

**GRAND HAVEN CHARTER TOWNSHIP BOARD**  
**MONDAY, APRIL 23, 2018**

**WORK SESSION – 6:00 P.M.**

1. Presentation of FY2017 Financial Audit
2. Discussion – Neighborhood Services – Request for Increased Funding

**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 April 9, 2018 Board Minutes
  2. Approve Payment of Invoices in the amount of \$356,374.12 (*A/P checks of \$231,723.23 and payroll of \$124,650.89*)
  3. Award Schmidt Brothers Excavating the 2018 168<sup>th</sup> Avenue & Lincoln Street Pathway Extension Bid (\$636,232)
  4. Approve Appointment of Frifeldt to Parks and Recreation Committee for Term Ending 8/31/20
  5. Approve Appointment of DeJonge as Alternate for Board of Review for Term Ending 12/31/18
- VI. PUBLIC HEARING – PUD Amendment – Village at Rosy Mound & GHAPS
- VII. OLD BUSINESS
  1. Second Reading – Rezoning – AG to RR - Lokker
  2. Discontinue 158<sup>th</sup> Road Paving SAD
- VIII. NEW BUSINESS
  1. First Reading PUD Amendment – Village at Rosy Mound & GHAPS
- IX. REPORTS AND CORRESPONDENCE
  1. Committee Reports
  2. Manager’s Report
    - a. March DPW Report
    - b. March Legal Review
  3. 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, APRIL 9, 2018**

**WORKSESSION – 6:00 p.m.**

1. Per a request from Treasurer Kieft, Attorney Bultje gave the same presentation provided to the Planning Commission on the Open Meetings Act and electronic communications.
2. The Board discussed a staff memorandum regarding the Health Pointe building and the decision by AECOM to eliminate any raked masonry joints because these joints are ranked as “bad” or “very poor” and because of problems being experienced at other facilities with raked joints.

There were strong differences of opinions ranging from (1) the position of Health Pointe that raked masonry joints were not an architectural improvement but were a construction decision; (2) the position that the elimination of raked masonry should be addressed as a minor amendment to the Health Pointe PUD; and, (3) the position that the elimination of raked masonry joints should be addressed as a major amendment to the Health Pointe PUD and referred to the Planning Commission.

The consensus of a majority of the Board is that the elimination of raked masonry joints is a minor amendment to the Health Pointe PUD and is hereby approved.

**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:** Gignac, Meeusen, Kieft, Behm, Larsen, and Reenders

**Board members absent:** Redick

Also present was Manager Cargo, Community Development Director Fedewa, Assistant Hoisington, and Fire/Rescue Chief Gerencer.

IV. APPROVAL OF MEETING AGENDA

**Motion** by Clerk Larsen and seconded by Trustee Behm to approve the meeting agenda.  
**Which motion carried.**

V. APPROVAL OF CONSENT AGENDA

1. Approve March 26, 2018 Board Minutes
2. Approve March 26, 2018 Closed Session Board Minutes
3. Approve Payment of Invoices in the amount of \$487,226.01 (*A/P checks of*

*\$387,290.96 and payroll of \$99,935.05)*

4. Approve Bid from Northern Pipeline Contractors - 168th Water and Sanctuary Place Sewer (*\$135,990.00*)
5. Approve Bid from Jordan Intercoastal - Comstock and Robbins Road Pathway Repairs (*\$214,615.40*)
6. Approve Purchase of Ford F- 250 XL Crew Cab 4X4 for a Fire/Rescue ALS Vehicle from Preferred Ford (*\$33,591.00*)

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

VI. PRESENTATION – Tri-Cities Historical Museum

Museum Director Bunke gave a brief PowerPoint update on the Museum.

VII. PUBLIC HEARING

Supervisor Reenders opened a public hearing on the paving of 158<sup>th</sup> Avenue between Winans Street and Pierce Street at 7:13 p.m.

Manager Cargo presented a staff memo on the proposed special assessment district noting the hearing on the proposed SAD was published twice in the Tribune and mailed to the district residents. Assessor Schmidt estimated that based upon frontage, 64.7% of the property owners signed the petition for the special assessment District.

Manager Cargo also noted that estimated construction cost is \$386,000 for the proposed improvements. With the Township paying 50%, the cost to the residents will be about \$193,000. The Board will determine the payback period and interest costs at the second hearing.

Manager Cargo noted that residents may remove their name from the Road Paving SAD petition prior to the close of the public hearing.

Public comments on the proposed street improvement included the following:

1. Karl Chapel (*16159 Ferris Street*) noted that the construction cost for the proposed paving had increased significantly from a previous proposed road paving SAD and requested that the Township pay a larger share (*i.e., more than 50%*) or provide better terms (*e.g., longer payback or lower interest*).
2. Carl Austin (*10687 158<sup>th</sup> Avenue*) opposes the proposed road paving SAD.
3. Jan Olsen (*10669 158<sup>th</sup> Avenue*) noted that he has no road frontage; but, is serviced by a private road. He is opposed to the road paving SAD due to the cost.
4. Cargo read a letter from Virginia Raczok (*15780 Winans Street*) that is opposed to the road paving SAD.

With no further public comments, Supervisor Reenders closed the public hearing at 7:40 p.m.

After the public hearing was closed, John Batka (*who lives on 158<sup>th</sup> Avenue*) expressed his desire to have his name removed from the road paving petition.

VIII. OLD BUSINESS

1. Because there were some property owners along 158<sup>th</sup> Avenue that wanted to remove their names from the petition after the close of the public hearing, Manager Cargo recommended that any action on the proposed road paving SAD be postponed until the April 23<sup>rd</sup> Board meeting.

The property owners were directed to contact Manager Cargo regarding any questions or if they wanted to express a preference to have their names removed from the petition.

**Without objection**, the Board agreed to postpone any action on the proposed 158<sup>th</sup> Avenue SAD to April 23<sup>rd</sup>.

2. **Motion** by Trustee Meeusen supported by Trustee Gignac to approve and adopt Resolution 18-04-01, which places a ballot proposal on the August 2018 primary election ballot for a 0.25 mill tax to be levied on behalf of and collected for the Tri-Cities Historical Museum. **Which motion carried** pursuant to the following roll call vote:

Ayes: Kieft, Reenders, Meeusen, Behm, Gignac, Larsen

Nays:

Absent: Redick

3. **Motion** by Clerk Larsen supported by Trustee Behm to approve and adopt Resolution 18-04-02 that adds language to Section 16.4 “Waste Collection and Disposal Policy” of the Administrative Policies and Procedures Manual regarding storm debris clean-up. **Which motion carried** pursuant to the following roll call vote:

Ayes: Gignac, Larsen, Kieft, Reenders, Behm, Meeusen

Nays:

Absent: Redick

IX. NEW BUSINESS

1. **Motion** by Treasurer Kieft supported by Clerk Larsen to present and postpone the Zoning Map Amendment Ordinance concerning the rezoning of parcel 70-07-33-400-014 from Agricultural to Rural Residential (RR). Further action will be postponed until April 23<sup>rd</sup> when the zoning map amendment ordinance will be considered for adoption and approval. **This is a first reading. Which motion carried.**

X. REPORTS AND CORESPONDENCE

a. Committee Reports

b. Manager’s Report

i. Manager Cargo noted that the Chamber Annual Dinner is scheduled for Thursday, May 3<sup>rd</sup>. Elected officials that wish to attend can inform Manager Cargo.

ii. March Building Report

- iii. March Enforcement Report
- iv. February Legal Review
- c. Others

XI. PUBLIC COMMENTS

None.

XI. ADJOURNMENT

**Motion** by Clerk Larsen and seconded by Trustee Meeusen to adjourn the meeting at 7:54 p.m. **Which motion carried.**

Respectfully Submitted,

Laurie Larsen  
Grand Haven Charter Township Clerk

Mark Reenders  
Grand Haven Charter Township Supervisor



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April 3, 2018

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 units, each major fund, and the aggregate remaining fund information of Grand Haven Charter Township (the Township) for the year ended December 31, 2017. 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 17, 2018. 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. The Township adopted Governmental Accounting Standards Board Statement No. 74, Financial Reporting for Post-Employment Benefits Other Than Pension Plans and Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions during the year. We noted no transactions entered into by the Township 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 were:

The useful lives of capital assets and the valuation of other post-employment benefit plan obligations.

Management's estimate of the useful lives is based on previous history and future expectations and the estimate of other post-employment benefit plan obligations is based on an actuarial valuation of each of the plans. 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.

The financial statement disclosures are neutral, consistent, and clear.

#### *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, a disagreement with management is 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.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated April 3, 2018.

### *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 Township'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 Township'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 required supplementary information (RSI), as itemized in the table of contents 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 statements and individual nonmajor fund 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 information and 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,

*Uredaxeld Haefner LLC*



**COUNTY OF OTTAWA, MICHIGAN**

**FINANCIAL STATEMENTS**

***YEAR ENDED DECEMBER 31, 2017***



Vredeveld Haefner LLC  
CPAs and Consultants

# Grand Haven Charter Township

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### INDEPENDENT AUDITORS' REPORT

April 3, 2018

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, 2017, 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, 2017, 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 9 and the information on pages 41 through 45 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.

*Uredexeld 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, 2017. 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 experienced the second highest year in building fees totaling \$54.4 million. About \$51 million was residential with 72 single family homes, 224 apartments and 65 mobile homes added. Commercial construction added \$3.4 million to the total, while industrial was very low at only \$20,000.
- About 2.7 miles of roadway were re-surfaced at a cost of almost \$350,000.
- The Fire/Rescue Department experienced another record year with over 1,198 emergency runs with a budget of about \$1.14 million.
- In the second year of a five-year project, the DPW department replaced 1,299 MXU's during 2017 at a cost of approximately \$225,000.
- Harbor Transit provided over 50,000 rides with the Township contributing about \$385,000 to this authority.
- A new Pathway fund was 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 were issued in the amount of \$4.54 million and 1.6 miles of new pathway were added at an approximate cost of \$725,000.
- The DDA completed the reconstruction of 168<sup>th</sup> Avenue from Ferris Street to Johnson Street, which included resurfacing, curb and gutter, storm water and extension of sanitary sewer at a cost of approximately \$1,047,000.
- Improvements were made to the Township's parks totaling just over \$222,000 which included the addition of an ADA compliant trail, security camera upgrades, reroofing of shelters at Pottawattomie Park, and new decking at Hofma Preserve.

### 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 seven 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, fire protection fund and pathways construction 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 \$21,069,849 at the close of the most recent fiscal year. A summary of net position is as follows:

	<b>Net Position</b>					
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Current and other assets	\$7,114,038	\$11,586,286	\$3,384,090	\$3,773,179	\$10,498,128	\$15,359,465
Capital assets	7,595,046	9,465,641	12,615,417	12,562,496	20,210,463	22,028,137
Total assets	<u>14,709,084</u>	<u>21,051,927</u>	<u>15,999,507</u>	<u>16,335,675</u>	<u>30,708,591</u>	<u>37,387,602</u>
Deferred outflows of resources	-	23,160	386,959	365,461	386,959	388,621
Long-term liabilities outstanding	1,011,826	5,313,599	6,400,133	5,843,724	7,411,959	11,157,323
Other liabilities	824,464	1,188,376	852,565	896,331	1,677,029	2,084,707
Total liabilities	<u>1,836,290</u>	<u>6,501,975</u>	<u>7,252,698</u>	<u>6,740,055</u>	<u>9,088,988</u>	<u>13,242,030</u>
Deferred inflows of resources	3,359,994	3,464,344	129,873	-	3,489,867	3,464,344
Net position:						
Net investment in capital assets	6,535,046	8,121,366	6,458,487	6,270,898	12,993,533	14,392,264
Restricted	506,877	606,760	20,524	-	527,401	606,760
Unrestricted	<u>2,470,877</u>	<u>2,380,642</u>	<u>2,524,884</u>	<u>3,690,183</u>	<u>4,995,761</u>	<u>6,070,825</u>
Total net position	<u><u>\$9,512,800</u></u>	<u><u>\$11,108,768</u></u>	<u><u>\$9,003,895</u></u>	<u><u>\$9,961,081</u></u>	<u><u>\$18,516,695</u></u>	<u><u>\$21,069,849</u></u>

A significant portion of the Township's net position (26 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 \$2,306,048 during the current fiscal year.

### Changes in Net Position

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>
Revenue:						
Program revenue:						
Charges for services	\$1,086,261	\$1,071,400	\$2,687,700	\$3,049,003	\$3,773,961	\$4,120,403
Operating grants and contributions	-	42,360	-	-	-	42,360
Capital grants and contributions	-	-	386,379	397,531	386,379	397,531
General revenue:						
Property taxes	3,176,761	3,538,233	144,254	129,903	3,321,015	3,668,136
State sources	1,216,107	1,307,952	-	-	1,216,107	1,307,952
Unrestricted investment earnings	32,230	23,115	31,004	18,568	63,234	41,683
Other	393,753	386,193	35,410	440,351	429,163	826,544
Total revenue	<u>5,905,112</u>	<u>6,369,253</u>	<u>3,284,747</u>	<u>4,035,356</u>	<u>9,189,859</u>	<u>10,404,609</u>
Expenses:						
General government	1,634,780	1,238,170	-	-	1,634,780	1,238,170
Public safety	1,643,145	1,092,331	-	-	1,643,145	1,092,331
Public works	439,094	614,446	-	-	439,094	614,446
Community and economic development	911,987	738,500	-	-	911,987	738,500
Culture and recreation	840,641	1,353,675	-	-	840,641	1,353,675
Interest on long-term debt	19,659	74,369	-	-	19,659	74,369
Sewer fund	-	-	591,125	568,026	591,125	568,026
Water fund	-	-	2,331,884	2,419,044	2,331,884	2,419,044
Total expenses	<u>5,489,306</u>	<u>5,111,491</u>	<u>2,923,009</u>	<u>2,987,070</u>	<u>8,412,315</u>	<u>8,098,561</u>
Change before contributions and transfers	415,806	1,257,762	361,738	1,048,286	777,544	2,306,048
Transfers	90,380	91,100	(90,380)	(91,100)	-	-
Change in net position	<u>506,186</u>	<u>1,348,862</u>	<u>271,358</u>	<u>957,186</u>	<u>777,544</u>	<u>2,306,048</u>
Net position - beginning of year, as restated	<u>9,006,614</u>	<u>9,759,906</u>	<u>8,732,537</u>	<u>9,003,895</u>	<u>17,739,151</u>	<u>18,763,801</u>
Net position - end of year	<u>\$9,512,800</u>	<u>\$11,108,768</u>	<u>\$9,003,895</u>	<u>\$9,961,081</u>	<u>\$18,516,695</u>	<u>\$21,069,849</u>

**Governmental Activities.** During the year the Township invested \$1,353,675 or 26% of governmental activities expenses in culture and recreation. General government expenses amounted to \$1,238,170 or 24% of governmental activities while public safety, public works, community and economic development, and interest on long-term debt made up the remaining 50% of governmental activities expenses.

Beginning net position of governmental activities was reduced by \$133,056 to recognize the net other post-employment benefits liability at the beginning of the year in accordance with the implementation of GASB Statement No. 75. Beginning net position of governmental activities was increased by \$380,162 to correct depreciation of capital assets.

### 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 \$7,155,885, an increase of \$4,118,779 in comparison with the prior year. Of the \$7,155,885, \$2,528,069 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 \$2,131,240. 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 61% of total general fund expenditures. The fund balance of the Township's general fund decreased by \$1,842 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 \$5,891, a decrease of \$47,022 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 \$445,671, an increase of \$160,817 over the prior year.

The pathways construction fund is used to account for the bond proceeds and related capital outlay for new pathways within the Township. At the end of the current fiscal year, fund balance was \$4,020,725 primarily due to unspent bond proceeds from the \$4.5 million pathway construction bond issued during the 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 \$1,560,536 and \$2,129,647 respectively. The sewer fund had an increase in net position for the year of \$611,864. The water fund had an increase in net position for the year of \$345,322.

## 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, 2017, amounted to \$18,618,281 (net of accumulated depreciation).

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Land	\$ 2,022,055	\$ 55,804	\$ 2,077,859
Buildings and improvements	4,454,309	-	4,454,309
Land improvements	8,138,614	-	8,138,614
Furniture, machinery and equipment	1,192,798	587,328	1,780,126
Vehicles	1,784,934	-	1,784,934
Shared improvements	543,386	-	543,386
Utility systems	-	20,768,889	20,768,889
Accumulated depreciation	(8,670,455)	(12,259,384)	(20,929,839)
<b>Total</b>	<b>\$ 9,465,641</b>	<b>\$ 9,152,637</b>	<b>\$ 18,618,278</b>

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:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Accrued employee benefits	\$ 67,540	\$ 25,817	\$ 93,357
Bonds payable	5,365,000	5,558,605	10,923,605
<b>Total</b>	<b>\$5,432,540</b>	<b>\$5,584,422</b>	<b>\$11,016,962</b>

The Township made principle payments on bonds outstanding totaling \$799,489 during the year. Capital improvement bonds totaling \$4,500,000 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 \$216,000 mainly due to The Village at Rosy Mound and Piper Lakes (Phase II) apartment projects as well as a record year in residential construction activity.
- The legislative budget was increased by approximately \$65,000 as a result of additional employee training, contributions to area wide programs, and contracted services to help residents clean up after the July wind storm.
- The Administrative budget showed an increase mid-year of approximately \$50,000 to reflect the hiring of a human resources manager and related benefits.
- The Community Development budget saw a corresponding increase in inspection fees of \$55,000 due to the high construction activity as well as vehicle purchase of \$27,000.
- Budget expenditures in the Drain account were increased by \$217,000 due to a board decision to pay the total cost of the Hiawatha Drain addition in one lump sum.
- The Parks and Recreation budget was increased by approximately \$167,000 to reflect the approval of several parks improvements including an ADA trail as well as extensive trail maintenance.
- The Bike Path account reflected a decrease in budgeted amounts of almost \$148,000 due to the postponement of a resurfacing project to fiscal year 2018.
- The DDA Fund revenues exceeded budgeted amounts by approximately \$110,000 as a result of a larger than anticipated reimbursement for lost personal property tax revenue from the State of Michigan.
- Budget amendments were made in the amount of \$78,000 for the creation of the Pathway Debt Service Fund to account for the annual pathway debt payments.
- The newly created Pathway fund showed budget increases for bond related revenues and pathway construction costs in the amount of \$4,878,000 and \$995,000, respectively.
- Budgeted expenditures in the water fund increased by approximately \$301,000 relating to increased water purchases of \$48,000 along with Nows audit billing of \$84,000, Nows plant expansion of \$106,000, and equipment purchases/maintenance of \$25,000.
- Contributions to the Information Technologies Fund as well as computer related expenditures increased by almost \$88,000 resulting from a board decision to switch IT management firms as well as the purchase of asset management software.

## **Economic Factors and Next Year's Budgets and Rates**

The following factors were considered in preparing the Township's budget for the 2018 fiscal year:

- Property values are expected to increase by about 3.93% in 2018 which will cause the Township's SEV to exceed \$1 billion.
- Revenues associated with construction activity are expected to continue with their current trend totaling \$360,000 in estimated permit fees.
- Parks expenditures are budgeted about \$230,000 less than 2017 expenditures to reflect the absence of major capital improvement projects planned for 2018.
- The second phase of pathway construction will be completed in 2018 at an estimated cost of \$1,736,000 along with planned resurfacing to portions of the existing pathway in the amount of \$214,000.
- The Township will resurface about 1.65 miles of subdivision roads during 2018 at a cost of about \$386,250.
- There are no budgeted projects for the DDA fund in 2018.
- A total of \$497,800 in debt payments will be made during 2018 from the Pathway Debt Fund and Refunded Building Debt Fund.
- The DPW department will continue a five-year long project to replace existing MXU's at a cost of approximately \$222,00 for 2018.
- The sewer and water departments have several capital projects planned that include the upgrading of three remaining pump stations to utilize the SCADA program for \$45,000, replacement of vehicles at \$38,000, and the upsizing of Brucker Street watermain totaling \$180,000.

## **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.

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## **BASIC FINANCIAL STATEMENTS**

**GRAND HAVEN CHARTER TOWNSHIP**

**STATEMENT OF NET POSITION**

**DECEMBER 31, 2017**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<b>Assets</b>				
Cash and pooled investments	\$ 7,834,085	\$ 2,906,817	\$ 10,740,902	\$ 840,939
Receivables				
Accounts	4,003	522,320	526,323	-
Taxes	3,463,306	-	3,463,306	453,190
Special assessments (current portion)	-	26,495	26,495	-
Due from other governments	214,391	-	214,391	-
Prepaid items	70,501	205,193	275,694	-
<b>Total current assets</b>	<b>11,586,286</b>	<b>3,660,825</b>	<b>15,247,111</b>	<b>1,294,129</b>
Noncurrent assets				
Special assessments receivable	-	107,053	107,053	-
Unamortized bond discount	-	5,301	5,301	-
Capital assets:				
Access rights, net	-	3,409,859	3,409,859	-
Non-depreciable	2,022,055	55,804	2,077,859	-
Depreciable capital assets, net	7,443,586	9,096,833	16,540,419	-
<b>Total noncurrent assets</b>	<b>9,465,641</b>	<b>12,674,850</b>	<b>22,140,491</b>	<b>-</b>
<b>Total assets</b>	<b>21,051,927</b>	<b>16,335,675</b>	<b>37,387,602</b>	<b>1,294,129</b>
<b>Deferred outflows</b>				
Deferred loss on bond refunding	-	365,461	365,461	-
Deferred outflow related to OPEB	23,160	-	23,160	-
<b>Total deferred outflows</b>	<b>23,160</b>	<b>365,461</b>	<b>388,621</b>	<b>-</b>
<b>Liabilities</b>				
Accounts payable	737,882	369,443	1,107,325	-
Accrued payroll and benefits	75,348	11,996	87,344	-
Accrued interest payable	25,146	35,900	61,046	-
Current portion of noncurrent liabilities	350,000	478,992	828,992	-
<b>Total current liabilities</b>	<b>1,188,376</b>	<b>896,331</b>	<b>2,084,707</b>	<b>-</b>
Long-term liabilities				
Post-employment benefits	231,059	-	231,059	-
Compensated absences	67,540	25,817	93,357	-
Unamortized bond premium	-	738,294	738,294	-
Bonds and notes payable	5,365,000	5,558,605	10,923,605	-
Less current portion	(350,000)	(478,992)	(828,992)	-
<b>Total long-term liabilities</b>	<b>5,313,599</b>	<b>5,843,724</b>	<b>11,157,323</b>	<b>-</b>
<b>Total liabilities</b>	<b>6,501,975</b>	<b>6,740,055</b>	<b>13,242,030</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unearned revenue	3,463,306	-	3,463,306	453,190
Deferred inflow related to OPEB	1,038	-	1,038	-
<b>Total deferred inflows of resources</b>	<b>3,464,344</b>	<b>-</b>	<b>3,464,344</b>	<b>453,190</b>
<b>Net position</b>				
Net investment in capital assets	8,121,366	6,270,898	14,392,264	-
Restricted for				
Fire protection	445,671	-	445,671	-
Transportation	5,891	-	5,891	-
Police services	155,198	-	155,198	-
Unrestricted	2,380,642	3,690,183	6,070,825	840,939
<b>Total net position</b>	<b>\$ 11,108,768</b>	<b>\$ 9,961,081</b>	<b>\$ 21,069,849</b>	<b>\$ 840,939</b>

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

**GRAND HAVEN CHARTER TOWNSHIP**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue</b>	
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>		<b>Capital Grants and Contributions</b>
<b>Primary government</b>					
Governmental activities					
General government	\$ 1,238,170	\$ 366,896	\$ -	\$ -	\$ (871,274)
Public safety	1,092,331	52,080	8,479	-	(1,031,772)
Public works	614,446	620,245	-	-	5,799
Community and economic development	738,500	-	-	-	(738,500)
Culture and recreation	1,353,675	32,179	33,881	-	(1,287,615)
Interest on long-term debt	74,369	-	-	-	(74,369)
<b>Total governmental activities</b>	<b>5,111,491</b>	<b>1,071,400</b>	<b>42,360</b>	<b>-</b>	<b>(3,997,731)</b>
Business-type activities					
Sewer	568,026	630,261	-	173,803	236,038
Water	2,419,044	2,418,742	-	223,728	223,426
<b>Total business-type activities</b>	<b>2,987,070</b>	<b>3,049,003</b>	<b>-</b>	<b>397,531</b>	<b>459,464</b>
<b>Total primary government</b>	<b>\$ 8,098,561</b>	<b>\$ 4,120,403</b>	<b>\$ 42,360</b>	<b>\$ 397,531</b>	<b>\$ (3,538,267)</b>
<b>Component unit</b>					
Downtown Development Authority	\$ 1,184,459	\$ -	\$ -	\$ -	\$ (1,184,459)
<b>Total component unit</b>	<b>\$ 1,184,459</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,184,459)</b>

(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, 2017**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
<b>Changes in net position</b>				
<b>Net (expense) revenue</b>	\$ (3,997,731)	\$ 459,464	\$ (3,538,267)	\$ (1,184,459)
General revenues				
Property taxes				
General purpose	1,342,723	-	1,342,723	585,037
Specific purpose	2,195,510	129,903	2,325,413	-
State shared revenues	1,307,952	-	1,307,952	-
Unrestricted interest	23,115	18,568	41,683	4,524
Miscellaneous	386,193	440,351	826,544	245,999
Transfers	91,100	(91,100)	-	-
Total general revenues and transfers	5,346,593	497,722	5,844,315	835,560
Change in net position	1,348,862	957,186	2,306,048	(348,899)
<b>Net position, beginning of year, as restated</b>	9,759,906	9,003,895	18,763,801	1,189,838
<b>Net position, end of year</b>	\$ 11,108,768	\$ 9,961,081	\$ 21,069,849	\$ 840,939

(Concluded)

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

**GRAND HAVEN CHARTER TOWNSHIP**

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

**DECEMBER 31, 2017**

	<u>General</u>	<u>Municipal Street</u>	<u>Fire Protection</u>	<u>Pathways Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>						
Cash and pooled investments	\$ 2,928,468	\$ 5,891	\$ 460,915	\$ 4,090,675	\$ 208,416	\$ 7,694,365
Receivables						
Accounts	783	-	-	-	3,220	4,003
Taxes	802,994	650,543	1,301,189	311,354	397,226	3,463,306
Due from other governments	214,391	-	-	-	-	214,391
Prepaid items	26,829	-	27,296	-	-	54,125
<b>Total assets</b>	<u>\$ 3,973,465</u>	<u>\$ 656,434</u>	<u>\$ 1,789,400</u>	<u>\$ 4,402,029</u>	<u>\$ 608,862</u>	<u>\$ 11,430,190</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 592,901	\$ -	\$ 16,694	\$ 69,950	\$ 56,106	\$ 735,651
Accrued payroll and benefits	49,501	-	25,847	-	-	75,348
<b>Total liabilities</b>	<u>642,402</u>	<u>-</u>	<u>42,541</u>	<u>69,950</u>	<u>56,106</u>	<u>810,999</u>
<b>Deferred inflows of resources</b>						
Unearned revenue	802,994	650,543	1,301,188	311,354	397,227	3,463,306
<b>Fund balances</b>						
Nonspendable						
Prepaid items	26,829	-	27,296	-	-	54,125
Restricted						
Fire Protection	-	-	418,375	-	-	418,375
Transportation	-	5,891	-	-	-	5,891
Police Services	-	-	-	-	155,198	155,198
Committed						
Parks	370,000	-	-	-	-	370,000
Assigned						
Debt service funds	-	-	-	-	331	331
Pathways capital projects	-	-	-	4,020,725	-	4,020,725
Unassigned	2,131,240	-	-	-	-	2,131,240
<b>Total fund balances</b>	<u>2,528,069</u>	<u>5,891</u>	<u>445,671</u>	<u>4,020,725</u>	<u>155,529</u>	<u>7,155,885</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 3,973,465</u>	<u>\$ 656,434</u>	<u>\$ 1,789,400</u>	<u>\$ 4,402,029</u>	<u>\$ 608,862</u>	<u>\$ 11,430,190</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, 2017

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<b>Fund balances - total governmental funds</b>	<b>\$ 7,155,885</b>
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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)	7,338,466

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	258,985
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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	(231,059)
Deduct - deferred inflows on OPEB	(1,038)
Add - deferred outflows on OPEB	23,160
Deduct - compensated absences payable	(67,540)
Deduct - bonds and notes payable	(5,365,000)
Deduct - accrued interest on bonds and notes payable	<u>(25,146)</u>

<b>Net position of governmental activities</b>	<b><u>\$ 11,108,768</u></b>
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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, 2017**

	<u>General</u>	<u>Municipal Street</u>	<u>Fire Protection</u>	<u>Pathways Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>						
Property taxes	\$ 963,521	\$ 631,130	\$ 1,262,291	\$ 302,089	\$ 379,202	\$ 3,538,233
Licenses and permits	889,018	-	-	-	-	889,018
State	1,307,952	-	-	-	-	1,307,952
Charges for services	80,549	-	10,847	-	-	91,396
Fines	49,753	-	-	-	49,712	99,465
Interest	19,526	81	2,100	33,881	1,408	56,996
Miscellaneous	380,102	-	5,911	-	180	386,193
<b>Total revenues</b>	<u>3,690,421</u>	<u>631,211</u>	<u>1,281,149</u>	<u>335,970</u>	<u>430,502</u>	<u>6,369,253</u>
<b>Expenditures</b>						
Current						
General government	1,739,374	-	-	-	-	1,739,374
Public safety	-	-	1,120,332	-	444,414	1,564,746
Public works	365,968	382,930	-	-	-	748,898
Community and economic development	612,631	385,303	-	-	-	997,934
Culture and recreation	433,946	-	-	54,571	-	488,517
Debt service						
Principal	-	-	-	-	195,000	195,000
Interest	-	-	-	-	52,315	52,315
Capital outlay	329,589	-	-	725,201	-	1,054,790
<b>Total expenditures</b>	<u>3,481,508</u>	<u>768,233</u>	<u>1,120,332</u>	<u>779,772</u>	<u>691,729</u>	<u>6,841,574</u>
Revenues over (under) expenditures	<u>208,913</u>	<u>(137,022)</u>	<u>160,817</u>	<u>(443,802)</u>	<u>(261,227)</u>	<u>(472,321)</u>
Other financing sources (uses)						
Bond Issues	-	-	-	4,500,000	-	4,500,000
Transfers in	-	90,000	-	-	247,328	337,328
Transfers out	(210,755)	-	-	(35,473)	-	(246,228)
Total other financing sources (uses)	<u>(210,755)</u>	<u>90,000</u>	<u>-</u>	<u>4,464,527</u>	<u>247,328</u>	<u>4,591,100</u>
Net changes in fund balances	(1,842)	(47,022)	160,817	4,020,725	(13,899)	4,118,779
<b>Fund balances, beginning of year</b>	<u>2,529,911</u>	<u>52,913</u>	<u>284,854</u>	<u>-</u>	<u>169,428</u>	<u>3,037,106</u>
<b>Fund balances, end of year</b>	<u>\$ 2,528,069</u>	<u>\$ 5,891</u>	<u>\$ 445,671</u>	<u>\$ 4,020,725</u>	<u>\$ 155,529</u>	<u>\$ 7,155,885</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, 2017

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<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 4,118,779</b>
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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	2,002,882
Deduct - depreciation expense	(535,955)

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	86,805
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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	195,000
Deduct - bond proceeds	(4,500,000)

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.

