Fund revenues exceeded budgeted amounts by approximately \$38,000 due to increased investment income of almost \$5,000 and reimbursement for lost personal property tax revenue of approximately \$33,000.
- The Sewer and Water Funds saw increased revenues of approximately \$21,000 and \$135,000, respectively due to increased connections to the system as well as an increase in rates.
- Budgeted expenditures in the water fund increased by approximately \$176,000 relating to increased labor costs of \$40,000, water purchases of \$71,000, and equipment purchases/maintenance of \$65,000.
- Transfers from OPEB fund to the Retiree Health Care fund exceeded budgeted amounts by \$103,730 due to the creation of the Retiree Health Care fund that will account for Other Post-Employment Benefits held in trust by MERS.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the Township's budget for the 2016 fiscal year:

- Property values are expected to increase by about 2.52% in 2017.
- The budget reflects a 0.5% cost-of-living allowance for wages. Related benefits will reflect a small 3.98% increase for health insurance and a small decrease of 4.0% for dental insurance.
- A new Pathway fund will be established to reflect the approved 15 year 0.45 debt millage for an additional 10 miles of pathway to be added to the existing 26.7 miles throughout the Township. Bonds will be issued in the amount of \$4.5 million and the first phase of pathway construction will be completed in 2017 at an estimated cost of \$756,000.
- Revenues associated with construction activity are expected to continue with their current trend totaling \$373,000 in estimated permit fees.
- The DPW department will continue a five-year long project to replace existing MXU's at a cost of approximately \$227,600 for 2017.
- The DDA will be reconstructing 168th Avenue from Ferris Street to Johnson Street, which includes resurfacing, curb and gutter, storm water, and extension of sanitary sewer at a cost of approximately \$1,020,000.
- The Township will resurface about 2.4 miles of subdivision roads during 2017 at a cost of about \$507,000.

Requests for Information

This financial report is designed to provide a general overview of Grand Haven Charter Township's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to William D. Cargo, Superintendent, Grand Haven Charter Township, 13300 168th Avenue, Grand Haven, Michigan, 49417, (616) 842-5988.

BASIC FINANCIAL STATEMENTS

GRAND HAVEN CHARTER TOWNSHIP

STATEMENT OF NET POSITION

DECEMBER 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Cash and pooled investments	\$ 3,453,070	\$ 2,518,833	\$ 5,971,903	\$ 1,215,092
Receivables				
Accounts	2,201	457,330	459,531	-
Taxes	3,359,994	129,873	3,489,867	585,037
Special assessments (current portion)	-	23,438	23,438	-
Due from other governments	210,178	-	210,178	-
Prepaid items	88,595	184,621	273,216	-
Total current assets	7,114,038	3,314,095	10,428,133	1,800,129
Noncurrent assets				
Restricted cash	-	20,524	20,524	-
Special assessments receivable	-	43,307	43,307	-
Unamortized bond discount	-	6,164	6,164	-
Capital assets:				
Access rights, net	-	3,700,088	3,700,088	-
Non-depreciable	2,022,055	55,804	2,077,859	-
Depreciable capital assets, net	5,572,991	8,859,525	14,432,516	-
Total noncurrent assets	7,595,046	12,685,412	20,280,458	-
Total assets	14,709,084	15,999,507	30,708,591	1,800,129
Deferred outflow				
Deferred loss on bond refunding	-	386,959	386,959	-
Liabilities				
Accounts payable	561,301	201,380	762,681	25,254
Accrued payroll and benefits	65,071	10,147	75,218	-
Accrued interest payable	3,092	36,550	39,642	-
Current portion of noncurrent liabilities	195,000	604,488	799,488	-
Total current liabilities	824,464	852,565	1,677,029	25,254
Long-term liabilities				
Post-employment benefits	84,135	-	84,135	-
Compensated absences	62,691	28,271	90,962	-
Unamortized bond premium	-	813,256	813,256	-
Bonds and notes payable	1,060,000	6,163,094	7,223,094	-
Less current portion	(195,000)	(604,488)	(799,488)	-
Total long-term liabilities	1,011,826	6,400,133	7,411,959	-
Total liabilities	1,836,290	7,252,698	9,088,988	25,254
Deferred inflows of resources				
Unearned revenue	3,359,994	129,873	3,489,867	585,037
Net position				
Net investment in capital assets	6,535,046	6,458,487	12,993,533	-
Restricted for				
Debt service	-	20,524	20,524	-
Fire protection	284,854	-	284,854	-
Transportation	52,913	-	52,913	-
Police services	169,110	-	169,110	-
Unrestricted	2,470,877	2,524,884	4,995,761	1,189,838
Total net position	\$ 9,512,800	\$ 9,003,895	\$ 18,516,695	\$ 1,189,838

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government					
Governmental activities					
General government	\$ 1,634,780	\$ 388,153	\$ -	\$ -	\$ (1,246,627)
Public safety	1,643,145	30,863	-	-	(1,612,282)
Public works	439,094	642,680	-	-	203,586
Community and economic development	911,987	-	-	-	(911,987)
Culture and recreation	840,641	24,565	-	-	(816,076)
Interest on long-term debt	19,659	-	-	-	(19,659)
Total governmental activities	5,489,306	1,086,261	-	-	(4,403,045)
Business-type activities					
Sewer	591,125	510,472	-	154,402	73,749
Water	2,331,884	2,177,228	-	231,977	77,321
Total business-type activities	2,923,009	2,687,700	-	386,379	151,070
Total primary government	\$ 8,412,315	\$ 3,773,961	\$ -	\$ 386,379	\$ (4,251,975)
Component unit					
Downtown Development Authority	\$ 91,054	\$ -	\$ -	\$ -	\$ (91,054)
Total component unit	\$ 91,054	\$ -	\$ -	\$ -	\$ (91,054)

(Continued)

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Changes in net position				
Net (expense) revenue	\$ (4,403,045)	\$ 151,070	\$ (4,251,975)	\$ (91,054)
General revenues				
Property taxes				
General purpose	1,308,958	-	1,308,958	539,018
Specific purpose	1,867,803	144,254	2,012,057	-
State shared revenues	1,216,107	-	1,216,107	-
Unrestricted interest	32,230	31,004	63,234	10,894
Miscellaneous	393,753	35,410	429,163	46,851
Transfers	90,380	(90,380)	-	-
Total general revenues and transfers	<u>4,909,231</u>	<u>120,288</u>	<u>5,029,519</u>	<u>596,763</u>
Change in net position	506,186	271,358	777,544	505,709
Net position, beginning of year	<u>9,006,614</u>	<u>8,732,537</u>	<u>17,739,151</u>	<u>684,129</u>
Net position, end of year	<u>\$ 9,512,800</u>	<u>\$ 9,003,895</u>	<u>\$ 18,516,695</u>	<u>\$ 1,189,838</u>

(Concluded)

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP

**GOVERNMENTAL FUNDS
BALANCE SHEET**

DECEMBER 31, 2016

	<u>General</u>	<u>Municipal Street</u>	<u>Fire Protection</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 2,782,083	\$ 52,913	\$ 292,686	\$ 226,276	\$ 3,353,958
Receivables					
Accounts	658	-	-	1,543	2,201
Taxes	784,957	631,254	1,262,538	681,245	3,359,994
Due from other governments	210,178	-	-	-	210,178
Prepaid items	25,073	-	30,201	-	55,274
Total assets	<u>\$ 3,802,949</u>	<u>\$ 684,167</u>	<u>\$ 1,585,425</u>	<u>\$ 909,064</u>	<u>\$ 6,981,605</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable	\$ 446,611	\$ -	\$ 14,432	\$ 58,391	\$ 519,434
Accrued payroll and benefits	41,470	-	23,601	-	65,071
Total liabilities	<u>488,081</u>	<u>-</u>	<u>38,033</u>	<u>58,391</u>	<u>584,505</u>
Deferred inflows of resources					
Unearned revenue	784,957	631,254	1,262,538	681,245	3,359,994
Fund balances					
Nonspendable					
Prepaid items	25,073	-	30,201	-	55,274
Restricted					
Fire Protection	-	-	254,653	-	254,653
Transportation	-	52,913	-	-	52,913
Police Services	-	-	-	169,110	169,110
Assigned					
Future years expenditures	179,550	-	-	-	179,550
Debt service funds	-	-	-	318	318
Unassigned	2,325,288	-	-	-	2,325,288
Total fund balances	<u>2,529,911</u>	<u>52,913</u>	<u>284,854</u>	<u>169,428</u>	<u>3,037,106</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,802,949</u>	<u>\$ 684,167</u>	<u>\$ 1,585,425</u>	<u>\$ 909,064</u>	<u>\$ 6,981,605</u>

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP

RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

DECEMBER 31, 2016

Fund balances - total governmental funds	\$ 3,037,106
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Amounts reported for *governmental activities* in the statement of net position are different because

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.

Add - land	2,022,055
Add - capital assets (net of accumulated depreciation)	5,491,377

An internal service fund is used by management to account for the centralized services provided to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.

Add - net position of governmental activities accounted for in the internal service funds	172,180
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds.

Deduct - post-employment benefits	(84,135)
Deduct - compensated absences payable	(62,691)
Deduct - bonds and notes payable	(1,060,000)
Deduct - accrued interest on bonds and notes payable	<u>(3,092)</u>

Net position of governmental activities	<u>\$ 9,512,800</u>
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The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>General</u>	<u>Municipal Street</u>	<u>Fire Protection</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues					
Property taxes	\$ 941,916	\$ 622,591	\$ 1,245,212	\$ 367,042	\$ 3,176,761
Licenses and permits	915,059	-	-	-	915,059
State	1,216,107	-	-	-	1,216,107
Charges for services	89,821	-	3,816	-	93,637
Fines	50,518	-	-	27,047	77,565
Interest	26,746	445	4,264	775	32,230
Miscellaneous	388,615	-	4,842	296	393,753
Total revenues	<u>3,628,782</u>	<u>623,036</u>	<u>1,258,134</u>	<u>395,160</u>	<u>5,905,112</u>
Expenditures					
Current					
General government	1,563,411	-	-	-	1,563,411
Public safety	-	-	1,131,833	395,687	1,527,520
Public works	126,704	298,381	-	-	425,085
Community and economic development	505,182	380,120	-	-	885,302
Culture and recreation	385,766	-	-	-	385,766
Debt service					
Principal	-	-	-	190,000	190,000
Interest	-	-	-	20,213	20,213
Capital outlay	436,933	-	-	-	436,933
Total expenditures	<u>3,017,996</u>	<u>678,501</u>	<u>1,131,833</u>	<u>605,900</u>	<u>5,434,230</u>
Revenues over (under) expenditures	<u>610,786</u>	<u>(55,465)</u>	<u>126,301</u>	<u>(210,740)</u>	<u>470,882</u>
Other financing sources (uses)					
Transfers in	-	34,980	-	210,200	245,180
Transfers out	(154,800)	-	-	-	(154,800)
Total other financing sources (uses)	<u>(154,800)</u>	<u>34,980</u>	<u>-</u>	<u>210,200</u>	<u>90,380</u>
Net changes in fund balances	455,986	(20,485)	126,301	(540)	561,262
Fund balances, beginning of year	<u>2,073,925</u>	<u>73,398</u>	<u>158,553</u>	<u>169,968</u>	<u>2,475,844</u>
Fund balances, end of year	<u>\$ 2,529,911</u>	<u>\$ 52,913</u>	<u>\$ 284,854</u>	<u>\$ 169,428</u>	<u>\$ 3,037,106</u>

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

Net changes in fund balances - total governmental funds	\$ 561,262
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Amounts reported for *governmental activities* in the statement of activities are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	571,415
Deduct - depreciation expense	(727,864)
Deduct - loss on asset disposal	(1,143)

Internal service funds are used by management to account for central services provided to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

Add - net income from the internal service funds	(4,735)
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Bond or note proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond or note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Add - principal payments on debt	190,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Deduction to recognize the transition of the post-employment benefits from an internal service fund to a trust fund	(84,135)
Add - decrease in compensated absences	832
Add - decrease in accrued interest	554

Change in net position of governmental activities	<u>\$ 506,186</u>
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The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION**

DECEMBER 31, 2016

	Enterprise Funds		Enterprise Fund Total	Governmental Activities
	Sewer	Water		Internal Service
Assets				
Current assets				
Cash and pooled investments	\$ 1,187,127	\$ 1,331,706	\$ 2,518,833	\$ 99,112
Receivables				
Accounts	75,054	382,276	457,330	-
Property taxes	-	129,873	129,873	-
Special assessments (current portion)	23,438	-	23,438	-
Prepaid and other assets	52,482	132,139	184,621	33,321
Total current assets	1,338,101	1,975,994	3,314,095	132,433
Noncurrent assets				
Restricted cash	-	20,524	20,524	-
Special assessments receivable	43,307	-	43,307	-
Unamortized bond discount	6,164	-	6,164	-
Capital assets:				
Access rights, net	-	3,700,088	3,700,088	-
Non-depreciable	8,405	47,399	55,804	-
Depreciable capital assets, net	3,309,279	5,550,246	8,859,525	81,614
Total noncurrent assets	3,367,155	9,318,257	12,685,412	81,614
Total assets	4,705,256	11,294,251	15,999,507	214,047
Deferred outflow				
Deferred loss on bond refunding	-	386,959	386,959	-
Liabilities				
Current liabilities				
Accounts payable	75,578	125,802	201,380	41,867
Accrued payroll and benefits	7,269	31,149	38,418	-
Accrued interest payable	-	36,550	36,550	-
Current portion of long-term liabilities	50,000	554,488	604,488	-
Total current liabilities	132,847	747,989	880,836	41,867
Long-term liabilities				
Unamortized bond premium	-	813,256	813,256	-
Bonds payable and obligations	730,000	5,433,094	6,163,094	-
Less current portion	(50,000)	(554,488)	(604,488)	-
Total long-term liabilities	680,000	5,691,862	6,371,862	-
Total liabilities	812,847	6,439,851	7,252,698	41,867
Deferred inflows of resources				
Unearned revenue - taxes	-	129,873	129,873	-
Net position				
Net investment in capital assets	2,593,848	3,864,639	6,458,487	81,614
Restricted for capital and debt service	-	20,524	20,524	-
Unrestricted	1,298,561	1,226,323	2,524,884	90,566
Total net position	\$ 3,892,409	\$ 5,111,486	\$ 9,003,895	\$ 172,180

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

FOR THE YEAR ENDED DECEMBER 31, 2016

	Enterprise Funds		Enterprise Fund Total	Governmental
	Sewer	Water		Activities Internal Service
Operating revenue				
Charges for services				
Water sales	\$ -	\$ 2,132,174	\$ 2,132,174	\$ -
Sewage disposal services	273,732	-	273,732	-
Debt services charges	232,331	-	232,331	-
Penalties	4,409	35,885	40,294	-
Other charges	-	-	-	252,795
Total charges for services	510,472	2,168,059	2,678,531	252,795
Hydrant maintenance charges	-	9,169	9,169	-
Other revenue	8,463	26,947	35,410	-
Total operating revenue	<u>518,935</u>	<u>2,204,175</u>	<u>2,723,110</u>	<u>252,795</u>
Operating expense				
Administration	54,600	167,513	222,113	215,677
Plant operations and maintenance	321,924	1,229,539	1,551,463	-
Depreciation	172,969	371,856	544,825	41,853
Amortization	-	290,228	290,228	-
Total operating expense	<u>549,493</u>	<u>2,059,136</u>	<u>2,608,629</u>	<u>257,530</u>
Operating income (loss)	<u>(30,558)</u>	<u>145,039</u>	<u>114,481</u>	<u>(4,735)</u>
Non-operating revenue (expense)				
Interest income	21,415	9,589	31,004	-
Interest expense	(41,632)	(272,748)	(314,380)	-
Total non-operating revenue (expense)	<u>(20,217)</u>	<u>(263,159)</u>	<u>(283,376)</u>	<u>-</u>
Income (loss) before transfers and capital contributions	<u>(50,775)</u>	<u>(118,120)</u>	<u>(168,895)</u>	<u>(4,735)</u>
Other financing sources (uses)				
Transfers out	<u>(25,220)</u>	<u>(65,160)</u>	<u>(90,380)</u>	<u>-</u>
Capital contributions				
Connection fees and charges	154,402	231,977	386,379	-
Property taxes	-	144,254	144,254	-
Total capital contributions	<u>154,402</u>	<u>376,231</u>	<u>530,633</u>	<u>-</u>
Changes in net position	78,407	192,951	271,358	(4,735)
Net position, beginning of year	<u>3,814,002</u>	<u>4,918,535</u>	<u>8,732,537</u>	<u>176,915</u>
Net position, end of year	<u>\$ 3,892,409</u>	<u>\$ 5,111,486</u>	<u>\$ 9,003,895</u>	<u>\$ 172,180</u>

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED DECEMBER 31, 2016

	Enterprise Funds		Enterprise Fund Total	Governmental
	Sewer	Water		Internal Service
Cash flows from operating activities				
Receipts from internal services provided	\$ -	\$ -	\$ -	\$ 252,795
Receipts from customers and users	517,676	2,171,394	2,689,070	-
Payments to employees	(103,129)	(465,463)	(568,592)	-
Payments to suppliers	(287,631)	(964,586)	(1,252,217)	(279,602)
Payments for interfund services used	(18,420)	(35,640)	(54,060)	-
Transfers	(25,220)	(65,160)	(90,380)	-
Net cash provided by (used in) operating activities	<u>83,276</u>	<u>640,545</u>	<u>723,821</u>	<u>(26,807)</u>
Cash flows from capital and related financing activities				
Connection charges	154,402	231,977	386,379	-
Special assessments collected	48,681	-	48,681	-
Property taxes	-	158,626	158,626	-
Principal paid on bonds	(140,000)	(532,262)	(672,262)	-
Interest paid on bonds	(41,632)	(272,118)	(313,750)	-
Acquisition of capital assets	(78,590)	(215,362)	(293,952)	(21,463)
Net cash provided by (used in) capital and related financing activities	<u>(57,139)</u>	<u>(629,139)</u>	<u>(686,278)</u>	<u>(21,463)</u>
Cash flows from investing activities				
Interest income	<u>22,324</u>	<u>9,589</u>	<u>31,913</u>	<u>-</u>
Net increase (decrease) in cash and pooled investments	48,461	20,995	69,456	(48,270)
Cash and pooled investments, beginning of year	<u>1,138,666</u>	<u>1,331,235</u>	<u>2,469,901</u>	<u>147,382</u>
Cash and pooled investments, end of year	<u>\$ 1,187,127</u>	<u>\$ 1,352,230</u>	<u>\$ 2,539,357</u>	<u>\$ 99,112</u>
Cash flows from operating activities				
Operating income (loss)	\$ (30,558)	\$ 145,039	\$ 114,481	\$ (4,735)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	172,969	371,856	544,825	41,853
Amortization	-	290,228	290,228	-
Transfers	(25,220)	(65,160)	(90,380)	-
Change in operating assets and liabilities which provided (used) cash:				
Accounts receivable	(1,259)	(18,409)	(19,668)	-
Prepaid assets and other items	(49,391)	(120,404)	(169,795)	(5,460)
Accounts payable	16,533	49,132	65,665	25,704
Post-employment benefits transferred to trust fund	-	-	-	(84,169)
Unearned revenue	-	(14,372)	(14,372)	-
Accrued liabilities	202	2,635	2,837	-
Net cash provided by (used in) operating activities	<u>\$ 83,276</u>	<u>\$ 640,545</u>	<u>\$ 723,821</u>	<u>\$ (26,807)</u>
Supplemental information - noncash activity				
Issuance of refunding bonds	\$ -	\$ 3,752,825	\$ 3,752,825	\$ -
Deferred loss	-	(386,959)	(386,959)	-
Premium	-	813,256	813,256	-
Re-payment of existing bonds	-	(4,225,712)	(4,225,712)	-
Cash paid for principal on bonds prior to refunding	<u>\$ -</u>	<u>\$ (46,590)</u>	<u>\$ (46,590)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP
FIDUCIARY FUNDS
STATEMENT OF NET POSITION/BALANCE SHEET
DECEMBER 31, 2016

	Other Post-employment Benefit <u>Trust</u>	Agency Funds
Assets		
Cash and pooled investments	\$ 340	\$ 3,591,162
Investments	<u>107,860</u>	<u>-</u>
Total assets	<u>108,200</u>	<u>\$ 3,591,162</u>
 Liabilities		
Accounts payable	<u>5</u>	<u>\$ 3,591,162</u>
Total liabilities	<u>5</u>	<u>\$ 3,591,162</u>
 Net position		
Restricted for other post-employment benefits	<u>\$ 108,195</u>	

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

	Other Post-employment Benefit Trust
Additions	
Contributions:	
Employer	\$ 117,756
Retiree	2,147
Investment earnings	<u>1,024</u>
Total Additions	120,927
Deductions	
Benefits	12,566
Administrative expenses	<u>166</u>
Total deductions	<u>12,732</u>
Net increase	108,195
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ 108,195</u></u>

The accompanying notes are an integral part of these financial statements.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Grand Haven Charter Township (the "Township") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

Reporting Entity

These financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Township's operations, so data from these units are combined with data of the primary government. Discretely presented component units are reported in separate columns in the financial statements to emphasize they are legally separate from the Township.

Blended Component Unit

The Building Authority (the "Authority") serves all the citizens of the Township and is governed by a Board appointed by the Township's Board. The primary purpose of the Authority is to acquire and construct recreational facilities including bike paths. The Authority issues bonds that are approved by the Township Board, and the legal liability for the Authority's debt remains with the Township. The Authority then leases the assets to the Township to finance the repayment of the bonds. The Authority is reported as a debt service fund. The Building Authority was allowed to sunset during the year.

Discretely Presented Component Unit

The Downtown Development Authority (the "DDA") was created to correct and prevent deterioration in the downtown area and promote economic growth within downtown. The DDA governing body consists of individuals that are appointed by the Township's Board. The Township's Board approves the DDA's budget and has the ability to significantly influence operations of the DDA. Financial statements are not separately issued for the DDA.

This component unit provides services to the businesses located within the district. They are reported in a separate column to emphasize they are legally separate from the Township.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between enterprise functions and other various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for state shared revenue, reimbursement-based grants, and interest which use a one year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise funds include depreciation or amortization on capital assets, labor, supplies and contracted services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Township reports the following major governmental funds:

The *General Fund* is the general operating fund of the Township. It is used to account for all financial resources, except those required to be accounted for in another fund.

The *Municipal Street Fund* is used to account for a special tax millage levied by the Township for the construction and maintenance of local streets and support of Harbor Transit transportation services.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

The *Fire Protection Fund* is used to account for a special tax millage levied by the Township for the operation of the fire department.

The Township reports the following major proprietary funds:

The *Sewer Enterprise Fund* is used to account for the operations of the Township's Wastewater Department that provides sewer services on a user charge basis.

The *Water Enterprise Fund* is used to account for the operations of the Township's Water Department that provides water services on a user charge basis.

Additionally, the Township reports the following fund types:

The *Special Revenue Fund* is used to account for the proceeds of specific revenue sources (other than permanent trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The *Debt Service Fund* is used to account for the accumulation of resources for, and payment of, long-term debt principal, interest, and related costs.

The *Internal Service Funds* are used to account for the accumulation of funds and the payment of other post employment benefits and information technology costs.

The *Other Post-employment Benefits Trust Fund* is used to account for the operations of the Township's Other Post-employment Benefits Plan for which assets are held in trust. This fund provides other post-employment benefits to the Township's retired employees as well as certain current employees under a collective bargaining agreement.

The *Agency Fund* is used to account for the collection and disbursement of funds that are collected on behalf of outside governments or other parties.

Budgets and Budgetary Accounting

Comparisons to budget are presented for the general and special revenue funds. General and special revenue funds adopt a legal budget with remaining funds maintaining budgets as a management control device. The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Superintendent submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of a resolution.
4. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets lapse at fiscal year-end.
5. Supplemental appropriations, when required to provide for appropriate expenditures are matched by additional anticipated revenues or an appropriation of available fund balance and must be approved by the Township Board. All appropriations lapse at year-end.

The appropriated budget is prepared by fund, function and department. The Township Superintendent may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Township Board. The legal level of budgetary control is the department level. Supplemental appropriations were made during the year.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

Cash and Pooled Investments

For the purpose of the statement of cash flows, the Township's cash and pooled investments are considered to be cash equivalents because the balances are readily available similar to a demand deposit account.

Investments

Investments are stated at fair value at the balance sheet date.

State statutes authorize the Township to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers' acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase that are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.
- h. The OPEB Trust may also invest in corporate debt and equity securities.

Restricted Cash

Certain cash of the water fund consists of monies collected from the water debt service levy that are unspent and are shown as restricted because their use is restricted to debt service.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Prepaid Items

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings and equipment, access rights, vehicles, improvements, and infrastructure assets (e.g., water and sewer systems, and similar items), are reported in the governmental and business-type activities columns in the government-wide financial statements.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition value (the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction) on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and improvements	40
Utility systems	40
Land improvements	15
Furniture and equipment	5-20
Vehicles	5-20
Shared improvements	20
Access rights	20

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Township reports deferred refunding costs as a deferred outflow. The deferred costs will be amortized over the life of the related refunding bonds payable.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item that qualifies for reporting in this category. The governmental funds and governmental activities report unearned revenues from property taxes levied for the following year. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the related bonds using the effective interest method.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Compensated Absences

Under contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused vacation and sick leave under formulas and conditions specified in the contracts. Accumulated compensated absences of governmental funds is recorded on the statement of net position and not on the governmental fund balance sheets because the balance is not expected to be liquidated with expendable available financial resources. Amounts accumulated for proprietary funds are reported on the statements of net position of the individual enterprise funds.

Net Position and Fund Balance Reporting

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments.
2. Restricted - the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed - the related assets can only be spent for a specific purpose identified by formal resolution of the governing board.
4. Assigned - the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

Net Position and Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Property Taxes

Township property taxes attach as an enforceable lien on property as of December 1 of each year and are due without penalty on or before February 14. Tax bills include the Township's own property taxes and taxes billed on behalf of other taxing units. Real property taxes not collected as of March 1 are turned over to the county for collection, which advances the Township 100% of the delinquent real property taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer. The December 1 levy is recorded as a receivable and unearned revenue at the end of the year and is intended to fund expenditures of the following year.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

Interfund Transactions

During the course of normal operations, the Township has numerous transactions between funds. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed. Charges between enterprise funds and other functions of the Township are not reimbursements because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Remaining transactions are generally reflected as transfers.

Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township manages its liability and property risks as a member of the Michigan Participating Plan (MPP), a public entity risk pool providing liability and property coverage to its participating members. The Township pays an annual premium to MPP for its insurance coverage. The MPP is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Various deductibles are maintained to place the responsibility for small charges with the insured.

The Township manages its workers' compensation risk by participating in the Michigan Municipal Workers' Compensation Self-Insurance Fund (MMWCSIF), a public entity risk pool providing workers' compensation coverage to its participating members. The Township pays an annual premium to MMWCSIF for its workers' compensation coverage. The MMWCSIF is self-sustaining through member premiums and provides statutory workers' compensation coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. The Township carries commercial insurance for employee health and accident insurance.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

2. STATUTORY COMPLIANCE

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgeted funds have been shown on a departmental basis. The approved budgets of the Township for these budgeted funds were adopted at the department level.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

3. CASH AND INVESTMENTS

The captions on the financial statements relating to cash and pooled investments and investments are as follows:

	Primary Government	Component Units	Fiduciary Funds	Total
Cash and pooled investments	\$5,971,903	\$1,215,092	\$3,591,502	\$10,778,497
Investments	-	-	107,860	107,860
Restricted cash	20,524	-	-	20,524
	\$5,992,427	\$1,215,092	\$3,699,362	\$10,906,881

The cash and investments making up the above balances are as follows:

Deposits	\$ 7,499,724
Petty cash	300
Investments	3,406,857
Total	\$10,906,881

The deposits are in financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All accounts except as noted are in the name of the Township and a specific fund or common account. They are recorded in Township records at fair value. Interest is recorded when earned.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require, and the Township does not have, a policy for deposit custodial credit risk. As of year-end, \$5,043,425 of the Township's bank balance of \$6,197,955 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

Investments

The Township chooses to disclose its investments by type. As of year-end, the Township had the following investments:

	Maturity	Fair Value	Rating	Source
Negotiable CD's with interest ranging from 0.5% to 1.7%	2/18/16 to 7/5/19	\$2,050,398	Unrated	N/A
MI Class Investment Pool	N/A	1,001,021	Unrated	N/A
Federal National Mortgage Assn.	6/13/19	247,578	AAA	Moody
MERS Trust Account	N/A	107,860	Unrated	N/A
Total		\$3,406,857		

The Township categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

The Township has the following recurring fair value measurements as of year-end.

- FNMA bonds are valued using quoted market prices (Level 1 inputs).
- Negotiable CD's, MI Class Investment Pool, and MERS investments are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs to determining the fair value of the securities making up the of investments fund/pool (Level 2 inputs).
- The Township does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

Investment and deposit risk

Interest Rate Risk. State law and Township policy limit the allowable investments and the maturities of some of the allowable investments as identified in Note 1, the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in Note 1, the summary of significant accounting policies. The investment policy does not have specific limits in excess of state law on investment credit risk. The rating for each investment is identified above for investments held at year-end.

Custodial Credit Risk - Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the Township does not have, a policy for investment custodial credit risk. The above investment securities were uninsured, unregistered and held by the counterparty for the Township. For the above funds on deposit with MERS and MI Class investments, the Township's custodial credit risk exposure cannot be determined because the Township's participation in the pools/funds do not consist of specifically identifiable securities.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in Note 1, the summary of significant accounting policies. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year-end are reported above.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Governmental Activities				
Capital assets, not being depreciated				
Land	\$2,022,055	\$ -	\$ -	\$2,022,055
Capital assets, being depreciated				
Land improvements	5,876,694	440,355	-	6,317,049
Buildings and improvements	4,401,627	40,932	-	4,442,559
Furniture and equipment	1,024,131	81,422	73,951	1,031,602
Vehicles	1,754,817	30,169	15,648	1,769,338
Shared improvements	543,386	-	-	543,386
Total capital assets, being depreciated	13,600,655	592,878	89,599	14,103,934
Less accumulated depreciation for				
Land improvements	3,694,962	270,648	-	3,965,610
Buildings and improvements	1,885,395	135,263	-	2,020,658
Furniture and equipment	892,736	270,077	72,808	1,090,005
Vehicles	887,881	66,560	15,648	938,793
Shared improvements	488,708	27,169	-	515,877
Total accumulated depreciation	7,849,682	769,717	88,456	8,530,943
Net capital assets, being depreciated	5,750,973	(176,839)	1,143	5,572,991
Governmental Activities capital assets, net	\$7,773,028	\$(176,839)	\$ 1,143	\$7,595,046
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 55,804	\$ -	\$ -	\$ 55,804
Capital assets being depreciated				
Utility systems	19,794,082	213,860	-	20,007,942
Machinery and equipment	528,695	80,092	34,612	574,175
Total capital assets, being depreciated	20,322,777	293,952	34,612	20,582,117
Less accumulated depreciation for				
Utility systems	10,458,844	505,598	-	10,964,442
Machinery and equipment	753,535	39,227	34,612	758,150
Total accumulated depreciation	11,212,379	544,825	34,612	11,722,592
Net capital assets, being depreciated	9,110,398	(250,873)	-	8,859,525
Business-type Activities capital assets, net	\$9,166,202	\$(250,873)	\$ -	\$8,915,329

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities		
General government		\$238,799
Public safety		218,189
Public works		63,255
Culture and recreation		86,076
Community and economic development		121,545
Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets		<u>41,853</u>
Total depreciation expense - governmental activities		<u><u>\$769,717</u></u>
Business-type Activities		
Sewer		\$172,969
Water		<u>371,856</u>
Total depreciation expense - business- type activities		<u><u>\$544,825</u></u>

Access rights activity for the year was as follows:

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
Business-type Activities				
Access rights	\$6,433,568	\$ -	\$ -	\$6,433,568
Less accumulated amortization	<u>2,443,252</u>	<u>290,228</u>	<u>-</u>	<u>2,733,480</u>
Access rights, net	<u><u>\$3,990,316</u></u>	<u><u>\$(290,228)</u></u>	<u><u>\$ -</u></u>	<u><u>\$3,700,088</u></u>

Amortization of \$290,228 has been charged to the water enterprise fund.

5. INTERFUND TRANSACTIONS

Transfers in and out for the year are as follows:

Transfers out	Transfers in		
	Municipal Street Fund	Non-Major Funds	Total
General Fund	\$34,980	\$119,820	\$154,800
Sewer Fund	-	25,220	25,220
Water Fund	-	65,160	65,160
	<u>\$34,980</u>	<u>\$210,200</u>	<u>\$245,180</u>

Transfers are used to (1) move unrestricted revenues collected in the general fund to finance capital and other various programs accounted for in other funds in accordance with budgetary authorizations and (2) move allocated cost of general operations to applicable funds.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

6. LONG-TERM DEBT

The following is a summary of the debt transactions of the Township for the year ended December 31, 2016:

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2016</u>	<u>Due Within One Year</u>
Governmental Activities					
\$1,585,000 Refunding Bonds of 2013; due in annual installments of \$150,000 to \$230,000 plus interest at 1.75% through May 2021	\$1,250,000	\$ -	\$190,000	\$1,060,000	\$195,000
Other post-employment benefits	84,169	-	(34)	84,135	-
Accrued employee benefits	63,523	-	832	62,691	-
Total Governmental Activities	<u>\$1,397,692</u>	<u>\$ -</u>	<u>\$190,798</u>	<u>\$1,206,826</u>	<u>\$195,000</u>
Business-type Activities					
\$1,100,000 Township portion of Ottawa County Wastewater Collection Bonds of 1996; due in annual installments of \$60,000 to \$95,000 plus interest at 5.60-5.75% through July 2016	\$ 95,000	\$ -	\$ 95,000	\$ -	\$ -
\$4,670,000 Township portion of Ottawa County Water Refunding Bonds of 2005; due in annual installments of \$295,000 to \$410,000 plus interest at 3.500-4.375% through July 2019	1,375,000	-	390,000	985,000	410,000
\$985,000 Township portion of Ottawa County Wastewater System Improvement Bonds of 2008; due in annual installments of \$40,000 to \$75,000 plus interest at 4.25-5.10% through July 2028	775,000	-	45,000	730,000	50,000
\$4,677,636 Township portion of Ottawa County Water Supply Bonds of 2009 (Northwest Ottawa Water System Improvements) - expansion portion, due in annual installments of \$32,613 to \$46,590 plus interest at 2.4% to 6.05% through May 2019	4,351,505	-	4,225,712	125,793	44,260
\$1,015,944 Township portion of Ottawa County 2010 Water Supply Refunding Bonds, due in installments of \$35,000 to \$280,000 plus interest at 2.0% to 2.625% through May 2021	665,148	-	95,672	569,476	100,228

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Balance January 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2016</u>	<u>Due Within One Year</u>
\$3,752,825 Township portion of Northwest Ottawa Water System Refunding Bonds of 2016; due in annual installments of \$16,307 to \$368,061 plus interest at 4.0-5.0% through May 2034	-	3,752,825	-	3,752,825	-
Total	7,261,653	3,752,825	4,851,384	6,163,094	604,488
Bond discount	(7,073)	-	(909)	(6,164)	-
Bond premium	-	813,256	-	813,256	-
Accrued employee benefits	27,216	1,055	-	28,271	-
Total Business-type Activities	\$7,281,796	\$4,567,136	\$4,850,475	\$6,998,457	\$604,488

The annual requirements to amortize all debt outstanding (excluding issuance discount, bond issuance, other post-employment benefits and accrued employee benefits) as of December 31, 2016 are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$195,000	\$16,844	\$604,488	\$278,326
2018	205,000	13,344	478,992	257,515
2019	210,000	9,713	498,497	229,539
2020	220,000	5,950	192,035	207,506
2021	230,000	2,012	250,119	199,964
2022-2026	-	-	1,487,080	825,859
2027-2031	-	-	1,598,950	459,108
2032-2034	-	-	1,052,933	80,717
Total	\$1,060,000	\$47,863	\$6,163,094	\$2,538,534

During fiscal 2016, Ottawa County issued refunding bonds with the portion to be paid by the Township amounting to \$3,752,825. The proceeds of the advance refunding were placed into a trust account to re-pay a portion of the 2009 Ottawa County Water Supply Bonds which are considered to be defeased. The Townships portion of the total debt service requirements was reduced by approximately \$605,000, which resulted in an economic gain of approximately \$495,000. As of December 31, 2016, \$4,179,122 of the Township's portion of refunded bonds payable are considered to be defeased and are scheduled to be called and paid in full in 2019.

7. PENSION PLANS

Defined Contribution Pension Plans

The Township maintains a defined contribution pension plan administered by Manulife Financial USA that covers substantially all full time employees. Participants contribute 5 percent of their salaries to the plan and the Township contributes 10 percent of each eligible employee's salary to the plan. Employees are also able to make additional voluntary contributions. Plan provision and contribution requirements are established and may be amended by the Board. The Township's contribution for 2016 was \$147,405 and the employees' contribution was \$73,702.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

Deferred Compensation Plan

The Township offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All Assets of the plan are held in trust for employees and the related assets and liabilities are not included in this report.

8. OTHER POST-EMPLOYMENT BENEFITS

Plan Description. The Township administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). This benefit plan is authorized, and applicable benefit requirements are identified, in the Township personnel policy and union agreements. The plan provides employees, who retire with 15 years of full time employment, with partial payment of hospitalization benefits until Medicare eligible for a two person contract. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has not been established for the plan.

Funding Policy. The Township's contribution to this plan is provided on a pay-as-you-go basis. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the current year, the annual required contribution (ARC) was \$24,933 while the Township contributed \$24,060 during 2016 to provide insurance coverage for 4 retired employees.

The Township's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of governmental accounting standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The first valuation of the Retiree Health Plan was performed as of December 31, 2008 with the requirements of governmental accounting standards being implemented prospectively. Fiscal year 2009 was the first year for which an actuarially required contribution (ARC) was determined.

The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Township's OPEB obligation to the plan.

Annual required contribution	\$24,933
Interest on Net OPEB obligation	3,367
Adjustment to annual required contribution	(4,274)
Annual OPEB cost	<u>24,026</u>
Contribution made	<u>24,060</u>
Increase (decrease) in net OPEB obligation	(34)
Net OPEB obligation, beginning of year	<u>84,169</u>
Net OPEB obligation, end of year	<u><u>\$84,135</u></u>

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities of benefits.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual OPEB <u>Cost</u>	Percentage of OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
12/31/14	\$71,983	3.6%	\$223,214
12/31/15	(122,802)	n/a	84,169
12/31/16	24,026	100.1%	84,135

Schedule of Funding Progress

Actuarial Valuation <u>Date</u>	Market Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>Total</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>((b-a)/c)</u>
12/31/15	\$108,200	\$271,625	\$163,425	40%	\$377,566	43%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the December 31, 2015, actuarial valuation the Plan utilized the entry age normal actuarial cost method; level percent, closed amortization method; and an amortization period of 24 years. The actuarial assumptions included a 0% return on plan net position as the plan was not funded at the date of the most recent valuation, a discount rate of 4%, a 2.5% salary scale, a 5% underlying inflation rate and 3% excess medical rate graded down to 0% over 6 years.

9. JOINT VENTURES

The Township is a member of the Grand Haven - Spring Lake Sewer Authority (Authority). The Township appoints one member to the joint venture's governing board, which then approves the annual budget. In the current year, the Township paid \$195,568 to the Authority for sewage treatment. The purpose of the Grand Haven - Spring Lake Sewer Authority is to acquire, own, improve, enlarge, extend and operate a sewage disposal system. The Authority is governed by a Board of Trustees containing seven members. The participating communities (Cities of Grand Haven and Ferrysburg, Townships of Spring Lake and Grand Haven and the Village of Spring Lake) pay a set rate to the Authority to process waste. This rate includes amounts to finance the Authority's debt. At December 31, 2016, the portion of these Ottawa County bonds outstanding for which the township has pledged its full faith and credit amounted to approximately \$260,000. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements can be obtained at Grand Haven City Hall (519 Washington Street, Grand Haven, MI 49417).

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

The Township is also a member of the Northwest Ottawa Water Treatment Plant. The Township appoints one member to the joint venture's governing board, which then approves the annual budget. In the current year, the Township paid \$572,231 to the plant to purchase water. The purpose of the Northwest Ottawa Water Treatment Plant is to acquire, construct, finance, operate and maintain a water production facility. The plant is governed by an administrative committee composed of one representative from each of the participating communities (Cities of Grand Haven and Ferrysburg, Townships of Grand Haven and Spring Lake and the Village of Spring Lake). These participating communities pay for water at a rate that is estimated to cover operation, maintenance, replacement and debt service. Ottawa County has issued general obligation bonds to provide for the acquisition, construction and financing of improvements to the Northwest Ottawa Water System. Each participating municipality has entered into contracts with Ottawa County pledging its full faith and credit for its respective share of the bond obligation. At December 31, 2016, the portion of these Ottawa County bonds outstanding for which the township has pledged its full faith and credit amounted to approximately \$1,040,000. The Township is unaware of any other circumstances that would cause an additional benefit or burden to the participating government in the near future. Complete financial statements can be obtained at Grand Haven City Hall (519 Washington Street, Grand Haven, MI 49417).

10. CONSTRUCTION CODE FEES

The Township oversees building construction in accordance with the State of Michigan Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Shortfall – January 1, 2016	<u>\$(842,292)</u>
Current year building permit revenues	642,679
Direct expenses	<u>324,036</u>
Excess for the year ended December 31, 2016	<u>318,643</u>
Cumulative shortfall – December 31, 2016	<u><u>\$(523,649)</u></u>

11. CONTINGENT LIABILITIES

In the normal course of its operations, the Township has become a party in various legal actions, including property tax appeals. Management of the Township is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Township.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability to the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Township expects such amounts, if any, to be immaterial.

GRAND HAVEN CHARTER TOWNSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

12. SUBSEQUENT EVENT

Subsequent to year-end, the Township issued \$4.5 million of general obligation bonds to fund a 10-mile extension of the Township's bike paths.

13. TAX ABATEMENTS

The Township entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 12 years for real property and 6 years for personal property as determined by the local unit of government. The agreements entered into by the Township include claw back provisions should the recipient of the tax abatement cease operations and no successor employer is providing employment during the term of the abatement. The IFT is computed at half the local property tax millage rate. This amounts to a reduction in property taxes of approximately 50%.

For the year ended December 31, 2016 the Township abated property tax revenues of approximately \$18,000

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REQUIRED SUPPLEMENTARY INFORMATION

GRAND HAVEN CHARTER TOWNSHIP

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 942,260	\$ 941,910	\$ 941,916	\$ 6
Licenses and permits	575,680	888,300	915,059	26,759
State	1,213,350	1,213,350	1,216,107	2,757
Charges for services	60,000	83,660	89,821	6,161
Fines	41,780	50,180	50,518	338
Interest	16,420	15,420	26,746	11,326
Miscellaneous	370,500	389,110	388,615	(495)
Total revenues	<u>3,219,990</u>	<u>3,581,930</u>	<u>3,628,782</u>	<u>46,852</u>
Expenditures				
Current				
General government				
Township board	143,870	168,870	150,591	18,279
Supervisor	22,110	22,110	21,639	471
Elections	103,290	103,290	101,593	1,697
Finance	212,890	216,010	215,606	404
Assessor	229,360	243,510	235,254	8,256
Clerk	32,380	31,520	22,618	8,902
Board of appeals	5,340	5,340	4,762	578
Board of review	2,670	2,670	1,243	1,427
Administration	479,610	418,100	415,914	2,186
Treasurer	25,110	26,960	24,700	2,260
Buildings and grounds	256,840	270,840	223,396	47,444
Cemetery	150,890	155,690	146,095	9,595
Public works				
Street lighting	121,500	121,500	114,319	7,181
Waste collection	9,100	9,300	9,261	39
Drains	48,000	48,000	3,124	44,876
Community and economic development				
Building and zoning	454,880	488,260	485,533	2,727
Planning commission	34,720	32,290	19,649	12,641
Culture and recreation				
Parks and recreation	263,400	279,410	278,818	592
Bike paths	154,200	150,870	106,948	43,922
Capital outlay	<u>409,400</u>	<u>460,900</u>	<u>436,933</u>	<u>23,967</u>
Total expenditures	<u>3,159,560</u>	<u>3,255,440</u>	<u>3,017,996</u>	<u>237,444</u>
Revenues over (under) expenditures	60,430	326,490	610,786	284,296
Other financing sources (uses)				
Transfers out	(244,820)	(154,820)	(154,800)	20
Total other financing sources (uses)	<u>(244,820)</u>	<u>(154,820)</u>	<u>(154,800)</u>	<u>20</u>
Net changes in fund balances	(184,390)	171,670	455,986	284,316
Fund balances, beginning of year	<u>2,073,925</u>	<u>2,073,925</u>	<u>2,073,925</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,889,535</u>	<u>\$ 2,245,595</u>	<u>\$ 2,529,911</u>	<u>\$ 284,316</u>

GRAND HAVEN CHARTER TOWNSHIP

**MUNICIPAL STREET SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 622,570	\$ 622,570	\$ 622,591	\$ 21
Interest	500	500	445	(55)
Total revenues	<u>623,070</u>	<u>623,070</u>	<u>623,036</u>	<u>(34)</u>
Expenditures				
Current				
Public works	404,480	314,480	298,381	16,099
Community and economic development	<u>393,590</u>	<u>393,590</u>	<u>380,120</u>	<u>13,470</u>
Total expenditures	<u>798,070</u>	<u>708,070</u>	<u>678,501</u>	<u>29,569</u>
Revenues over (under) expenditures	(175,000)	(85,000)	(55,465)	(29,603)
Other financing sources (uses)				
Transfers in	<u>125,000</u>	<u>35,000</u>	<u>34,980</u>	<u>20</u>
Net changes in fund balances	(50,000)	(50,000)	(20,485)	(29,583)
Fund balances, beginning of year	<u>73,398</u>	<u>73,398</u>	<u>73,398</u>	<u>-</u>
Fund balances, end of year	<u>\$ 23,398</u>	<u>\$ 23,398</u>	<u>\$ 52,913</u>	<u>\$ (29,583)</u>

GRAND HAVEN CHARTER TOWNSHIP

***FIRE PROTECTION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL***

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 1,245,050	\$ 1,245,250	\$ 1,245,212	\$ (38)
Charges for services	12,850	6,650	3,816	(2,834)
Investment earnings	1,200	2,200	4,264	2,064
Miscellaneous	1,350	5,850	4,842	(1,008)
Total revenues	<u>1,260,450</u>	<u>1,259,950</u>	<u>1,258,134</u>	<u>(1,816)</u>
Expenditures				
Current				
Public safety	<u>1,148,280</u>	<u>1,146,510</u>	<u>1,131,833</u>	<u>14,677</u>
Net changes in fund balances	112,170	113,440	126,301	12,861
Fund balances, beginning of year	<u>158,553</u>	<u>158,553</u>	<u>158,553</u>	<u>-</u>
Fund balances, end of year	<u>\$ 270,723</u>	<u>\$ 271,993</u>	<u>\$ 284,854</u>	<u>\$ 12,861</u>

GRAND HAVEN CHARTER TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2016

**RETIREE HEALTH OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2008	\$ -	\$ 191,727	\$ 191,727	0.00%	\$ 1,357,845	14.12%
12/31/2012	-	622,635	622,635	0.00%	1,330,585	46.79%
12/31/2015	-	271,625	271,625	0.00%	377,566	71.94%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended December 31</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percent Contributed</u>
2013	\$ 68,842	\$ 3,265	5%
2014	72,111	2,583	4%
2015	(122,802)	16,243	-13%
2016	24,026	24,060	100%

Note to required supplementary information

Budgets and Budgetary Accounting

The Township adopts an annual budget for general and special revenue funds following the GAAP basis of accounting. Unexpended appropriations lapse at year end.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

GRAND HAVEN CHARTER TOWNSHIP

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

DECEMBER 31, 2016

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	
	<u>Police Services</u>	<u>Refunded Township Building Debt</u>	<u>Pathways Construction</u>	<u>Total</u>
Assets				
Cash and pooled investments	\$ 225,958	\$ 318	\$ -	\$ 226,276
Receivables:				
Accounts	1,543	-	-	1,543
Taxes	<u>379,096</u>	<u>-</u>	<u>302,149</u>	<u>681,245</u>
Total assets	<u>\$ 606,597</u>	<u>\$ 318</u>	<u>\$ 302,149</u>	<u>\$ 909,064</u>
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	<u>\$ 58,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,391</u>
Deferred inflows of resources				
Unearned revenue - taxes	<u>379,096</u>	<u>-</u>	<u>302,149</u>	<u>681,245</u>
Fund balances				
Restricted				
Police services	169,110	-	-	169,110
Assigned	<u>-</u>	<u>318</u>	<u>-</u>	<u>318</u>
Total fund balances	<u>169,110</u>	<u>318</u>	<u>-</u>	<u>169,428</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 606,597</u>	<u>\$ 318</u>	<u>\$ 302,149</u>	<u>\$ 909,064</u>

GRAND HAVEN CHARTER TOWNSHIP
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue Fund	Debt Service Fund	Capital Project Fund	
	Police Services	Refunded Township Building Debt	Pathways Construction	Total
Revenues				
Property taxes	\$ 367,042	\$ -	\$ -	\$ 367,042
Fines	27,047	-	-	27,047
Investment earnings	775	-	-	775
Miscellaneous	296	-	-	296
Total revenues	<u>395,160</u>	<u>-</u>	<u>-</u>	<u>395,160</u>
Expenditures				
Current				
Public safety	395,687	-	-	395,687
Debt Service				
Principal	-	190,000	-	190,000
Interest	-	20,213	-	20,213
Total expenditures	<u>395,687</u>	<u>210,213</u>	<u>-</u>	<u>605,900</u>
Revenues over (under) expenditures	(527)	(210,213)	-	(210,740)
Other financing sources (uses)				
Transfers in	-	210,200	-	210,200
Net changes in fund balances	(527)	(13)	-	(540)
Fund balances, beginning of year	<u>169,637</u>	<u>331</u>	<u>-</u>	<u>169,968</u>
Fund balances, end of year	<u>\$ 169,110</u>	<u>\$ 318</u>	<u>\$ -</u>	<u>\$ 169,428</u>

GRAND HAVEN CHARTER TOWNSHIP

***POLICE SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL***

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property taxes	\$ 367,010	\$ 367,010	\$ 367,042	\$ 32
Fines	50,000	35,000	27,047	(7,953)
Interest	700	700	775	75
Miscellaneous	500	500	296	(204)
Total revenues	418,210	403,210	395,160	(8,050)
Expenditures				
Current				
Public safety	419,600	419,600	395,687	23,913
Net changes in fund balances	(1,390)	(16,390)	(527)	15,863
Fund balances, beginning of year	169,637	169,637	169,637	-
Fund balances, end of year	<u>\$ 168,247</u>	<u>\$ 153,247</u>	<u>\$ 169,110</u>	<u>\$ 15,863</u>

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GRAND HAVEN CHARTER TOWNSHIP

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF NET POSITION

DECEMBER 31, 2016

	Internal Service		Total
	OPEB	Information Technologies	
Assets			
Current assets			
Cash and pooled investments	\$ -	\$ 99,112	\$ 99,112
Prepaid and other assets	-	33,321	33,321
Total current assets	-	132,433	132,433
Noncurrent assets			
Capital assets:			
Depreciable capital assets, net	-	81,614	81,614
Total assets	-	214,047	214,047
Liabilities			
Current liabilities			
Accounts payable	-	41,867	41,867
Net position			
Net investment in capital assets	-	81,614	81,614
Unrestricted	-	90,566	90,566
Total net position	\$ -	\$ 172,180	\$ 172,180

GRAND HAVEN CHARTER TOWNSHIP

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Internal Service</u>		<u>Total</u>
	<u>OPEB</u>	<u>Information Technologies</u>	
Operating revenue			
Charges for services			
Other charges	\$ 11,535	\$ 241,260	\$ 252,795
Operating expense			
Administration	28,305	187,372	215,677
Depreciation	-	41,853	41,853
Total operating expense	<u>28,305</u>	<u>229,225</u>	<u>257,530</u>
Changes in net position	(16,770)	12,035	(4,735)
Net position, beginning of year	<u>16,770</u>	<u>160,145</u>	<u>176,915</u>
Net position, end of year	<u>\$ -</u>	<u>\$ 172,180</u>	<u>\$ 172,180</u>

GRAND HAVEN CHARTER TOWNSHIP

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Internal Service		Total
	OPEB	Information Technologies	
Cash flows from operating activities			
Receipts from internal services provided	\$ 11,535	\$ 241,260	\$ 252,795
Payments to suppliers	(112,474)	(167,128)	(279,602)
Net cash provided by (used in) operating activities	(100,939)	74,132	(26,807)
Cash flows from capital and related financing activities			
Acquisition of capital assets	-	(21,463)	(21,463)
Net increase (decrease) in cash and pooled investments	(100,939)	52,669	(48,270)
Cash and pooled investments, beginning of year	100,939	46,443	147,382
Cash and pooled investments, end of year	\$ -	\$ 99,112	\$ 99,112
Cash flows from operating activities			
Operating income (loss)	\$ (16,770)	\$ 12,035	\$ (4,735)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	-	41,853	41,853
Change in operating assets and liabilities which provided (used) cash:			
Prepaid assets and other items	-	(5,460)	(5,460)
Accounts payable	-	25,704	25,704
Post-employment benefits transferred to trust fund	(84,169)	-	(84,169)
Net cash provided by (used in) operating activities	\$ (100,939)	\$ 74,132	\$ (26,807)

INTER-OFFICE MEMO

DATE: May 17, 2017

TO: Township Board

FROM: Cargo

SUBJECT: Amendment to MERS Defined Contribution Retirement Program

Attached, please find an amendment to the Township's MERS Defined Contribution Plan Agreement.

In brief, one lesson learned from hiring a part-time professional personal (*i.e., an HR Supervisor*) is that these professionals want to be able to participate in a retirement program. Often, the individual will not need health or dental care because of a spouse. But, all candidates want to prepare for their eventual retirement.

In response, staff "plagiarized" Ottawa County's approach – which is to allow for permanent part-time staff that work 80 or more hours a month to participate within their defined contribution retirement program.

If the Board agrees with this proposed change of the defined contribution program, the following motion can be offered:

Move to authorize the Township Superintendent to execute an amendment to the Township's MERS Defined Contribution Plan Agreement, which allows plan participants to be full-time staff or part-time staff working more than 80 hours per month.

If you have any questions, please contact either Cargo at your convenience.

MERS Defined Contribution Plan Adoption Agreement



1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711

www.mersofmich.com

The Employer, a participating municipality or court within the state of Michigan that has adopted MERS coverage, hereby establishes the following Defined Contribution Plan provided by MERS of Michigan, as authorized by 1996 PA 220 in accordance with the MERS Plan Document.

I. Employer Name Grand Haven Charter Township **Municipality #:** 7022

If new to MERS, provide your municipality's/court's fiscal year: _____ through _____.
(Month) (Month)

II. Effective Date

Check one:

A. If this is the **initial** Adoption Agreement for this group, the effective date shall be the first day of _____, 20____.

This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible participant shall be credited as follows (choose one):

Vesting credit from date of hire No vesting credit

This division is for new hires, rehires, and transfers of current Defined Benefit* division # _____ and/or current Hybrid division # _____

Closing this division will change future invoices to a flat dollar amount instead of a percentage of payroll, as provided in your most recent annual actuarial valuation. (The amount may be adjusted for any benefit modifications that may have taken place since then.)

Current active (defined benefit or hybrid) employees (select one of the following and see Plan Document, Section 64 for more information):

Will have a one-time opportunity to convert the value of their current defined benefit from the existing defined benefit or hybrid plan into the new Defined Contribution Plan as a lump sum, or continue accruing service in the Defined Benefit. (Complete *MERS Defined Contribution Conversion Addendum*.)

Will have a one-time opportunity to cease service accrual in the current plan and transfer to the new Defined Contribution plan for future service accrual, or continue accruing service in the Defined Benefit.

Will be required to cease service accrual in Defined Benefit and will transfer to Defined Contribution for future service accrual.

**By completing the section above, the Employer acknowledges receiving Projection Study results and understands the municipality's obligation to continue funding the liability associated with the closed Defined Benefit division.*

B. If this is an **amendment** of an existing Adoption Agreement (existing division number 110459), the effective date shall be the first day of JUNE 1, 2017.

Note: You only need to mark **changes** to your plan throughout the remainder of this Agreement.

MERS Defined Contribution Plan Adoption Agreement

- C. If this is to **separate employees** from an existing *Defined Contribution division* (existing division number(s) _____) into a new division, the effective date shall be the first day of _____, 20____.
- D. If this is to **merge division(s)** _____ into division(s) _____, the effective date shall be the first of _____, 20____.

III. Eligible Employees

Only those Employees eligible for MERS membership may participate in the MERS Defined Contribution Plan. A copy of ALL employee enrollment forms must be submitted to MERS. The following groups of employees are eligible to participate:

FT Employees & those working at least 80 hrs/mth

(Name of Defined Contribution division – e.g. All Full Time Employees, or General After 7/01/13)

To further define eligibility, (check all that apply):

- Probationary periods** are allowed in one-month increments, no longer than 12 months. During this introductory period the Employer will not report or make contributions for this period, including retroactively. Service will begin after the probationary period has been satisfied. The probationary period will be _____ month(s).
- Temporary employees** in a position normally requiring less than a total of 12 whole months of work in the position may be *excluded* from membership. These employees must be notified in writing by the participating municipality that they are excluded from membership within 10 business days of date of hire or execution of this Agreement. The temporary exclusion period will be _____ month(s).

MERS Defined Contribution Plan Adoption Agreement

IV. Provisions

1. Vesting (Check one):
- Immediate
 - Cliff Vesting (fully vested after below number years of service)
 - 1 year 2 years 3 years 4 years 5 years
 - Graded Vesting
 - _____ % after 1 year of service
 - _____ % after 2 years of service
 - _____ % after 3 years of service (min 25%)
 - _____ % after 4 years of service (min 50%)
 - _____ % after 5 years of service (min 75%)
 - _____ % after 6 years of service (min 100%)

Vesting will be credited using (check one):

- Elapsed time method – Participants will be credited with one vesting year for each 12 months of continuous employment from the date of hire.
- Hours reported method – Participants will be credited with one vesting year for each calendar year in which _____ hours are worked

In the event of disability or death, a participant's (or his/her beneficiary's) entire employer contribution account shall be 100% vested, to the extent that the balance of such account has not previously been forfeited.

Normal Retirement Age (presumed to be age 60 unless otherwise specified) _____

If an employee is still employed with the municipality at the age specified here, their entire employer contribution balance will become 100% vested regardless of years of service.

2. Contributions

a. Will be remitted (check one):

- Weekly
- Bi-Weekly (every other week)
- Semi-Monthly (twice each month)
- Monthly
- Other (must specify) _____

b. Employee/Employer contribution structure (subject to limitations of Section 415(c) of the Internal Revenue Code)

	Enter % or \$ for contribution amounts						
Employee Contribution							
Employer Contribution							

Direct mandatory employee contributions as pre-tax

c. Voluntary employee contributions may be made after-tax, subject to the Section 415(c) limitations of the Internal Revenue Code

MERS Defined Contribution Plan Adoption Agreement

3. Compensation:

Employers may designate the definition of compensation per division participating in Defined Contribution pursuant to section 49 of the MERS Plan Document (check one):

- Medicare taxable wages reported in Box 5 of Form W-2
- All income subject to income tax reported in Box 1 of Form W-2, plus elective deferrals
- Compensation, for retirement purposes, is defined as base wages. Any of the following may be included:
 - Longevity pay
 - Overtime pay
 - Shift differentials
 - Pay for periods of absence from work by reason of vacation, holiday, and sickness
 - Workers' compensation weekly benefits (if reported and are higher than regular earnings)
 - A member's pre-tax contributions to a plan established under Section 125 of the IRC
 - Transcript fees paid to a court reporter
 - A taxable car allowance
 - Short term or long term disability payments
 - Payments for achievement of established annual (or similar period) performance goals
 - Payment for attainment of educational degrees from accredited colleges, universities, or for acquisition of job-related certifications
 - Lump sum payments attributable to the member's personal service rendered during the FAC period
 - Other: _____
 - Other 2: _____

NOTE: In either of the above elections, an employee's compensation shall not exceed the annual limit under section 401(a)(17) of the Internal Revenue Code.

4. **Loans:** shall be permitted shall not be permitted
If Loans are elected, please complete and attach the *MERS Defined Contribution Loan Addendum*.

5. Rollovers from qualified plans are permitted and the plan will account separately for pre-tax and post-tax contributions and earnings thereon.

V. Appointing MERS as the Plan Administrator

The Employer hereby agrees to the provisions of this *MERS Defined Contribution Plan Adoption Agreement* and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event of any conflict between the MERS Plan Document and the MERS Defined Contribution Plan Adoption Agreement, the provisions of the Plan Document control.

VI. Modification of the terms of the Adoption Agreement

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of the new Agreement is not effective until approved by MERS.

MERS Defined Contribution Plan Adoption Agreement

VII. Enforcement

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. The Employer acknowledges that employee contributions (if any) and employer contributions must be submitted in accordance with the *MERS Reporting and Contribution Enforcement Policy*, the terms of which are incorporated herein by reference;
4. The Employer acknowledges that late or missed contributions will be required to be made up, including any applicable gains, pursuant to the Internal Revenue Code;
5. Should the Employer fail to make its required contribution(s) when due, MERS may implement any applicable interest charges and penalties pursuant to the *MERS Reporting and Contribution Enforcement Policy* and Plan Document Section 79, and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended.
6. It is expressly agreed and understood as an integral and non-severable part of this Agreement that Section 43 of the Plan Document shall not apply to this Agreement and its administration or interpretation. In the event any alteration of the terms or conditions of this Agreement is made or occurs, under Section 43 or other plan provision or law, MERS and the Retirement Board, as sole trustee and fiduciary of the MERS plan and its trust reserves, and whose authority is non-delegable, shall have no obligation or duty to administer (or to have administered) the MERS Defined Contribution Plan, to authorize the transfer of any defined benefit assets to the MERS Defined Contribution Plan, or to continue administration by MERS or any third-party administrator of the MERS Defined Contribution Plan.

VIII. Execution

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

The foregoing Adoption Agreement is hereby approved by Grand Haven Township Board on
the ____ day of _____, 20____. (Name of Approving Employer)

Authorized signature: _____

Title: _____

Witness signature: _____

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20____ Signature: _____
(Authorized MERS Signatory)



Community Development Memo

DATE: May 17, 2017
TO: Township Board
FROM: Stacey Fedewa, Community Development Director
RE: Village at Rosy Mound – Tax Exemption Ordinance

BACKGROUND

There are two items related to the Village at Rosy Mound project on the Board's agenda. The first, is the PUD application. The second, is the proposed Tax Exemption Ordinance, which is commonly referred to as a Payment in Lieu of Taxes (PILOT) agreement.

NEXT STEPS

If the Board adopts a motion for the first reading of the Village at Rosy Mound PUD application, then the same type of motion should be adopted for this Ordinance. However, if the Board does not adopt a motion for the first reading (*whether it be a denial or tabling*) then this Ordinance should follow suit.

Essentially, the PUD application and Tax Exemption Ordinance are mutually exclusive, and one should not be approved without the other.

SAMPLE MOTIONS

If the Village at Rosy Mound PUD application received a first reading, the following motion can be offered:

Motion to postpone further action on the Tax Exemption Ordinance for the Village at Rosy Mound PUD project. **This is the first reading.**

If the Village at Rosy Mound PUD application was tabled, the following motion can be offered:

Motion to table the Tax Exemption Ordinance for the Village at Rosy Mound project because the Developer must revise the underlying PUD application. This Ordinance will be brought back for consideration when the Developer provide a revised application.

GRAND HAVEN CHARTER TOWNSHIP ORDINANCE NO. ____

TAX EXEMPTION ORDINANCE FOR THE VILLAGE AT ROSY MOUND

Adopted: _____

Effective: _____

An Ordinance to provide for a service charge in lieu of taxes for a multiple family dwelling project for elderly persons of low income to be financed or assisted pursuant to the provisions of the State Housing Development Authority Act of 1966.

THE CHARTER TOWNSHIP OF GRAND HAVEN, OTTAWA COUNTY, MICHIGAN,
ORDAINS:

SECTION 1. Name of Ordinance.

This Ordinance shall be known and cited as the "Grand Haven Charter Township Tax Exemption Ordinance for The Village at Rosy Mound."

SECTION 2. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its Elderly citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCL Section 125.1401 et. seq.; the "Act"). Grand Haven Charter Township (the "Township") is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act at any amount it chooses not to exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for Elderly persons of low income is a public necessity, and as the Township will be benefitted and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for such housing is a valid public purpose; further, that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of Housing Developments which are constructed and financed in reliance on such tax exemption.

The Township acknowledges that Rosy Mound Limited Dividend Housing Association Limited Partnership (the "Sponsor") has offered subject to receipt of a Mortgage Loan from the Michigan State Housing Development Authority, to erect, own and operate a 116 unit Elderly Housing Development identified as The Village at Rosy Mound on certain property more fully described in Exhibit A, which is attached hereto, in the Township to serve Elderly persons of low income, and that the Sponsor has offered to pay the Township on account of this Housing Development an annual service charge for public services in lieu of all taxes.

SECTION 3. Definitions.

- A. Act means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended.
- B. Annual Shelter Rent means the total collections during an agreed annual period from all occupants of a Housing Development or any amount paid to the Sponsor on behalf of any occupant representing rent or occupancy charges, exclusive of charges for fuel, water, sanitary sewer service, electrical service, or other utilities furnished to the occupants.
- C. Authority means the Michigan State Housing Development Authority.
- D. Elderly means a single person who is 55 years of age or older, or housing occupied by a family and/or household in which at least one member is 55 years of age or older and all other members are 50 years of age or older.
- E. Housing Development means a development which contains a significant element of housing for Elderly persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines improve the quality of the Housing Development as it relates to housing for Elderly persons of low income.
- F. Housing for the Elderly means housing occupied by a single person who is 55 years of age or older, or housing occupied by a family and/or household in which at least one member is 55 years of age or older and all members are 50 years of age or older.
- G. Mortgage Loan means a loan to be made by the Authority to the Sponsor for the construction and/or permanent financing of the Housing Development.
- H. Sponsor means person(s) or entities which have applied to the Authority for a Mortgage Loan to finance a Housing Development, specifically The Village at Rosy Mound.
- I. Utilities mean fuel, water, sanitary sewer service, electrical service, and other utilities which are paid by the Housing Development.

SECTION 4. Class of Housing Developments.

It is determined that the class of Housing Developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be Housing for the Elderly, which are financed or assisted pursuant to the Act including, but not limited to an

allocation of low income housing tax credit. It is further determined that The Village at Rosy Mound is of this class.

SECTION 5. Establishment of Annual Service Charge.

The Housing Development identified as The Village at Rosy Mound and the property on which it is constructed shall be exempt from all property taxes from and after the commencement of construction. The Township, acknowledging that the Sponsor and the Authority have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and the qualification of the Housing Development for exemption from all property taxes and a payment in lieu of taxes as established in this Ordinance, and in consideration of the Sponsor's offer, subject to receipt of a Mortgage Loan from the Authority, to construct, own and operate the Housing Development, agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to four percent (4%) of the difference between the Annual Shelter Rents actually collected and Utilities. The Township shall distribute the annual service charge among all local units of government with general property tax authority over the property, but for the tax exemption granted by this Ordinance, as required by Section 15a(4) of the Act.

SECTION 6. Limitation on the Payment of Annual Service Charge.

Notwithstanding Section 5 above, the service charge to be paid each year in lieu of taxes for the part of the Housing Development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the Housing Development if the Housing Development were not tax exempt.

The term "low income" as used herein shall be the same as found in Section 15a(7) of the Act.

SECTION 7. Contractual Effect of Ordinance.

Notwithstanding the provisions of Section 15a(5) of the Act, to the contrary, a contract between the Township and the Sponsor with the Authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this Ordinance.

SECTION 8. Payment of Service Charge.

The service charge in lieu of taxes as determined under the Ordinance shall be payable in the same manner as general property taxes are payable to the Township except that the annual payment shall be paid on or before August 1st of each year. On or before June 1st of each year, the Sponsor shall file with the Township an audit showing the number of units in The Village at Rosy Mound occupied by Elderly persons of low income as of December 31 of the previous year, and

showing the rent or occupancy charges received from those units during the previous calendar year.

SECTION 9. Benefits.

The benefits of the property tax exemption granted pursuant to this Ordinance shall be allocated by the Sponsor to occupants of The Village at Rosy Mound in the form of reduced Annual Shelter Rent. The Sponsor shall, at the request of the Township, submit to the Township such evidence and documentation as may be reasonably necessary to ensure the Sponsor's compliance with this requirement.

SECTION 10. Duration.

This Ordinance shall remain in effect and shall not terminate so long as the Mortgage Loan remains outstanding and unpaid or the Authority has any interest in the property; provided, that construction of the Housing Development commences within one year from the effective date of this Ordinance.

SECTION 11. Lien.

The service charges in lieu of taxes payable under this Ordinance shall be a lien on The Village at Rosy Mound, and if delinquent, shall be collected and enforced in the same manner as general property taxes.

SECTION 12. No Severability.

The various sections and provisions of this Ordinance shall not be deemed to be severable. Should any section or provision of this Ordinance be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall terminate the validity of the Ordinance, unless the Township takes action to readopt the remaining provisions of this Ordinance.

SECTION 13. Effective Date.

This Ordinance was approved and adopted by the Township Board of the Charter Township of Grand Haven, Ottawa County, Michigan, on _____, after introduction and a first reading on _____, and publication after such first reading as required by Michigan Act 359 of 1947, as amended. This Ordinance shall be effective on _____, which date is at least 30 days after publication of the Ordinance.

Mark Reenders, Supervisor

Laurie Larsen, Clerk

CERTIFICATE

I, Laurie Larsen, the Clerk for the Charter Township of Grand Haven, Ottawa County, Michigan, certify that the foregoing Tax Exemption Ordinance for The Village at Rosy Mound was adopted at a regular meeting of the Grand Haven Charter Township Board held on _____, 2017. The following members of the Township Board were present at that meeting: _____

The following members of the Township Board were absent: _____.

The Ordinance was adopted by the Township Board with members of the Board _____ voting in favor and members of the board _____ voting in opposition.

The Ordinance was published as required after adoption on _____, 2017.

Laurie Larsen, Township Clerk

EXHIBIT A

[Insert description of property]

DRAFT



Manager's Memo

DATE: May 16, 2017

TO: Township Board

FROM: Cargo

RE: Waste Management of Michigan - 2017 Waste Hauling License

Attached, please find a proposed resolution authorizing Waste Management of Michigan to operate within GHT.

Their proposed fee is a maximum of \$24.50 per month with a cart, which includes the recycling. The company also offers yard waste at a maximum of \$12.50 per month with a cart. (*This is the same price as was authorized for 2015.*)

A copy of their application and supporting documentation will be available for review at Monday's meeting

To approve the application for Waste Management, the following motion can be offered:

Move to approve Resolution 17-05-01 approving a one-year license agreement with Waste Management of Michigan for waste collection and hauling services in Grand Haven Charter Township.

If there are any questions or comments, please contact me at your convenience.

At a regular meeting of the Township Board of the Charter Township of Grand Haven, Ottawa County, Michigan, held at the Township Hall at 13300 - 168th Avenue, Grand Haven Charter Township, Ottawa County, Michigan, on the 22nd day of May, 2017, at 7:00 p.m., local time.

After certain matters of business had been completed, Supervisor Reenders announced that the next order of business was the consideration of a license to operate in the Township for Waste Management of Michigan.

The proposed license agreement was discussed by the members of the Board, and after discussion was completed the following resolution was offered by _____ and seconded by _____:

**GRAND HAVEN CHARTER TOWNSHIP
RESOLUTION 17-05-01**

**APPROVING THE LICENSE APPLICATION OF WASTE MANAGEMENT OF
MICHIGAN TO OPERATE WITHIN GRAND HAVEN CHARTER TOWNSHIP
AND THE SCHEDULE OF FEES FOR SERVICE.**

WHEREAS, Grand Haven Charter Township adopted and amended Ordinance No. 334 which provides for the licensing of garbage, trash, and recyclable collectors or haulers; and

WHEREAS, Waste Management of Michigan applied for a license to operate within Grand Haven Charter Township pursuant to said Ordinance; and

WHEREAS, Waste Management of Michigan meets all the requirements of said Ordinance for operating within the Township, as shown by their license application, which has been reviewed and approved by the Township Superintendent; and

WHEREAS, Waste Management of Michigan provided a schedule of fees to be charged for said services, which is included within said application.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

- 1) The application of Waste Management of Michigan to provide trash and recyclable collection and hauling services pursuant to Ordinance No. 334, as amended, within the Charter Township of Grand Haven is hereby approved until May 1, 2018.
- 2) That application's schedule of fees, which indicates no increase in the maximum rate that can be charged when compared to the previous application, is approved until May 1, 2018, at which time a new schedule of rates must be submitted for review and approval by the Township Board. *(Any change of the rates prior to May 1, 2018 must be submitted to the Township Board for approval pursuant to Ordinance No. 334, as amended.)*
- 3) That a copy of this resolution will be forwarded by the Township Clerk to Waste Management of Michigan and that it shall be considered a license to operate waste and recyclable collection and hauling within Grand Haven Charter Township until May 1, 2018.

AYES:
NAYS:
ABSENT:

RESOLUTION DECLARED: Adopted.
ADOPTED ON May 22, 2017

Laurie Larsen
Grand Haven Charter Township Clerk

CERTIFICATE

I, the undersigned, the duly qualified and acting Township Clerk of the Charter Township of Grand Haven, Ottawa County, Michigan, certify that the foregoing is a true and complete copy of the resolution adopted by the Township Board at a regular meeting of the Township Board held on the 22nd day of May, 2017. I further certify that public notice of the meeting was given pursuant to and in full compliance with Michigan Act 267 of 1976, as amended, and that the minutes of the meeting were kept and will be or have been made available as required by the Act.

Laurie Larsen
Grand Haven Charter Township Clerk



SUPERINTENDENT'S MEMO

DATE: May 17, 2017

TO: Township Board

FROM: Cargo and Sandoval

SUBJECT: May Budget Amendments

Attached, please find the proposed budget amendments for May 2017 and the resolution necessary to adopt the changes.

In brief, the changes reflect decisions made by the Board at the April 27th Special Meeting with regard to the General Fund undesignated fund balance. Specifically, the following amendments are proposed:

- 1) The General Fund expenditures are increased↑ by **\$595,000**, which reflects a variety of Board decisions. The significant changes for expenditures include the following:
 - a. Parks and Recreation expenditures are increased↑ by \$260,000 to reflect monies appropriate for Pickleball courts at mercury Park and trail maintenance at Hofma Park and Preserve;
 - b. Bike Path expenditures are increased↑ by \$35,000 to install new “flashing” school zone signs at Rosy Mound and Peach Plains elementary schools;
 - c. Appropriate Transfers Out are increased↑ by \$50,000 related monies to be used to purchase Asset Management software; and,
 - d. The General Fund designated fund balance will now indicate that \$250,000 has been set aside for future park improvements.

The undesignated fund balance of the General Fund is expected to be **\$1.57 million** at the end of the current fiscal year. This is considered a very robust and healthy fund.

- 2) The Information Technologies Fund revenues are increased↑ by \$50,000 and expenditures are increased↑ by \$50,000 to reflect the Asset Management software discussed previously.

The undesignated fund balance of the IT Fund will be an estimated **\$31,355** at the end of the current fiscal year.

If the Board supports the proposed budget amendments, the following motion may be offered:

Move to adopt Resolution 17-05-02 that adopts the May budget amendments for fiscal year 2017.

If you have any questions or comments, please contact either Cargo or Sandoval at your convenience.

**GRAND HAVEN CHARTER TOWNSHIP
BUDGET AMENDMENTS & LINE ITEM TRANSFERS
GENERAL FUND
May 22, 2017**

	From	To	+ or (-)
General Fund Revenues (No Changes)			
TOTAL GENERAL FUND REVENUE	3,292,130	3,292,130	0
Dept. Group 751 - Parks and Recreation			
801.000 Legal & Professional fees (Community Eng)	4,080	29,080	25,000
970.000 Capital Outlay (Pickleball, Trail Maint)	181,500	416,500	235,000
Total	269,800	529,800	260,000
Dept. Group 757 - Bike Path			
970.000 Capital Outlay (School signs)	181,500	216,500	35,000
Total	369,120	404,120	35,000
Dept. Group 966 - Appropriation Transfers			
999.200 Operating Transfer Out - IT (Asset Mgmt Software)	170,340	220,340	50,000
Total	426,140	476,140	50,000
Dept. Group 390 - Fund Balance			
393.000 Designated Fund Balance (Park Improvements)	0	250,000	250,000
Total	0	250,000	250,000
TOTAL GENERAL FUND EXPENDITURES	3,653,280	4,248,280	595,000
 GENERAL FUND - FUND BALANCE:			
Fund Balance (from 2016 Financial Audit)			2,529,911
2017 Revenue			3,292,130
Total Revenue budget amendments			0
2017 Amended Revenue			3,292,130
2017 Expenditures			3,653,280
Total Expense budget amendments			595,000
2017 Amended Expenditures			4,248,280
Net Budget Amendments			(595,000)
Projected Unassigned Fund Balance - 12/31/17			1,573,761

**GRAND HAVEN CHARTER TOWNSHIP
BUDGET AMENDMENTS & LINE ITEM TRANSFERS
INFORMATION TECHNOLOGIES
May 22, 2017**

	From	To	+ or (-)
IT Revenues			
696.000 General Fund Contribution	170,340	220,340	50,000
TOTAL FUND REVENUE	264,270	314,270	50,000
Dept. Group 000 - IT Department			
970.000 Capital Outlay (Asset Mgmt Software)	62,800	112,800	50,000
TOTAL EXPENDITURES	323,480	373,480	50,000
INFORMATION TECHNOLOGY FUND BALANCE:			
Fund Balance (from 2016 Financial Audit)			90,565
2017 Revenue			264,270
Total revenue budget amendments			50,000
2017 Amended Revenue			314,270
2017 Expenditures			323,480
Total expense budget amendments			50,000
2017 Amended Expenditures			373,480
Net Budget Amendments			0
Projected Unassigned Fund Balance - 12/31/17			31,355

RESOLUTION NO. 17-05-02

WHEREAS, Grand Haven Charter Township has formally adopted the 2017 fiscal year budget;

WHEREAS, the Grand Haven Charter Township Board of Trustees have determined that the proposed attached amendments to this budget are necessary to comply with the requirements of the State of Michigan and to respond to changes that have occurred since the budget was adopted in November of 2016;

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees of Grand Haven Charter Township determines:

SECTION 1:

This resolution shall be known as the Grand Haven Charter Township 2017 May Budget Amendments.

SECTION 2:

The list of attached amendments to the 2017 fiscal year budget are found to be acceptable and are adopted by the Board.

SECTION 3:

Motion made by _____ and seconded by _____ to adopt the foregoing resolution upon the following roll call vote:

AYES:

NAYS:

ABSENT AND NOT VOTING:

RESOLUTION DECLARED: ADOPTED.

The **motion** carried and the resolution was duly adopted on May 22, 2017.

Laurie Larsen, Township Clerk
Dated: May 22, 2017



Manager's Memo

DATE: May 17, 2017
TO: Township Board
FROM: Cargo
RE: Charter Communications – Franchise Agreement

Public Act 480 of 2006 is known as the Uniform Video Franchise Act. Pursuant to this Act, the Michigan Public Services Commission created a “uniform” franchise agreement that is used by cable operators – such as Charter Communications – and local municipalities

This will be the second renewal of the “uniform” franchise agreement with all conditions remaining the same, which includes a 5% franchise fee and a 0% PEG fee. The term of the agreement is ten years.

Because of the Uniform Video Franchise Act, the Township can no longer negotiate directly regarding the conditions of the cable franchise.

If the Board believe the request for the renewal of the Township’s franchise agreement with Charter Communications is appropriate, the following motion can be offered:

Move to appropriate authorize the Township Superintendent to execute the proposed Uniform Video Service Local Franchise Agreement with Charter Communications.

If there are any questions or comments, please contact me at your convenience.

INSTRUCTIONS FOR UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

Pursuant to 2006 Public Act 480, MCL 484.3301 *et seq*, any Video Service Provider seeking to provide video service in one or more service areas in the state of Michigan after January 30, 2007, shall file an application for a Uniform Video Service Local Franchise Agreement with the Local Unit of Government ("Franchising Entity") that the Provider wishes to service. Pursuant to Section 2(2) of 2006 PA 480, "Except as otherwise provided by this Act, a person shall not provide video services in any local unit of government without first obtaining a uniform video service local franchise as provided under Section 3." Procedures applicable to incumbent video service providers are set forth below.

As of the effective date (January 1, 2007) of the Act, no existing franchise agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the agreement. The incumbent video Provider, at its option, may continue to provide video services to the Franchising Entity by electing to do one of the following:

1. Terminate the existing franchise agreement before the expiration date of the agreement and enter into a new franchise under a uniform video service local franchise agreement.
2. Continue under the existing franchise agreement amended to include only those provisions required under a uniform video service local franchise.
3. Continue to operate under the terms of an expired franchise until a uniform video service local franchise agreement takes effect. An incumbent video Provider with an expired franchise on the effective date has 120 days after the effective date of the Act to file for a uniform video service local franchise agreement.

On the effective date (January 1, 2007) of the Act, any provisions of an existing Franchise that are inconsistent with or in addition to the provisions of a uniform video service local Franchise Agreement are unreasonable and unenforceable by the Franchising Entity.

If, at a subsequent date, the Provider would like to provide video service to an additional Local Unit of Government, the Provider must file an additional application with that Local Unit of Government.

The forms shall meet the following requirements:

- The Provider must complete both the "Uniform Video Service Local Franchise Agreement" and "Attachment 1 - Uniform Video Service Local Franchise Agreement" forms if they are seeking a new/renewed Franchise Agreement, and send the forms by mail (certified, registered, first-class, return receipt requested, or by a nationally recognized overnight delivery service) to the appropriate Franchising Entity. Until otherwise officially notified by the Franchising Entity, the forms shall be sent to the Clerk or any official with the responsibilities or functions of the Clerk in the Franchising Entity. "**Attachment 2 - Uniform Video Service Local Franchise Agreement**" is not required to be filed at this time *unless* it is being used regarding amendments, terminations, or transfers pertaining to an **existing** Uniform Video Service Local Franchise Agreement. (Refer to Sections X to XII of the Agreement, as well as Section 3(4-6) of the Act.)
- Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and **MUST BE KEPT CONFIDENTIAL**.
 1. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:

"[insert PROVIDER'S NAME]
[CONFIDENTIAL INFORMATION]"

2. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.
 3. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.
- Responses to all questions must be provided and must be amended appropriately when changes occur.
 - All responses must be printed out, typed, signed/dated (where appropriate), and mailed (certified, registered, first class, return receipt requested, or by a national recognized overnight delivery service) to the appropriate party.
 - The Agreement and Attachments are templates. Tab through the documents and fill in as appropriate, use the appropriate "dropdown box" (City/Village/Township) when indicated.
 - For sections that need explanation, if the Provider runs out of space, the Provider should then submit the application with typed attachments that are clearly identified.
 - The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by this Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the franchise agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as "confidential."
 - A Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under this subsection, the franchise agreement shall be considered complete and the Franchise Agreement approved. The Provider shall notify both the Franchising Entity and the Michigan Public Service Commission of such an approved and completed Agreement by completing **Attachment 3 - Uniform Video Service Local Franchise Agreement**.
 - For changes to an existing Uniform Video Service Local Franchise Agreement (amendments, transfers, or terminations), the Provider must complete the "**Attachment 2 - Uniform Video Service Local Franchising Entity**" form, and send the form to the appropriate Franchising Entity.
 - For information that is to be submitted to the Michigan Public Service Commission, please use the following address:

Michigan Public Service Commission
Attn: Video Franchising
P.O. Box 30221
Lansing, MI 48909

Fax: (517) 284-8200

Questions should be directed to the Telecommunications Division, Michigan Public Service Commission at (517) 284-8190.

UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT

THIS UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT ("Agreement") is made, pursuant to 2006 PA 480, MCL 484.3301 *et seq.* (the "Act") by and between the Township of Grand Haven, a Michigan municipal corporation (the "Franchising Entity"), and CC Michigan, LLC, a Delaware Limited Liability corporation doing business as Charter Communications.

I. Definitions

For purposes of this Agreement, the following terms shall have the following meanings as defined in the Act:

- A. "Cable Operator" means that terms as defined in 47 USC 522(5).
- B. "Cable Service" means that terms as defined in 47 USC 522(6).
- C. "Cable System" means that term as defined in 47 USC 522(7).
- D. "Commission" means the Michigan Public Service Commission.
- E. "Franchising Entity" means the local unit of government in which a provider offers video services through a franchise.
- F. "FCC" means the Federal Communications Commission.
- G. "Gross Revenue" means that term as described in Section 6(4) of the Act and in Section VI(D) of the Agreement.
- H. "Household" means a house, an apartment, a mobile home, or any other structure or part of a structure intended for residential occupancy as separate living quarters.
- I. "Incumbent video provider" means a cable operator serving cable subscribers or a telecommunication provider providing video services through the provider's existing telephone exchange boundaries in a particular franchise area within a local unit of government on the effective date of this act.
- J. "IPTV" means internet protocol television.
- K. "Local unit of government" means a city, village, or township.
- L. "Low-income household" means a household with an average annual household income of less than \$35,000.00 as determined by the most recent decennial census.
- M. "METRO Act" means the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, 2002 PA 48, MCL 484.3101 *et seq.*
- N. "Open video system" or "OVS" means that term as defined in 47 USC 573.
- O. "Person" means an individual, corporation, association, partnership, governmental entity, or any other legal entity.
- P. "Public rights-of-way" means the area on, below, or above a public roadway, highway, street, public sidewalk, alley, waterway, or utility easements dedicated for compatible uses.
- Q. "Term" means the period of time provided for in Section V of this Agreement.
- R. "Uniform video service local franchise agreement" or "franchise agreement" means the franchise agreement required under the Act to be the operating agreement between each franchising entity and video provider in this state.
- S. "Video programming" means that term as defined in 47 USC 522(20).
- T. "Video service" means video programming, cable services, IPTV, or OVS provided through facilities located at least in part in the public rights-of-way without regard to delivery technology, including internet protocol technology. This definition does not include any video programming provided by a commercial mobile service provider defined in 47 USC 332(d) or provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public internet.
- U. "Video service provider" or "Provider" means a person authorized under the Act to provide video service.
- V. "Video service provider fee" means the amount paid by a video service provider or incumbent video provider under Section 6 of the Act and Section VI of this Agreement.

II. Requirements of the Provider

- A. An unfranchised Provider will not provide video services in any local unit of government without first obtaining a uniform video service local franchise agreement as provided under **Section 3 of the Act** (except as otherwise provided by the Act).
- B. The Provider shall file in a timely manner with the Federal Communications Commission all forms required by that agency in advance of offering video service in Michigan.
- C. The Provider agrees to comply with all valid and enforceable federal and state statutes and regulations.
- D. The Provider agrees to comply with all valid and enforceable local regulations regarding the use and occupation of public rights-of-way in the delivery of the video service, including the police powers of the Franchising Entity.
- E. The Provider shall comply with all Federal Communications Commission requirements involving the distribution and notification of federal, state, and local emergency messages over the emergency alert system applicable to cable operators.
- F. The Provider shall comply with the public, education, and government programming requirements of Section 4 of the Act.
- G. The Provider shall comply with all customer service rules of the Federal Communications Commission under 47 CFR 76.309 (c) applicable to cable operators and applicable provisions of the Michigan Consumer Protection Act, 1976 PA 331, MCL 445.901 to 445.922.
 - i. Including but not limited to: MCL 445.902; MCL 445.903 (1)(a) through 445.903(1)(cc); MCL 445.903(1)(ff) through (jj); MCL 445.903(2); MCL 445.905; MCL 445.906; MCL 445.907; MCL 445.908; MCL 445.910; MCL 445.911; MCL 445.914; MCL 445.915; MCL 445.916; MCL 445.918.
- H. The Provider agrees to comply with in-home wiring and consumer premises wiring rules of the Federal Communications Commission applicable to cable operators.
- I. The Provider shall comply with the Consumer Privacy Requirements of 47 USC 551 applicable to cable operators.
- J. If the Provider is an incumbent video provider, it shall comply with the terms which provide insurance for right-of-way related activities that are contained in its last cable franchise or consent agreement from the Franchising Entity entered before the effective date of the Act.
- K. The Provider agrees that before offering video services within the boundaries of a local unit of government, the video Provider shall enter into a Franchise Agreement with the local unit of government as required by the Act.
- L. The Provider understands that as the effective date of the Act, no existing Franchise Agreement with a Franchising Entity shall be renewed or extended upon the expiration date of the Agreement.
- M. The Provider provides an exact description of the video service area footprint to be served, pursuant to **Section 2(3)(e) of the Act**. If the Provider is not an incumbent video Provider, the date on which the Provider expects to provide video services in the area identified under **Section 2(3)(e) of the Act** must be noted. The Provider will provide this information in Attachment 1 - Uniform Video Service Local Franchise Agreement.
- N. The Provider is required to pay the Provider fees pursuant to **Section 6 of the Act**.

III. Provider Providing Access

- A. The Provider shall not deny access to service to any group of potential residential subscribers because of the race or income of the residents in the local area in which the group resides.
- B. It is a defense to an alleged violation of Paragraph A if the Provider has met either of the following conditions:
 - i. Within 3 years of the date it began providing video service under the Act and the Agreement; at least 25% of households with access to the Provider's video service are low-income households.
 - ii. Within 5 years of the date it began providing video service under the Act and Agreement and from that point forward, at least 30% of the households with access to the Provider's video service are low-income households.
- C. **[If the Provider is using telecommunication facilities]** to provide video services and has more than 1,000,000 telecommunication access lines in Michigan, the Provider shall provide access to its video service to a number of households equal to at least 25% of the households in the provider's telecommunication

service area in Michigan within 3 years of the date it began providing video service under the Act and Agreement and to a number not less than 50% of these households within 6 years. **The video service Provider is not required to meet the 50% requirement in this paragraph until 2 years after at least 30% of the households with access to the Provider's video service subscribe to the service for 6 consecutive months.**

- D. The Provider may apply to the Franchising Entity, and in the case of paragraph C, the Commission, for a waiver of or for an extension of time to meet the requirements of this section if 1 or more of the following apply:
- i. The inability to obtain access to public and private rights-of-way under reasonable terms and conditions.
 - ii. Developments or buildings not being subject to competition because of existing exclusive service arrangements.
 - iii. Developments or buildings being inaccessible using reasonable technical solutions under commercial reasonable terms and conditions.
 - iv. Natural disasters
 - v. Factors beyond the control of the Provider
- E. The Franchising Entity or Commission may grant the waiver or extension only if the Provider has made substantial and continuous effort to meet the requirements of this section. If an extension is granted, the Franchising Entity or Commission shall establish a new compliance deadline. If a waiver is granted, the Franchising Entity or Commission shall specify the requirement or requirements waived.
- F. The Provider shall file an annual report with the Franchising Entity and the Commission regarding the progress that has been made toward compliance with paragraphs B and C.
- G. Except for satellite service, the provider may satisfy the requirements of this paragraph and Section 9 of the Act through the use of alternative technology that offers service, functionality, and content, which is demonstrably similar to that provided through the provider's video service system and may include a technology that does not require the use of any public right-of-way. The technology utilized to comply with the requirements of this section shall include local public, education, and government channels and messages over the emergency alert system as required under Paragraph II(E) of this Agreement.

IV. Responsibility of the Franchising Entity

- A. The Franchising Entity hereby grants authority to the Provider to provide Video Service in the Video Service area footprint, as described in this Agreement and Attachments, as well as the Act.
- B. The Franchising Entity hereby grants authority to the Provider to use and occupy the Public Rights-of-way in the delivery of Video Service, subject to the laws of the state of Michigan and the police powers of the Franchising Entity.
- C. The Franchising Entity shall notify the Provider as to whether the submitted Franchise Agreement is complete as required by the Act within 15 business days after the date that the Franchise Agreement is filed. If the Franchise Agreement is not complete, the Franchising Entity shall state in its notice the reasons the Franchise Agreement is incomplete. The Franchising Entity cannot declare an application to be incomplete because it may dispute whether or not the applicant has properly classified certain material as "confidential."
- D. The Franchising Entity shall have 30 days after the submission date of a complete Franchise Agreement to approve the agreement. If the Franchising Entity does not notify the Provider regarding the completeness of the Franchise Agreement or approve the Franchise Agreement within the time periods required under **Section 3(3) of the Act**, the Franchise Agreement shall be considered complete and the Franchise Agreement approved.
- i. If time has expired for the Franchising Entity to notify the Provider, The Provider shall send (via mail: certified or registered, or by fax) notice to the Franchising Entity and the Commission, using Attachment 3 of this Agreement.
- E. The Franchising Entity shall allow a Provider to install, construct, and maintain a video service or communications network within a public right-of-way and shall provide the provider with open, comparable, nondiscriminatory, and competitively neutral access to the public right-of-way.
- F. The Franchising Entity may not discriminate against a video service provider to provide video service for any of the following:
- i. The authorization or placement of a video service or communications network in public right-of-way.
 - ii. Access to a building owned by a governmental entity.
 - iii. A municipal utility pole attachment.
- G. The Franchising Entity may impose on a Provider a permit fee only to the extent it imposes such a fee on incumbent video providers, and any fee shall not exceed the actual, direct costs incurred by the Franchising Entity for issuing the relevant permit. A fee under this section shall not be levied if the Provider already has

paid a permit fee of any kind in connection with the same activity that would otherwise be covered by the permit fee under this section or is otherwise authorized by law or contract to place the facilities used by the Provider in the public right-of-way or for general revenue purposes.

- H. The Franchising Entity shall not require the provider to obtain any other franchise, assess any other fee or charge, or impose any other franchise requirement than is allowed under the Act and this Agreement. For purposes of this Agreement, a franchise requirement includes but is not limited to, a provision regulating rates charged by video service providers, requiring the video service providers to satisfy any build-out requirements, or a requirement for the deployment of any facilities or equipment.
- I. Notwithstanding any other provision of the Act, the Provider shall not be required to comply with, and the Franchising Entity may not impose or enforce, any mandatory build-out or deployment provisions, schedules, or requirements except as required by **Section 9 of the Act**.
- J. The Franchising Entity is subject to the penalties provided for under Section 14 of the Act.

V. Term

- A. This Franchise Agreement shall be for a period of 10 years from the date it is issued. The date it is issued shall be calculated either by (a) the date the Franchising Entity approved the Agreement, provided it did so within 30 days after the submission of a complete franchise agreement, or (b) the date the Agreement is deemed approved pursuant to **Section 3(3) of the Act**, if the Franchising Entity either fails to notify the Provider regarding the completeness of the Agreement or approve the Agreement within the time periods required under that subsection.
- B. Before the expiration of the initial Franchise Agreement or any subsequent renewals, the Provider may apply for an additional 10-year renewal under **Section 3(7) of the Act**.

VI. Fees

- A. A video service Provider shall calculate and pay an annual video service provider fee to the Franchising Entity. The fee shall be 1 of the following:
 - i. If there is an existing Franchise Agreement, an amount equal to the percentage of gross revenue paid to the Franchising Entity by the incumbent video Provider with the largest number of subscribers in the Franchising Entity.
 - ii. At the expiration of an existing Franchise Agreement or if there is no existing Franchise Agreement, an amount equal to the percentage of gross revenue as established by the Franchising Entity of ~~five~~ 5 % (percentage amount to be inserted by Franchising Entity which shall not exceed 5%) and shall be applicable to all providers
- B. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.
- C. The Franchising Entity shall not demand any additional fees or charges from a provider and shall not demand the use of any other calculation method other than allowed under the Act.
- D. For purposes of this Section, "gross revenues" means all consideration of any kind or nature, including, without limitation, cash, credits, property, and in-kind contributions received by the provider from subscribers for the provision of video service by the video service provider within the jurisdiction of the franchising entity.
 - 1. **Gross revenues shall include all of the following:**
 - i. All charges and fees paid by subscribers for the provision of video service, including equipment rental, late fees, insufficient funds fees, fees attributable to video service when sold individually or as part of a package or bundle, or functionally integrated, with services other than video service.
 - ii. Any franchise fee imposed on the Provider that is passed on to subscribers.
 - iii. Compensation received by the Provider for promotion or exhibition of any products or services over the video service.
 - iv. Revenue received by the Provider as compensation for carriage of video programming on that Provider's video service.
 - v. All revenue derived from compensation arrangements for advertising to the local franchise area.
 - vi. Any advertising commissions paid to an affiliated third party for video service advertising.
 - 2. **Gross revenues do not include any of the following:**
 - i. Any revenue not actually received, even if billed, such as bad debt net of any recoveries of bad debt.
 - ii. Refunds, rebates, credits, or discounts to subscribers or a municipality to the extent not already offset by subdivision (D)(i) and to the extent the refund, rebate, credit, or discount is attributable to the video service.

- iii. Any revenues received by the Provider or its affiliates from the provision of services or capabilities other than video service, including telecommunications services, information services, and services, capabilities, and applications that may be sold as part of a package or bundle, or functionality integrated, with video service.
 - iv. Any revenues received by the Provider or its affiliates for the provision of directory or internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing.
 - v. Any amounts attributable to the provision of video service to customers at no charge, including the provision of such service to public institutions without charge.
 - vi. Any tax, fee, or assessment of general applicability imposed on the customer or the transaction by a federal, state, or local government or any other governmental entity, collected by the Provider, and required to be remitted to the taxing entity, including sales and use taxes.
 - vii. Any forgone revenue from the provision of video service at no charge to any person, except that any forgone revenue exchanged for trades, barter, services, or other items of value shall be included in gross revenue.
 - viii. Sales of capital assets or surplus equipment.
 - ix. Reimbursement by programmers of marketing costs actually incurred by the Provider for the introduction of new programming.
 - x. The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.
- E. In the case of a video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the video Provider's revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the Provider can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.
 - F. Revenue of an affiliate shall be included in the calculation of gross revenues to the extent the treatment of the revenue as revenue of the affiliate has the effect of evading the payment of franchise fees which would otherwise be paid for video service.
 - G. The Provider is entitled to a credit applied toward the fees due under **Section 6(1) of the Act** for all funds allocated to the Franchising Entity from annual maintenance fees paid by the provider for use of public rights-of-way, minus any property tax credit allowed under **Section 8 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act (METRO Act)**, 2002 PA 48, MCL 484.3108. The credits shall be applied on a monthly pro rata basis beginning in the first month of each calendar year in which the Franchising Entity receives its allocation of funds. The credit allowed under this subsection shall be calculated by multiplying the number of linear feet occupied by the Provider in the public rights-of-way of the Franchising Entity by the lesser of 5 cents or the amount assessed under the **METRO Act**. The Provider is not eligible for a credit under this section unless the provider has taken all property tax credits allowed under the **METRO Act**.
 - H. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.
 - I. Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.
 - J. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under **Section 6(1) of the Act**, applied against the amount of the subscriber's monthly bill.
 - K. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

VII. Public, Education, and Government (PEG) Channels

- A. The video service Provider shall designate a sufficient amount of capacity on its network to provide for the same number of public, education, and government access channels that are in actual use on the incumbent video provider system on the **effective date of the Act** or as provided under **Section 4(14) of the Act**.
- B. Any public, education, or government channel provided under this section that is not utilized by the Franchising Entity for at least 8 hours per day for 3 consecutive months may no longer be made available to the Franchising Entity and may be programmed at the Provider's discretion. At such a time as the Franchising Entity can certify a schedule for at least 8 hours of daily programming for a period of 3 consecutive months, the Provider shall restore the previously reallocated channel.
- C. The Franchising Entity shall ensure that all transmissions, content, or programming to be retransmitted by a video service Provider is provided in a manner or form that is capable of being accepted and retransmitted by a Provider, without requirement for additional alteration or change in the content by the Provider, over the

particular network of the Provider, which is compatible with the technology or protocol utilized by the Provider to deliver services.

- D. The person producing the broadcast is solely responsible for all content provided over designated public, education, or government channels. The video service Provider *shall not* exercise any editorial control over any programming on any channel designed for public, education, or government use.
- E. The video service Provider is not subject to any civil or criminal liability for any program carried on any channel designated for public, education, or government use.
- F. If a Franchising Entity seeks to utilize capacity pursuant to **Section 4(1) of the Act** or an agreement under **Section 13 of the Act** to provide access to video programming over one or more PEG channels, the Franchising Entity shall give the Provider a written request specifying the number of channels in actual use on the incumbent video provider's system or specified in the agreement entered into under **Section 13 of the Act**. The video service Provider shall have 90 days to begin providing access as requested by the Franchising Entity. The number and designation of PEG access channels shall be set forth in an addendum to this agreement effective 90 days after the request is submitted by the Franchising Entity.
- G. A PEG channel shall only be used for noncommercial purposes.

VIII. PEG Fees

- A. The video service Provider shall also pay to the Franchising Entity as support for the cost of PEG access facilities and services an annual fee equal to one of the following options:
 - 1. If there is an existing Franchise on the effective date of the Act, the fee (enter the fee amount _____) paid to the Franchising Entity by the incumbent video Provider with the largest number of cable service subscribers in the Franchising Entity as determined by the existing Franchise Agreement;
 - 2. At the expiration of the existing Franchise Agreement, the amount required under (1) above, which is _____% of gross revenues. (The amount under (1) above is not to exceed 2% of gross revenues);
 - 3. If there is no existing Franchise Agreement, a percentage of gross revenues as established by the Franchising Entity and to be determined by a community need assessment, is _____% of gross revenues. (The percentage that is established by the Franchising Entity is not to exceed 2% of gross revenues.); and
 - 4. An amount agreed to by the Franchising Entity and the video service Provider.
- B. The fee required by this section shall be applicable to all providers, pursuant to Section 6(9) of the Act.
- C. The fee shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.
- D. All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.
- E. Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the Provider shall be made within 3 years from the date the compensation is remitted.
- F. The Provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under **Section 6(8) of the Act**, applied against the amount of the subscriber's monthly bill.
- G. The Franchising Entity shall not demand any additional fees or charges from a Provider and shall not demand the use of any other calculation method other than allowed under the Act.

IX. Audits

- A. No more than every 24 months, a Franchising Entity may perform reasonable audits of the video service Provider's calculation of the fees paid under **Section 6 of the Act** to the Franchising Entity during the preceding 24-month period only. All records reasonably necessary for the audits shall be made available by the Provider at the location where the records are kept in the ordinary course of business. The Franchising Entity and the video service Provider shall each be responsible for their respective costs of the audit. Any additional amount due verified by the Franchising Entity shall be paid by the Provider within 30 days of the Franchising Entity's submission of invoice for the sum. If the sum exceeds 5% of the total fees which the audit determines should have been paid for the 24-month period, the Provider shall pay the Franchising Entity's reasonable costs of the audit.
- B. Any claims by a Franchising Entity that fees have not been paid as required under **Section 6 of the Act**, and any claims for refunds or other corrections to the remittance of the provider shall be made within 3 years from the date the compensation is remitted.

X. Termination and Modification

This Franchise Agreement issued by a Franchising Entity may be terminated or the video service area footprint may be modified, except as provided under **Section 9 of the Act**, by the Provider by submitting notice to the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XI. Transferability

This Franchise Agreement issued by a Franchising Entity or an existing franchise of an incumbent video service Provider is fully transferable to any successor in interest to the Provider to which it is initially granted. A notice of transfer shall be filed with the Franchising Entity within 15 days of the completion of the transfer. The Provider will use Attachment 2, when notifying the Franchising Entity. The successor in interest will assume the rights and responsibilities of the original provider and will also be required to complete their portion of the Transfer Agreement located within Attachment 2.

XII. Change of Information

If any of the information contained in the Franchise Agreement changes, the Provider shall timely notify the Franchising Entity. The Provider will use Attachment 2, when notifying the Franchising Entity.

XIII. Confidentiality

Pursuant to Section 11 of the Act: Except under the terms of a mandatory protective order, trade secrets and commercial or financial information designated as such and submitted under the Act to the Franchising Entity or Commission are exempt from the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246 and **MUST BE KEPT CONFIDENTIAL**.

- A. The Provider may specify which items of information should be deemed "confidential." It is the responsibility of the provider to clearly identify and segregate any confidential information submitted to the franchising entity with the following information:
 "[insert PROVIDER'S NAME]
 [CONFIDENTIAL INFORMATION]"
- B. The Franchising Entity receiving the information so designated as confidential is required (a) to protect such information from public disclosure, (b) exempt such information from any response to a FOIA request, and (c) make the information available only to and for use only by such local officials as are necessary to approve the franchise agreement or perform any other task for which the information is submitted.
- C. Any Franchising Entity which disputes whether certain information submitted to it by a provider is entitled to confidential treatment under the Act may apply to the Commission for resolution of such a dispute. Unless and until the Commission determines that part or all of the information is not entitled to confidential treatment under the Act, the Franchising Entity shall keep the information confidential.

XIV. Complaints/Customer Service

- A. The Provider shall establish a dispute resolution process for its customers. Provider shall maintain a local or toll-free telephone number for customer service contact.
- B. The Provider shall be subjected to the penalties, as described under **Section 14 of the Act**, and the Franchising Entity and Provider may be subjected to the dispute process as described in **Section 10 of the Act**.
- C. Each Provider shall annually notify its customers of the dispute resolution process required under **Section 10 of the Act**. Each Provider shall include the dispute resolution process on its website.
- D. Before a customer may file a complaint with the Commission under **Section 10(5) of the Act**, the customer shall first attempt to resolve the dispute through the dispute resolution process established by the Provider in **Section 10(2) of the Act**.
- E. A complaint between a customer and a Provider shall be handled by the Commission pursuant to the process as described in **Section 10(5) of the Act**.
- F. A complaint between a Provider and a franchising entity or between two or more Providers shall be handled by the Commission pursuant to the process described in **Section 10(6) of the Act**.
- G. In connection with providing video services to the subscribers, a provider shall not do any act prohibited by Section 10(1)(a-f) of the Act. The Commission may enforce compliance to the extent that the activities are not covered by **Section 2(3)(l) in the Act**.

XV. Notices

Any notices to be given under this Franchise Agreement shall be in writing and delivered to a Party personally, by facsimile or by certified, registered, or first-class mail, with postage prepaid and return receipt requested, or by a nationally recognized overnight delivery service, addressed as follows:

If to the Franchising Entity:
(must provide street address)

If to the Provider:
(must provide street address)

Township of Grand Haven:

13300 168th Street

Grand Haven MI 49417

616-842-5988

Attn: Supervisor

Fax No.:

Charter Communications

12405 Powerscourt Drive

St. Louis, MO 63131

Attn: Legal Department

Fax No.: 314-965-6640

Or such other addresses or facsimile numbers as the Parties may designate by written notice from time to time.

XVI. Miscellaneous

- A. **Governing Law.** This Franchise Agreement shall be governed by, and construed in accordance with, applicable Federal laws and laws of the State of Michigan.
- B. **The parties to this Franchise Agreement are subject to all valid and enforceable provisions of the Act.**
- C. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute on and the same agreement.
- D. **Power to Enter.** Each Party hereby warrants to the other Party that it has the requisite power and authority to enter into this Franchise Agreement and to perform according to the terms hereof.
- E. **The Provider and Franchising Entity are subject to the provisions of 2006 Public Act 480.**

IN WITNESS WHEREOF, the Parties, by their duly authorized representatives, have executed this Franchise Agreement.

Township of Grand Haven, a Michigan Municipal Corporation

CC Michigan, LLC, a Delaware Limited Liability corporation doing business as Charter Communications

By _____
Print Name _____
Title
Supervisor
Address
13300 168th Street
City, State, Zip
Grand Haven MI 49417
Phone
616-842-5988
Fax
616-842-9419
Email _____

By  _____
Print Name
Paul D. Abbott
Title
Vice President, Local Government Affairs
Address
12405 Powerscourt Drive
City, State, Zip
St. Louis, MO 63131
Phone
314-543-2306
Fax
314-965-8793
Email _____

FRANCHISE AGREEMENT (*Franchising Entity to Complete*)

Date submitted:
Date completed and approved:

ATTACHMENT 1

UNIFORM VIDEO SERVICE LOCAL FRANCHISE AGREEMENT (Pursuant To 2006 Public Act 480)

(Form must be typed)

Date: April 26, 2017		
Applicant's Name: CC Michigan, LLC, dba Charter Communications		
Address 1: 12405 Powerscourt Drive		
Address 2:		Phone: 314-965-0555
City: St. Louis	State: Missouri	Zip: 63131
Federal I.D. No. (FEIN): 38-2558446		

Company executive officers:

Name(s): Thomas M. Rutledge
Title(s): President and Chief Executive Officer

Person(s) authorized to represent the company before the Franchising Entity and the Commission:

Name: Marilyn Passmore		
Title: Director, Government Affairs		
Address: 4670 E. Fulton, #102, Ada, MI 49301		
Phone: 616-607-2377	Fax: 616-975-1107	Email: marilyn.passmore@charter.com

Describe the video service area footprint as set forth in Section 2(3e) of the Act. (An exact description of the video service area footprint to be served, as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards.)

The area provided service is Grand Haven Township, MI. Upon request, Charter Communications shall provide route maps showing the location of the Cable System, to Municipality, access to maps, and updated route maps to reflect any changes. Municipality shall give Grantee a minimum of 48 hours notice of the request to view maps, unless there exists an emergency situation requiring earlier viewing. Charter Communications' local office and engineering contact information (engineering drawings/ maps) is listed below. This information also applies to 24 hour emergencies:

Keith Schierbeek-Director of Field Operations
1433 Fulton Street
Grand Haven, MI 49417
Phone: 616-607-2302
email: keith.schierbeek@charter.com

[**Option A:** for Providers that Options B and C are not applicable, a description based on a geographic information system digital boundary meeting or exceeding national map accuracy standards]

[**Option B:** for Providers with 1,000,000 or more access lines in Michigan using telecommunication facilities to provide Video Service, a description based on entire wire centers or exchanges located in the Franchising Entity]

[**Option C:** for an Incumbent Video Service Provider, it satisfies this requirement by allowing the Franchising Entity to seek right-of-way information comparable to that required by a permit under the METRO Act as set forth in its last cable franchise or consent agreement from the Franchising Entity entered into before the effective date of the Act]

Pursuant to Section 2(3)(d) of the Act, if the Provider is not an incumbent video Provider, provide the date on which the Provider expects to provide video services in the area identified under Section 2(3)(e) (the Video Service Area Footprint).

Date: N/A

For All Applications:

**Verification
(Provider)**

I, Paul D. Abbott, of lawful age, and being first duly sworn, now states: As an officer of the Provider, I am authorized to do and hereby make the above commitments. I further affirm that all statements made above are true and correct to the best of my knowledge and belief.

Name and Title (printed): Paul D. Abbott, Vice President, Local Government Affairs	
Signature: 	Date: 4/26/17

(Franchising Entity)

Grand Haven Township, a Michigan municipal corporation

By _____

Print Name _____

Title
Supervisor

Address
13300 168th Street

City, State, Zip
Grand Haven MI 49417

Phone
616-842-5988

Fax
616-842-9419

Email _____

Date _____

**PUBLIC SERVICES DEPARTMENT
END OF THE MONTH REPORT
2017**

WATER

MONTH	WORK ORDERS	METER INSTALLS		REPLACED METERS	REPLACED MXU'S	NEW TAPS		MAIN INSTALLED IN FEET	MILLION GALLONS OF NOWS WATER	MILLION GALLONS OF G.R. WATER	G.R. SUPPLEMENTAL WATER
		3/4"	1"			3/4"	1"				
JANUARY	241	3	5	6	155	7	5	0	33.36	1.16	0.00
FEBRUARY	231	3	5	6	155	3	1	0	28.53	1.18	0.00
MARCH	339	4	3	1	197	1	2	0	27.96	1.70	0.00
APRIL	340	2	2	9	268	1	5	500	32.40	1.59	0.00
MAY								0	0.00	0.00	0.00
JUNE								0	0.00	0.00	0.00
JULY								0	0.00	0.00	0.00
AUGUST								0	0.00	0.00	0.00
SEPTEMBER								0	0.00	0.00	0.00
OCTOBER								0	0.00	0.00	0.00
NOVEMBER								0	0.00	0.00	0.00
DECEMBER								0	0.00	0.00	0.00
TOTAL YTD	1151	12	15	22	775	12	13	500	122.24	5.62	0.00
TOTALS		27				25	5231			127.86	5.62

NOTES:

1 1/2" meter installed at 14820 Piper Lane
2" meter installed at 14834 Piper Lane

WASTEWATER

MONTH	WORK ORDERS	NEW TAPS	MAIN INSTALLED IN FEET	MILLION GALLONS OF WASTE PUMPED
JANUARY	11	0	0	8.13
FEBRUARY	1	1	0	9.64
MARCH	4	3	0	7.55
APRIL	2	0	0	8.21
MAY			0	0.00
JUNE			0	0.00
JULY			0	0.00
AUGUST			0	0.00
SEPTEMBER			0	0.00
OCTOBER			0	0.00
NOVEMBER			0	0.00
DECEMBER			0	0.00
TOTAL YTD	18	4	0	33.52
TOTALS		814		

NOTES: