

**CHARTER TOWNSHIP OF GARFIELD  
TOWN BOARD MEETING**

Tuesday, July 14, 2015 at 6:00pm  
Garfield Township Hall  
3848 Veterans Drive  
Traverse City, MI 49684  
Ph: (231) 941-1620

**A G E N D A**

**ORDER OF BUSINESS**

**Call meeting to order**

**Pledge of Allegiance**

**Roll call of Board Members**

**1. Public Comment**

**Public Comment Guidelines:**

Any person shall be permitted to address a meeting of The Township Board, which is required to be open to the public under the provision of the Michigan Open Meetings Act, as amended. (MCLA 15.261, et.seq.) Public Comment shall be carried out in accordance with the following Board Rules and Procedures: a.) any person wishing to address the Board is requested to state his or her name and address. b.) No person shall be allowed to speak more than once on the same matter, excluding time needed to answer Township Board Member's questions.

Where constrained by available time the Chairperson may limit the amount of time each person will be allowed to speak to (3) minutes. 1.) The Chairperson may at his or her own discretion, extend the amount of time any person is allowed to speak. 2.) Whenever a Group wishes to address a Committee, the Chairperson may require that the Group designate a spokesperson; the Chairperson shall control the amount of time the spokesperson shall be allowed to speak when constrained by available time.

**2. Review and approval of the Agenda - Conflict of Interest**

**3. Consent Calendar**

The purpose of the Consent calendar is to expedite business by grouping non-controversial items together to be dealt with in one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the Consent Calendar be removed there from and placed elsewhere on the Agenda for full discussion. Such requests will be automatically respected. If any item is not removed from the Consent Calendar, the action noted in parentheses on the Agenda is approved by a single Board action adopting the Consent Calendar.

a. Minutes – June 23, 2015 Special Meeting (Recommend Approval)

Minutes – June 23, 2015 Regular Meeting (Recommend Approval)

b. Bills -

General Fund (Recommend Approval)	\$ 409,775.87
Gourdie-Fraser Developer's Escrow Fund	\$ 1,500.00
Utility Receiving Fund	<u>64,261.50</u>
Total (Recommend Approval)	\$ 65,761.50

c. MTT Update (Receive and File)

d. Acceptance of facilities for Zimmerman Road Water Main Extension (Recommend Approval)

e. 2014 Audit Report (Recommend Approval)

f. Ordinance No. 69, Charter Township of Garfield Fire Prevention Ordinance. Introduce and schedule for Public Hearing on July 28, 2015. (Recommend Approval)

g. PD 2015-50 - Brookside Commons Planned Unit Development – Major Amendment SUP 2009-01-A. Introduce and schedule for Public Hearing on August 11, 2015. (Recommend Approval)

4. **Correspondence**

5. **Reports**

- a. Construction Report
- b. Sheriff's Department Report
- c. County Commissioner's Report
- d. Treasurer's Report
- e. Clerk's Report
- f. Supervisor's Report

6. **Unfinished Business**

- a. Consideration of Purchase Agreement for property for water tower for NW Storage Project

7. **New Business**

- a. Presentation by John Sych – Joint Housing Task Force Report
- b. Consideration of Community-Wide Proclamation for Housing

8. **Public Comment**

9. **Other Business**

## 10. Adjournment

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Lanie McManus, Clerk

The Garfield Township Board will provide necessary reasonable auxiliary aids and services, such as signers for hearing impaired and audio tapes of printed materials being considered at the meeting to individuals with disabilities upon the provision of reasonable advance notice to the Garfield Township Board. Individuals with disabilities requiring auxiliary aids or services should contact the Garfield Township Board by writing or calling Lanie McManus, Clerk, Ph: (231) 941-1620, or TDD #922-4412.

**CHARTER TOWNSHIP OF GARFIELD**  
**SPECIAL TOWN BOARD MEETING**  
**June 23, 2015**

Chuck Korn, Township Supervisor, called the Town Board Meeting to order on June 23, 2015 at 5:00 p.m. at the Boardman Lake Apartments Community Room, at 2790 Boardman Lake Drive, Traverse City, Michigan.

**Roll call of Board Members**

Present: Jeane Blood Law, Kit Wilson, Denise Schmuckal, Bob Featherstone, and  
Chuck Korn

**1. Business to Come Before the Board**

**a. Tour of Boardman Lake Apartments**

The Board toured the renovated buildings.

**2. Public Comment**

The Board thanked Craig Patterson for arranging the tour.

**3. Adjournment (4:59)**

The meeting adjourned at 5:40 p.m.

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Chuck Korn, Supervisor  
Charter Township of Garfield  
3848 Veterans Drive  
Traverse City, MI 49686

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Lanie McManus, Clerk  
Charter Township of Garfield  
3848 Veterans Drive  
Traverse City, MI 49686



**CHARTER TOWNSHIP OF GARFIELD**  
**TOWN BOARD MEETING**  
**June 23, 2015**

Chuck Korn called the Town Board Meeting to order on June 23, 2015 at 6:00 p.m. at the Garfield Township Hall, 3848 Veterans Drive, Traverse City, Michigan.

**Pledge of Allegiance**

**Roll call of Board Members**

Present: Bob Featherstone, Molly Agostinelli, Kit Wilson, Denise Schmuckal, Jeane Blood Law, and Chuck Korn

Absent and Excused: Lanie McManus

**1. Public Comment (6:00)**

None

**2. Review and Approval of the Agenda - Conflict of Interest (6:01)**

*Wilson moved and Schmuckal seconded to approve the agenda as presented.*

*Yeas: Wilson, Schmuckal, Agostinelli, Featherstone, Blood Law, Korn*

*Nays: None*

**3. Consent Calendar (6:03)**

**a. Minutes**

June 9, 2015

(Recommend Approval)

**b. Bills**

General Fund

\$328,629.44

(Recommend Approval)

**c. Acceptance of Hammond Commerce Center sewer and water main extensions on Industry Drive and turn over to County DPW for operation and maintenance. (Recommend Approval)**

**d. Application for Progress Payment #4 (Final Payment) for Team Elmers for Zimmerman Road Watermain Extension in the amount of \$36,620.10. (Recommend Approval)**

*Agostinelli moved and Schmuckal seconded to adopt the consent calendar as presented.*

*Yeas: Agostinelli, Schmuckal, Blood Law, Wilson, Featherstone, Korn*

*Nays: None*

**4. Correspondence (6:03)**

One letter was received from the builder regarding the delay in the Emergency Exit canopy construction at the Township Hall.

**5. Reports****a. Construction Report (6:19)**

Jennifer Hodges submitted a report in writing which indicated that Gourdie-Fraser is busy with several projects including the new water service project for the Northwest Service District, pump stations #3, #1, and #9, and the LaFranier Road Project. Plan reviews have also been completed on Buffalo Ridge and Chelsea Park.

**b. GT Metro Fire Report (6:03)**

Lt. Terry Flynn reported on several fires in the area including Bortz Health Care and the Grand Traverse Resort. The amount of calls is about the same as last year at this time and staffing seems to be working well. The budget will be reviewed soon and smoke alarms are still being offered to those who do not have one.

**c. County Commissioner's Report (6:10)**

County Commissioner Alisa Kroupa said that the CPO contract has been settled. She has been attending project manager meetings for the Boardman Dam and all invoices for the project are now being reviewed by the County Commissioners. Commissioners are also getting an outside opinion and financial analysis of the county finances. Kroupa said that the Commission has hired a consultant for the Budgeting for Outcomes process. The Joint Housing Task Force process is finished. There is a citizen's group which may want to help to fund the Easling Pool.

**d. Building Committee Report (6:20)**

Agostinelli said she spoke with Bill Mouser and they will review several Township Hall projects and bring them back to the Board for discussion.

**e. Treasurer's Report (6:24)**

Blood Law gave a review of the yard waste pass program and said that the program dates should be moved to mid-May next year. There are already dates for the fall clean-up program.

**f. Supervisor's Report (6:50)**

Korn said that he met with Brian Thurston regarding the water system expansion. He attended court-ordered mediation with a cannabis shop located on South Airport Road and may need to go to court. He attended a seminar on the Effects of Global Warming on the local Environment and as part of the Personnel Committee, he also attended a seminar on "why people leave" their jobs. He also mentioned attending the housing summit last week.

**6. Unfinished Business (6:32)****a. Public Hearing – Consideration of Resolution #2015-08-T(c), a Tentative Special Assessment Roll for Forestlane Subdivision Roads Special Assessment District (6:32)**

Korn explained that this action is the final step in establishing a Special Assessment District for Forestlane Subdivision.

Korn opened the Public Hearing at 6:33pm.

Charlotte Case inquired about a guarantee on the road. Korn explained the Road Commission established standards for road building and added that there was usually a one year warranty.

Frank Greenlaw asked about payment without interest.

Korn closed the Public Hearing at 6:40pm. He stated that the project will likely begin sometime this summer.

*Schmuckal moved and Blood Law seconded to adopt Resolution #2015-08-T(c), a Tentative Special Assessment Roll for Forestlane Subdivision Roads Special Assessment District.*

*Yeas: Schmuckal, Blood Law, Wilson, Agostinelli, Featherstone, Korn*  
*Nays: None*

**b. Consideration of Adoption of FOIA Procedures and Guidelines (6:42)**

Changes have been made as requested which delete language pertaining to oral requests. Oral requests for information will not formally be considered a FOIA Request.

*Schmuckal moved and Wilson seconded to adopt the Charter Township of Garfield FOIA Procedures and Guidelines.*

*Yeas: Schmuckal, Wilson, Featherstone, Blood Law, Agostinelli, Korn*  
*Nays: None*

**c. Consideration of the naming of a new road in Sec. 06, T27N-R11W, Grand Traverse County MI of “Windy Acres Lane” (6:44)**

*Schmuckal moved and Wilson seconded to accept the name “Windy Acres Lane” for a private road name in Grand Traverse County.*

*Yeas: Schmuckal, Wilson, Featherstone, Agostinelli, Blood Law, Korn*  
*Nays: None*

**d. Update on NW Water Storage Project (6:45)****i. Awarding the bid for the Cedar Run/Harris Road Watermain Extension**

Jennifer Hodges said that there were two bids for the project and she recommends that the Township hire the low bidder, Team Elmer's, for a cost of \$1,895,340.

*Featherstone moved and Blood Law seconded to accept the bid from Team Elmer's for the Cedar Run/Harris Road Watermain Extension for \$1,895,340.*

*Yeas: Featherstone, Blood Law, Schmuckal, Agostinelli, Wilson, Korn  
Nays: None*

**ii. Approval of Survey for water tower**

Hodges said that the water tower survey had been completed by a professional surveyor.

**7. New Business (6:52)****a. Consideration of Resolution 2015-09-T, a resolution to adopt the Annual Exemption Option as set forth in 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act (6:52)**

Korn said that this needs to be passed by the Board yearly so that the Township can be exempted from P.A. 152. He added that there was a 3% increase in insurance costs this year.

*Schmuckal moved and Wilson seconded to adopt Resolution 2015-09-T, a resolution to adopt the Annual Exemption Option as set forth in 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act.*

*Yeas: Schmuckal, Wilson, Agostinelli, Featherstone, Blood Law, Korn  
Nays: None*

**b. Consideration of bids for striping and sealcoating of Town Hall Parking Lot (6:53)**

Mouser reviewed the bids with Board members and said that ACE Seal Right was the lowest bidder. Board members discussed the bids and reviewed what was included in each bid.

*Agostinelli moved and Blood Law seconded to hire Black Magic for seal coating and striping of the Town Hall parking lot citing that it was the most inclusive bid.*

*Yeas: Agostinelli, Blood Law, Featherstone, Wilson, Schmuckal, Korn  
Nays: None*

**8. Public Comment (7:12)**

Cindy Smith of Buckhorn Drive expressed displeasure with her yard repair after the Zimmerman Road construction was completed. She passed out pictures to Board members and Korn said that he would talk with Team Elmer's.

Dale Popa, of Zimmerman Road also has the same issue on his property.

Jennifer Hodges said that she is maintaining a list of residents with complaints and is withholding payment from Team Elmers until the yards are restored properly. Elmer's is aware of the problem and must maintain a one year warranty for the germination of grass seed that was used per the permit conditions.

**9. Other Business (7:19)****10. Adjournment**

*Agostinelli moved to adjourn the meeting at 7:19 p.m.*

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Chuck Korn, Supervisor  
Charter Township of Garfield  
3848 Veterans Drive  
Traverse City, MI 49686

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Lanie McManus, Clerk  
Charter Township of Garfield  
3848 Veterans Drive  
Traverse City, MI 49686

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
Bank GEN General						
06/18/2015	GEN	34014	0001	GARFIELD CHARTER TOWNSHIP	HSA	232.70
06/18/2015	GEN	34015	0050	INTEGRITY BUSINESS SOLUTIONS	SUPPLIES	15.90
06/18/2015	GEN	34016	MISC	LISA RITTER	MILEAGE	34.51
06/18/2015	GEN	34017	0568	NORTHERN OFFICE EQUIP	SERVICE CONTRACT	75.00
06/18/2015	GEN	34018	0036	SMITH HAUGHY RICE & ROEGGE	LEGAL SERVICES	148.00
06/18/2015	GEN	34019	0202	UNITED WAY	UNITED WAY	85.00
06/18/2015	GEN	34020	0006	VRIAC	DEFERRED COMP	1,838.00
06/22/2015	GEN	34021	0209	STATE OF MICHIGAN (P)	38-1915740	2,493.71
06/29/2015	GEN	34022	0071	86TH DISTRICT COURT	REQUEST & ORDER TO SEIZE PROPERTY	15.00
06/29/2015	GEN	34023	0147	ALWAYS CARE	EMPLOYEE HEALTHCARE	1,347.50
06/29/2015	GEN	34024	0148	AMERICAN WASTE	S.A. ROAD CLEAN-UP	860.00
06/29/2015	GEN	34025	0130	ANNE WENDLING	CONTRACTED SVCS	293.00
06/29/2015	GEN	34026	0064	CITY OF TRAVERSE CITY	170975-94720	681.60
06/29/2015	GEN	34027	0375	FIFTH THIRD BANK	5473785478000162	22.18
06/29/2015	GEN	34028	0375	FIFTH THIRD BANK	5473785400032465	879.66
06/29/2015	GEN	34029	0313	GRAND TRAVERSE CONSERVATION DI	TOOL/VEHICLE/SUPPLIES	990.91
06/29/2015	GEN	34030	0092	GRAND TRAVERSE COUNTY	SHERIFF - INVESTIGATIVE APRIL-JUNE 2015	40,487.50
06/29/2015	GEN	34031	0303	HOME DEPOT CREDIT SERVICES	SUPPLIER	42.27
06/29/2015	GEN	34032	0303	I.T. RIGHT	VIDEO CARD	61.20
06/29/2015	GEN	34033	0050	INTEGRITY BUSINESS SOLUTIONS	SUPPLIES	115.27
06/29/2015	GEN	34034	0003	INTERNATIONAL ASSOCIATION OF	IAAO CONFERENCE AMY DEHAAN	500.00
06/29/2015	GEN	34035	0019	JEANE BLOOD LAW	MILEAGE / EDUCATION	74.95
06/29/2015	GEN	34036	0920	LANDGREEN LAWN CARE	SILVER LAKE FERTILIZER	2,063.00
06/29/2015	GEN	34037	0568	NORTHERN OFFICE EQUIP	CONTRACTED SVCS	601.91
06/29/2015	GEN	34038	0504	OTIS ELEVATOR	SERVICE CONTRACT	3,286.80
06/29/2015	GEN	34039	0085	RICK ROBBINS	LEGAL SERVICES	42.20
06/29/2015	GEN	34040	0915	SUPERFLEET	GAS	282.37
06/29/2015	GEN	34041	0391	THE GUARDIAN	EMPLOYEE INSURANCE	914.18
06/29/2015	GEN	34042	MISC	WADE TRIM	CTG200101C	7,805.23
07/01/2015	GEN	34043	0714	BETTY TEZAK	EDUCATION	24.13
07/01/2015	GEN	34044	0020	CHUCK KORN	EDUCATION	30.00
07/01/2015	GEN	34045	MISC	DANIEL P. O'NEIL	MEDIATION	384.85
07/01/2015	GEN	34046	0375	FIFTH THIRD BANK	5473785400027192	28.43
07/01/2015	GEN	34047	0050	INTEGRITY BUSINESS SOLUTIONS	SUPPLIES	13.52
07/01/2015	GEN	34048	0377	U.S. POSTAL SERVICE	ANNUAL PERMIT FEE	225.00
07/07/2015	GEN	34049	0148	AMERICAN WASTE	3394830	245.98
07/07/2015	GEN	34050	0148	AMERICAN WASTE	3394790	79.00
07/07/2015	GEN	34051	0065	CHERRYLAND ELECTRIC COOP.	4478400	151.96
07/07/2015	GEN	34052	0065	CHERRYLAND ELECTRIC COOP.	SERVICES	2,234.38
07/07/2015	GEN	34053	0064	CITY OF TRAVERSE CITY	170975-118686	16.30
07/07/2015	GEN	34054	0048	CONSUMERS ENERGY	1000 1813 1597	72.38
07/07/2015	GEN	34055	0048	CONSUMERS ENERGY	1000 0031 1801	6,731.85
07/07/2015	GEN	34056	0102	DTE ENERGY	4591 568 0005 2	88.84
07/07/2015	GEN	34057	0102	DTE ENERGY	4591 568 0001 1	199.95
07/07/2015	GEN	34058	0124	ENGINEERED PROTECTION SYS.	CONTRACTED SVCS.	354.75
07/07/2015	GEN	34059	0001	GARFIELD CHARTER TOWNSHIP	HSA	232.70
07/07/2015	GEN	34060	0082	GRAND TRAVERSE COUNTY	CONTRACTED SVCS - DETECTIVE	250,007.75
07/07/2015	GEN	34061	0087	GRAND TRAVERSE COUNTY ROAD	LAFRANIER ROAD DESIGN COST	59,021.70
07/07/2015	GEN	34062	0916	GRID4 COMMUNICATIONS, INC.	PHONE	1,050.58
07/07/2015	GEN	34063	0498	NORTHERN MI JANITORIAL SUP	SUPPLIES	129.60
07/07/2015	GEN	34064	0472	RUBY CLEANING SERVICE	CONTRACTED SVCS.	1,150.00
07/07/2015	GEN	34065	0472	RUBY CLEANING SERVICE	CONTRACTED SVCS	328.28
07/07/2015	GEN	34066	0395	SPECTRUM BUSINESS	SERVICES	65.00
07/07/2015	GEN	34067	0209	STATE OF MICHIGAN (P)	WITHHOLDING 6.15	2,492.18
07/07/2015	GEN	34068	0040	TEMPERATURE CONTROL	CONTRACTED SVCS	797.50
07/07/2015	GEN	34069	0074	TOBIN & CO	CONTRACTED SVCS	15,054.40
07/07/2015	GEN	34070	0067	TRAVERSE CITY RECORD EAGLE	ADVERTISING	338.20

Check Date	Bank	Check	Vendor	Vendor Name	Description	Amount
07/07/2015	GEN	34071	0202	UNITED WAY	UNITED WAY	85.00
07/07/2015	GEN	34072	0006	VRIAC	DEFERRED COMP	1,838.00
07/07/2015	GEN	34073	0001	GARFIELD CHARTER TOWNSHIP	28-05-027-010-00	44.11
GEN TOTALS:						
Total of 60 Checks:						409,805.87
Less 1 Void Checks:						30.00
Total of 59 Disbursements:						409,775.87



PH 231.946.5874

FAX 231.946.3703

[www.gfa.tc](http://www.gfa.tc)

June 30, 2015

## SUMMARY OF JUNE BILLINGS FOR APPROVAL FROM GARFIELD TOWNSHIP

### I. Developer's Escrow Fund

1. Engineering services for plan review and construction services.

**Buffalo Ridge Center Sewer & Water Extension**

Project#	14370	Invoice No. 1437003	1,500.00
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	1,500.00
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### II. Utility Receiving Fund

1. Engineering, survey and construction consulting services for

**Zimmerman Road Watermain Extension**

Project#	14283	Invoice No. 1428306	3,268.00
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2. Engineering, survey and construction consulting services for

**Crown Temporary Water Booster Station**

Project#	14416	Invoice No. 1441602	6,888.50
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3. Survey services for

**NW Infrastructure Improvements - Survey Services**

Project#	14417	Invoice No. 1441703	1,575.00
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4. Engineering services for

**Coordination of Utilities w/GT County Road Commission**

Project#	15029C	Invoice No. 150293118 Lafranier Road	460.00
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5. Engineering and construction services for watermain extension.

**Harris and Cedar Run Road**

Project#	15062	Invoice No. 1506204	44,790.00
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6. Engineering and construction services to upgrade existing pumping station.

**Pump Station #3 Upgrades**

Project#	15107	Invoice No. 1510702	7,280.00
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	64,261.50
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<b>GRAND TOTAL</b>	<b>\$65,761.50</b>
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**Invoice**

Gourdie-Fraser, Inc.  
123 West Front Street, PO Box 927  
Traverse City, MI 49685-0927  
Phone: 231-946-5874, Fax: 231-946-9634  
VISA/MASTERCARD Accepted, Due Upon Receipt  
A/R email: melanie@gfa.tc



MR CHUCK KORN  
CHARTER TWP OF GARFIELD  
3848 VETERANS DR  
TRAVERSE CITY, MI 49684

June 30, 2015  
Project No: 14370  
Invoice No: 1437003

Re: Buffalo Ridge Center Sewer and Water Extension  
Services Performed: Plan review, construction observation, inspection and project turnover for the water main and sewer extension.  
Project Location: Buffalo Ridge Center located off Market Place Circle on M-37, Traverse City, Garfield Township, Grand Traverse County, Michigan.

**Professional Services from May 2, 2015 to June 27, 2015****Fee**

Billing Phase	Fee	Percent Complete	Earned	Previous Fee Billing	Current Fee Billing
Plan Review	1,000.00	100.00	1,000.00	1,000.00	0.00
Construction Observation/Inspection	1,500.00	100.00	1,500.00	0.00	1,500.00
Project Turnover	500.00	0.00	0.00	0.00	0.00
Total Fee	3,000.00		2,500.00	1,000.00	1,500.00
		<b>Total Fee</b>			<b>1,500.00</b>
				<b>Total this Invoice</b>	<b>\$1,500.00</b>

**Invoice**

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123 West Front Street, PO Box 927  
Traverse City, MI 49685-0927  
Phone: 231-946-5874, Fax: 231-946-9634  
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MR CHUCK KORN  
CHARTER TWP OF GARFIELD  
3848 VETERANS DR  
TRAVERSE CITY, MI 49684

June 30, 2015

Project No: 14283

Invoice No: 1428306

Re: Zimmerman Road Watermain Extension

Services Performed: Engineering, survey and construction services for design, site inspections, final plans, construction administration and close out for the extension of the existing 16" watermain along Zimmerman Road that currently terminates at Panorama Lane and extend to the north side of North Long Lake Road.

**Professional Services from May 24, 2015 to June 27, 2015**

**Fee**

Billing Phase	Fee	Percent Complete	Earned	Previous Fee Billing	Current Fee Billing
Preliminary Design	16,000.00	100.00	16,000.00	16,000.00	0.00
Final Design	22,000.00	100.00	22,000.00	22,000.00	0.00
Coordination / Negotiations	3,000.00	100.00	3,000.00	3,000.00	0.00
Construction Staking	3,200.00	52.00	1,664.00	1,664.00	0.00
Construction Observation	43,000.00	67.00	28,810.00	25,542.00	3,268.00
Construction Administration	15,000.00	100.00	15,000.00	15,000.00	0.00
Close Out	3,000.00	100.00	3,000.00	3,000.00	0.00
Total Fee	105,200.00		89,474.00	86,206.00	3,268.00
Total Fee					3,268.00
Total this Invoice					\$3,268.00

**Invoice**

Gourdie-Fraser, Inc.  
123 West Front Street, PO Box 927  
Traverse City, MI 49685-0927  
Phone: 231-946-5874, Fax: 231-946-9634  
VISA/MASTERCARD Accepted, Due Upon Receipt  
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MR CHUCK KORN  
CHARTER TWP OF GARFIELD  
3848 VETERANS DR  
TRAVERSE CITY, MI 49684

June 30, 2015

Project No: 14416

Invoice No: 1441602

Re: Crown Temporary Water Booster Station

Services Performed: Engineering, survey and construction services for design, topographic survey, bidding, construction administration & observation and close out services of a new temporary water booster station to service the existing Crown development.

Project Location: Garfield Township, Grand Traverse County, Michigan.

**Professional Services from January 1, 2015 to June 27, 2015**  
**Fee**

Billing Phase	Fee	Percent Complete	Earned	Previous Fee Billing	Current Fee Billing
Preliminary Design	5,500.00	100.00	5,500.00	5,500.00	0.00
Final Design	9,000.00	100.00	9,000.00	2,111.50	6,888.50
Bidding	2,000.00	0.00	0.00	0.00	0.00
Construction Administration	2,500.00	0.00	0.00	0.00	0.00
Construction Observation	5,500.00	0.00	0.00	0.00	0.00
Close Out	1,000.00	0.00	0.00	0.00	0.00
Total Fee	25,500.00		14,500.00	7,611.50	6,888.50
Total Fee					6,888.50
Total this Invoice					\$6,888.50

**Invoice**

Gourdie-Fraser, Inc.  
123 West Front Street, PO Box 927  
Traverse City, MI 49685-0927  
Phone: 231-946-5874, Fax: 231-946-9634  
VISA/MASTERCARD Accepted, Due Upon Receipt  
A/R email: melanie@gfa.tc

MR CHUCK KORN  
CHARTER TWP OF GARFIELD  
3848 VETERANS DR  
TRAVERSE CITY, MI 49684

June 30, 2015

Project No: 14417

Invoice No: 1441703

Re: NW Infrastructure Improvements - Survey Services

Services Performed: Research to define any existing easements and right of way. Topographic survey of roads, define private properties and 10 acre parcel for tank/booster station. Limits shall be from row to row (+10') including homes (address/finish floor elevations). Draft proposed easements and project limits for design use.

Project Location: Zimmerman/Panorama Lane, N. Long Lake Road/Zimmerman Intersection, N. Long Lake from Woda Development, N. Zimmerman Road extension within Robertson property to Harrison Road and Cedar Run Road to Grayhawk. Garfield Township, Grand Traverse County, Michigan.

**Professional Services from May 24, 2015 to June 27, 2015**

**Fee**

Billing Phase	Fee	Percent Complete	Earned	Previous Fee Billing	Current Fee Billing
Survey Services	31,500.00	68.00	21,420.00	19,845.00	1,575.00
Total Fee	31,500.00		21,420.00	19,845.00	1,575.00
Total Fee					1,575.00
Total this Invoice					\$1,575.00

**Invoice**

Gourdle-Fraser, Inc.  
123 West Front Street, PO Box 927  
Traverse City, MI 49685-0927  
Phone: 231-946-5874, Fax: 231-946-9634  
VISA/MASTERCARD Accepted, Due Upon Receipt  
A/R email: melanie@gfa.tc



MR CHUCK KORN  
CHARTER TWP OF GARFIELD  
3848 VETERANS DR  
TRAVERSE CITY, MI 49684

June 30, 2015  
Project No: 15029C  
Invoice No: 150293118

Re: GTC Utility Coordination - Lafranier Road

Services Performed: Engineering and survey consulting services as detailed below.

**Professional Services from May 25, 2015 to June 27, 2015**

**Professional Personnel**

	Hours	Amount
Project Manager		
HODGES, JENNIFER	4.00	
On site meeting, utility install revisions and field adjustments.		
Totals	4.00	
Total Labor		460.00
Total this Invoice		\$460.00

**Invoice**

Gourdie-Fraser, Inc.  
123 West Front Street, PO Box 927  
Traverse City, MI 49685-0927  
Phone: 231-946-5874, Fax: 231-946-9634  
VISA/MASTERCARD Accepted, Due Upon Receipt  
A/R email: melanie@gfa.tc



MR CHUCK KORN  
CHARTER TWP OF GARFIELD  
3848 VETERANS DR  
TRAVERSE CITY, MI 49684

June 30, 2015  
Project No: 15062  
Invoice No: 1506204

Re: Harris & Cedar Run Road Watermain Extension  
Services Performed: Engineering, survey and construction services for design, site inspections, final plans, construction administration and close out for the extension of the existing 16" low pressure watermain along Harris Road (between North Long Lake Road and Cedar Run Road) and west along Cedar Run Road to the address of 5256 Cedar Run Road.  
Installation of 16" low pressure watermain along east Cedar Run Road and connection to the existing Grayhawk watermain.  
Appurtenances shall include valves, hydrants and water service leads.

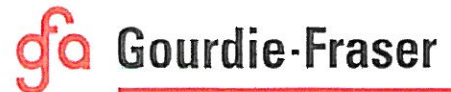
**Professional Services from May 25, 2015 to June 27, 2015****Fee**

Billing Phase	Fee	Percent Complete	Earned	Previous Fee Billing	Current Fee Billing
Final Design	82,875.00	100.00	82,875.00	41,437.50	41,437.50
Bidding	5,525.00	50.00	2,762.50	0.00	2,762.50
Construction Staking	23,250.00	0.00	0.00	0.00	0.00
Construction Observation	113,150.00	0.00	0.00	0.00	0.00
Construction Administration	22,100.00	0.00	0.00	0.00	0.00
Record Drawings / Close Out	18,600.00	0.00	0.00	0.00	0.00
Total Fee	265,500.00		85,637.50	41,437.50	44,200.00
			<b>Total Fee</b>		<b>44,200.00</b>

**Reimbursable Expenses**

Reproduction					
6/9/2015	MITA	HARRIS RD/CEDAR RUN RD		50.00	
		WTR MAIN EXT BID AD			
Government Fees					
6/4/2015	GRAND TRAVERSE COUNTY	SOIL EROSION PERMIT		540.00	
<b>Total Reimbursables</b>				<b>590.00</b>	<b>590.00</b>
				<b>Total this Invoice</b>	<b>\$44,790.00</b>



**Invoice**

Gourdie-Fraser, Inc.  
123 West Front Street, PO Box 927  
Traverse City, MI 49685-0927  
Phone: 231-946-5874, Fax: 231-946-9634  
VISA/MASTERCARD Accepted, Due Upon Receipt  
A/R email: melanie@gfa.tc

MR CHUCK KORN  
CHARTER TWP OF GARFIELD  
3848 VETERANS DR  
TRAVERSE CITY, MI 49684

June 30, 2015

Project No: 15107

Invoice No: 1510702

Re: Pump Station #3 Upgrades

Services Performed: Engineering and construction services for design, bidding, observation, administration and closeout services to upgrade existing pumping station to replace the existing pumps, mechanical, electrical and SCADA telemetry.

**Professional Services from May 25, 2015 to June 27, 2015**

**Fee**

Billing Phase	Fee	Percent Complete	Earned	Previous Fee Billing	Current Fee Billing
Preliminary Design	4,500.00	100.00	4,500.00	3,870.00	630.00
Final Design	7,000.00	95.00	6,650.00	0.00	6,650.00
Bidding Services	2,500.00	0.00	0.00	0.00	0.00
Construction Observation	3,500.00	0.00	0.00	0.00	0.00
Construction Administration	4,000.00	0.00	0.00	0.00	0.00
Close Out	2,000.00	0.00	0.00	0.00	0.00
Total Fee	23,500.00		11,150.00	3,870.00	7,280.00
		Total Fee			7,280.00
				Total this Invoice	\$7,280.00

MTT Update  
Prepared for Garfield Twp Board

Docket #	Parcel No(s)	Owner	Property Address	Year(s) in Contention	Assessor's Values		Petitioner's Values		Value Differences		Status Notes
					Assessed	Taxable	Assessed	Taxable	Assessed	Taxable	
1	15-001617	Baruch SLS Inc	4841 N Long Lake Rd.	2015	\$ 359,400	\$ 359,400	\$ -	\$ -	\$ (359,400)	\$ (359,400)	6/1/15 New appeal. 6/2/15 answered. Petitioner owns Cherry Hill Haven, and believes it should be Exempt. COA has ruled otherwise 4/21/15.
	008-027-10		4825 N Long Lake Rd	2015	\$ 141,900	\$ 141,900	\$ -	\$ -	\$ (141,900)	\$ (141,900)	
	008-028-00		4885 N Long Lake Rd	2015	\$ 419,400	\$ 419,400	\$ -	\$ -	\$ (419,400)	\$ (419,400)	
	900-363-98	Cherry Hill Haven	4885 N Long Lake Rd	2015	\$ 5,500	\$ 5,500	\$ -	\$ -	\$ (5,500)	\$ (5,500)	
					\$ 926,200	\$ 926,200	\$ -	\$ -	\$ (926,200)	\$ (926,200)	
2	15-002433	CMS Corp dba Lucky Jack's	1705 S Garfield Ave	2015	\$ 1,253,200	\$ 1,214,655	\$ 750,000	\$ 750,000	\$ (503,200)	\$ (464,655)	6/15/15 Rec'd & answered petition.
3	14-001336	Inland Western TC Bison Hollow	3333 N US 31 South	2015	\$ 2,655,800	\$ 1,985,366	\$ 1,400,000	\$ 1,400,000	\$ (1,255,800)	\$ (585,366)	6/25/15 Rec'd Counter of \$1,750,000 or \$3,500,000 TCV (\$40/5f). REFUSED.
4	14-001336	Northfield Restaurant Corp AKA Pizza Hut	3050 N US 31 South	2015	\$ 278,700	\$ 206,698	\$ 150,000	\$ 150,000	\$ (128,700)	\$ (56,698)	6/15/15 Rec'd & answered petition.
5	14-003334	Green Hills Inc	2400 East Crown Dr	2014	\$ 938,700	\$ 937,463	\$ 250,000	\$ 250,000	\$ (688,700)	\$ (687,463)	6/9/15 Settlement offer considers income and sale of former clubhouse
					SETTLED:		\$ 375,000	\$ 375,000	\$ (563,700)	\$ (562,463)	
				2015	\$ 1,035,600	\$ 952,462	\$ 200,000	\$ 200,000	\$ (835,600)	\$ (752,462)	6/29/15 Rec'd Judgment.
6	14-004442	Hometown Hardware Inc	2701 Zimmerman Rd	2014	\$ 394,400	\$ 353,060	\$ 150,000	\$ 150,000	\$ (244,400)	\$ (203,060)	6/9/15 Rec'd offer of \$264,000. 6/10/15 completed re-analysis of local sales. Made settlement offer of \$202,950 and \$219,400 (14/15).
				2015	\$ 317,900	\$ 317,900	\$ 150,000	\$ 150,000	\$ (167,900)	\$ (167,900)	
					OFFERED:		\$ 219,400	\$ 206,197	\$ (98,500)	\$ (111,703)	
				2013	\$ 29,511,400	\$ 29,511,400	\$ 11,385,000	\$ 11,385,000	\$ (18,126,400)	\$ (18,126,400)	
				2014	\$ 30,706,900	\$ 29,983,582	\$ 11,385,000	\$ 11,385,000	\$ (19,321,900)	\$ (18,598,582)	
7	455929	Grand Traverse Mall LLC	3200 W South Airport Rd	2013	\$ 64,300	\$ 64,300	\$ 15,000	\$ 15,000	\$ (49,300)	\$ (49,300)	*2012 Purchase for \$66,000,000 6/8/15 Rec'd notice of telephonic prehearing to be held on July 9, 2015.
	021-015-70	Grand Traverse Mall LLC	W South Airport Rd	2013	\$ 75,900	\$ 65,328	\$ 15,000	\$ 15,000	\$ (60,900)	\$ (50,328)	
		Placed on Gen'l Call: 7/15/15 Valuation due: 5/1/15	TOTALS:	2013	\$ 29,575,700	\$ 29,575,700	\$ 11,400,000	\$ 11,400,000	\$ (18,175,700)	\$ (18,175,700)	
				2014	\$ 30,782,800	\$ 30,048,910	\$ 11,400,000	\$ 11,400,000	\$ (19,382,800)	\$ (18,648,910)	
				2015	\$ 31,094,300	\$ 30,463,319	\$ 19,137,970	\$ 18,506,989	\$ (11,956,330)	\$ (11,956,330)	
8	15-001533	Grand Traverse Mall LLC	3200 W South Airport Rd	2015	\$ 2,457,500	\$ 2,359,250	\$ 1,269,737	\$ 1,269,737	\$ (1,187,763)	\$ (1,089,513)	5/26/15 Found NEW appeal on-line. Sent to Atty Gen'l. Should have been added to existing appeal. Answered 5/27/15.
9	15-001623	Macy's Inc	3400 W South Airport Rd	2015	OFFERED:		\$ 2,045,200	\$ 2,045,200	\$ (412,300)	\$ (314,050)	6/9/15 Made offer to settle based on other two Mail anchors.
10	15-003053	VanWagner & Gobles LLC	5222 N Royal Dr	2015	\$ 363,200	\$ 363,200	\$ 250,000	\$ 250,000	\$ (113,200)	\$ (113,200)	6/29/15 Discovered appeal on-line.



MTT Update  
Prepared for Garfield Twp Board

11 14-000002	900-385-18	Walgreen Company	3900 N US 31 South	2013	\$ 119,900	\$ 119,900	\$ 102,303	\$ 102,303	\$ (17,597)	\$ (17,597)	5/21/15 Rec'd Judgment.
				2012	SETTLED: \$ 107,850	\$ 107,850	\$ 92,580	\$ 92,580	\$ (15,270)	\$ (15,270)	
				2011	SETTLED: \$ 103,300	\$ 103,300	\$ 92,600	\$ 92,600	\$ (15,250)	\$ (15,250)	
				2010	SETTLED: \$ 115,200	\$ 115,200	\$ 87,584	\$ 87,584	\$ (15,716)	\$ (15,716)	
					SETTLED: \$ 115,200	\$ 115,200	\$ 87,600	\$ 87,600	\$ (15,700)	\$ (15,700)	
					SETTLED: \$ 101,420	\$ 101,420	\$ 101,420	\$ 101,420	\$ (13,780)	\$ (13,780)	
12 14-008072	016-054-10	Northfield Restaurant Corp	3050 N US 31 South	2014	\$ 203,443	\$ 203,443	\$ 191,800	\$ 191,800	\$ (11,643)	\$ (11,643)	1/5/15 Rec'd appeal of 4% uncapping based on Merger Documents provided by Northfield.
				2013	\$ 200,240	\$ 200,240	\$ 188,780	\$ 188,780	\$ (11,460)	\$ (11,460)	
				2012	\$ 195,547	\$ 195,547	\$ 184,356	\$ 184,356	\$ (11,191)	\$ (11,191)	
				2011	\$ 190,406	\$ 190,406	\$ 179,510	\$ 179,510	\$ (10,896)	\$ (10,896)	
				2010	\$ 187,224	\$ 187,224	\$ 176,510	\$ 176,510	\$ (10,714)	\$ (10,714)	
				2009	\$ 187,788	\$ 187,788	\$ 177,050	\$ 177,050	\$ (10,738)	\$ (10,738)	
				2008	\$ 179,874	\$ 179,874	\$ 169,590	\$ 169,590	\$ (10,284)	\$ (10,284)	
				2007	\$ 175,830	\$ 175,830	\$ 165,780	\$ 165,780	\$ (10,050)	\$ (10,050)	
				2007	Assessed	Taxable	Petitioner's Values	Value Differences			
				2008	Assessed	Taxable	Assessed	Taxable			
				2009	\$ 175,830	\$ 175,830	\$ 165,780	\$ 165,780	\$ (10,050)	\$ (10,050)	
				2010	\$ 179,874	\$ 179,874	\$ 169,590	\$ 169,590	\$ (10,284)	\$ (10,284)	
				2011	\$ 187,788	\$ 187,788	\$ 177,050	\$ 177,050	\$ (10,738)	\$ (10,738)	
				2012	\$ 302,424	\$ 302,424	\$ 277,930	\$ 277,930	\$ (24,494)	\$ (24,494)	
				2013	\$ 293,706	\$ 293,706	\$ 267,094	\$ 267,094	\$ (26,612)	\$ (26,612)	
				2014	\$ 303,397	\$ 303,397	\$ 276,936	\$ 276,936	\$ (26,461)	\$ (26,461)	
				2015	\$ 29,695,600	\$ 29,695,600	\$ 11,502,303	\$ 11,502,303	\$ (18,193,297)	\$ (18,193,297)	
				TOTALS:	\$ 32,115,900	\$ 31,339,433	\$ 11,800,000	\$ 11,800,000	\$ (20,315,900)	\$ (19,539,433)	
				TOTALS:	\$ 40,382,400	\$ 38,789,050	\$ 23,307,707	\$ 22,676,726	\$ (17,074,693)	\$ (16,112,324)	
					SETTLED VALUES:						
					2010	\$ 13,800	\$ 13,800	\$ 13,800	\$ (13,800)	\$ (13,800)	
					2011	\$ 15,700	\$ 15,700	\$ 15,700	\$ (15,700)	\$ (15,700)	
					2012	\$ 15,250	\$ 15,250	\$ 15,250	\$ (15,250)	\$ (15,250)	
					2013	\$ 17,600	\$ 17,600	\$ 17,600	\$ (17,600)	\$ (17,600)	
					2014	\$ 563,700	\$ 563,700	\$ 562,463	\$ (562,463)	\$ (562,463)	
					2015	\$ 660,600	\$ 660,600	\$ 577,462	\$ (577,462)	\$ (577,462)	
					Garfield Potential Tax Loss						
				2007	\$ (33.52)	\$ (33.52)	\$ (33.52)	\$ (33.52)	\$ (33.52)	\$ (33.52)	
				2008	\$ (27.50)	\$ (27.50)	\$ (27.50)	\$ (27.50)	\$ (27.50)	\$ (27.50)	
				2009	\$ (28.72)	\$ (28.72)	\$ (28.72)	\$ (28.72)	\$ (28.72)	\$ (28.72)	
				2010	\$ (65.51)	\$ (65.51)	\$ (65.51)	\$ (65.51)	\$ (65.51)	\$ (65.51)	
				2011	\$ (62.20)	\$ (62.20)	\$ (62.20)	\$ (62.20)	\$ (62.20)	\$ (62.20)	
				2012	\$ (61.84)	\$ (61.84)	\$ (61.84)	\$ (61.84)	\$ (61.84)	\$ (61.84)	
				2013	\$ (42,521.37)	\$ (42,521.37)	\$ (42,521.37)	\$ (42,521.37)	\$ (42,521.37)	\$ (42,521.37)	
				2014	\$ (45,667.56)	\$ (45,667.56)	\$ (45,667.56)	\$ (45,667.56)	\$ (45,667.56)	\$ (45,667.56)	
				2015	\$ (37,657.72)	\$ (37,657.72)	\$ (37,657.72)	\$ (37,657.72)	\$ (37,657.72)	\$ (37,657.72)	
					ACTUAL TWP TAX LOSS						
				2010	\$ (36.91)	\$ (36.91)	\$ (36.91)	\$ (36.91)	\$ (36.91)	\$ (36.91)	
				2011	\$ (36.69)	\$ (36.69)	\$ (36.69)	\$ (36.69)	\$ (36.69)	\$ (36.69)	
				2012	\$ (35.64)	\$ (35.64)	\$ (35.64)	\$ (35.64)	\$ (35.64)	\$ (35.64)	
				2013	\$ (41.13)	\$ (41.13)	\$ (41.13)	\$ (41.13)	\$ (41.13)	\$ (41.13)	
				2014	\$ (1,314.59)	\$ (1,314.59)	\$ (1,314.59)	\$ (1,314.59)	\$ (1,314.59)	\$ (1,314.59)	
				2015	\$ (1,349.64)	\$ (1,349.64)	\$ (1,349.64)	\$ (1,349.64)	\$ (1,349.64)	\$ (1,349.64)	

June 18, 2015

Charter Township of Garfield  
Attn: Chuck Korn  
2848 Veterans Drive  
Traverse City, MI 49684

PH 231.946.5874

FAX 231.946.3703

WWW.gourdiefraser.com

Re: Zimmerman Road Water Main Extension  
GFA #14283

Dear Chuck:

The project for Zimmerman Road Water Main Extension has been completed. Enclosed please find the following items submitted by the contractor in compliance with the contract documents.

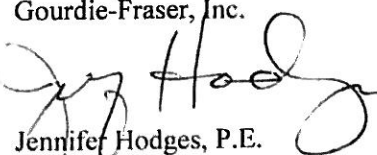
- 1) One-Year Maintenance Bond with Riders
- 2) Letter of Guarantee
- 3) Certificate of Substantial Completion
- 4) Affidavit (you will receive this afternoon)

The Record Drawings are completed and both paper and CD copies were delivered to the Grand Traverse County Department of Public Works.

Gourdie-Fraser, Inc. has provided construction observation for this project and hereby verifies that to the best of our knowledge, the contractor has installed the facilities according to the plans and specifications. Based on this information, we recommend that the Township accept the facilities.

If you have any questions regarding this matter, please do not hesitate to contact our office.

Sincerely,  
Gourdie-Fraser, Inc.



Jennifer Hodges, P.E.  
Project Manager

Enclosures

cc: John Divozzo, Grand Traverse County DPW

## MAINTENANCE BOND

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

**CONTRACTOR (Name and Address):**

Elmer's Crane and Dozer Inc  
3600 Rennie School Road  
Traverse City, MI 49696

**SURETY (Name and Address of Principal Place of Business):**

The Cincinnati Insurance Company  
6200 S Gilmore Road  
Fairfield, OH 45014-5141

**OWNER (Name and Address):**

Grand Traverse County Road Commission  
1881 LaFranier Road  
Traverse City, MI 49696

**CONTRACT**

Date: March 24, 2014

Amount: \$3,883,442.40

Project Description (Name and Location): 2014 Millage Projects

**BOND**

Date (1 year from date of Acceptance by the Municipality): May 8, 2015

Amount: \$1,941,721.20

Bond Number: B1207036

Surety and Contractor, intending to be legally bound hereby, subject to the following terms, to each cause this Maintenance Bond to be duly executed on its behalf by its authorized officer, agent or representative.

KNOW ALL MEN BY THESE PRESENTS,  
That we, Elmer's Crane and Dozer Inc

as Principal, (hereinafter called Principal), and  
as Surety (hereinafter called  
Surety), are held and firmly bound into Grand  
Traverse County Road Commission

as Oblige (hereinafter called Oblige), in the  
penal sum of One Million Nine Hundred Forty One Thousand  
Seven Hundred Twenty One and 20/100--

Dollars \$ 1,941,721.20 for the  
payment whereof Principal and Surety bind  
themselves, their heirs, executors,  
administrators, successors, and assigns, jointly  
and severally, firmly by these presents

WHEREAS, said Principal has by written  
Agreement, dated March 24, 2014

entered into a Contract with said Oblige for  
2014 Millage Projects

in accordance with the General Conditions, the  
Drawings and Specifications, which Contract is  
by reference incorporated herein, and made a  
part hereof, and is referred to as the Contract..

NOW, THEREFORE, the condition of this  
obligation is such that, if said Principal shall  
maintain and remedy any defects due to faulty  
materials or workmanship, and pay for any  
damage to other Work resulting therefrom, and  
additional expense which shall appear within a  
period of one year(s) from the date of

acceptance by the municipality of the Work provided for in the Contract, then this obligation to be void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that said Obligee shall give Principal and Surety notice of observed defects with reasonable promptness.


Signed and sealed this 8th day of May, 2015

CONTRACTOR AS PRINCIPAL

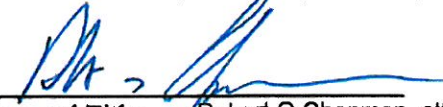
Company: (Corp. Seal)  
Elmer's Crane and Dozer Inc

SURETY

Company: (Corp. Seal)  
Travelers Casualty and Surety Company of America

Signature: 

Name and Title:

Signature: 

Name and Title: Robert G Chapman, attorney-in-fact  
(Attach Power of Attorney)

(Space is provided below for signatures of additional parties, if required).

CONTRACTOR AS PRINCIPAL

Company: (Corp. Seal)

SURETY

Company: (Corp. Seal)

Signature: \_\_\_\_\_

Name and Title:

Signature: \_\_\_\_\_

Name and Title:

NOTE: Date of Bond must not be prior to date of Substantial Completion. If Contractor is a Partnership, all partners should execute Bond.

IMPORTANT: Surety companies executing Bonds must appear on the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the state where the Project is located.



THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint

David G. Chapman; Robert G. Chapman; Nathan G. Chapman;  
Marcia J. Miller and/or Cloyd W. Barnes

of Lansing, Michigan

its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:

Any such obligations in the United States, up to

Twenty Five Million and No/100 Dollars (\$25,000,000.00)

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6<sup>th</sup> day of December, 1958, which resolution is still in effect:

"RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7<sup>th</sup> day of December, 1973.

"RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Vice President this 10<sup>th</sup> day of May, 2012.



STATE OF OHIO ) ss:  
COUNTY OF BUTLER )

THE CINCINNATI INSURANCE COMPANY

*Steve A. Justice*

Vice President

On this 10<sup>th</sup> day of May, 2012, before me came the above-named Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



*Mark J. Huller*

MARK J. HULLER, Attorney at Law  
NOTARY PUBLIC - STATE OF OHIO  
My commission has no expiration date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio.  
this 8<sup>th</sup> day of May, 2015



*Scott R. Boen*

Assistant Secretary

**THE CINCINNATI INSURANCE COMPANY**  
CINCINNATI, OHIO

**DUAL OBLIGEE RIDER**

To Bond No.: **B1207036**

WHEREAS, on or about the 24th day of March, 2014, Elmer's Crane and Dozer Inc, as Contractor, entered into a written agreement with Grand Traverse County Road Commission as Owner, for the construction of 2014 Millage Projects herein referred to as the Contract; and

WHEREAS, the Contractor, as Principal, and **THE CINCINNATI INSURANCE COMPANY**, as Surety, made, executed, and delivered to said Owner, as Obligee, the joint and several Bond; and

WHEREAS, the Owner has requested that Garfield Township, 3848 Veterans Drive, Traverse City, MI 49684 (hereinafter called "Co-Obligee") said Co-Obligee having a material interest in the performance of said contract, be named as an Obligee on the Bond, and has requested the Contractor and the Surety to join with the Owner in the execution and delivery of this Rider and the Contractor and Surety have agreed so to do upon the conditions stated.

NOW, THEREFORE, in consideration of One Dollar and other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby agree as follows:

The aforesaid Bond shall be and it is hereby amended as follows:

1. The name of Garfield Township, as Co-Obligee shall be added to said bond as a named Obligee.
2. The rights of the Co-Obligee as a named Obligee shall be subject to the conditions precedent that the Owner perform its obligations to the Principal and the rights of the of the Co-Obligee shall not be greater than that of the Owner, named as Obligee on the original bond; provided, however, that the aggregate liability of the Surety under said bond, to the Owner and Co-Obligee, as their interests may appear, is limited to the penal sum of said bond and provided, further, that the Surety may, at its option, make any payments under said bond by check issued jointly to the Owner and Co-Obligee.
3. The Surety shall not be liable under this bond to the Obligee or Co-Obligee, or to either of them, unless the said Obligees, or either of them, shall make payments to the Principal or to the Surety, should it arrange for or undertake the completion of the contract upon default of the Principal, strictly in accordance with the terms of said contract; and shall otherwise satisfy all terms and conditions and perform all other obligations set forth in said contract at the time and in the manner provided for therein.
4. To the extent of any payment made by Surety to the Obligees, or either of them, the Surety shall be subrogated to, and shall be entitled to an assignment of, all rights of the payees, either against the Principal or against any other party liable to the payee in connection with the loss which is the subject of the payment by the Surety.
5. If an additional Obligee is a mortgagee, any change or alteration increasing the contract price shall not be subject to the terms of this rider unless sufficient money has been deposited with the Obligees to cover any such increase and consent of surety has been obtained.
6. Recovery hereunder by an additional Obligee shall be reduced by the loss of the Surety, if any, resulting from the failure of the Obligees or someone on their behalf to obtain sufficient insurance.
7. Except as herein modified, said performance and/or payment and/or maintenance bonds shall be and remain in full force and effect.

Initials of Owner/Obligee     HJS    

Initials of Co-Obligee     JAG    

Initials of Contractor     HJS    

**SIGNATURE PAGE ATTACHED**

## SIGNATURE PAGE

SIGNED, SEALED, AND DATED this 8th day of May, 2015.

Grand Traverse County Road Commission

Owner/Obligee

By:

Garfield Township

Co-Obligee

By:

Elmer's Crane and Dozer Inc

Contractor

By:

THE CINCINNATI INSURANCE COMPANY

Attorney-in-Fact

THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint

David G. Chapman; Robert G. Chapman; Nathan G. Chapman;  
Marcia J. Miller and/or Cloyd W. Barnes

of Lansing, Michigan its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:  
Any such obligations in the United States, up to

Twenty Five Million and No/100 Dollars (\$25,000,000.00)

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6<sup>th</sup> day of December, 1958, which resolution is still in effect:

"RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7<sup>th</sup> day of December, 1973.

"RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Vice President this 10<sup>th</sup> day of May, 2012.



STATE OF OHIO ) ss:  
COUNTY OF BUTLER )

THE CINCINNATI INSURANCE COMPANY

*Stephen A. Janta*

Vice President

On this 10<sup>th</sup> day of May, 2012, before me came the above-named Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



*Mark J. Huller*

MARK J. HULLER, Attorney at Law  
NOTARY PUBLIC - STATE OF OHIO  
My commission has no expiration  
date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio.  
this 8<sup>th</sup> day of May, 2015



*Scott R. Boen*

Assistant Secretary



**THE CINCINNATI INSURANCE COMPANY**  
CINCINNATI, OHIO

**DUAL OBLIGEE RIDER**

To Bond No.: **B1207036**

WHEREAS, on or about the 24th day of March, 2014, Elmer's Crane and Dozer Inc, as Contractor, entered into a written agreement with Grand Traverse County Road Commission as Owner, for the construction of 2014 Millage Projects herein referred to as the Contract; and

WHEREAS, the Contractor, as Principal, and **THE CINCINNATI INSURANCE COMPANY**, as Surety, made, executed, and delivered to said Owner, as Obligor, the joint and several Bond; and

WHEREAS, the Owner has requested that Grand Traverse County DPW, 2650 Lafranier Road, Traverse City, MI 49686 (hereinafter called "Co-Obligor") said Co-Obligor having a material interest in the performance of said contract, be named as an Obligor on the Bond, and has requested the Contractor and the Surety to join with the Owner in the execution and delivery of this Rider and the Contractor and Surety have agreed so to do upon the conditions stated.

NOW, THEREFORE, in consideration of One Dollar and other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned hereby agree as follows:

The aforesaid Bond shall be and it is hereby amended as follows:

1. The name of Grand Traverse County DPW, as Co-Obligor shall be added to said bond as a named Obligor.
2. The rights of the Co-Obligor as a named Obligor shall be subject to the conditions precedent that the Owner perform its obligations to the Principal and the rights of the of the Co-Obligor shall not be greater than that of the Owner, named as Obligor on the original bond; provided, however, that the aggregate liability of the Surety under said bond, to the Owner and Co-Obligor, as their interests may appear, is limited to the penal sum of said bond and provided, further, that the Surety may, at its option, make any payments under said bond by check issued jointly to the Owner and Co-Obligor.
3. The Surety shall not be liable under this bond to the Obligor or Co-Obligor, or to either of them, unless the said Obligors, or either of them, shall make payments to the Principal or to the Surety, should it arrange for or undertake the completion of the contract upon default of the Principal, strictly in accordance with the terms of said contract; and shall otherwise satisfy all terms and conditions and perform all other obligations set forth in said contract at the time and in the manner provided for therein.
4. To the extent of any payment made by Surety to the Obligors, or either of them, the Surety shall be subrogated to, and shall be entitled to an assignment of, all rights of the payees, either against the Principal or against any other party liable to the payee in connection with the loss which is the subject of the payment by the Surety.
5. If an additional Obligor is a mortgagee, any change or alteration increasing the contract price shall not be subject to the terms of this rider unless sufficient money has been deposited with the Obligors to cover any such increase and consent of surety has been obtained.
6. Recovery hereunder by an additional Obligor shall be reduced by the loss of the Surety, if any, resulting from the failure of the Obligors or someone on their behalf to obtain sufficient insurance.
7. Except as herein modified, said performance and/or payment and/or maintenance bonds shall be and remain in full force and effect.

Initials of Owner/Obligor



Initials of Co-Obligor



Initials of Contractor



**SIGNATURE PAGE ATTACHED**

## SIGNATURE PAGE

SIGNED, SEALED, AND DATED this 8th day of May, 2015.

Grand Traverse County Road Commission

Owner/Obligee

By:

Grand Traverse County DPW

Co-Obligee

By:

Elmer's Crane and Dozer Inc

Contractor

By:

THE CINCINNATI INSURANCE COMPANY

Attorney-in-Fact

**AFFIDAVIT OF COMPLETION/CONSENT OF SURETY**

Team Elmers

Name of Contractor

3600 Rennie School Road, Traverse City, MI 49684

Address of Contractor

being duly sworn, deposes and says that they entered into a contract with the Charter Township of Garfield on the 24 day of March, 2014 for the Zimmerman Road Water Main Extension

Contractor further says that the said contract has been completed and all indebtedness incurred by him to subcontractors, suppliers, and laborers in their employ has been paid in full.

Contractor further says that there are no outstanding or pending claims, liens or actions in law involving this contract.

Contractor further says this affidavit is furnished as an inducement to the Owner to make final payment on said contract.

WITNESSES:

SIGNED:

Kirsten A. Bett

Max A. Bett

Max A. Bett

Subscribed and sworn to before me this 18<sup>th</sup> day of June, 2015.

Max A. Bett

Notary Public Grand Traverse County, MI

My commission expires: 02/04/17

**CONSENT OF SURETY**

We, as Surety on the above-described contract, hereby give our consent to the payment to the Contractor as indicated.

NAME OF SURETY COMPANY: The Cincinnati Insurance Company

PERFORMANCE AND PAYMENT BOND NO.: B1207065

Signed: Robert G. Chapman Date: 6/18/2015

Name: Robert G Chapman, attorney-in-fact

THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint

David G. Chapman; Robert G. Chapman; Nathan G. Chapman;  
Marcia J. Miller and/or Cloyd W. Barnes

of Lansing, Michigan its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:  
Any such obligations in the United States, up to

Twenty Five Million and No/100 Dollars (\$25,000,000.00)

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6<sup>th</sup> day of December, 1958, which resolution is still in effect:

"RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7<sup>th</sup> day of December, 1973.

"RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Vice President this 10<sup>th</sup> day of May, 2012.



STATE OF OHIO ) ss:  
COUNTY OF BUTLER )

THE CINCINNATI INSURANCE COMPANY

*Steve A. Jett*

Vice President

On this 10<sup>th</sup> day of May, 2012, before me came the above-named Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



*Mark J. Huller*

MARK J. HULLER, Attorney at Law  
NOTARY PUBLIC - STATE OF OHIO  
My commission has no expiration  
date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio.  
this 8<sup>th</sup> day of May, 2015



*Scott R. Bolen*

Assistant Secretary

## LETTER OF GUARANTEE

DATE: 05/07/2015

14283

PROJECT NO.

OWNER: Charter Township of Garfield

3484 Veterans Drive

Traverse City, MI 49684

PROJECT: Zimmerman Road Watermain Extension

Gentlemen:

As the contractor for this project, I hereby guarantee all materials and equipment furnished and all work performed on this project including any restoration work necessary to be repaired or replaced.

With respect to this project, to our personal knowledge, all payments have been made and there are no liens on said system

This guarantee will remain in effect for a period of one (1) year from the date of acceptance by the Municipality.

Signature:

  
(Developer/Contractor)

Title:

MAX A. BOER  
(Please Print or Type)

Company Name:

Team Elmers  
3600 Rennie School Road  
Traverse City, MI 49684

# Certificate of Substantial Completion

Project: **Zimmerman Road Watermain Extension**

Owner: **Charter Township of Garfield**

Owner's Contract No.:

Contract: **Team Elmers**

Engineer's Project No.: **14283**

**This [tentative] [definitive] Certificate of Substantial Completion applies to:**

☒ All Work under the Contract Documents:      ☐ The following specified portions of the Work:

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October 14, 2014

Date of Substantial Completion

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and found to be substantially complete. The Date of Substantial Completion of the Project or portion thereof designated above is hereby declared and is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below.

A definitive list of items to be completed or corrected is attached hereto. This list may not be all-inclusive, and the failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

**The responsibilities between Owner and Contractor for security, operation, safety, maintenance, heat, utilities, insurance and warranties shall be as provided in the Contract Documents except as amended as follows:**

☐ Amended Responsibilities

☒ Not Amended

Owner's Amended Responsibilities:

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Contractor's Amended Responsibilities:

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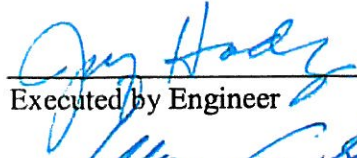
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The following documents are attached to and made part of this Certificate:

Punchlist dated 3-2-2015

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents nor is it a release of Contractor's obligation to complete the Work in accordance with the Contract Documents.



Executed by Engineer

5-19-15

Date



Accepted by Contractor

5-12-15

Date

Accepted by Owner

Date

SIG

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**Tobin & Co.**

**3. e.**

Garfield Charter Township

Grand Traverse County, Michigan

Audit Report

For the Year Ended December 31, 2014



# Tobin & Co.

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**Tobin & Co.**

INTRODUCTORY SECTION

# Tobin & Co.

## Comments and Recommendations

We have audited the basic financial statements and the individual fund financial statements of The Charter Township of Garfield, Grand Traverse County, for the year ended December 31, 2014 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of The Charter Township of Garfield taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

### General

Your present Clerk, Treasurer and Deputies maintain receipts journals, disbursements journals, general ledgers and account books prescribed in the Uniform Accounting Procedures developed by the State Department of Treasury. Management was sent a letter with more specific recommendations. Comments and recommendations regarding items other than the accounting records themselves are as follows:

### Budgets and Procedures

The required budgets were prepared for the General Fund and Special Revenue Funds. Four cost centers exceeded their budgets without formal budget amendments.

### General Fund

The General Fund is presented on Schedule 1 of this report. The fund balance increased by \$445,098 from the prior year and totaled \$1,571,129 at December 31, 2014, of which \$681,067 has been assigned by the Township Board for land acquisition and other to be specified expenditures.

### Special Revenue Funds

#### Fire Fund

This fund, presented on Schedule 2, is used to account for the special assessment tax levy for Township fire protection. Revenues consisted principally of property taxes of \$1,585,719 and earned interest of \$10,891. Expenditures were \$1,585,720, consisting of contractual payments to the Grand Traverse Metro Fire Department. The fund balance at December 31, 2014 was \$2,272,149.

#### Public Improvement Fund

This fund, presented on Schedule 6, was formed by Board resolution to account for special assessments levied for Township road improvement projects and for funds allocated from the General Fund for major capital improvements. The fund balance at December 31, 2014 was \$1,187,023.

#### Budget Stabilization Fund

This fund, presented on Schedule 7, is used by the Township to set aside a portion of the General Fund surplus for future budgetary needs. The fund is permitted by statute. Interest was \$969 for the year, and the fund balance at December 31, 2014 was \$80,333.

#### Street Lighting Fund

This fund, presented on Schedule 8, is used to account for special assessments collected from residents of special street lighting districts. Assessments and earned interest totaled \$22,522 for the year, while utility expenses were \$21,860. The fund balance at December 31, 2014 was \$17,348.

# Tobin & Co.

## Comments and Recommendations

### Debt Service Funds

#### Public Works Fund

This fund, presented on Schedule 9, is used to account for accumulated transfers and earned interest set aside for service of current and future obligations of the Township. The fund balance at December 31, 2014 was \$103,343.

#### Park System Fund

This fund, presented on Schedule 3, is used to account for taxes levied and debt service for the purchase of land, buildings and equipment for, and operations of, the Township's parklands. Revenues consisted of current taxes of \$112,169. Expenditures were \$147,636 for community promotion and \$32,868 for capital improvements. The fund balance at December 31, 2014 was \$486,079.

#### Building Fund

This fund, presented on Schedule 10, is used to account for taxes levied and debt service for the construction of new municipal buildings. There were no transactions during the year, and no fund balance at December 31, 2014.

### Capital Projects Funds

#### Enterprise Fund

The sewer and water operations of the Township, maintained in part by the Township and in part by the County DPW, are presented in the Township's basic financial statements. These financial statements incorporate all aspects of the sewer and water operations and financial position, including special assessments and long-term debt.

#### Judiciary Funds

These funds are presented on Schedule 11. They consist of the Trust and Agency Fund, the Current Tax Collection Fund, the Retirement Fund, and the Flex Medical Insurance Fund, and are used to account for monies received by the Township that are not available for Township use but are due to other units of government, other funds, or to firms and individuals.

### Property Tax Collections

The collection and distribution of the 2013 tax levy was handled in an excellent manner by the Township Treasurer. Paid receipts were filed in order of payment. Deposits were made timely and intact. Distributions to taxing units during the collection period were in accordance with statutory requirements.

See Schedule 12 for a summary of the 2013 tax levy and collections.

### Payroll Procedures

The Clerk maintains required payroll records. Payroll withholdings were promptly remitted to various agencies and required reports were properly prepared. It appears that Forms W-2 and/or 1099 were properly utilized.

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# Tobin & Co.

## Comments and Recommendations

### Insurance and Surety Bond Coverage

Records reflect that the Township is insured through Municipal Underwriters of Michigan and has such coverage as fire and extended coverage, general liability, errors and omissions, workmen's compensation, equipment and crime coverage. Records indicate that coverage was reviewed during the audit year. The Clerk, Treasurer, and their deputies, as well as the Supervisor, Accountant, and Assistant Treasurer have surety bond coverage. There is also a blanket bond covering all employees.

### Other Data

We are pleased to note the use of interest bearing depository accounts and the purchase of certificates of deposit and other investments of temporary surplus funds. These practices resulted in earned interest of over \$37,000 for governmental activities for the audit year. This practice reflects favorably on the Treasurer and other Board members.

After completion of our audit, we will mail the necessary copies of our report to the State Department of Treasury.

We appreciate the courtesy extended our field examiners in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

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**Tobin & Co.**

FINANCIAL SECTION



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# Tobin & Co.

## INDEPENDENT AUDITOR'S REPORT

To the Township Board  
Garfield Charter Township  
Grand Traverse County  
Traverse City, Michigan 49684

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Garfield Charter Township as of and for the year ended December 31, 2014, 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, each major fund, and the aggregate remaining fund information of the Garfield Charter Township, as of December 31, 2014, 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**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 13 and 37 through 49 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.

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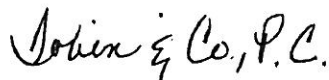
## Tobin & Co.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the The Charter Township of Garfield's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section 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 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



TOBIN & CO., P.C.  
Certified Public Accountants  
Traverse City, Michigan  
April 15, 2015

# Tobin & Co.

## The Charter Township of Garfield Management Discussion and Analysis Letter

As the Township Board of The Charter Township of Garfield, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of The Charter Township of Garfield for the fiscal year ended December 31, 2014.

### Financial Highlights

The assets of The Charter Township of Garfield exceeded its liabilities at the close of the most recent fiscal year by \$64,942,607. Of this amount, \$10,985,931 may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Township's governmental funds reported combined ending fund balances of \$11,729,147, an increase of \$1,161,595 in comparison with the prior year. Approximately fifty-eight percent of the total amount, \$6,890,062 is available for spending at the Township's discretion.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,890,062 or two hundred forty-six percent of the total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to The Charter Township of Garfield's basic 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 Township's financial position is improving or deteriorating.

The statement of activities presents information showing how the Township'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.

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Township include: general government, public safety, road projects, sanitation, and recreation. The business-type activities of the Township include building inspections and sewer and water system.

The government-wide financial statements can be found on pages 14 and 15 of this report.

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 Charter Township of Garfield, 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

# Tobin & Co.

The Charter Township of Garfield maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund and Fire Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Township adopts an annual appropriated budget for its general fund, special revenue funds, debt service funds, and capital projects funds. Budgetary comparison statements have been provided for the general fund and other governmental funds to demonstrate compliance with this budget.

Proprietary funds: The Charter Township of Garfield maintains a single proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses an enterprise fund to account for its water and sewer activity.

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 statements because the resources 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.

The basic fiduciary fund financial statements can be found on pages 22 and 49-50 of this report.

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. The notes to the financial statements can be found on pages 23 through 33 of this report.

## 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 Charter Township of Garfield, assets exceeded liabilities by \$64,942,607 at the close of the most recent fiscal year.

By far the most significant portion of the Township's net position, seventy-eight percent, reflects its investment in capital assets such as land, buildings, machinery, and equipment, less any related debt used to acquire those assets that are still outstanding. The Township used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

	Township's Net Position					
	Governmental Activities	2014 Business-Type Activities	Total	Governmental Activities	2013 Business-Type Activities	Total
Current and Other Assets	\$ 12,189,095	\$ 12,367,484	\$ 24,556,579	\$ 11,027,432	\$ 10,501,516	\$ 21,528,948
Capital Assets	7,541,665	34,628,072	42,169,737	7,712,248	35,796,526	43,508,774
<b>Total Assets</b>	<b>\$ 19,730,760</b>	<b>\$ 46,995,556</b>	<b>\$ 66,726,316</b>	<b>\$ 18,739,680</b>	<b>\$ 46,298,042</b>	<b>\$ 65,037,722</b>
Long-term Liabilities	\$ -	\$ 525,000	\$ 525,000	\$ -	\$ 555,000	\$ 555,000
Other Liabilities	459,948	798,761	1,258,709	448,922	902,871	1,351,793
<b>Total Liabilities</b>	<b>\$ 459,948</b>	<b>\$ 1,323,761</b>	<b>\$ 1,783,709</b>	<b>\$ 448,922</b>	<b>\$ 1,457,871</b>	<b>\$ 1,906,793</b>
Deferred Inflows of Resources:						
Unavailable Revenue	\$ -	\$ -	\$ -	\$ -	\$ 106,901	\$ 106,901
<b>Net Position:</b>						
Invested in Capital Assets	\$ 7,541,665	\$ 34,103,072	\$ 41,644,737	\$ 7,712,248	\$ 35,241,526	\$ 42,953,774
Restricted	4,839,085	7,472,854	12,319,939	2,599,906	7,458,813	10,058,719
Unrestricted	6,890,062	4,095,869	10,985,931	7,978,604	2,032,931	10,011,535
<b>Total Net Position</b>	<b>\$ 19,270,812</b>	<b>\$ 45,671,795</b>	<b>\$ 64,942,607</b>	<b>\$ 18,290,758</b>	<b>\$ 44,733,270</b>	<b>\$ 63,024,028</b>

An additional portion of the Township's position, eleven percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$10,985,931 may be used to meet the Township's ongoing obligations to citizens and creditors.

## Tobin & Co.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.  
Governmental activities: Governmental activities increased the Township's net position by \$995,114.

	Governmental Activities	2014 Business-Type Activities	Total	Governmental Activities	2013 Business-Type Activities	Total
Program Revenues						
Charges for Services	\$ 315,721	\$ 5,448,111	\$ 5,763,832	\$ 271,138	\$ 5,429,738	\$ 5,700,876
Operating Grants and Contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	3,618,378	-	3,618,378	3,448,636	-	3,448,636
State Grants	1,298,315	-	1,298,315	1,537,323	-	1,537,323
Franchise Fees	279,902	-	279,902	274,837	-	274,837
Unrestricted Investments						
Earnings	85,874	263,284	349,158	83,224	-	83,224
Other	143,362	-	143,362	(98,123)	(261,964)	(360,087)
Total Revenues	<u>5,741,552</u>	<u>5,711,395</u>	<u>11,452,947</u>	<u>5,517,035</u>	<u>5,167,774</u>	<u>10,684,809</u>
Program Expenses						
Legislative	193,232	-	193,232	146,499	-	146,499
General Government	1,279,172	-	1,279,172	1,319,411	-	1,319,411
Public Safety	2,848,638	-	2,848,638	2,611,581	-	2,611,581
Public Works	259,053	4,772,870	5,031,923	189,610	4,623,809	4,813,419
Recreation and Cultural	149,741	-	149,741	130,944	-	130,944
Interest on Long-term Debt	16,602	-	16,602	35,359	-	35,359
Total Expenses	<u>4,746,438</u>	<u>4,772,870</u>	<u>9,519,308</u>	<u>4,433,404</u>	<u>4,623,809</u>	<u>9,057,213</u>
Change in Net Position	995,114	938,525	1,933,639	1,083,631	543,965	1,627,596
Net Position – Beginning of Year	<u>18,275,698</u>	<u>44,733,270</u>	<u>63,008,968</u>	<u>17,207,127</u>	<u>44,189,305</u>	<u>61,396,432</u>
Net Position – End of Year	<u>\$ 19,270,812</u>	<u>\$ 45,671,795</u>	<u>\$ 64,942,607</u>	<u>\$ 18,290,758</u>	<u>\$ 44,733,270</u>	<u>\$ 63,024,028</u>

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-type activities: Business-type activities increased the Township's net position by \$938,525. Key elements of this increase are as follows:  
water and sewer lines and sound management tools.

### Financial Analysis of the Township's Funds

As noted earlier, the Township used 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 Township'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 \$10,729,147, an increase of \$1,161,595 in comparison with the prior year.

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## **Tobin & Co.**

Approximately fifty-eight percent of the total amount, \$6,890,062, constitutes unassigned fund balance, which is available for spending at the Township's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed for a variety of other restricted purposes.

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 \$6,890,062 and the total fund balance was \$7,571,129. Unassigned fund balance represents two hundred forty-six percent of total general fund expenditures. The fund balance of the Township's general fund increased by \$445,098 during the current fiscal 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 Water and Sewer Fund at the end of the year amounted to \$4,095,869. The total increase in net position was \$938,525. Other factors concerning the finances of the fund have already been addressed in the discussion of the Township's business-type activities.

### **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, 2014, amounts to \$42,169,737 (net of accumulated depreciation). This investment in capital assets includes: (land, building and improvements, sewer and water systems, machinery and equipment, park facilities, etc). There was no change in the Township's investment in capital assets for the current fiscal year.

Details of the Township's capital assets are contained in the notes to the financial statements on page 28 and 29.

Long-term debt: At the end of the current fiscal year, the Township had total bonded and installment debt outstanding of \$525,000. This debt is backed by the full faith and credit of the government.

Additional information on the Township's long-term debt can be found in the notes on pages 29 and 30.

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

Economic factors for the Township appear to be stable, the State has re-authorized statutory funding and the Township's tax base increased significantly.

### **Requests for Information**

This financial report is designed to provide a general overview of The Charter Township of Garfield's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor, Treasurer, or Clerk of The Charter Township of Garfield, 3848 Veterans Drive, Traverse City, Michigan 49684 or you may phone us at 231-941-1620.



# Tobin & Co.

## The Charter Township of Garfield Statement of Net Position December 31, 2014

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 7,931,407	\$ 10,915,782	\$ 18,847,189
Investments	-	611,779	611,779
Accounts Receivable	611,018	470,999	1,082,017
Taxes Receivable – Current	3,158,413	1,952	3,160,365
Special Assessments Receivable	18,954	-	18,954
Due from Other Activities	453,088	366,972	820,060
Prepaid Expenditures	16,215	-	16,215
Capital Assets:			
Land	4,271,072	102,927	4,373,999
Other Capital Assets, Net of Depreciation	3,046,917	34,501,293	37,548,210
Intangible Assets, Net of Amortization	<u>223,676</u>	<u>23,852</u>	<u>247,528</u>
Total Assets	<u>19,730,760</u>	<u>46,995,556</u>	<u>66,726,316</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	85,792	704,769	790,561
Due to Other Activities	374,156	93,992	468,148
Long-term Liabilities, Net of Discounts:			
Due Within One Year	-	45,000	45,000
Due in More Than One Year	<u>-</u>	<u>480,000</u>	<u>480,000</u>
Total Liabilities	<u>459,948</u>	<u>1,323,761</u>	<u>1,783,709</u>
<u>Net Position</u>			
Invested in Capital Assets and Intangible Assets, Net of Related Debt	7,541,665	34,103,072	41,644,737
Restricted	4,839,085	7,472,854	12,311,939
Unrestricted	<u>6,890,062</u>	<u>4,095,869</u>	<u>10,985,931</u>
Total Net Position	<u>\$ 19,270,812</u>	<u>\$ 45,671,795</u>	<u>\$ 64,942,607</u>

Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## Garfield Charter Township Statement of Activities December 31, 2014

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>		<u>Total</u>
		<u>Fees and Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Governmental Activities:						
Legislative	\$ 193,232	\$ -	\$ -	\$ (193,232)	\$ -	\$ (193,232)
General Government	1,279,172	47,599	-	(1,231,573)	-	(1,231,573)
Public Safety	2,848,638	-	-	(2,848,638)	-	(2,848,638)
Health and Welfare	123,912	-	-	(123,912)	-	(123,912)
Public Works	135,141	268,122	-	132,981	-	132,981
Recreation and Cultural	149,741	-	-	(149,741)	-	(149,741)
Interest on Long-term Debt	<u>16,602</u>	<u>-</u>	<u>-</u>	<u>(16,602)</u>	<u>-</u>	<u>(16,602)</u>
Total Governmental Activities	<u>4,746,438</u>	<u>315,721</u>	<u>-</u>	<u>(4,430,717)</u>	<u>-</u>	<u>(4,430,717)</u>
Business-type Activities:						
Sewer and Water	<u>4,772,870</u>	<u>5,448,111</u>	<u>-</u>	<u>-</u>	<u>675,241</u>	<u>675,241</u>
Total Business-type Activities	<u>4,772,870</u>	<u>5,448,111</u>	<u>-</u>	<u>-</u>	<u>675,241</u>	<u>675,241</u>
Total	<u>\$ 9,519,308</u>	<u>\$ 5,763,832</u>	<u>\$ -</u>	<u>(4,430,717)</u>	<u>675,241</u>	<u>(3,755,476)</u>
General Revenues:						
Taxes				3,618,378	-	3,618,378
State Grants				1,298,315	-	1,298,315
Franchise Fees				279,902	-	279,902
Investment Earnings				85,874	263,284	349,158
Miscellaneous				<u>143,362</u>	<u>-</u>	<u>143,362</u>
Total General Revenues				<u>5,425,831</u>	<u>263,284</u>	<u>5,689,115</u>
Change in Net Position				995,114	938,525	1,933,639
Net Position – Beginning				18,290,758	44,733,270	63,024,028
Prior Period Adjustment				<u>(15,060)</u>	<u>-</u>	<u>(15,060)</u>
Net Position – Ending				<u>\$ 19,270,812</u>	<u>\$ 45,671,795</u>	<u>\$ 64,942,607</u>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## The Charter Township of Garfield Balance Sheet Governmental Funds December 31, 2014

	<u>General</u>	<u>Fire</u>	<u>Park</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 1,585,666	\$ 142,023	\$ 800,230	\$ 1,208,409	\$ 3,736,328
Certificates of Deposit	3,378,799	735,947	-	80,333	4,195,079
Investments	-	-	-	-	-
Accounts Receivable	596,018	-	15,000	-	611,018
Taxes Receivable – Current	1,762,734	1,394,179	-	1,500	3,158,413
Special Assessments Receivable:					
Current	-	-	-	18,954	18,954
Delinquent	-	-	-	-	-
Deferred	-	-	-	-	-
Interest Receivable on Assessments	-	-	-	-	-
Due from Other Funds	341,224	-	17,872	93,992	453,088
Prepaid Expenditures	<u>16,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,215</u>
Total	<u>\$ 7,680,656</u>	<u>\$ 2,272,149</u>	<u>\$ 833,102</u>	<u>\$ 1,403,188</u>	<u>12,189,095</u>
<u>Liabilities and Fund Equity</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 38,796	\$ -	\$ 7,725	\$ 1,472	47,993
Accrued Vacation Pay	37,799	-	-	-	37,799
Due to Other Funds	<u>32,932</u>	<u>-</u>	<u>339,298</u>	<u>1,926</u>	<u>374,156</u>
Total	<u>109,527</u>	<u>-</u>	<u>347,023</u>	<u>3,398</u>	<u>459,948</u>
<u>Fund Equity:</u>					
Fund Balance – Committed	681,067	2,272,149	486,079	1,399,790	4,839,085
Fund Balance – Unassigned	<u>6,890,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,890,062</u>
Total	<u>7,571,129</u>	<u>2,272,149</u>	<u>486,079</u>	<u>1,399,790</u>	<u>11,729,147</u>
Total Liabilities and Fund Equity	<u>\$ 7,680,656</u>	<u>\$ 2,272,149</u>	<u>\$ 833,102</u>	<u>\$ 1,403,188</u>	
Amounts reported for governmental activities on the statement of net position are different because:					
Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds.					<u>7,541,665</u>
Net position of governmental activities.					<u>\$ 19,270,812</u>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## The Charter Township of Garfield Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended December 31, 2014

	General	Fire	Park	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues</u></b>					
Taxes	\$ 1,928,998	\$ 1,585,719	\$ 99,559	\$ -	\$ 3,614,276
Licenses and Permits	268,122	-	-	-	268,122
State Grants	1,298,315	-	-	-	1,298,315
Charges for Services	33,874	13,725	-	-	47,599
Interest and Rents	351,915	10,891	-	2,970	365,776
Other	68,126	14,315	12,610	48,311	143,362
<b>Total</b>	<b>3,949,350</b>	<b>1,624,650</b>	<b>112,169</b>	<b>51,281</b>	<b>5,737,450</b>
<b><u>Expenditures</u></b>					
Legislative	193,232	-	-	-	193,232
General Government	751,229	-	-	-	751,229
Public Safety	1,262,918	1,585,720	-	-	2,848,638
Health and Welfare	123,912	-	-	-	123,912
Public Works	82,236	-	-	21,860	104,096
Recreation and Culture	-	-	90,209	-	90,209
Other	386,310	-	24,559	-	410,869
Capital Outlay	4,200	-	32,868	-	37,068
Debt Service	-	-	-	16,602	16,602
<b>Total</b>	<b>2,804,037</b>	<b>1,585,720</b>	<b>147,636</b>	<b>38,462</b>	<b>4,575,855</b>
<b><u>Excess Revenues (Expenditures)</u></b>	<b>1,145,313</b>	<b>38,930</b>	<b>(35,467)</b>	<b>12,819</b>	<b>1,161,595</b>
<b><u>Other Financing Sources (Uses)</u></b>					
Operating Transfers In	-	-	-	700,215	700,215
Operating Transfers (Out)	(700,215)	-	-	-	(700,215)
<b>Total</b>	<b>(700,215)</b>	<b>-</b>	<b>-</b>	<b>700,215</b>	<b>-</b>
<b><u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u></b>	<b>445,098</b>	<b>38,930</b>	<b>(35,467)</b>	<b>713,034</b>	<b>1,161,595</b>
<b>Fund Balance – Beginning of Year</b>	<b>7,126,031</b>	<b>2,233,219</b>	<b>521,546</b>	<b>686,756</b>	<b>10,567,552</b>
<b>Fund Balance – End of Year</b>	<b>\$ 7,571,129</b>	<b>\$ 2,272,149</b>	<b>\$ 486,079</b>	<b>\$ 1,399,790</b>	<b>\$11,729,147</b>

Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

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## Tobin & Co.

Garfield Charter Township  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
Of Governmental Activities  
For the Year Ended December 31, 2014

Net change in fund balances – total governmental funds	\$ 1,161,595
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	<u>(166,481)</u>
Changes in net position of governmental activities	<u>\$ 995,114</u>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

# Tobin & Co.

## The Charter Township of Garfield Statement of Net Position Enterprise Sewer and Water Fund December 31, 2014

### Assets

Cash and Cash Equivalents	\$ 10,915,782
Investments	611,779
Accounts Receivable	470,999
Special Assessments Receivable	1,952
Due from Other Activities	366,972
Capital Assets:	
Land	102,927
Other Capital Assets, Net of Depreciation	34,501,293
Intangible Asset, Net of Amortization	<u>23,852</u>
Total Assets	<u>46,995,556</u>

### Liabilities

Accounts Payable and Accrued Expenses	704,769
Due to Other Activities	93,992
Long-term Liabilities, Net of Discounts:	
Due Within One Year	45,000
Due in More Than One Year	<u>480,000</u>
Total Liabilities	<u>1,323,761</u>

### Net Position

Invested in Capital and Intangible Assets, Net of Related Debt	34,103,072
Restricted	7,472,854
Unrestricted	<u>4,095,869</u>
Total Net Position	<u>\$ 45,671,795</u>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements



# Tobin & Co.

Garfield Charter Township  
Statement of Revenues, Expenses and Changes in Net Position  
Enterprise Sewer and Water Fund  
For the Year Ended December 31, 2014

## Operating Revenues

Charges for Services	\$ 5,412,040
Special Assessments	<u>36,071</u>
Total	<u>5,448,111</u>

## Operating Expenses

Contractual Services – System Maintenance	407,025
Depreciation and Amortization	1,168,455
Capacity Lease	2,380,777
Debt Service:	
Interest and Fees	297,351
Contractual Payments on Joint Venture	<u>519,262</u>
Total	<u>4,772,870</u>
Operating Income	<u>675,241</u>

## Other Income and Expenses

Interest	87,461
Unrealized Gain on Investments	<u>175,823</u>
Total	<u>263,284</u>
Change in Net Position from Operations	938,525
Net Position – Beginning of Year	<u>44,733,270</u>
Net Position – End of Year	<u>\$ 45,671,795</u>

# Tobin & Co.

Garfield Charter Township  
Statement of Cash Flows  
Enterprise Sewer and Water Fund  
For the Year Ended December 31, 2014

## Operating Activities

Collection of Charges for Services	\$ 5,412,040
Collection of Special Assessments	36,071
Collection of Interest and Unrealized Gains or Losses	263,284
Deduct Expenses Using Cash and Cash Equivalents	<u>(3,690,704)</u>

Net Cash Flow from Operating Activities

2,020,691

## Capital Financing Activities

Principal Payments

(30,000)

Net Cash Flow (Used By) Capital Financing Activities

(30,000)

## Net Increase (Decrease) in Cash

1,990,691

## Cash and Cash Equivalents – Beginning of Year

9,536,870

## Cash and Cash Equivalents – End of Year

\$11,527,561

## Reconciliation of Change in Nets Position and Net Cash Flow from Operating Activities

Change in Net Position	\$ 938,525
Adjustments to Reconcile Net Earnings:	
Depreciation and Amortization	1,168,455
(Increase) Decrease in Assets	
Accounts Receivable	27,831
Due from Other Funds	22,705
Increase (Decrease) in Liabilities	(70,449)
Accounts Payable	(32,712)
Deferred Revenue	<u>(33,664)</u>
Due to Other Funds	
Net Cash Flow from Operating Activities	<u>\$ 2,020,691</u>

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## Tobin & Co.

### Garfield Charter Township Statement of Fiduciary Net Position December 31, 2014

#### Assets

Cash and Investments	<u>\$ 2,742,267</u>
Total Assets	<u>2,742,267</u>

#### Liabilities

Undistributed Taxes and Interest	2,179,901
Escrow Deposits	<u>562,366</u>
Total Liabilities	<u>2,742,267</u>
Net Position	<u>\$ _____</u>

See Independent Auditor's Report and Accompanying Notes to Basic Financial Statements

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## Garfield Charter Township Notes to Financial Statements December 31, 2014

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Garfield Charter Township (the "Township"), conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies:

#### A. Financial Reporting Entity

Garfield Charter Township was incorporated as a charter township in 1976 and is located in Grand Traverse County, Michigan. The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included. Based on the above criteria, there are no other organizations included in these financial statements.

Sewer and Water System Operations – The Grand Traverse County Board of Public Works operates, maintains and administers the Township's sewage disposal and water systems. The original construction and subsequent extensions were administered by the County and financed in part through bonds backed by the full faith and credit pledges of the Township.

The County DPW collects all user fees which are remitted to the Township, accounts for direct and allocated operating expenses which are billed to and paid by the Township, remits debt payments and maintains capital project and debt service funds. The Township's administration reviews DPW operations on behalf of the Township, establishes special assessment districts, approves of construction expenditures, collects special assessment levies, which are remitted to the County for debt retirement, and maintains the special assessment rolls.

The arrangements between the County and Township were established to enable more favorable interest rates and borrowing limits and to achieve overall efficiency in operating these public services to the community. The County is acting as an agent for the Township and the Township retains significant control and responsibility over operations of the sewer and water systems.

#### B. 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. For the most part, the effect of the interfund activity has been removed from these statements. 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.

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.

#### C. Measurement Focus/Basis of Accounting

The government-wide 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 a 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

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## Garfield Charter Township Notes to Financial Statements December 31, 2014

period, or within one year for reimbursement – based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, intergovernmental revenues 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The fire protection fund accounts for the separate voted millage and related operation of the fire department.

The park system debt fund accounts for taxes levied and debt service for the purchase of land, buildings, and equipment for, and operations of, the Township's parklands.

The government reports the following major proprietary fund:

The water and sewer fund accounts for the activities of the government's water distribution system and sewage disposal and treatment system.

Additionally, the Township reports the following fund types:

Agency funds are used to account for assets held for other governments in an agency capacity, including tax collections.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 sewer and water enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

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## The Charter Township of Garfield Notes to Financial Statements December 31, 2014

### D. Assets, Liabilities and Net Position or Equity

#### Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, banker' acceptances, and mutual funds composed of otherwise legal investments.

Investments are reported at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

#### Receivables and Payables

All receivables and payables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

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" (e.g., the current portion of interfund loans) or "advances to/from other funds" (e.g., 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".

#### Prepays

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

#### Capital Assets

Capital assets, which include property, plant, equipment and water and sewer systems, are reported in the applicable governmental or 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 recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year. Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Sewer and Water Systems	50 - 75years
Buildings	30 - 60 years
Building Improvements	10 - 30 years
Vehicles	3 - 10 years
Office Furniture and Computer Equipment	3 - 10 years

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## The Charter Township of Garfield Notes to Financial Statements December 31, 2014

### Deferred Outflow/Inflows of Resources

In addition to assets, the statement of net position and the governmental funds balance sheet, when applicable, will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position/fund balance that applies to future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Township does not have any items of this type that qualify as deferred outflows of resources.

In addition to liabilities, the statement of net position and the balance sheet, when applicable, will sometime report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to future period and so will not be recognized as an inflow of resources (revenue) until then. Currently, the Township does not have any items of this type that qualify as deferred inflows of resources.

### Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### Fund Equity

Fund balances of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Township Board. The Township Board is the highest level of decision-making authority for the Township. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Township Board.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. All such assignments can be made only with unanimous approval of all committed members.

As of December 31, 2014, fund balances are composed of the following:

	General Fund	Fire Fund	Park Fund	Other Governmental Funds	Total Governmental Funds
Committed	\$ 681,067	\$ 2,272,149	\$ 486,079	\$ 1,399,790	\$ 4,839,085
Unassigned	6,890,062	-	-	-	6,890,062
Total Fund Balances	<u>\$ 7,571,129</u>	<u>\$ 2,272,149</u>	<u>\$ 486,079</u>	<u>\$ 1,399,790</u>	<u>\$11,729,147</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Township Board has provided otherwise in its commitment or assignment actions.



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## The Charter Township of Garfield Notes to Financial Statements December 31, 2014

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### Budgets and Budgetary Accounting

Comparisons to budget are presented for the General Fund and Special Revenue Funds. The operating budget is adopted by activity for the General Fund and by activity for the Special Revenue funds. Budgets for the General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Any revisions that alter the total expenditures of any fund must be approved by the Township Board. Budgeted amounts are as originally adopted, or as amended by the Township Board.

### NOTE 3 - DETAILED NOTES ON ALL FUNDS

#### Deposits and Investments

A reconciliation of cash and investments as shown in the basic financial statements to the Township's deposits and investments is as follows:

Government-wide Financial Statement Captions:	Carrying Amount
Cash and cash equivalents	\$ 19,458,968
Fiduciary Fund Financial Statement Captions:	
Cash and cash equivalents	<u>2,742,267</u>
Total	<u>\$ 22,201,235</u>
Deposits	\$ 22,201,085
Cash on hand	<u>150</u>
Total	<u>\$ 22,201,235</u>

#### Investment and Deposit Risk:

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified below. 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. The maturity dates for each investment are identified above for investment held at year end.

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 below. The Township's investment policy does not have specific limits in excess of state law on investment credit. The ratings for each investment are identified above for investments held at year end.

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. The Township has entered into a Third Party Custodial Agreement ("Agreement") with its primary financial institution. The Agreement fully collateralized all deposits at the bank which exceed the FDIC limit of \$250,000 with a variety of securities backed by the U.S. Government. Of the deposits, \$12,219,545 of the Township's bank balance of \$14,766,142 was exposed to custodial credit risk because it was uninsured, uncollateralized and had no additional financial backing.

# Tobin & Co.

## The Charter Township of Garfield Notes to Financial Statements December 31, 2014

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. Of the investments listed above, there is not custodial credit risk as these investments are uncategorized as to credit risk.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified below. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk. More than 5 percent of the Township's investments are in U.S. Treasury securities. All investments at year end are reported above.

The Township is authorized by statute to invest surplus funds in the following:

- (1) Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- (2) Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a qualified financial institution.
- (3) 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 date of purchase.
- (5) In bankers' acceptances of United States Banks.
- (6) Obligations of the State of Michigan and its political subdivisions that, at the time of purchase, are rated as investment grade by at least one standard rating service.
- (7) 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.
- (8) External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The Township Board is authorized to designate depositories for Township funds, and to determine that the funds are invested in accordance with State of Michigan statutory authority.

The Township's deposits are in accordance with statutory authority.

### Receivables

Receivables in the primary government are as follows:

	<u>Government Activities</u>	<u>Business Activities</u>
Accounts	\$ 611,018	\$ 470,999
Taxes Receivable	3,158,413	-
Special Assessments:		
Due within one year	<u>18,954</u>	<u>1,952</u>
	<u>\$ 3,788,385</u>	<u>\$ 472,951</u>

# Tobin & Co.

## The Charter Township of Garfield Notes to Financial Statements December 31, 2014

<u>Capital Assets</u>	<u>12/31/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/14</u>
Governmental Activities:				
Capital assets not being depreciated - Land	\$ 4,271,072	\$ -	\$ -	\$ 4,271,072
Capital assets being depreciated:				
Buildings and Improvements	5,383,111	32,868	-	5,415,979
Vehicles	157,186	-	-	157,186
Equipment	436,974	4,200	-	441,174
Total capital assets being depreciated	5,977,271	37,068	-	6,014,339
Less Accumulated Depreciation:				
Buildings and improvements	(2,246,991)	(168,114)	-	(2,415,105)
Vehicles	(137,243)	(1,994)	-	(139,237)
Equipment	(406,582)	(6,498)	-	(413,080)
Total accumulated depreciation	(2,790,816)	(176,606)	-	(2,967,422)
Total capital assets being depreciated, net	3,186,455	(139,538)	-	3,046,917
Intangible Assets	330,242	-	-	330,242
Less Accumulated Depreciation	(75,521)	(31,045)	-	(106,566)
Total intangible assets	254,721	(31,045)	-	223,676
Governmental Activities Capital Assets, Net	\$ 7,712,248	\$ (170,583)	\$ -	\$ 7,541,665
Business-type Activities:				
Capital assets not being depreciated - Land	\$ 102,927	\$ -	\$ -	\$ 102,927
Capital assets being depreciated:				
Sewer and Water Systems	58,151,429	-	-	58,151,429
Less Accumulated Depreciation				
Sewer and Water Systems	(22,484,832)	(1,165,304)	-	(23,650,136)
Total capital assets being depreciated, net	35,666,597	(1,165,304)	-	34,501,293
Intangible Assets	55,932	-	-	55,932
Less Accumulated Depreciation	(28,930)	(3,150)	-	(32,080)
Total intangible assets	27,002	(3,150)	-	23,852
Business-type Activities Capital Assets, Net	\$ 35,796,526	\$ (1,168,454)	\$ -	\$ 34,628,072

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

Governmental Activities:	
General Government	\$ 84,206
Public Works	31,045
Recreation and Culture	92,400
Total depreciation expense – governmental activities	\$ 207,651

# Tobin & Co.

The Charter Township of Garfield  
Notes to Financial Statements  
December 31, 2014

## Interfund Receivables, Payables, and Transfers

The composition of interfund receivables and payables as of December 31, 2014 is as follows:

<u>Due From</u>		<u>Due (To)</u>	
General	\$ 341,224	General	\$ 17,872
Park	17,872	Park	339,298
Public Improvement	<u>93,992</u>	Street Lights	1,926
		Knollcrest	<u>93,992</u>
	<u>\$ 453,088</u>		<u>\$ 453,088</u>

## Long-term Debt

A summary of bond and contract transactions for the year ended December 31, 2014, as follows:

### Governmental Activities

	<u>Balance 1/01/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/14</u>	<u>Current Portion</u>
Compensated Absences	\$ 13,313	\$ -	\$ -	\$ 13,313	\$ -
Total Governmental Activities	<u>\$ 13,313</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,313</u>	<u>\$ -</u>

### Business Type Activities

	<u>Balance 1/01/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/14</u>	<u>Current Portion</u>
Bonds Payable:					
Water and Sewer 2009 Bonds	\$ 555,000	\$ -	\$ (30,000)	\$ 525,000	\$ 45,000
	<u>\$ 555,000</u>	<u>\$ -</u>	<u>\$ (30,000)</u>	<u>\$ 525,000</u>	<u>\$ 45,000</u>

Sewer revenue contracts are supported by revenues of the Water and Sewer Fund. The Township has no general obligation debt that can be levied on the annual property tax bills.

# Tobin & Co.

## The Charter Township of Garfield Notes to Financial Statements December 31, 2014

### Business-type Activities

\$990,267 2009 water and sewer system improvements projects, due in annual installments of \$25,000 to \$40,000 through 2029. Interest payable semi-annually at 2.50%

\$ 525,000

\$ 525,000

For the governmental activities, compensated absences are generally liquidated by the general fund.

Annual debt service requirements to maturity for contracts and notes payable 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>
2015	\$ -	\$ -	\$ 45,000	\$ 21,688
2016	-	-	45,000	20,563
2017	-	-	50,000	19,375
2018	-	-	50,000	18,125
2019	-	-	55,000	16,813
2020 - 2029	-	-	280,000	83,815
Total	\$ -	\$ -	\$ 525,000	\$ 180,379

### NOTE 4 - OTHER INFORMATION

#### Property Taxes

Township property taxes are attached as an enforceable lien on property as of December 1. Taxes are levied December 1 and are due without penalty on or before February 14. These tax bills include the Township's own property taxes and taxes billed on behalf of Grand Traverse County and the school districts within the Township boundaries.

Real property taxes not collected as of March 1 are turned over to Grand Traverse County for collection, which advances the Township 100% for the delinquent taxes. Collection of delinquent personal property taxes remains the responsibility of the Township Treasurer.

#### Inventories

Charter Township of Garfield does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items recorded as expenses when purchased.

#### Pension Plans

Defined Contribution Pension Plan - The Township participates in a defined contribution pension plan for Michigan Township employees under contract with the John Hancock Life Insurance Company to provide benefits at retirement to eligible employees.

Eligible employees are those who have attained the age of 18 and not more than 75, have been employed for the Township for more than 90 days and are elected officials or full-time employees working 37 hours or more per week.

The Township pays 100% of the required annual contribution, which amounts to 10% of annual compensation. Compensation is determined by the basic annual rate of compensation in effect at the beginning of the plan year. Eligible employees may make voluntary contributions through payroll withholdings in amounts ranging from one to ten percent of compensation.

An employee will become 100% vested in his/her account balance immediately after completion of one year of employment.

Plan provisions and contribution requirements are established and may be amended by the Township Board.

During the year, the Township's required contributions amounted to \$70,073. Covered payroll for the year was \$700,730 with total payroll for all employees of \$904,055. The plan was funded at the required contribution amount.

# Tobin & Co.

## The Charter Township of Garfield Notes to Financial Statements December 31, 2014

### Joint Venture

The Township entered into a master sewer agreement effective July 1, 1987 through June 30, 2014 and supplemented July 1, 1993, August 13, 1998, and March 31, 2003 with the additions of the City of Traverse City, the Townships of Peninsula, East Bay, and Acme in Grand Traverse County, the Township of Elmwood in Leelanau County and with Grand Traverse County. This master sewer agreement defines the allocation of costs and establishes certain rights and responsibilities with respect to the Wastewater Treatment Plant. Grand Traverse County is the owner of the Treatment Plant and the City of Traverse City is the owner of all the multi-user facilities. Ownership of the Treatment Plant will revert to the City of Traverse City when certain bonds issued by Grand Traverse County are retired.

The City of Traverse City is the exclusive manager of the plant for the benefit of itself and the Townships. As the exclusive manager, the City of Traverse City has the obligation to fully inform and advise the Townships as to the Treatment Plant's operations and the Townships shall have the right to comment on all matters connected with the administration of the plant. Prior to June 30, the City of Traverse City shall submit a proposed budget for the operations of the Treatment Plant for the year commencing July 1. The Townships have thirty days in which to comment on the proposed budget.

Each of the parties of the agreement is entitled to make use of a portion of the Treatment Plant's capacity as follows:

<u>Party</u>	<u>Capacity Right</u>
City of Traverse City	60.00%
Garfield Township	25.46
East Bay Township	2.78
Elmwood Township	2.73
Acme Township	8.17
Peninsula Township	<u>.86</u>
	<u>100%</u>

Each participant in the joint venture pays an amount sufficient to cover their pro rata share of the treatment plant costs. Each participant's pro rata share is determined by their volume of sewage treated in relation to total sewage treated at the plant. The principal amount paid in the current year for the Township was \$515,684 and the interest was \$275,315.

The Township is also liable for a portion of the Treatment Plant's debt. A portion of the liability is fixed and a portion is determined on a biannual basis based upon the amount of the Township's flows through the Treatment Plant. The Township's portion of Treatment Plant debt is estimated as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 432,820	\$ 150,825
2016	450,642	133,105
2017	465,918	114,825
2018	486,286	95,781
2019	509,200	75,871
2020-23	<u>1,642,170</u>	<u>100,058</u>
Total	<u>\$ 3,987,036</u>	<u>\$ 670,465</u>

# Tobin & Co.

## The Charter Township of Garfield Notes to Financial Statements December 31, 2014

### Commitments and Contingencies

The Township is contingently liable in connection with bonds issued to construct and operate a waste water treatment septage plant in Grand Traverse County. It currently appears that the facility may begin to operate at a deficit, in which case the Township and other guarantors would be required to fund the operating deficit. At the present time, it is not known whether such a deficit will occur, but if the Township is ultimately required to provide funding, it will be in the form of a loan with repayment provisions.

In addition, in the normal course of operations, the Township becomes a party to various claims and lawsuits. In the opinion of the legal counsel and Township management, the ultimate resolution of such matters will not have a material effect on the financial position of the Township.

### 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. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

### Prior Period Adjustments

During the current year, it was determined that certain prior year taxes receivable were not recorded as income in the funds. To correct this error, the beginning General Fund balance of \$5,239,185, Fire Fund balance of \$730,749, Street Lighting Fund balance of \$5,167, and Milfoil Fund balance of \$284 as originally reported, were increased to \$7,126,031, \$2,233,219, \$16,686, and \$8,977, respectively.

### Subsequent Events

In preparing the accompanying financial statements, the Township officials have evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2014 and prior to April 15, 2015, the date these financial statements were available to be issued. No such significant events or transactions were identified.

### NOTE 5 - PENDING ACCOUNTING PRONOUNCEMENT

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial reporting for Pensions*, effective for periods beginning after June 15, 2014. This Statement generally carries forward the requirements of Statement No. 27 for employer accounting and financial reporting for defined contribution plans. In this Statement, the definition of defined contribution pensions, as well as the accounting requirements for such pensions, includes provisions to accommodate circumstances in which the timing of payments into individual accounts does not coincide with the period of employee service to which defined contributions pertain (as when a nonvested employee accumulates credits for which the employer delays payment into the employee's account until vesting provisions have been satisfied). The Statement also establishes requirements to address accounting for forfeitures. The Statement also enhances accountability and transparency through revised note disclosures. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the fiscal year beginning January 1, 2015.



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**Tobin & Co.**

SUPPLEMENTAL DATA SECTION

# Tobin & Co.

The Charter Township of Garfield  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended December 31, 2014

Schedule 1  
Page 1

Revenues	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Taxes:				
Current Taxes	\$ 2,030,779	\$ 2,030,779	\$ 1,910,066	\$ (120,713)
Delinquent Taxes	-	-	1,651	1,651
Penalties and Interest on Taxes	7,500	7,500	9,994	2,494
Swamp Tax	40	40	61	21
Trailer Park Fees	6,100	6,100	7,226	1,126
Licenses and Permits:				
Building Permits	150,000	150,000	240,022	90,022
Planning and Zoning Fees	25,000	25,000	26,060	1,060
Maintenance Inspection Fees	1,500	1,500	2,040	540
State Grants:				
State Metro	17,561	17,561	16,454	(1,107)
State Shared Revenues	1,200,000	1,200,000	1,263,522	63,522
State Shared Revenues – Liquor Law	20,000	20,000	18,339	(1,661)
Charges for Services:				
Tax Collection Fees	22,000	22,000	22,058	58
Other	17,900	17,900	11,816	(6,084)
Interest and Rents:				
Interest	15,000	15,000	23,662	8,662
Rent	40,000	48,000	48,351	351
Royalties	194,000	202,000	279,902	77,902
Other:				
Reimbursements	-	-	30,428	30,428
Unrealized Gain on Investments	-	-	37,698	37,698
<b>Total Revenues</b>	<b>3,747,380</b>	<b>3,763,380</b>	<b>3,949,350</b>	<b>185,970</b>
<b>Expenditures</b>				
Legislative:				
Township Board:				
Salaries and Wages – Trustees, Secretary and Receptionist	-	-	104,819	-
Supplies	-	-	26,447	-
Legal	-	-	29,903	-
Audit and Accounting	-	-	15,794	-
Other Contracted Services	-	-	3,715	-
Printing and Advertising	-	-	4,983	-
Mileage, Travel, and Education	-	-	1,022	-
Dues and Publications	-	-	6,549	-
Other	-	-	-	-
<b>Total</b>	<b>192,157</b>	<b>192,157</b>	<b>193,232</b>	<b>(1,075)</b>
<b>Total Legislative</b>	<b>192,157</b>	<b>192,157</b>	<b>193,232</b>	<b>(1,075)</b>

Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Garfield Charter Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended December 31, 2014

Schedule 1  
Page 2

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Expenditures (Continued)</u>	<u>Original</u>	<u>Final</u>		
General Government:				
Township Supervisor and Assessor:				
Salaries and Wages	-	-	154,625	-
Salaries and Wages – Assistants and Secretaries	-	-	109,470	-
Supplies	-	-	695	-
Contractual Services	-	-	17,514	-
Printing and Advertising	-	-	4,810	-
Mileage and Education	-	-	4,693	-
Dues and Publications	-	-	2,720	-
Other	-	-	-	-
Total	<u>300,165</u>	<u>300,165</u>	<u>294,527</u>	<u>5,638</u>
Elections:				
Salaries and Wages	-	-	15,011	-
Supplies	-	-	6,867	-
Postage	-	-	4,578	-
Mileage and Education	-	-	60	-
Maintenance and Support	-	-	4,289	-
Advertising	-	-	332	-
Total	<u>36,200</u>	<u>36,200</u>	<u>31,137</u>	<u>5,063</u>
Clerk:				
Salaries and Wages	-	-	69,652	-
Salaries and Wages – Deputy and Other	-	-	45,470	-
Mileage and Education	-	-	4,778	-
Dues and Publications	-	-	514	-
Other	-	-	456	-
Total	<u>126,813</u>	<u>126,813</u>	<u>120,870</u>	<u>5,943</u>
Board of Review:				
Salaries and Wages	-	-	2,300	-
Other	-	-	-	-
Total	<u>5,200</u>	<u>5,200</u>	<u>2,300</u>	<u>2,900</u>
Treasurer:				
Salaries and Wages	-	-	69,652	-
Salaries and Wages – Deputy and Other	-	-	55,399	-
Supplies	-	-	8,456	-
Legal	-	-	8,409	-
Printing and Publishing	-	-	379	-
Mileage and Education	-	-	2,113	-
Dues and Publications	-	-	370	-
Other	-	-	192	-
Total	<u>148,608</u>	<u>148,608</u>	<u>144,970</u>	<u>3,638</u>

Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

Garfield Charter Township  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended December 31, 2014

Schedule 1  
Page 3

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<u>Expenditures (Continued)</u>				
General Government (Continued):				
Computer Support:				
Supplies	-	-	867	-
Computer Systems	-	-	1,753	-
Maintenance and Support	-	-	28,129	-
Total	51,000	51,000	30,749	20,251
Township Hall and Grounds:				
Wages	-	-	10,358	-
Supplies	-	-	3,310	-
Telephone	-	-	24,276	-
Public Utilities	-	-	39,999	-
Cleaning	-	-	14,477	-
Maintenance and Repairs	-	-	34,256	-
Total	127,000	127,000	126,676	324
Total General Government	794,986	794,986	751,229	43,757
Public Safety:				
Police Contract	1,025,365	1,025,365	993,155	32,210
Building Inspector:				
Salaries and Wages	-	-	78,294	-
Supplies	-	-	306	-
Mileage and Education	-	-	814	-
Dues and Publications	-	-	100	-
Total	89,960	89,960	79,514	10,446
Planning Commission:				
Salaries and Wages	-	-	10,200	-
Legal	-	-	6,625	-
Contracted Services	-	-	1,752	-
Advertising	-	-	1,023	-
Education	-	-	45	-
Dues and Publications	-	-	400	-
Total	38,300	38,300	20,045	18,255
Township Planner:				
Salaries and Wages	-	-	116,204	-
Supplies	-	-	382	-
Mileage and Education	-	-	1,142	-
Dues and Publications	-	-	740	-
Total	125,050	125,050	118,468	6,582

Notes to the Basic Financial Statements are an integral part of this statement.

# Tobin & Co.

The Charter Township of Garfield  
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
General Fund  
For the Year Ended December 31, 2014

Schedule 1  
Page 4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Expenditures (Continued)</u>	<u>Original</u>	<u>Final</u>		
Public Safety (Continued)				
Zoning Board of Appeals:				
Salaries and Wages	-	-	1,000	-
Legal	-	-	248	-
Advertising	-	-	223	-
Other	-	-	282	-
Total	<u>11,000</u>	<u>11,000</u>	<u>1,753</u>	<u>9,247</u>
Zoning Administrator:				
Salaries and Wages	-	-	49,737	-
Supplies	-	-	186	-
Mileage and Education	-	-	-	-
Dues and Publications	-	-	60	-
Total	<u>50,042</u>	<u>58,042</u>	<u>49,983</u>	<u>8,059</u>
Total Public Safety	<u>1,339,717</u>	<u>1,347,717</u>	<u>1,262,918</u>	<u>84,799</u>
Heath and Welfare:				
Community Promotions	<u>120,500</u>	<u>128,500</u>	<u>123,912</u>	<u>4,588</u>
Public Works:				
Street Lighting	<u>92,000</u>	<u>92,000</u>	<u>82,236</u>	<u>9,764</u>
Other:				
Township Vehicles	4,300	4,300	3,939	361
Employee Benefits and Insurance	<u>462,500</u>	<u>462,500</u>	<u>382,371</u>	<u>80,129</u>
Total	<u>466,800</u>	<u>466,800</u>	<u>386,310</u>	<u>80,490</u>
Capital Outlay	<u>30,000</u>	<u>30,000</u>	<u>4,200</u>	<u>25,800</u>
Total Expenditures	<u>3,036,160</u>	<u>3,052,160</u>	<u>2,804,037</u>	<u>248,123</u>
Excess Revenues (Expenditures)	<u>711,220</u>	<u>711,220</u>	<u>1,145,313</u>	<u>434,093</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	(700,215)	(700,215)
Total	-	-	(700,215)	(700,215)
Excess Revenues (Expenditures) and Other Financing Sources (Uses)	<u>\$ 711,220</u>	<u>\$ 711,220</u>	445,098	<u>\$ (266,122)</u>
Fund Balance – Beginning of Year			5,239,185	
Prior Period Adjustment			<u>1,886,846</u>	
Fund Balance – End of Year			<u>\$ 7,571,129</u>	

Notes to the Basic Financial Statements are an integral part of this statement.