Deduct - increase in OPEB liability	(13,868)
Deduct - increase in deferred inflows related to OPEB	(1,038)
Add - increase in deferred outflows related to OPEB	23,160
Deduct - increase in compensated absences	(4,849)
Deduct - increase in accrued interest	(22,054)

<b>Change in net position of governmental activities</b>	<b><u>\$ 1,348,862</u></b>
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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, 2017**

	Enterprise Funds		Enterprise Fund Total	Governmental
	Sewer	Water		Activities Internal Service
<b>Assets</b>				
Current assets				
Cash and pooled investments	\$ 1,415,698	\$ 1,491,119	\$ 2,906,817	\$ 139,720
Receivables				
Accounts	85,206	437,114	522,320	-
Special assessments (current portion)	26,495	-	26,495	-
Prepaid and other assets	60,875	144,318	205,193	16,376
<b>Total current assets</b>	<b>1,588,274</b>	<b>2,072,551</b>	<b>3,660,825</b>	<b>156,096</b>
Noncurrent assets				
Special assessments receivable	107,053	-	107,053	-
Unamortized bond discount	5,301	-	5,301	-
Capital assets:				
Access rights, net	-	3,409,859	3,409,859	-
Non-depreciable	8,405	47,399	55,804	-
Depreciable capital assets, net	3,610,031	5,486,802	9,096,833	105,120
<b>Total noncurrent assets</b>	<b>3,730,790</b>	<b>8,944,060</b>	<b>12,674,850</b>	<b>105,120</b>
<b>Total assets</b>	<b>5,319,064</b>	<b>11,016,611</b>	<b>16,335,675</b>	<b>261,216</b>
<b>Deferred outflow</b>				
Deferred loss on bond refunding	-	365,461	365,461	-
<b>Liabilities</b>				
Current liabilities				
Accounts payable	127,889	241,554	369,443	2,231
Accrued payroll and benefits	6,902	30,911	37,813	-
Accrued interest payable	-	35,900	35,900	-
Current portion of long-term liabilities	50,000	428,992	478,992	-
<b>Total current liabilities</b>	<b>184,791</b>	<b>737,357</b>	<b>922,148</b>	<b>2,231</b>
Long-term liabilities				
Unamortized bond premium	-	738,294	738,294	-
Bonds payable and obligations	680,000	4,878,605	5,558,605	-
Less current portion	(50,000)	(428,992)	(478,992)	-
<b>Total long-term liabilities</b>	<b>630,000</b>	<b>5,187,907</b>	<b>5,817,907</b>	<b>-</b>
<b>Total liabilities</b>	<b>814,791</b>	<b>5,925,264</b>	<b>6,740,055</b>	<b>2,231</b>
<b>Net position</b>				
Net investment in capital assets	2,943,737	3,327,161	6,270,898	105,120
Unrestricted	1,560,536	2,129,647	3,690,183	153,865
<b>Total net position</b>	<b>\$ 4,504,273</b>	<b>\$ 5,456,808</b>	<b>\$ 9,961,081</b>	<b>\$ 258,985</b>

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, 2017**

	Enterprise Funds		Enterprise Fund Total	Governmental
	Sewer	Water		Activities Internal Service
<b>Operating revenue</b>				
Charges for services				
Water sales	\$ -	\$ 2,370,729	\$ 2,370,729	\$ -
Sewage disposal services	287,911	-	287,911	-
Debt services charges	246,915	-	246,915	-
Penalties	95,435	37,575	133,010	-
Other charges	-	-	-	314,280
Total charges for services	630,261	2,408,304	3,038,565	314,280
Hydrant maintenance charges	-	10,438	10,438	-
Other revenue	388,864	51,487	440,351	-
<b>Total operating revenue</b>	<u>1,019,125</u>	<u>2,470,229</u>	<u>3,489,354</u>	<u>314,280</u>
<b>Operating expense</b>				
Administration	53,100	155,700	208,800	177,700
Plant operations and maintenance	296,571	1,397,411	1,693,982	-
Depreciation	182,044	378,317	560,361	49,775
Amortization	-	236,764	236,764	-
<b>Total operating expense</b>	<u>531,715</u>	<u>2,168,192</u>	<u>2,699,907</u>	<u>227,475</u>
Operating income (loss)	<u>487,410</u>	<u>302,037</u>	<u>789,447</u>	<u>86,805</u>
Non-operating revenue (expense)				
Interest income	12,387	6,181	18,568	-
Interest expense	(36,311)	(250,852)	(287,163)	-
Total non-operating revenue (expense)	<u>(23,924)</u>	<u>(244,671)</u>	<u>(268,595)</u>	<u>-</u>
Income (loss) before transfers and capital contributions	<u>463,486</u>	<u>57,366</u>	<u>520,852</u>	<u>86,805</u>
Other financing sources (uses)				
Transfers out	(25,425)	(65,675)	(91,100)	-
Capital contributions				
Connection fees and charges	173,803	223,728	397,531	-
Property taxes	-	129,903	129,903	-
Total capital contributions	<u>173,803</u>	<u>353,631</u>	<u>527,434</u>	<u>-</u>
Changes in net position	611,864	345,322	957,186	86,805
<b>Net position, beginning of year</b>	<u>3,892,409</u>	<u>5,111,486</u>	<u>9,003,895</u>	<u>172,180</u>
<b>Net position, end of year</b>	<u>\$ 4,504,273</u>	<u>\$ 5,456,808</u>	<u>\$ 9,961,081</u>	<u>\$ 258,985</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, 2017**

	Enterprise Funds		Enterprise Fund Total	Governmental
	Sewer	Water		Activities Internal Service
<b>Cash flows from operating activities</b>				
Receipts from internal services provided	\$ -	\$ -	\$ -	\$ 314,280
Receipts from customers and users	1,008,973	2,285,518	3,294,491	-
Payments to employees	(101,184)	(491,134)	(592,318)	-
Payments to suppliers	(193,536)	(920,002)	(1,113,538)	(200,391)
Payments for interfund services used	(11,400)	(38,640)	(50,040)	-
Transfers	(25,425)	(65,675)	(91,100)	-
<b>Net cash provided by (used in) operating activities</b>	<u>677,428</u>	<u>770,067</u>	<u>1,447,495</u>	<u>113,889</u>
<b>Cash flows from capital and related financing activities</b>				
Connection charges	173,803	223,728	397,531	-
Special assessments collected	(66,803)	-	(66,803)	-
Property taxes	-	259,776	259,776	-
Principal paid on bonds	(50,000)	(554,489)	(604,489)	-
Interest paid on bonds	(35,448)	(251,502)	(286,950)	-
Acquisition of capital assets	(482,796)	(314,872)	(797,668)	(73,281)
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(461,244)</u>	<u>(637,359)</u>	<u>(1,098,603)</u>	<u>(73,281)</u>
<b>Cash flows from investing activities</b>				
Interest income	<u>12,387</u>	<u>6,181</u>	<u>18,568</u>	<u>-</u>
Net increase (decrease) in cash and pooled investments	228,571	138,889	367,460	40,608
<b>Cash and pooled investments, beginning of year</b>	<u>1,187,127</u>	<u>1,352,230</u>	<u>2,539,357</u>	<u>99,112</u>
<b>Cash and pooled investments, end of year</b>	<u>\$ 1,415,698</u>	<u>\$ 1,491,119</u>	<u>\$ 2,906,817</u>	<u>\$ 139,720</u>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ 487,410	\$ 302,037	\$ 789,447	\$ 86,805
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	182,044	378,317	560,361	49,775
Amortization	-	236,764	236,764	-
Transfers	(25,425)	(65,675)	(91,100)	-
Change in operating assets and liabilities which provided (used) cash:				
Accounts receivable	(10,152)	(54,838)	(64,990)	-
Prepaid assets and other items	(8,393)	(12,179)	(20,572)	16,945
Accounts payable	52,311	115,752	168,063	(39,636)
Unearned revenue	-	(129,873)	(129,873)	-
Accrued liabilities	(367)	(238)	(605)	-
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 677,428</u>	<u>\$ 770,067</u>	<u>\$ 1,447,495</u>	<u>\$ 113,889</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, 2017**

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	<b>Other Post-employment Benefit <u>Trust</u></b>	<b>Agency <u>Funds</u></b>
<b>Assets</b>		
Cash and pooled investments	\$ 404	\$ 3,837,553
Investments	121,182	-
Accounts receivable	148	31,976
Prepaid items	180	-
	121,914	-
<b>Total assets</b>	<u>121,914</u>	<u>\$ 3,869,529</u>
<b>Liabilities</b>		
Accounts payable	-	\$ 3,869,529
	-	<u>\$ 3,869,529</u>
<b>Net position</b>		
Restricted for other post-employment benefits	<u>\$ 121,914</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, 2017**

	<b>Other Post-employment Benefit <u>Trust</u></b>
<b>Additions</b>	
Contributions:	
Employer	\$ 26,040
Retiree	3,945
Investment earnings	<u>5,236</u>
<b>Total Additions</b>	35,221
<b>Deductions</b>	
Benefits	21,228
Administrative expenses	<u>274</u>
<b>Total deductions</b>	<u>21,502</u>
Net increase	13,719
<b>Net position, beginning of year</b>	<u>108,195</u>
<b>Net position, end of year</b>	<u><u>\$ 121,914</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, 2017

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#### 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.

##### ***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.

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.

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

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#### ***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.

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 *Pathways Construction Fund* is used to account for a bond issue to be utilized for the construction of non-motorized pathways.

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.

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

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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 Funds* are used to account for the accumulation of resources for, and payment of, long-term debt principal, interest, and related costs.

The *Internal Service Fund* is used to account for the accumulation of funds and the payment of 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.

#### ***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.

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

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#### ***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.

#### ***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.

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.

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

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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.

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.

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

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#### ***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, 2017

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#### *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.

During the year ended December 31, 2017, the Township incurred expenditures in excess of the amount appropriated as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<b>General Fund</b>			
Culture and recreation			
Parks and recreation	\$295,510	\$297,566	\$ 2,056
Transfers out	210,750	210,755	5

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

#### 3. CASH AND INVESTMENTS

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

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and pooled investments	\$10,740,902	\$840,939	\$3,837,957	\$15,419,798
Investments	-	-	121,182	121,182
	\$10,740,902	\$840,939	\$3,959,139	\$15,540,980

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

Deposits	\$ 7,736,593
Petty cash	300
Investments	7,804,087
Total	\$15,540,980

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, \$6,779,936 of the Township's bank balance of \$7,686,549 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:

	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
Negotiable CD's with interest ranging from 1.05% to 1.85%	2/28/18 to 9/25/20	\$2,390,306	Unrated	N/A
MI Class Investment Pool	N/A	5,044,936	AAAm	S&P
Federal National Mortgage Assn.	6/13/19	247,663	AAA	Moody
MERS Trust Account	N/A	121,182	Unrated	N/A
Total		\$7,804,087		

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, 2017

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

- The Township does not have any investments valued using quoted market prices (Level 1 inputs).
- FNMA bonds, 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, 2017

#### 4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2017</u>
<b>Governmental Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$2,022,055	\$ -	\$ -	\$2,022,055
<b>Capital assets, being depreciated</b>				
Land improvements	6,317,049	1,821,565	-	8,138,614
Buildings and improvements	4,442,559	11,750	-	4,454,309
Furniture and equipment	1,031,602	161,196	-	1,192,798
Vehicles	1,769,338	81,652	66,056	1,784,934
Shared improvements	543,386	-	-	543,386
Total capital assets, being depreciated	14,103,934	2,076,163	66,056	16,114,041
Less accumulated depreciation for				
Land improvements	3,916,661	276,187	-	4,192,848
Buildings and improvements	2,005,731	113,981	-	2,119,712
Furniture and equipment	770,702	112,651	-	883,353
Vehicles	941,808	81,242	66,056	956,994
Shared improvements	515,879	1,669	-	517,548
Total accumulated depreciation	8,150,781	585,730	66,056	8,670,455
<b>Net capital assets, being depreciated</b>	<b>5,953,153</b>	<b>1,490,433</b>	<b>-</b>	<b>7,443,586</b>
<b>Governmental Activities capital assets, net</b>	<b>\$7,975,208</b>	<b>\$1,490,433</b>	<b>\$ -</b>	<b>\$9,465,641</b>
<b>Business-type Activities</b>				
<b>Capital assets, not being depreciated</b>				
Land	\$ 55,804	\$ -	\$ -	\$ 55,804
<b>Capital assets being depreciated</b>				
Utility systems	20,007,942	760,947	-	20,768,889
Machinery and equipment	574,175	36,722	23,569	587,328
Total capital assets, being depreciated	20,582,117	797,669	23,569	21,356,217
Less accumulated depreciation for				
Utility systems	11,291,523	524,285	-	11,815,808
Machinery and equipment	431,069	36,076	23,569	443,576
Total accumulated depreciation	11,722,592	560,361	23,569	12,259,384
<b>Net capital assets, being depreciated</b>	<b>8,859,525</b>	<b>237,308</b>	<b>-</b>	<b>9,096,833</b>
<b>Business-type Activities capital assets, net</b>	<b>\$8,915,329</b>	<b>\$237,308</b>	<b>\$ -</b>	<b>\$9,152,637</b>

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

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

<b>Governmental Activities</b>		
General government		\$175,837
Public safety		160,661
Public works		46,577
Culture and recreation		63,381
Community and economic development		89,499
Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets		<u>49,775</u>
<b>Total depreciation expense - governmental activities</b>		<u><b>\$585,730</b></u>
<b>Business-type Activities</b>		
Sewer		\$182,044
Water		<u>378,317</u>
<b>Total depreciation expense - business- type activities</b>		<u><b>\$560,361</b></u>

Access rights activity for the year was as follows:

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2017</u>
<b>Business-type Activities</b>				
Access rights	\$6,433,568	\$ -	\$ -	\$6,433,568
Less accumulated amortization	<u>2,733,480</u>	<u>290,229</u>	<u>-</u>	<u>3,023,709</u>
Access rights, net	<u><b>\$3,700,088</b></u>	<u><b>\$(290,229)</b></u>	<u><b>\$ -</b></u>	<u><b>\$3,409,859</b></u>

Amortization of \$290,229 has been charged to the water enterprise fund.

#### 5. INTERFUND TRANSACTIONS

Transfers in and out for the year are as follows:

	<u>Transfers in</u>		
	Municipal Street Fund	Non-Major Funds	Total
<b>Transfers out</b>			
General Fund	\$90,000	\$120,755	\$210,755
Pathways Construction	-	35,473	35,473
Sewer Fund	-	25,425	25,425
Water Fund	-	65,675	65,675
	<u><b>\$90,000</b></u>	<u><b>\$247,328</b></u>	<u><b>\$337,328</b></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, 2017

#### 6. LONG-TERM DEBT

The following is a summary of the debt transactions of the Township for the year ended December 31, 2017:

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2017</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
\$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	\$1,060,000	\$ -	\$195,000	\$865,000	\$205,000
\$4,500,000 Capital Improvement Bonds of 2017; due in annual installments of \$145,000 to \$345,000 plus interest at 2.50-3.75% through May 2036	-	4,500,000	-	4,500,000	145,000
<b>Total</b>	<b>1,060,000</b>	<b>4,500,000</b>	<b>195,000</b>	<b>5,365,000</b>	<b>350,000</b>
Accrued employee benefits	62,691	4,849	-	67,540	-
<b>Total Governmental Activities</b>	<b>\$1,122,691</b>	<b>\$4,504,849</b>	<b>\$195,000</b>	<b>\$5,432,540</b>	<b>\$350,000</b>
<b>Business-type Activities</b>					
\$4,670,000 Township portion of Ottawa County Water Refunding Bonds of 2005; due in annual installments of \$280,000 to \$410,000 plus interest at 3.500-4.375% through July 2019	\$985,000	\$ -	\$410,000	\$575,000	\$280,000
\$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	730,000	-	50,000	680,000	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	125,793	-	44,260	81,533	41,931
\$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	569,476	-	100,229	469,247	107,061

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2017</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	-
<b>Total</b>	6,163,094	-	604,489	5,558,605	478,992
Bond discount	(6,164)	-	(863)	(5,301)	-
Bond premium	813,256	-	74,962	738,294	-
Accrued employee benefits	28,271	-	2,454	25,817	-
<b>Total Business-type Activities</b>	<b>\$6,998,457</b>	<b>\$ -</b>	<b>\$681,042</b>	<b>\$6,317,415</b>	<b>\$478,992</b>

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, 2017 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>
2018	\$350,000	\$147,269	\$478,992	\$257,515
2019	365,000	139,888	498,497	229,539
2020	385,000	132,125	192,035	207,506
2021	400,000	123,999	250,119	199,964
2022	180,000	117,612	274,314	189,777
2023-2027	1,050,000	512,780	1,548,670	760,391
2028-2032	1,330,000	342,729	1,596,163	379,117
2033-2036	1,305,000	99,568	719,815	36,398
<b>Total</b>	<b>\$5,365,000</b>	<b>\$1,615,970</b>	<b>\$5,558,605</b>	<b>\$2,260,207</b>

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. As of December 31, 2017, \$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 2017 was \$153,845 and the employees' contribution was \$76,922.

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

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#### 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 Retiree Health Plan does not issue a publicly available financial report.

**Benefits Provided.** 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.

#### **Contributions**

The Plan was established and is being funded under the authority of the Township. The Plan's funding policy is that the employer will make contributions to a trust to the extent possible. There are no long term contracts for contributions to the Plan. The plan has no legally required reserves.

#### **Net OPEB Liability**

The employer's net OPEB liability was measured as December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an annual actuarial valuation as of that date.

The total OPEB liability in the December 31, 2017 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary Increases: 2.5%

Investment rate of return: 3.0%, net of investment expense, including inflation

Healthcare cost trend rates: Not applicable the benefit at retirement is fixed

As set forth in IRS Regulations for 2018 (1.430(h)(3)) for Non-annuitants, separately for males and females as well as annuitants and non-annuitants. Based on RP-2000 Tables with Scale AA.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

The long-term expected rate of return on OPEB plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
Global Fixed Income	100%	0.5%

The Township, as plan sponsor and investment fiduciary, has chosen for the Plan an asset mix intended to meet or exceed a long term rate of return of 3.0%.

Concentrations. 100% of the plan is invested in MERS Diversified Bond Portfolio fund

Rate of return. For the year ended December 31, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 4.43 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate. The discount rate used to measure the total OPEB liability is 3.0%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

#### Changes in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balance at 12/31/16	\$325,051	\$107,860	\$217,191
Changes for the Year:			
Service cost	13,628	-	13,628
Interest	9,844	-	9,844
Change in benefits	-	-	-
Differences between expected and actual experience	3,209	-	3,209
Change in assumptions	21,742	-	21,742
Contributions : employer	-	29,725	(29,725)
Contributions: employee	-	-	-
Net investment Income	-	5,104	(5,104)
Benefit payments, including refunds	(21,233)	(21,233)	-
Administrative expense	-	(274)	274
Other changes	-	-	-
Net changes	27,190	13,322	13,868
Balance at 12/31/17	\$352,241	\$121,182	\$231,059

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

**Sensitivity of the Net OPEB Liability to changes in the discount rate.**

The following presents the net OPEB liability of the employer, calculated using the discount rate of 3.0%, as well as what the employer's net OPEB liability would be using a discount rate that is 1 percentage point lower (2.0%) or 1% higher (4.0%) than the current rate.

	<b>1% Decrease</b>	<b>Current Discount rate</b>	<b>1 % increase</b>
Total OPEB liability	\$408,521	\$352,241	\$306,500
Fiduciary net position	121,182	121,182	121,182
Net OPEB liability	\$287,339	\$231,059	\$185,318
Plan fiduciary position as a percentage of the total OPEB liability	34.40%		

**Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates.**

The following presents the net OPEB liability of the employer, calculated using the healthcare cost trend rate of 8.0% in 2019 graded down 0.5% per year to 5.0%, as well as what the employer's net OPEB liability would be using a healthcare cost trend rate that is 1 percentage point lower (7.0%) or 1% higher (9.0%) than the current rate.

	<b>1% Decrease</b>	<b>Current healthcare cost trend rate</b>	<b>1 % increase</b>
Total OPEB liability	\$296,105	\$352,241	\$426,773
Fiduciary net position	121,182	121,182	121,182
Net OBEB liability	\$174,923	\$231,059	\$305,591

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB Plan**

For the year ended December 31, 2017 the employer recognized OPEB expense of \$21,471. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in experience	\$ 2,979	\$ -
Differences in assumptions	20,181	-
Excess(deficit) investment returns	-	1,038
<b>Total</b>	<b>\$23,160</b>	<b>\$1,038</b>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2018	\$ 1,531
2019	1,531
2020	1,531
2021	1,533
2022	1,791
Thereafter	14,205
<b>Total</b>	<b>\$22,122</b>

# GRAND HAVEN CHARTER TOWNSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2017

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#### 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 \$170,427 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, 2017, the portion of these Ottawa County bonds outstanding for which the township has pledged its full faith and credit amounted to approximately \$251,000. 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).

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 \$688,260 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, 2017, the portion of these Ottawa County bonds outstanding for which the township has pledged its full faith and credit amounted to approximately \$995,000. 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, 2017	<u>\$(523,649)</u>
Current year building permit revenues	620,244
Direct expenses	<u>358,094</u>
Excess for the year ended December 31, 2017	<u>262,150</u>
Cumulative shortfall – December 31, 2017	<u>\$(261,499)</u>

# **GRAND HAVEN CHARTER TOWNSHIP**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED DECEMBER 31, 2017**

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#### **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.

#### **12. 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, 2017 the Township abated property tax revenues of approximately \$10,000

#### **13. PRIOR PERIOD ADJUSTMENT**

Beginning net position of governmental activities was decreased by \$133,056 to record the net OPEB liability in accordance with the implementation of GASB 75.

Beginning fund balance of the governmental activities was increased by \$380,162 to correct capital asset depreciation.

## **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, 2017**

	Budget Amounts		Actual Amount	Variance Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 952,300	\$ 965,300	\$ 963,521	\$ (1,779)
Licenses and permits	641,180	860,690	889,018	28,328
State	1,213,840	1,288,840	1,307,952	19,112
Charges for services	60,000	80,510	80,549	39
Fines	48,620	49,620	49,753	133
Interest	15,840	25,070	19,526	(5,544)
Miscellaneous	344,850	381,630	380,102	(1,528)
<b>Total revenues</b>	<u>3,276,630</u>	<u>3,651,660</u>	<u>3,690,421</u>	<u>38,761</u>
<b>Expenditures</b>				
Current				
General government				
Township board	172,480	238,090	215,455	22,635
Supervisor	22,560	22,560	21,187	1,373
Elections	30,400	26,900	20,327	6,573
Finance	229,930	229,930	225,108	4,822
Assessor	269,800	260,910	253,048	7,862
Clerk	34,800	29,300	21,549	7,751
Board of appeals	4,730	5,130	2,533	2,597
Board of review	2,730	2,730	1,624	1,106
Administration	397,050	521,600	520,608	992
Treasurer	26,150	35,130	33,302	1,828
Buildings and grounds	343,150	304,680	275,404	29,276
Cemetery	145,900	155,340	149,229	6,111
Public works				
Street lighting	118,500	118,600	117,681	919
Waste collection	9,500	9,500	9,119	381
Drains	30,000	247,100	239,168	7,932
Community and economic development				
Building and zoning	486,430	579,430	575,309	4,121
Planning commission	54,120	54,120	37,322	16,798
Culture and recreation				
Parks and recreation	248,480	295,510	297,566	(2,056)
Bike paths	164,620	172,040	136,380	35,660
Capital outlay	<u>394,100</u>	<u>360,600</u>	<u>329,589</u>	<u>31,011</u>
<b>Total expenditures</b>	<u>3,185,430</u>	<u>3,669,200</u>	<u>3,481,508</u>	<u>187,692</u>
Revenues over (under) expenditures	91,200	(17,540)	208,913	226,453
Other financing sources (uses)				
Transfers out	<u>(270,750)</u>	<u>(210,750)</u>	<u>(210,755)</u>	<u>(5)</u>
Net changes in fund balances	(179,550)	(228,290)	(1,842)	226,448
<b>Fund balances, beginning of year</b>	<u>2,529,911</u>	<u>2,529,911</u>	<u>2,529,911</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 2,350,361</u>	<u>\$ 2,301,621</u>	<u>\$ 2,528,069</u>	<u>\$ 226,448</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, 2017**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 630,370	\$ 631,040	\$ 631,130	\$ 90
Interest	540	540	81	(459)
<b>Total revenues</b>	<u>630,910</u>	<u>631,580</u>	<u>631,211</u>	<u>(369)</u>
<b>Expenditures</b>				
Current				
Public works	432,690	386,250	382,930	3,320
Community and economic development	<u>370,380</u>	<u>385,570</u>	<u>385,303</u>	<u>267</u>
<b>Total expenditures</b>	<u>803,070</u>	<u>771,820</u>	<u>768,233</u>	<u>3,587</u>
Revenues over (under) expenditures	(172,160)	(140,240)	(137,022)	3,218
Other financing sources (uses)				
Transfers in	<u>150,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net changes in fund balances	(22,160)	(50,240)	(47,022)	3,218
<b>Fund balances, beginning of year</b>	<u>52,913</u>	<u>52,913</u>	<u>52,913</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 30,753</u>	<u>\$ 2,673</u>	<u>\$ 5,891</u>	<u>\$ 3,218</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, 2017**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 1,260,640	\$ 1,262,310	\$ 1,262,291	\$ (19)
Charges for services	11,720	12,570	10,847	(1,723)
Investment earnings	2,320	2,920	2,100	(820)
Miscellaneous	900	6,500	5,911	(589)
<b>Total revenues</b>	1,275,580	1,284,300	1,281,149	(3,151)
<b>Expenditures</b>				
Current				
Public safety	1,120,660	1,139,740	1,120,332	19,408
Net changes in fund balances	154,920	144,560	160,817	16,257
<b>Fund balances, beginning of year</b>	284,854	284,854	284,854	-
<b>Fund balances, end of year</b>	<u>\$ 439,774</u>	<u>\$ 429,414</u>	<u>\$ 445,671</u>	<u>\$ 16,257</u>

# GRAND HAVEN CHARTER TOWNSHIP

## **DEFINED BENEFIT OPEB PLAN SCHEDULE OF CHANGES IN EMPLOYERS NET OPEB LIABILITY AND RELATED RATIOS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>2017</b>
<b>Total OPEB liability</b>	
Service cost	\$ 13,628
Interest	9,844
Difference between expected and actual experience	3,209
Changes in assumptions	21,742
Benefit payments including employee refunds	(21,233)
<b>Net change in total OPEB liability</b>	27,190
<b>Total OPEB liability, beginning of year</b>	325,051
<b>Total OPEB liability, ending of year</b>	\$ 352,241
 <b>Plan Fiduciary Net Position</b>	
Contributions-employer	\$ 29,725
Net Investment income	5,104
Benefit payments including employee refunds	(21,233)
Administrative expense	(274)
<b>Net change in plan fiduciary net position</b>	13,322
<b>Plan fiduciary net position, beginning of year</b>	107,860
<b>Plan fiduciary net position, ending of year</b>	\$ 121,182
 <b>Employer net OPEB liability</b>	 \$ 231,059
 <b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	34%
 <b>Covered employee payroll</b>	N/A
 <b>Employer's net OPEB liability as a percentage of covered employee payroll</b>	N/A

**Notes to schedule:**

Above data is based on a December 31 measurement date.

The OPEB schedules are being accumulated prospectively until 10 years of information is presented.

**GRAND HAVEN CHARTER TOWNSHIP**

**DEFINED BENEFIT OPEB PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

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	<u>2017</u>
Actuarial determined contributions	\$ 31,068
Contributions in relation to the actuarially determined contribution	<u>29,725</u>
Contribution deficiency (excess)	<u>\$ 1,343</u>
Covered employee payroll	N/A
Contributions as a percentage of covered employee payroll	N/A
<b>Notes to schedule</b>	
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	14 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	2.50%
Investment rate of return	3.00%
Retirement age	60
Mortality	RP-2000 tables with Scale AA

**DEFINED BENEFIT OPEB PLAN  
SCHEDULE OF INVESTMENT RETURNS**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

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	<u>2017</u>
Annual money-weighted rate of return net of investment expense	4.43%

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**GRAND HAVEN CHARTER TOWNSHIP**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

**DECEMBER 31, 2017**

	<u>Special Revenue Fund</u>	<u>Debt Service Funds</u>		
	<u>Police Services</u>	<u>Refunded Township Building Debt</u>	<u>Pathways Debt</u>	<u>Total</u>
<b>Assets</b>				
Cash and pooled investments	\$ 208,085	\$ 330	\$ 1	\$ 208,416
Receivables				
Accounts	3,220	-	-	3,220
Taxes	<u>397,226</u>	<u>-</u>	<u>-</u>	<u>397,226</u>
<b>Total assets</b>	<u>\$ 608,531</u>	<u>\$ 330</u>	<u>\$ 1</u>	<u>\$ 608,862</u>
<b>Liabilities, deferred inflows of resources, and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 56,106	\$ -	\$ -	\$ 56,106
<b>Deferred inflows of resources</b>				
Unearned revenue - taxes	<u>397,227</u>	<u>-</u>	<u>-</u>	<u>397,227</u>
<b>Fund balances</b>				
Restricted				
Police services	155,198	-	-	155,198
Assigned	<u>-</u>	<u>330</u>	<u>1</u>	<u>331</u>
<b>Total fund balances</b>	<u>155,198</u>	<u>330</u>	<u>1</u>	<u>155,529</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 608,531</u>	<u>\$ 330</u>	<u>\$ 1</u>	<u>\$ 608,862</u>

**GRAND HAVEN CHARTER TOWNSHIP**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Special Revenue Fund</b>	<b>Debt Service Funds</b>		
	<b>Police Services</b>	<b>Refunded Township Building Debt</b>	<b>Pathways Debt</b>	<b>Total</b>
<b>Revenues</b>				
Property taxes	\$ 379,202	\$ -	\$ -	\$ 379,202
Fines	49,712	-	-	49,712
Investment earnings	1,408	-	-	1,408
Miscellaneous	180	-	-	180
<b>Total revenues</b>	<u>430,502</u>	<u>-</u>	<u>-</u>	<u>430,502</u>
<b>Expenditures</b>				
Current				
Public safety	444,414	-	-	444,414
Debt Service				
Principal	-	195,000	-	195,000
Interest	-	16,843	35,472	52,315
<b>Total expenditures</b>	<u>444,414</u>	<u>211,843</u>	<u>35,472</u>	<u>691,729</u>
Revenues over (under) expenditures	(13,912)	(211,843)	(35,472)	(261,227)
Other financing sources (uses)				
Transfers in	-	211,855	35,473	247,328
Net changes in fund balances	(13,912)	12	1	(13,899)
<b>Fund balances, beginning of year</b>	<u>169,110</u>	<u>318</u>	<u>-</u>	<u>169,428</u>
<b>Fund balances, end of year</b>	<u>\$ 155,198</u>	<u>\$ 330</u>	<u>\$ 1</u>	<u>\$ 155,529</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, 2017**

	<u>Budget Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property taxes	\$ 379,320	\$ 379,320	\$ 379,202	\$ (118)
Fines	36,000	49,000	49,712	712
Interest	730	1,450	1,408	(42)
Miscellaneous	500	500	180	(320)
<b>Total revenues</b>	416,550	430,270	430,502	232
<b>Expenditures</b>				
Current				
Public safety	448,180	453,180	444,414	8,766
Net changes in fund balances	(31,630)	(22,910)	(13,912)	8,998
<b>Fund balances, beginning of year</b>	169,110	169,110	169,110	-
<b>Fund balances, end of year</b>	<u>\$ 137,480</u>	<u>\$ 146,200</u>	<u>\$ 155,198</u>	<u>\$ 8,998</u>

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## SUPERINTENDENT'S MEMO

DATE: June 9, 2016  
TO: Township Board  
FROM: Cargo  
SUBJECT: Request for Township Support for Housing Program

As you may recall from 2016, the City of Grand Haven requested financial support from the Township for a Housing Services program by funding a portion of an existing funding deficit. In response, Grand Haven Charter Township agreed to contribute **\$7,200** annually for both FY 2017 and FY 2018.

Unfortunately, the Neighborhood Housing Services program continues to operate at a deficit of about **\$60k** annually.

In response, the City proposing a new three-year agreement that will fund the current deficit with an annual contribution from all five municipalities (*i.e., Grand Haven City, Ferrysburg City, Spring Lake Village, Spring Lake Township, and Grand Haven Charter Township*) that currently participate in the program – based upon a percentage formula related to number of clients served.

For FY 2019, the Township's contribution would increase↑ from \$7,200 to **\$16,200**, which is a \$9,000 increase.

It is noted that the program will be seeking a contribution from Ottawa County and, if received, the contribution from the five municipalities would be reduced by a like amount.

City provided information on the Housing program and the clients served is attached.

At this stage, this proposal is being brought forward for discussion purposes, only. The Township's FY 2019 budget process does not begin until August.

Please contact me if you have any questions or comments prior to the meeting.



## **Neighborhood Housing Services Municipality Collaboration Proposal**

In an attempt to get away from the current agreement that caps the individual municipality contribution and doesn't allow any group to know how much to budget until after the budgeting process is complete we are proposing a new agreement.

The current agreement estimates the possible deficit and sets a percentage contribution based on clients served in that same fiscal year. It has a capped contribution amount.

The new agreement will be for 3 years beginning in FY19. The number of clients served through our department had an increase in 2017 but remains somewhat steady. Additionally, the number of clients served in each area remains consistent.

The new proposal is simply a request for a combined budget contribution of \$60,000 from all 5 municipalities. We will use an average number of clients from calendar years 2015, 2016 and 2017. From that average number of clients we will create a percentage of clients served. That percentage will represent the amount of \$60,000 we request from each neighbor. The amount will remain the same for 3 years.

## New Proposal

Municipality	Average # of Clients Served per Year in 5 Areas	Percentage of NHS Clients	Contribution Request
City of Grand Haven	41	42%	\$25,200
Grand Haven Township	26	27%	\$16,200
City of Ferrysburg	4	4%	\$2,400
Village of Spring Lake	13	13.5%	\$8,100
Spring Lake Township	13	13.5%	\$8,100

**Total                      97                      100%                      \$60,000**

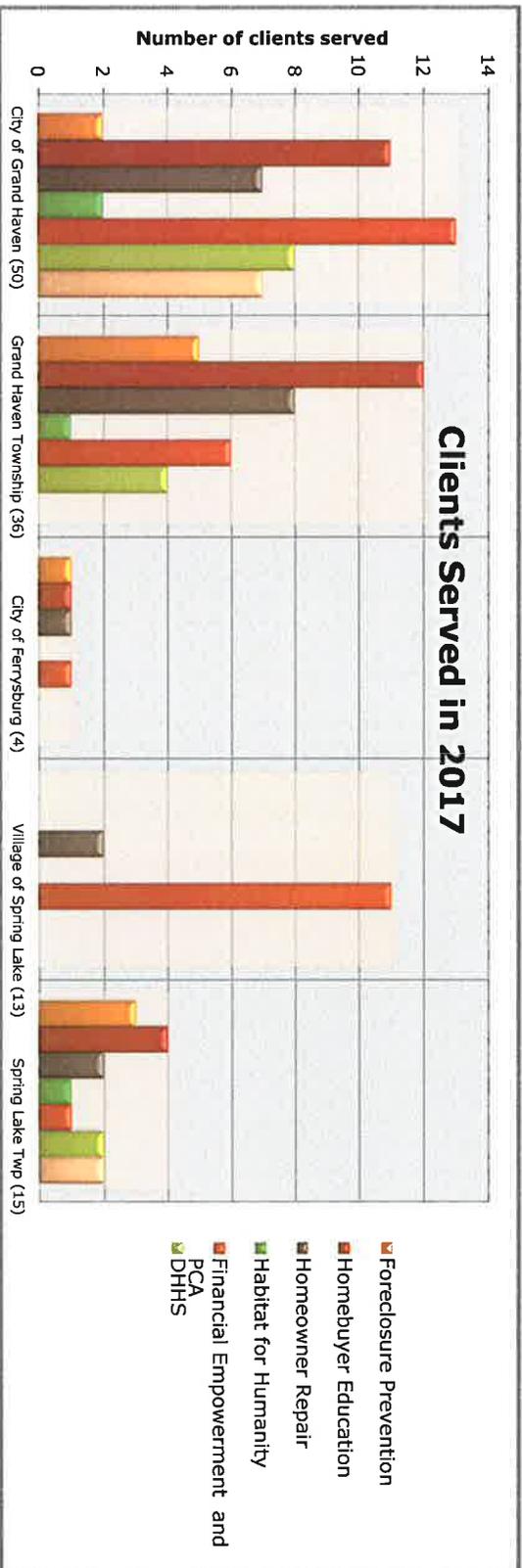
97 = Average number of clients in 5 municipalities

	C of GH	GHT	COF	VSL	SLT
<b>2015</b>	29	23	4	13	12
<b>2016</b>	44	20	4	12	13
<b>2017</b>	50	36	4	13	15
<b>Total</b>	123	79	12	38	40
<b>Average</b>	41	26	4	13	13
<b>%</b>	42%	27%	4%	13.5%	13.5%



## NHS Clients served in Northern Ottawa County January 1, 2017 to December 31, 2017

	Foreclosure Prevention	Homebuyer Education	Homeowner Repair	Habitat for Humanity	Financial Empowerment and PCA	DHHS	Pre-Purchase Counseling
City of Grand Haven (50)	2	11	7	2	13	8	7
Grand Haven Township (36)	5	12	8	1	6	4	0
City of Ferrysburg (4)	1	1	1	0	1	0	0
Village of Spring Lake (13)	0	0	2	0	11	0	0
Spring Lake Township (15)	3	4	2	1	1	2	2





## Manager's Memo

DATE: April 19, 2018  
TO: Township Board  
FROM: Cargo  
RE: Approve Low Bid – 152<sup>nd</sup> Avenue Pathway Extensions

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Construction bids for the 152<sup>nd</sup> Avenue and Groesbeck Street pathway extension project were opened on Thursday, April 18<sup>th</sup>.

There were eight (8) firms that bid on this project ... with bids ranging from a high **\$743,433** to a low of **\$636,232**. *(It should be noted that the final estimate for this pathway project was \$700,000 – which means that the low bid was about 9.2% percent below↓ the construction estimate.)*

The low bid was from Schmidt Brothers Excavating (*Grand Haven, Michigan*) at **\$636,232.40**. *(See attached bid tabulations.)*

Prien and Newhof (P&N) is recommending that the Township award the construction contract to Schmidt Brothers Excavating and note that the firm completed the Sleeper Street pathway project and is finalizing the Buchanan Street pathway extension. *(See attached recommendation letter from P&N.)*

If the Board agrees with the recommendation from P&N, the following motion can be offered:

**Move to award the 152<sup>nd</sup> Avenue and Groesbeck Street Pathway Extension project to Schmidt Brothers Excavating for the bid price \$636,232.40 and to authorize Superintendent Cargo to execute the necessary construction contract.**

If there are any questions or comments prior to the meeting, please contact me.

April 19, 2018  
2170399

Mr. Mark Verberkmoes  
Grand Haven Charter Township  
13300 168<sup>th</sup> Avenue  
Grand Haven, MI 49417

RE: Non-Motorized Path: Groesbeck and 152<sup>nd</sup> Avenue

Dear Mark:

Bids were received on April 18, 2018 for the non-motorized pathway extensions on Groesbeck and 152<sup>nd</sup> Avenue. The project includes 8 foot wide non-motorized pathway along Groesbeck from the existing path west of 152<sup>nd</sup> to Western Avenue and 152<sup>nd</sup> from Ferris to Lincoln Street. Eight bids were received as shown on the attached bid tabulation. The low bid received for the project was from Schmidt Bros. Excavating, Inc. out of Grand Haven.

Schmidt Bros. Excavating, Inc. completed the Sleeper Street trail through the Witteveen property in 2017 and is finalizing the Buchanan Street project. We reviewed the bid and project schedule with Dave Schmidt and he didn't have any questions or concerns on the project or with his bid. Based on the above, our recommendation is to award of the project to Schmidt Bros. Excavating, Inc. for their bid amount of \$636,232.40.

Please give me a call with any questions.

Sincerely,

**Prein&Newhof**



Kevin S. Kieft, P.E.

KSK/ksk

Enclosure(s): Bid Tabulation

cc: Bill Cargo, Grand Haven Charter Township

## Bid Tabulation

Owner: Grand Haven Charter Township				1st		2nd		3rd		4th	
Project Title: 2018 Non-Motorized Pathway - 152nd Avenue & Groesbeck Street, Contract 2				Schmidt Bros, Inc 16064 Winans Grand Haven, MI 49417		Al's Excavating 4515 134th Ave Hamilton, MI 49419		Redline Excavating PO Box 1405 Holland, MI 49442		Jordan Intercoastal 1100 Plainfield Ave, Suite A Grand Rapids, MI 49503	
Bid Date & Time: April 18, 2018 at 10:00 AM		Project #: 2170399									
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Mobilization, Max 10% of Total	1.0	Lsum	\$46,500.00	\$46,500.00	\$60,000.00	\$60,000.00	\$32,000.00	\$32,000.00	\$62,505.80	\$62,505.80
2	Traffic Control	1.0	Lsum	\$40,500.00	\$40,500.00	\$30,000.00	\$30,000.00	\$22,500.00	\$22,500.00	\$4,500.00	\$4,500.00
3	Erosion Control, Inlet Protection	11.0	Ea	\$80.00	\$880.00	\$80.00	\$880.00	\$200.00	\$2,200.00	\$75.00	\$825.00
4	Erosion Control, Mulch Blanket	200.0	Syd	\$3.30	\$660.00	\$2.00	\$400.00	\$2.25	\$450.00	\$9.62	\$1,924.00
5	Erosion Control, Silt Fence	450.0	Ft	\$1.74	\$783.00	\$2.00	\$900.00	\$2.00	\$900.00	\$1.20	\$540.00
6	Remove Tree, 6-18 inch	165.0	Ea	\$225.00	\$37,125.00	\$225.00	\$37,125.00	\$200.00	\$33,000.00	\$150.00	\$24,750.00
7	Remove Tree, 19-36 inch	60.0	Ea	\$800.00	\$48,000.00	\$620.00	\$37,200.00	\$750.00	\$45,000.00	\$1,020.00	\$61,200.00
8	Remove Tree, Larger than 36 inch	7.0	Ea	\$1,500.00	\$10,500.00	\$2,400.00	\$16,800.00	\$1,650.00	\$11,550.00	\$1,800.00	\$12,600.00
9	Shared Path Grading & Restoration	6,920.0	Ft	\$11.15	\$77,158.00 *	\$12.00	\$83,040.00	\$14.00	\$96,880.00	\$15.46	\$106,983.20
10	6 inch Conc. Sidewalk Ramp	430.0	Sft	\$12.83	\$5,516.90	\$7.00	\$3,010.00	\$11.00	\$4,730.00	\$9.10	\$3,913.00
11	Detectable Warning Surface	90.0	Ft	\$38.50	\$3,465.00	\$36.50	\$3,285.00	\$55.00	\$4,950.00	\$20.19	\$1,817.10
12	Concrete Curb and Gutter	40.0	Ft	\$22.00	\$880.00	\$31.00	\$1,240.00	\$20.90	\$836.00	\$32.00	\$1,280.00
13	Remove Curb and Gutter	40.0	Ft	\$13.75	\$550.00	\$15.00	\$600.00	\$9.00	\$360.00	\$10.00	\$400.00
14	6 inch Overlay Cold Plastic Crosswalk	350.0	Ft	\$4.13	\$1,445.50	\$3.50	\$1,225.00	\$6.25	\$2,187.50	\$7.19	\$2,516.50

## Bid Tabulation

Owner: Grand Haven Charter Township				1st		2nd		3rd		4th	
Project Title: 2018 Non-Motorized Pathway - 152nd Avenue & Groesbeck Street, Contract 2				Schmidt Bros, Inc 16064 Winans Grand Haven, MI 49417		Al's Excavating 4515 134th Ave Hamilton, MI 49419		Redline Excavating PO Box 1405 Holland, MI 49442		Jordan Intercoastal 1100 Plainfield Ave, Suite A Grand Rapids, MI 49503	
Bid Date & Time: April 18, 2018 at 10:00 AM			Project #: 2170399								
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
15	STOP Sign and Post	8.0	Ea	\$140.00	\$1,120.00	\$175.00	\$1,400.00	\$150.00	\$1,200.00	\$250.00	\$2,000.00
16	Curb Stop Box, Adjust	8.0	Ea	\$140.00	\$1,120.00	\$250.00	\$2,000.00	\$250.00	\$2,000.00	\$500.00	\$4,000.00
17	6 inch Aggregate Base, 21AA	7,680.0	Syd	\$6.80	\$52,224.00	\$11.00	\$84,480.00	\$10.04	\$77,107.20	\$6.50	\$49,920.00
18	Shared Path, HMA 13A	545.0	Ton	\$88.00	\$47,960.00	\$80.00	\$43,600.00	\$80.00	\$43,600.00	\$96.00	\$52,320.00
19	Shared Path, HMA 36A	545.0	Ton	\$84.00	\$45,780.00	\$87.00	\$47,415.00	\$82.00	\$44,690.00	\$94.30	\$51,393.50
20	Street Restoration, HMA 13A	20.0	Ton	\$100.00	\$2,000.00	\$100.00	\$2,000.00	\$81.00	\$1,620.00	\$97.20	\$1,944.00
21	HMA Approach	20.0	Ton	\$84.00	\$1,680.00	\$100.00	\$2,000.00	\$100.00	\$2,000.00	\$120.00	\$2,400.00
22	12 inch SLCPP Storm Sewer	640.0	Ft	\$22.20	\$14,208.00	\$20.00	\$12,800.00	\$22.51	\$14,406.40	\$32.64	\$20,889.60
23	12 inch Perf. SLCPP Storm Sewer	370.0	Ft	\$44.00	\$16,280.00	\$35.00	\$12,950.00	\$22.70	\$8,399.00	\$58.46	\$21,630.20
24	15 inch SLCPP Culvert	60.0	Ft	\$26.45	\$1,587.00	\$26.00	\$1,560.00	\$23.72	\$1,423.20	\$55.48	\$3,328.80
25	12 inch RCP Storm Sewer	71.0	Ft	\$48.00	\$3,408.00	\$32.00	\$2,272.00	\$28.18	\$2,000.78	\$70.00	\$4,970.00
26	15 inch FES	1.0	Ea	\$450.00	\$450.00	\$600.00	\$600.00	\$836.00	\$836.00	\$750.00	\$750.00
27	24 inch Storm Catch Basin	3.0	Ea	\$1,200.00	\$3,600.00 *	\$1,500.00	\$4,500.00	\$1,500.00	\$4,500.00	\$2,468.40	\$7,405.20
28	48 inch Storm Leaching Basin	8.0	Ea	\$2,900.00	\$23,200.00	\$2,800.00	\$22,400.00	\$3,500.00	\$28,000.00	\$3,966.00	\$31,728.00

## Bid Tabulation

Owner: Grand Haven Charter Township				1st		2nd		3rd		4th	
Project Title: 2018 Non-Motorized Pathway - 152nd Avenue & Groesbeck Street, Contract 2				Schmidt Bros, Inc 16064 Winans Grand Haven, MI 49417		Al's Excavating 4515 134th Ave Hamilton, MI 49419		Redline Excavating PO Box 1405 Holland, MI 49442		Jordan Intercoastal 1100 Plainfield Ave, Suite A Grand Rapids, MI 49503	
Bid Date & Time: April 18, 2018 at 10:00 AM		Project #: 2170399									
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
29	48 inch Storm Manhole	1.0	Ea	\$1,600.00	\$1,600.00	\$2,100.00	\$2,100.00	\$2,450.00	\$2,450.00	\$2,690.40	\$2,690.40
30	Riprap, Plain	10.0	Syd	\$70.00	\$700.00	\$65.00	\$650.00	\$50.00	\$500.00	\$55.00	\$550.00
31	Treated Lumber Boardwalk	170.0	Ft	\$438.25	\$74,502.50	\$400.00	\$68,000.00	\$400.00	\$68,000.00	\$346.51	\$58,906.70
32	Treated Lumber Railing	210.0	Ft	\$75.00	\$15,750.00	\$75.00	\$15,750.00	\$82.14	\$17,249.40	\$41.83	\$8,784.30
33	Remove Concrete Driveway	110.0	Syd	\$20.45	\$2,249.50	\$16.00	\$1,760.00	\$11.25	\$1,237.50	\$36.00	\$3,960.00
34	Remove HMA Surface	280.0	Syd	\$11.05	\$3,094.00	\$12.00	\$3,360.00	\$9.00	\$2,520.00	\$22.00	\$6,160.00
35	Remove Culvert	3.0	Ea	\$200.00	\$600.00	\$500.00	\$1,500.00	\$500.00	\$1,500.00	\$600.00	\$1,800.00
36	Relocate Traffic Sign	12.0	Ea	\$115.00	\$1,380.00	\$150.00	\$1,800.00	\$250.00	\$3,000.00	\$50.00	\$600.00
37	Modular Block Retaining Wall, Small Block	1,300.0	Sft	\$20.52	\$26,676.00	\$26.00	\$33,800.00	\$50.00	\$65,000.00	\$37.80	\$49,140.00
38	Utility Allowance	1.0	Lsum	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
39	Landscape Allowance	1.0	Lsum	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
40	OCRC Permit Fee	1.0	Lsum	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00
<b>Total Bid</b>				\$636,232.40 *		\$665,502.00		\$671,882.98		\$694,125.30	

\* Denotes correction made by Engineer

## Bid Tabulation

Owner: Grand Haven Charter Township				5th		6th		7th		8th	
Project Title: 2018 Non-Motorized Pathway - 152nd Avenue & Groesbeck Street, Contract 2				Jackson-Merkey Contractors 3430 Lund Avenue Muskegon, MI 49442		McCormick Sand 5430 Russell Road Twin Lake, MI 49457		Kamminga & Roodvoerts 3435 Broadmoor SE Grand Rapids, MI 49512		Weick Brothers, Inc. 3029 Weicks Drive Hopkins, MI 49328	
Bid Date & Time: April 18, 2018 at 10:00 AM		Project #: 2170399									
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Mobilization, Max 10% of Total	1.0	Lsum	\$52,000.00	\$52,000.00	\$72,500.00	\$72,500.00	\$66,350.00	\$66,350.00	\$50,000.00	\$50,000.00
2	Traffic Control	1.0	Lsum	\$20,000.00	\$20,000.00	\$30,000.00	\$30,000.00	\$40,000.00	\$40,000.00	\$13,475.00	\$13,475.00
3	Erosion Control, Inlet Protection	11.0	Ea	\$100.00	\$1,100.00	\$80.00	\$880.00	\$120.00	\$1,320.00	\$80.00	\$880.00
4	Erosion Control, Mulch Blanket	200.0	Syd	\$0.90	\$180.00	\$2.00	\$400.00	\$3.50	\$700.00	\$5.00	\$1,000.00
5	Erosion Control, Silt Fence	450.0	Ft	\$2.00	\$900.00	\$2.50	\$1,125.00	\$2.00	\$900.00	\$3.00	\$1,350.00
6	Remove Tree, 6-18 inch	165.0	Ea	\$215.00	\$35,475.00	\$350.00	\$57,750.00	\$295.00	\$48,675.00	\$500.00	\$82,500.00
7	Remove Tree, 19-36 inch	60.0	Ea	\$775.00	\$46,500.00	\$850.00	\$51,000.00	\$759.00	\$45,540.00	\$1,000.00	\$60,000.00
8	Remove Tree, Larger than 36 inch	7.0	Ea	\$1,880.00	\$13,160.00	\$1,390.00	\$9,730.00	\$2,175.00	\$15,225.00	\$2,000.00	\$14,000.00
9	Shared Path Grading & Restoration	6,920.0	Ft	\$20.00	\$138,400.00	\$15.00	\$103,800.00	\$16.43	\$113,695.60	\$20.00	\$138,400.00
10	6 inch Conc. Sidewalk Ramp	430.0	Sft	\$10.00	\$4,300.00	\$10.00	\$4,300.00	\$8.25	\$3,547.50	\$9.50	\$4,085.00
11	Detectable Warning Surface	90.0	Ft	\$60.00	\$5,400.00	\$32.00	\$2,880.00	\$41.00	\$3,690.00	\$55.00	\$4,950.00
12	Concrete Curb and Gutter	40.0	Ft	\$20.00	\$800.00	\$28.00	\$1,120.00	\$30.90	\$1,236.00	\$19.40	\$776.00
13	Remove Curb and Gutter	40.0	Ft	\$7.00	\$280.00	\$10.00	\$400.00	\$6.50	\$260.00	\$22.00	\$880.00
14	6 inch Overlay Cold Plastic Crosswalk	350.0	Ft	\$3.00	\$1,050.00	\$5.00	\$1,750.00	\$6.25	\$2,187.50	\$6.25	\$2,187.50

## Bid Tabulation

Owner: Grand Haven Charter Township				5th		6th		7th		8th	
Project Title: 2018 Non-Motorized Pathway - 152nd Avenue & Groesbeck Street, Contract 2				Jackson-Merkey Contractors 3430 Lund Avenue Muskegon, MI 49442		McCormick Sand 5430 Russell Road Twin Lake, MI 49457		Kamminga & Roodvoerts 3435 Broadmoor SE Grand Rapids, MI 49512		Weick Brothers, Inc. 3029 Weicks Drive Hopkins, MI 49328	
Bid Date & Time: April 18, 2018 at 10:00 AM			Project #: 2170399								
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
15	STOP Sign and Post	8.0	Ea	\$140.00	\$1,120.00	\$150.00	\$1,200.00	\$221.50	\$1,772.00	\$150.00	\$1,200.00
16	Curb Stop Box, Adjust	8.0	Ea	\$130.00	\$1,040.00	\$150.00	\$1,200.00	\$205.00	\$1,640.00	\$250.00	\$2,000.00
17	6 inch Aggregate Base, 21AA	7,680.0	Syd	\$12.00	\$92,160.00	\$10.50	\$80,640.00	\$11.15	\$85,632.00	\$8.86	\$68,044.80
18	Shared Path, HMA 13A	545.0	Ton	\$77.00	\$41,965.00	\$77.00	\$41,965.00	\$80.00	\$43,600.00	\$80.00	\$43,600.00
19	Shared Path, HMA 36A	545.0	Ton	\$84.00	\$45,780.00	\$84.00	\$45,780.00	\$82.00	\$44,690.00	\$82.00	\$44,690.00
20	Street Restoration, HMA 13A	20.0	Ton	\$100.00	\$2,000.00	\$100.00	\$2,000.00	\$81.00	\$1,620.00	\$81.00	\$1,620.00
21	HMA Approach	20.0	Ton	\$84.00	\$1,680.00	\$84.00	\$1,680.00	\$100.00	\$2,000.00	\$100.00	\$2,000.00
22	12 inch SLCPP Storm Sewer	640.0	Ft	\$25.50	\$16,320.00	\$22.00	\$14,080.00	\$26.25	\$16,800.00	\$24.00	\$15,360.00
23	12 inch Perf. SLCPP Storm Sewer	370.0	Ft	\$42.50	\$15,725.00	\$22.00	\$8,140.00	\$48.45	\$17,926.50	\$28.00	\$10,360.00
24	15 inch SLCPP Culvert	60.0	Ft	\$27.00	\$1,620.00	\$29.00	\$1,740.00	\$33.85	\$2,031.00	\$28.00	\$1,680.00
25	12 inch RCP Storm Sewer	71.0	Ft	\$32.00	\$2,272.00	\$33.00	\$2,343.00	\$29.00	\$2,059.00	\$35.00	\$2,485.00
26	15 inch FES	1.0	Ea	\$1,200.00	\$1,200.00	\$250.00	\$250.00	\$280.00	\$280.00	\$600.00	\$600.00
27	24 inch Storm Catch Basin	3.0	Ea	\$1,540.00	\$4,620.00	\$1,500.00	\$4,500.00	\$1,250.00	\$3,750.00	\$800.00	\$2,400.00
28	48 inch Storm Leaching Basin	8.0	Ea	\$3,000.00	\$24,000.00	\$3,300.00	\$26,400.00	\$2,250.00	\$18,000.00	\$2,400.00	\$19,200.00

## Bid Tabulation

Owner: Grand Haven Charter Township				5th		6th		7th		8th	
Project Title: 2018 Non-Motorized Pathway - 152nd Avenue & Groesbeck Street, Contract 2				Jackson-Merkey Contractors 3430 Lund Avenue Muskegon, MI 49442		McCormick Sand 5430 Russell Road Twin Lake, MI 49457		Kamminga & Roodvoerts 3435 Broadmoor SE Grand Rapids, MI 49512		Weick Brothers, Inc. 3029 Weicks Drive Hopkins, MI 49328	
Bid Date & Time: April 18, 2018 at 10:00 AM			Project #: 2170399								
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
29	48 inch Storm Manhole	1.0	Ea	\$1,750.00	\$1,750.00	\$2,200.00	\$2,200.00	\$1,650.00	\$1,650.00	\$1,800.00	\$1,800.00
30	Riprap, Plain	10.0	Syd	\$97.50	\$975.00	\$62.00	\$620.00	\$53.00	\$530.00	\$80.00	\$800.00
31	Treated Lumber Boardwalk	170.0	Ft	\$345.00	\$58,650.00	\$270.00	\$45,900.00	\$400.00	\$68,000.00	\$400.00	\$68,000.00
32	Treated Lumber Railing	210.0	Ft	\$50.00	\$10,500.00	\$58.00	\$12,180.00	\$70.25	\$14,752.50	\$75.00	\$15,750.00
33	Remove Concrete Driveway	110.0	Syd	\$7.50	\$825.00	\$11.00	\$1,210.00	\$10.80	\$1,188.00	\$8.00	\$880.00
34	Remove HMA Surface	280.0	Syd	\$6.00	\$1,680.00	\$7.00	\$1,960.00	\$7.50	\$2,100.00	\$6.00	\$1,680.00
35	Remove Culvert	3.0	Ea	\$400.00	\$1,200.00	\$190.00	\$570.00	\$155.00	\$465.00	\$300.00	\$900.00
36	Relocate Traffic Sign	12.0	Ea	\$50.00	\$600.00	\$50.00	\$600.00	\$92.00	\$1,104.00	\$100.00	\$1,200.00
37	Modular Block Retaining Wall, Small Block	1,300.0	Sft	\$23.50	\$30,550.00	\$54.00	\$70,200.00	\$32.55	\$42,315.00	\$32.00	\$41,600.00
38	Utility Allowance	1.0	Lsum	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
39	Landscape Allowance	1.0	Lsum	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
40	OCRC Permit Fee	1.0	Lsum	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00	\$3,600.00
<b>Total Bid</b>				\$698,877.00		\$726,093.00		\$738,331.60		\$743,433.30	

\* Denotes correction made by Engineer



## Manager's Memo

TO: Township Board

FROM: Cargo and VerBerkmoes

DATE: April 16, 2018

RE: Appointment of Parks and Recreation Member

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Human Resources Director Dumbrell posted for a vacancy on the Parks and Recreation Committee and received eight applications. *(Recall that long-time member Mike Fritz resigned from the Committee.)*

After reviewing the applications, Supervisor Reenders has recommended Eric Frifeldt for the vacancy. Frifeldt is an Ottawa County employee that oversees a portion of the Ottawa County Parks system. Frifeldt works with parks on a daily basis.

Frifeldt has experience in recreation planning and forward thinking of the parks department at the County level. This could be an asset for the Township in that will provide a broader view and insight into the local parks, facilities and recreational opportunities not currently represented on the Committee.

If the Board concurs with Supervisor Reenders' recommendation, the follow motion could be offered:

**Move to approve the appointment of Eric Frifeldt as member of the Parks and Recreation Committee effective immediately, with a term ending August 31, 2020.**

If you have any questions, please do not hesitate to contact Mark VerBerkmoes or Andrea Dumbrell.



## Manager's Memo

TO: Township Board

FROM: Cargo and Assessor Schmidt

DATE: April 16, 2018

RE: Appointment of Alternate to Board of Review

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Attached, please find the resume of Thomas DeJonge, a retired attorney, that is being proposed by Supervisor Reenders as the alternate to the Board of Review.

It is noted that during the March Board of review that DeJonge did attend the meetings and was able to interact with the staff and Board of Review members. His experience in the legal field makes DeJonge well-prepared to hear appeals and interact with the public as a Board of Review member.

As an alternate, DeJonge will attend all of the meetings of the Board of Review; but, will only participate in the decision making if a regular member is absent.

If the Board concurs with Supervisor Reenders' recommendation, the follow motion could be offered:

**Move to approve the appointment of Thomas DeJonge as an alternate to the Board of Review effective immediately, with a term ending December 31, 2018.**

If you have any questions, please do not hesitate to contact Roger Schmidt or Andrea Dumbrell.



# Community Development Memo

DATE: April 19, 2018

TO: Township Board

FROM: Cassandra Hoisington, Assistant Zoning Administrator  
Stacey Fedewa, Community Development Director

RE: Lokker – Rezoning Application (AG to RR)

## BACKGROUND

The applicant, Eric Lokker, requests to rezone his 5 acre parcel, a vacant lot off of 168<sup>th</sup> Ave (70-07-33-400-014), from Agricultural (AG) to Rural Residential (RR).

On March 19<sup>th</sup> the Planning Commission adopted a motion recommending the Board approve the proposed rezoning. The Board approved the first reading of this application on April 9<sup>th</sup>.

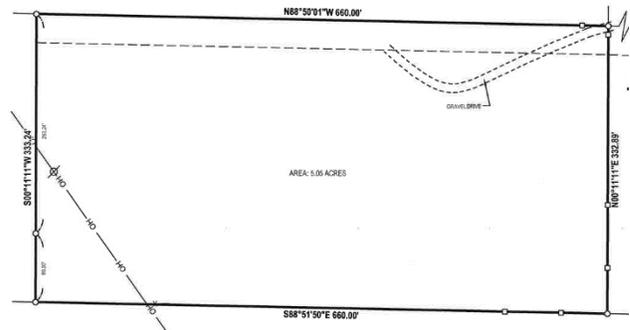
The rezoning application was tested against the “Three C’s” evaluation method.

## COMPATIBILITY

*Is the proposed rezoning **compatible** with the existing developments or zoning in the surrounding area?*

The zoning for parcels that border the applicant’s parcel is:

Direction	Current Zoning	Existing Use
North	AG	Single Family
South	RR	Single Family
East	RP	Single Family
West	RR	Single Family



The 2016 Future Land Use Map has master-planned the subject parcel for Rural Residential, which is consistent with the request.

## CONSISTENCY

*Is the proposed rezoning **consistent** with the goals and objectives of the Master Plan and does it coincide with the Future Land Use Map in terms of an appropriate use of the land?*



The proposed rezoning is consistent with surrounding land uses and the Statement of Purpose narrative for the RR district, which includes:

- The purpose of the RR District is designed to be those semi-open areas of the Township where the conduct of agriculture and other rural-type activities may coexist with large-tract residential housing and residentially related facilities with the realization that adequate open and semi-open areas are essential to the health and welfare of the Township.

## CAPABILITY

*Does the proposed rezoning require an extension of public sewer and water, roadway improvements, or enhanced fire and police protection, and if so, is it in an area **capable** of being provided with such services?*

Parcels within the RR District should be supported by certain infrastructure features, including paved roads and if available, natural gas and municipal water. The driveway for this parcel will be accessed via a private ingress/egress easement that is already in place and shown on the survey. Private utilities will be installed.

Although this portion of 168<sup>th</sup> Avenue is gravel, and the RR District indicates these properties should be located on paved roads—the Planning Commission has discussed recently that the Statement of Purpose should be revised to say, “if available, paved roads.” This would bring over 100 parcels into compliance with the districts Statement of Purpose.

## SAMPLE MOTIONS

If the Township Board finds the rezoning application meets the applicable standards, the following motion can be offered:

**Motion to Approve** the Zoning Map Amendment Ordinance concerning the rezoning of parcel 70-07-33-400-014 from Agricultural (AG) to Rural Residential (RR). **This is the second reading.**

If the Township Board finds the rezoning application does not meet the applicable standards, the following motion can be offered:

**Motion to deny** the Lokker rezoning application of parcel 70-07-33-400-014 from Agricultural (AG) to Rural Residential (RR) because the application does not meet the requirements and standards set forth by the Grand Haven Charter Township Zoning Ordinance, Master Plan, and Future Land Use Map.

If the Township Board finds the rezoning application is premature or needs revisions, the following motion can be offered:

**Motion to table** of the Lokker rezoning application, and direct the applicant to address the following items:

1. *List the items...*

Please contact me prior to the meeting if you have questions.

# SUPERINTENDENT'S MEMO

DATE: April 19, 2018

TO: Property Owners Within Proposed Special Assessment District (SAD)

FROM: Cargo

SUBJECT: 158<sup>th</sup> Avenue Special Assessment Paving District

Four (4) property owners along 158th Avenue have expressed their preference that their names be removed from the Special Assessment Paving District petition.

Based upon the requests from these property owners, Assessor Schmidt determined that the percent of property owners that support the proposed special assessment district has fallen↓ from about 65% to about **45%** based upon front footage.

Although the Township cannot legally remove the names of these property owners from the petition after the close of the first public hearing and although the Township Board could legally proceed forward with this proposed special assessment road paving project, I am recommending that the project be discontinued.

Specifically, I recommend that the Township Board acknowledge at the upcoming April 23<sup>rd</sup> Board meeting that based upon further information and input from area residents, it appears that public support has declined↓ to less than 50%. Further, because of this apparent lack of public support, I further recommended that any action on the proposed 158th Avenue special assessment paving district be discontinued, and the proposed capital project stopped.

If the Board agrees, the following motion may be offered:

**Motion to discontinue and cease any action on the proposed 158<sup>th</sup> Avenue special assessment paving district because of further input from area residents that indicate that support from property owners within the proposed district has fallen to about 45 percent and instructing Manager Cargo to cease any further action or expenditures on the proposed 158<sup>th</sup> Avenue paving SAD.**

If you have any questions prior to the Board meeting, please contact me.



# Community Development Memo

DATE: April 19, 2018  
TO: Township Board  
FROM: Stacey Fedewa, Community Development Director  
RE: PUD Amendment – Village at Rosy Mound & GHAPS – Driveway

## BACKGROUND

The Village at Rosy Mound (VARM) was approved as a PUD in 2017. VARM has indicated their willingness to work with the Grand Haven Area Public Schools (GHAPS) to construct a driveway from the high school to Rosy Mound Drive.

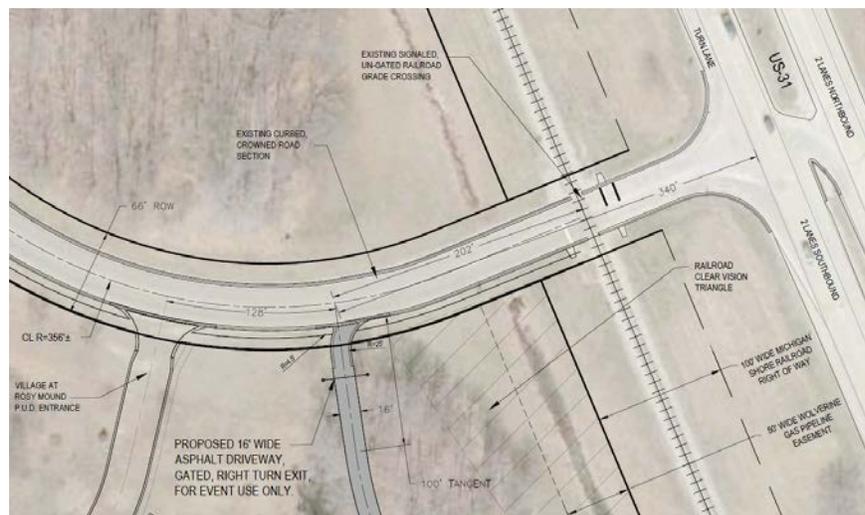
As staff understands, the traffic back-up that occurs after events at GHHS is extreme, and the district has been making a concerted effort to rectify the problem since at least 2012. With the help of VARM, the district has found a solution, which has resulted in this PUD Amendment application.

## PROPOSAL

VARM, on behalf of GHAPS, is requesting to allow an occasional use, gated, exit-only, right-turn only driveway onto Rosy Mound Drive. It is proposed as a 3,025-foot long drive that is 16-feet in width.

Only about 600-feet of this road is crossing the VARM property. The remainder is on land owned by GHAPS, and not subject to this application.

Regarding the width—Fire/Rescue has indicated they are willing to accept a 14-foot width. Staff notified the project engineer, who was glad to learn of the reduction.





- Substantial woodlands will still be preserved via the VARM site and the trees within the regulated wetland, which all act as a visual buffer between the uses as well.
  - Existing development (*VARM & Cottage Hills Subdivision*) prevent compliance.
  - Unique site configuration, which became evident during the VARM PUD approval process.
2. The use involves an access improvement to an existing site or a new use that will generate less traffic than the previous use.
- **This condition does not apply to this previously undeveloped site.**
  - Staff believes this road will improve access management for GHHS by improving the Level of Service and enabling special event traffic to disperse the site in a faster, and more orderly fashion.
3. The proposed modification is consistent with MDOT guidelines and MDOT staff support the proposed access design.
- **MDOT Staff reviewed the driveway configuration and have no objections.**
4. The proposed modification is consistent with the general intent of the standards of this Overlay Zone and the recommendations of the U.S. 31 and M-45 Corridor Study.
- Staff believes the following items listed in Findings and Statement of Purpose section are consistent with the general intent of the Overlay Zone:
    - Promote public safety and efficient flow of vehicular traffic by minimizing conflicts from turning movements resulting from the proliferation of unnecessary curb cuts and driveways.
    - Ensure safe access by emergency vehicles.
    - Encourage efficient flow of traffic by minimizing the disruption and conflicts between through traffic and turning movements.
    - Preserve the capacity along U.S. 31/M-45 and other roads in the Overlay Zone by limiting and controlling the number and location of driveways, and requiring alternate means of access through shared driveways, service drives, and access via cross streets.
    - Require coordinated access among adjacent lands where possible.
    - Provide landowners with reasonable access, although the access may be restricted to a shared driveway, service drive, or via a side street, or the number and location of access points may not be the arrangement most desired by the landowner or applicant.
    - Promote a more coordinated development review process with the Michigan Department of Transportation and the Ottawa County Road Commission.
5. If deemed necessary by the Planning Commission, a traffic study by a qualified traffic engineer has been provided that certifies the modification will improve traffic operations and safety along U.S. 31 or M-45, and is not simply for convenience of the development.

6. The applicant shall demonstrate with dimensioned drawings that such modification shall not create non-compliant access to adjacent lands that may develop or redevelop in the future.
  - The modifications are proposed to enhance access to adjacent land that is already developed.
  - All adjacent lands on Rosy Mound Drive are encumbered with existing operations that are highly unlikely to redevelop. Thus, the proposed driveway would not create non-compliant access to adjacent lands.
7. Roadway improvements will be made to improve overall traffic operations prior to the project completion or occupancy of the first building.
  - The driveway will be installed as soon as all permitting requirements have been met.
  - Overall traffic operations for the GHHS site will improve for dispersal of special events.
8. Indirect or shared access is not reasonable.
  - No sharing will be possible. The proposed driveway is separate and distinct, gated, and for occasional, event related use.
  - As described in the applicant's narrative, concerted effort has been made to locate this drive in different locations to no avail.
9. Such modification shall be demonstrated to be the minimum necessary.
  - The proposed departure is for an occasional use, gated, exit only, right turn only driveway.
  - Staff has ensured the requested modifications are the absolute minimum necessary.

## SAMPLE MOTIONS

If the Township Board finds the application complies with the standards, the following motion can be offered:

**Motion** to postpone consideration of the proposed PUD Amendment for Village at Rosy Mound to allow the Grand Haven Area Public Schools to construct an occasional use, gated, exit-only, right-turn only driveway onto Rosy Mound Drive until the May 14<sup>th</sup> Board meeting. This motion is subject to, and incorporates, the following report and conditions. **This is a first reading.**

If the Township Board finds the application does not comply with the standards, the following motion can be offered:

**Motion** to deny the PUD Amendment for Village at Rosy Mound, and direct staff to draft a formal motion and report with those discussion points, which will be

reflected in the meeting minutes. This report and motion will be reviewed and considered for adoption at the May 14<sup>th</sup> Board meeting.

**REPORT (TO BE USED WITH A MOTION TO APPROVE)**

REPORT – VILLAGE AT ROSY MOUND – PUD AMENDMENT

Pursuant to the provisions of the Grand Haven Charter Township (the “Township”) Zoning Ordinance (the “Zoning Ordinance”), the following is the report of the Grand Haven Charter Township Board (the “Board”) concerning an application by RW Properties I LLC (the “Developer”) for approval of a Village at Rosy Mound Planned Unit Development (the “Project” or the “PUD”).

The Project amendment will consist of an occasional use, gated, exit-only, right-turn only driveway onto Rosy Mound Drive for the benefit of the Grand Haven Area Public Schools to effectively discharge traffic from the Grand Haven High School. The Project as recommended for approval is shown on a final site plan (the “Final Site Plan”), last revised 2/15/2018, referred to as the “Documentation,” presently on file with the Township.

The purpose of this report is to state the decision of the Board concerning the Project, the basis for the Board’s determination, and the Board’s decision that the Village at Rosy Mound PUD Amendment be approved as outlined in this motion. The Developer shall comply with all of the Documentation submitted to the Township for this Project. In granting the approval of the proposed PUD application, the Board makes the following findings pursuant to Section 17.04.3 of the Zoning Ordinance.

1. The Project meets the site plan review standards of Section 23.06 of the Zoning Ordinance. Specifically, pursuant to Section 23.06.7, the Board finds as follows:
  - A. The uses proposed will not adversely affect the public health, safety, or welfare. Uses and structures located on the site take into account topography, size of the property, the uses on adjoining property and the relationship and size of buildings to the site. The site will be developed so as not to impede the normal and orderly development or improvement of surrounding property for uses permitted in this Ordinance.
  - B. Safe, convenient, uncontested, and well defined vehicular and pedestrian circulation is provided for ingress/egress points and within the site. Drives, streets and other circulation routes are designed to promote safe and efficient traffic operations within the site and at ingress/egress points.
  - C. The arrangement of public or private vehicular and pedestrian connections to existing or planned streets in the area are planned to provide a safe and efficient circulation system for traffic within the Township.
  - D. Removal or alterations of significant natural features are restricted to those areas which are reasonably necessary to develop the site in accordance with the requirements of this Ordinance. The Board has required that landscaping, buffers, and/or greenbelts be preserved and/or provided to ensure that proposed uses will be adequately buffered from one another and from surrounding public and private property.
  - E. Areas of natural drainage such as swales, wetlands, ponds, or swamps are protected and preserved insofar as practical in their natural state to provide areas for natural habitat, preserve drainage patterns and maintain the natural characteristics of the land.
  - F. The site plan provides reasonable visual and sound privacy for all dwelling units located therein and adjacent thereto. Landscaping shall be used, as appropriate, to accomplish these purposes.

- G. All buildings and groups of buildings are arranged so as to permit necessary emergency vehicle access as requested by the Fire/Rescue Department.
  - H. All streets and driveways are developed in accordance with the Ottawa County Road Commission (“OCRC”) specifications, as appropriate. In addition, an internal sidewalk system and a non-motorized pathway within the Rosy Mound Drive right-of-way have been included.
  - I. Appropriate measures have been taken to ensure that removal of surface waters will not adversely affect neighboring properties or the public storm drainage system. Provisions have been made to accommodate storm water, prevent erosion and the formation of dust.
  - J. Exterior lighting is arranged so that it is deflected away from adjacent properties and so it does not interfere with the vision of motorists along adjacent streets and consists of sharp cut-off fixtures to reduce light pollution and preserve the rural character of the Township.
  - K. All loading and unloading areas and outside storage areas, including areas for the storage of trash, which face or are visible from residential districts or public streets, are screened.
  - L. Entrances and exits are provided at appropriate locations so as to maximize the convenience and safety for persons entering or leaving the site.
  - M. The Documentation conforms to all applicable requirements of County, State, Federal, and Township statutes and ordinances.
  - N. As appropriate, fencing will be installed around the boundaries of the Project if deemed necessary by either the Township or the Developer to prevent trespassing or other adverse effects on adjacent lands.
  - O. The general purposes and spirit of the Zoning Ordinance and the Master Plan of the Township are maintained.
2. The Board finds the Project meets the intent for a PUD, as described in Section 17.01.3 of the Zoning Ordinance. By approving this Project as a PUD, the Township has been able to negotiate various amenities and design characteristics as well as additional restrictions with the Developer, as described in this report, which the Township would not have been able to negotiate if the PUD Chapter of the Zoning Ordinance was not used.
3. Section 17.01.5, and Section 17.02.1.B.1-4 of the Zoning Ordinance, as well as Section 503 of the Michigan Zoning Enabling Act, allow for departures from Zoning Ordinance requirements; these provisions are intended to result in land use development that is substantially consistent with the goals and objectives of the Township Master Plan and the Zoning Ordinance, and consistent with sound planning principles. The Developer requested a modification of access standards pursuant to Section 15A.07. The Board makes the following findings.
- A. Section 15A.07.1 – practical difficulties exist on site that makes compliance unreasonable.
    - i. As part of the site plan review process the Board considered this condition and find that sight distance limitations, topography, wetlands, existing development, and unique site configuration warrant the requested modifications.
  - B. Section 15A.07.2 – involves an access improvement to an existing site.
    - i. As part of the site plan review process the Board considered this condition and find that access and dispersal of traffic from the existing Grand Haven High School site will be improved.
  - C. Section 15A.07.3 – modification is consistent with MDOT guidelines and MDOT staff support the proposed access design.
    - i. As part of the site plan review process the Board considered this condition and find that MDOT staff have reviewed the driveway configuration and have no objections.

- D. Section 15A.07.4 – modification is consistent with the general intent of the standards of the Overlay Zone and the recommendations of the U.S. 31 and M-45 Corridor Study.
    - i. As part of the site plan review process the Board considered this condition and find the requested modifications are consistent with the general intent and standards listed in Section 15A.01.
  - E. Section 15A.07.5 – if necessary, a traffic study will be provided that certifies the modifications will improve traffic operations and safety and is not simply for convenience of the development.
    - i. As part of the site plan review process the Board considered this condition and find that a traffic study is not necessary. The applicant, and representatives from Grand Haven Area Public Schools have supplied enough evidence to satisfy this condition.
  - F. Section 15A.06 – demonstrate such modification shall not create non-compliant access to adjacent lands that may develop or redevelop in the future.
    - i. As part of the site plan review process the Board considered this condition and find the Grand Haven Area Public Schools and Ottawa County Road Commission are the only adjacent property owners, and each have a vested interest in this project. Additionally, the two sites are built-out and nothing has been presented that suggests either will redevelop in the future.
  - G. Section 15A.07.7 – roadway improvements will improve overall traffic operations.
    - i. As part of the site plan review process the Board considered this condition and find that Grand Haven High School has a known history of problematic traffic dispersal after special events, and this occasional use, exit-only driveway will improve the overall traffic operations for that site.
  - H. Section 15A.07.8 – indirect or shared access is not reasonable.
    - i. As part of the site plan review process the Board considered this condition and find that based on existing development and the history of the Grand Haven Area Public Schools attempting to find a location for a separate exit-drive there are no other viable alternatives.
  - I. Section 15A.07.9 – modifications shall be demonstrated to be the minimum necessary.
    - i. As part of the site plan review process the Board considered this condition and find the applicant has demonstrated the requested modifications to be the minimum necessary, with the exception of the condition to reduce the width to a maximum of 14-feet.
4. Compared to what could have been constructed by right, the Project has been designed to accomplish the following objectives from Section 17.01.4 of the Zoning Ordinance.
- A. The Project will encourage the use of land in accordance with its natural character and adaptability;
  - B. The Project will promote the conservation of natural features and resources;
  - C. The Project will promote innovation in land use planning and development;
  - D. The Project will promote greater compatibility of design and better use between neighboring properties;
  - E. The Project will promote more economical and efficient use of the land.
5. The Project meets the following qualification requirements of Section 17.02 of the Zoning Ordinance:
- A. The Project meets the minimum size of five acres of contiguous land.
  - B. The PUD design substantially promotes the Intent and Objectives of Section 17.01 of the Zoning Ordinance; it further permits an improved layout of land uses and roadways that could not otherwise be achieved under normal zoning.

- C. The Project contains three separate and distinct residential uses—congregate, assisted living, and cottages, and provides an alternative means for special event traffic dispersal for the nearby Grand Haven High School.
  - D. The Project site exhibits significant natural features encompassing more than 25% of the land area, which will be preserved as a result of the PUD plan and includes forested areas and wetlands.
  - E. The Project site has distinct physical characteristics which makes compliances with the strict requirements of the Zoning Ordinance impractical.
6. The Board also finds the Project complies with the general PUD Design Considerations of Section 17.05 of the Zoning Ordinance.
- A. The storm water management system for the Project and the drainage facilities will properly accommodate storm water on the site, will prevent runoff to adjacent properties, and are consistent with the Township's groundwater protection strategies.
  - B. The Project will not interfere with or unduly burden the water supply facilities, the sewage collection and disposal systems, or other public services such as school facilities, park and recreation facilities, etc.
  - C. Utility services within the Project shall be underground. This includes but is not limited to electricity, gas lines, telephone, cable television, public water and sanitary sewer.
  - D. The internal road system in the Project is designed to limit destruction of existing natural vegetation and to decrease the possibility of erosion.
  - E. Vehicular circulation, traffic and parking areas have been planned and located to minimize effects on occupants and users of the Project and to minimize hazards to adjacent properties and roadways.
  - F. The Project is reasonably compatible with the natural environment of the site and the adjacent premises.
  - G. The Project will not unduly interfere with the provision of adequate light or air, nor will it overcrowd land or cause an unreasonably severe concentration of population.
  - H. Signage is compliant with Section 24.13 of the Zoning Ordinance.
  - I. The Project will not have a substantially detrimental effect upon or substantially impair the value of neighborhood property, as long as all of the standards and conditions of this approval of the Project are satisfied.
  - J. The Project is in compliance with all applicable Federal, State, County, and local laws and regulations. Any other permits for development that may be required by other agencies shall be available to the Township Board before construction is commenced.
  - K. A maximum of one driveway or street opening per existing public street frontage has been permitted, unless otherwise modified.
  - L. The Project abuts a single family residential district and a woodland will provide a sufficient obscuring effect and act as a transitional area.
  - M. The Project is consistent with the goals and objectives of the Master Land Use Plan.
7. The Board also finds the Project complies with the Overlay Zone findings and statement of purpose found in Section 15A.01 and 15A.04.6 of the Zoning Ordinance.
- A. The Project accommodates a variety of uses permitted by the underlying zoning, but ensures such uses are designed to achieve an attractive built and natural environment.

- B. The Project promotes public safety and efficient flow of vehicular traffic by minimizing conflicts from turning movements resulting from the proliferation of unnecessary curb cuts and driveways.
  - C. The Project ensures safe access by emergency vehicles.
  - D. The Project encourages efficient flow of traffic by minimizing the disruption and conflicts between through traffic and turning movements.
  - E. The Project preserves the capacity along US-31 and other roads in the Overlay Zone by limiting and controlling the number and location of driveways and requires alternate means of access through service drives.
  - F. The Project seeks to reduce the number and severity of crashes by improving traffic operations and safety.
  - G. The Project requires coordinated access among adjacent lands where possible.
  - H. The Project provides landowners with reasonable access, although the number and location of access points may not be the arrangement most desired by the Developer.
  - I. The Project preserves woodlands, view sheds, and other natural features along the corridor.
  - J. The Project ensures that distractions to motorists are minimized by avoiding blight and clutter while providing property owners and businesses with appropriate design flexibility and visibility.
  - K. The Project implements the goals expressed in the US-31/M-45 Corridor Study.
  - L. The Project establishes uniform standards to ensure fair and equal application.
  - M. The Project addresses situations where existing development within the Overlay Zone does not conform to the standards.
  - N. The Project promotes a more coordinated development review process with the Michigan Department of Transportation and the OCRC.
  - O. The Project's existing views to natural areas, woodlands and other natural features, will be preserved to the extent practical.
  - P. The number of access points within the Project have been restricted to the fewest needed to allow motorists reasonable access to the site.
  - Q. The Project's access spacing from intersections, other driveways, and any median crossovers meet the standards within the Overlay Zone, and the standards of applicable MDOT and the OCRC, and are the maximum practical.
  - R. Provisions for this Project have been made to share access with adjacent uses, either now or in the future, including any necessary written shared access and maintenance agreements.
  - S. Traffic impacts associated with the Project are accommodated by a road system that will not degrade the level of service below one grade, and in no case shall any movements be projected at a level of service below D, unless improvements are made to address the impacts.
8. The Board also finds the Project shall comply with the below additional conditions as well.
- A. The width of the proposed occasional use, gated, exit-only, right-turn only driveway shall be decreased to 14-feet.
  - B. Emergency vehicles shall be able to utilize the occasional use, gated, exit-only, right-turn only driveway if an emergency situation presents itself and it is impractical to gain access via an alternative location.
  - C. Project shall comply with all the prior conditions of the prior PUD approval, to the extent relevant.

- D. Project shall comply with all applicable federal state county, and Township laws and ordinances.
- E. Developer shall execute a revised PUD Agreement between the Township and the Developer.
- F. A safety officer that is approved by a recognized law enforcement agency shall be onsite to assist with traffic control when each event concludes.
- G. The Township shall review this application again in 1-year to determine if any changes are warranted to improve the function and compatibility of the road. The Township intends to collect feedback from all relevant agencies, including, but not limited to the Ottawa County Road Commission and Ottawa County Sheriff's Office.

**PUBLIC SERVICES DEPARTMENT  
END OF THE MONTH REPORT  
2018**

**WATER**

MONTH	WORK ORDERS	METER INSTALLS		REPLACED METERS	REPLACED MXU'S	NEW TAPS		MAIN INSTALLED IN FEET	MILLION GALLONS OF NWS WATER	MILLION GALLONS OF G.R. WATER	G.R. SUPPLIMENTAL WATER
		3/4"	1"			3/4"	1"				
JANUARY	190	5	0	3	132	2	0	0	35.51	1.33	0.00
FEBRUARY	266	5	3	4	168	1	1	0	46.31	1.47	0.00
MARCH	341	1	5	16	204	1	5	3766	35.45	1.92	0.00
APRIL									0.00	0.00	0.00
MAY									0.00	0.00	0.00
JUNE									0.00	0.00	0.00
JULY									0.00	0.00	0.00
AUGUST									0.00	0.00	0.00
SEPTEMBER									0.00	0.00	0.00
OCTOBER									0.00	0.00	0.00
NOVEMBER									0.00	0.00	0.00
DECEMBER									0.00	0.00	0.00
TOTAL YTD	797	11	8	23	504	4	6	3766	117.28	4.72	0.00
TOTALS		19				10				4.72	
						5307			121.99		

NOTES:

**WASTEWATER**

MONTH	WORK ORDERS	NEW TAPS	MAIN INSTALLED IN FEET	MILLION GALLONS OF WASTE PUMPED
JANUARY	1	1	0	7.01
FEBRUARY	1	2	0	10.74
MARCH	3	4	0	8.28
APRIL				0.00
MAY				0.00
JUNE				0.00
JULY				0.00
AUGUST				0.00
SEPTEMBER				0.00
OCTOBER				0.00
NOVEMBER				0.00
DECEMBER				0.00
TOTAL YTD	5	7	0	26.03
TOTALS		840		

NOTES: