



Posted 07/05/2023 7 PM

Updated 07/07/2023 5 PM

**Regular Meeting of the  
EAST BAY CHARTER TOWNSHIP BOARD  
East Bay Township Hall  
1965 North Three Mile Road  
Monday, July 10, 2023 at 6:30 PM**

Items in red, added on 07/07/2023, are in the supplemental packet at the end of the packet.

1. Call Meeting to Order
2. Pledge of Allegiance
3. Roll Call
4. Agenda
  - a. Review for Conflict of Interest
  - b. Approval of the Agenda
5. Public Comment: *Public Comment policy is on the back of the agenda.*
6. Correspondence & Reports: *Comments may be submitted to [bot@eastbaytwp.org](mailto:bot@eastbaytwp.org) for automatic distribution to the Township Board and administrative staff and documented in correspondence.*
7. Consent Agenda

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

  - A. Board Minutes: 06/12/2023 (Recommend Approval)
  - B. General Fund (Recommend Approval)
  - C. Emergency Services Fund (Recommend Approval)
  - D. Receiving Fund (Recommend Approval)
  - E. Escrow Fund (Recommend Approval)
  - F. Payroll Fund/Payroll EFT Funds (Recommend Approval)
  - G. Budget Adjustments: **BA-2023-11 through 15** (Recommend Approval)
  - H. Other Items: (Recommend Approval)
    - i. TTCI's Intergovernmental Agreement for Participants of the Metropolitan Planning Organization – **added information**
    - ii. Part-time Building & Groundskeeper
    - iii. Re-appointments for the Planning Commission & Zoning Board of Appeals
    - iv. **2% Tribal Grant Awards: 1) East Bay Ambulance Purchase 2) GTRLC**
8. Business before the Township Board:
  - A. Consultant's Update:
    - i. Audit FY2022: Rehmann (Auditor) & Maner Costerisan (Accountant)
    - ii. Wade Trim – Engineering Projects: 1) MNRTF Arbutus Lake No. 5 Project; 2) Lift Station 1 to Regional Treatment Plant Sewer Project
  - B. Internal Reports or Updates:
    - i. Planning & Zoning: 1) Zoning Administrator Offer of Employment – **added information**; 2) Consideration of Introduced Short-Term Rental Licensing Ordinance No. 3 of 2023 - **added information**
  - C. Organizational Reports or Updates:
    - i. Board of Commissioners; ii. GTCRC iii. Traverse Connect
9. Public Comment
10. Upcoming Meeting Dates
11. Adjournment

*Information regarding meeting agendas, minutes, and packets are located at [eastbaytwp.org](http://eastbaytwp.org). Meetings are livestreamed at [tacm.tv/eastbaylive](http://tacm.tv/eastbaylive) and available for playback at [tacm.tv](http://tacm.tv).*

*If you are planning to attend this public meeting and are disabled requiring any special assistance, please notify the Township Clerk by calling at (231) 947-8647 as soon as possible.*

## PUBLIC COMMENT


Any person shall be permitted to address 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:

- Any person wishing to address the Board will be asked to stand up to the microphone and state his or her name and address.
- No person shall be allowed to speak more than once on the same matter, excluding time needed to answer Board's questions. The Chairperson shall control the amount of time each person shall be allowed to speak, which shall not exceed three (3) minutes.
- When ever individuals want to trade their minutes for a group, and a group wishes to address the Board, 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, which shall not exceed fifteen (15) minutes, this should be prearranged at the beginning of the meeting or just prior.
- In order to avoid unscheduled debates, the Board generally will not comment or respond to presenters. Silence or non-response from the Board should not be interpreted as disinterest or disagreement by the Board.

Brought before the East Bay Charter Township Board of Trustees at a Regular Township Meeting on Monday, November 10, 2008,

Motion by: Friend second by: Strait

The motion passed without opposition

 12-2-08  
Glen Lile, Supervisor Date

 11/11/08  
Susanne M. Courtade, Clerk Date

(f: drive Revision to Public Comment adopted 11-10-08)



**Meeting Date:** July 10, 2023

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**Correspondence:**

- The Center for Local, State, and Urban Policy  
Michigan Public Policy Survey June 2023

**Reports:**

- Planning & Zoning Quarterly Report
- East Bay Ambulance Quarterly Report

**Board/Commission Meetings:**

- Planning Commission Minutes  
[June 6, 2023](#)
  - Zoning Ordinance Subcommittee  
[June 7, 2023](#)  
[June 28, 2023](#)
- Zoning Board of Appeals Minutes  
[June 13, 2023](#)
- Parks Commission Minutes  
[May 22, 2023](#)



### MPPS Policy Brief

## Challenges for Michigan local governments with ARPA spending continue, particularly in project costs and procurement

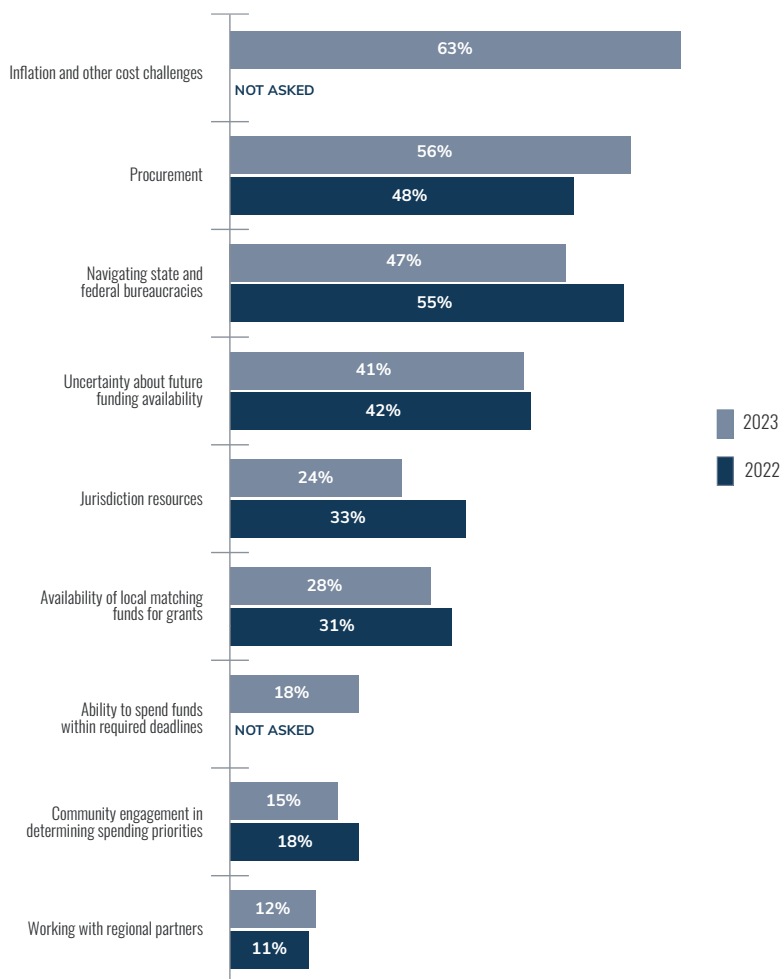
By Debra Horner, Natalie Fitzpatrick, and Thomas Ivacko

In March 2021, the U.S. government enacted the American Rescue Plan Act (ARPA), with \$1.9 trillion supporting local governments to stabilize their budgets, invest in their communities, and stimulate local economies. A total of \$4.4 billion in ARPA funding was allocated to Michigan local governments, directed at counties, cities, villages, and townships.<sup>1</sup> Twice in the past two years the Michigan Public Policy Survey (MPPS) asked local leaders about their experiences with ARPA, including problems their jurisdictions may be facing regarding ARPA funding or projects.

As shown in *Figure 1*, a majority of local leaders statewide report concerns in 2023 about inflation and other cost challenges (63%), as well as problems with other procurement issues such as lack of available contractors and supply chain challenges (56%). Overall, concerns with procurement issues increased compared with last year, while problems with navigating state and federal bureaucracies declined. There also continue to be considerable challenges regarding the one-time nature of ARPA funding and uncertainty about future funding once ARPA allocations are spent.

**Figure 1**

Percent of local jurisdictions reporting problems regarding ARPA funds, 2022-2023



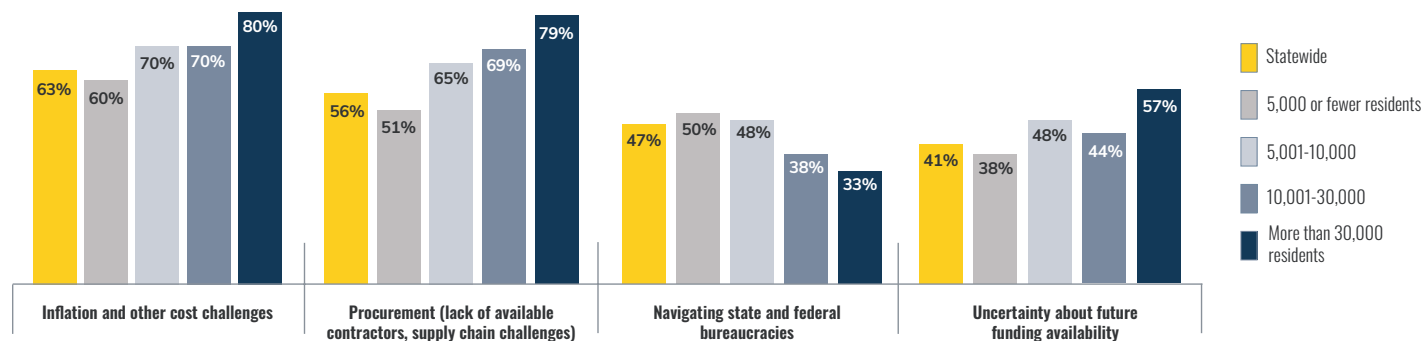
Note: responses for "not much of a problem," "not a problem at all," and "don't know" not shown. Figure 1 also excludes those who say they did not apply for or accept ARPA funding. In addition, the questions about inflation/costs and ability to spend funds by deadlines were not asked in 2022.

As seen in *Figure 2*, problems with costs and procurement are particularly pronounced in Michigan's larger jurisdictions. Among communities with more than 30,000 residents, 80% say inflation and other costs are somewhat of a problem (47%) or a significant problem (33%) for their ARPA projects. Meanwhile, 79% of these largest jurisdictions report problems with other procurement issues, up from 68% who said the same in 2022.<sup>2</sup> Concerns about future funding availability are also most common among the largest jurisdictions (57%), unchanged from last year.

Local leaders from the state's smaller jurisdictions —those with 5,000 residents or fewer—are the most likely to say their governments are still struggling with state and federal bureaucracies, with half (50%) saying it is somewhat of a problem (32%) or a significant problem (18%).

**Figure 2**

Percent of local jurisdictions reporting problems regarding ARPA funds, 2023, by population size



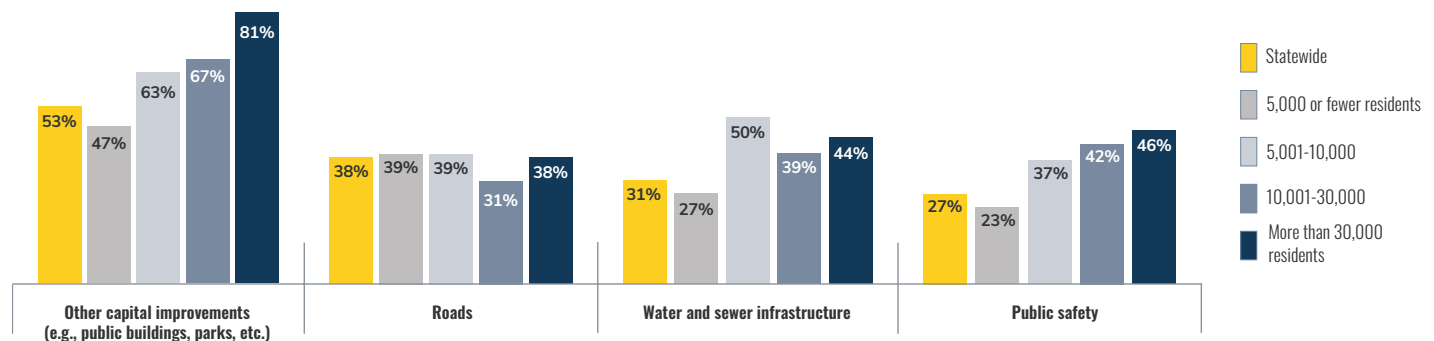
Note: responses for "not much of a problem," "not a problem at all," and "don't know" not shown. Figure 2 also excludes those who say they did not apply for or accept ARPA funding

## Capital improvements, infrastructure, and public safety continue to be top ARPA spending priorities

Among 13 project categories for ARPA spending presented on the survey, Michigan local governments most commonly report funding particular types of capital improvements, with a majority statewide (53%) spending or planning to use ARPA funds for facilities such as public buildings, public parks, etc. (see *Figure 3*). Roads and other transportation infrastructure (38%), water and sewer infrastructure (31%), and public safety (27%) are the next most common targets for ARPA spending, and these percentages are essentially unchanged from 2022.

Spending on capital improvements like buildings and parks is the most commonly reported project type in jurisdictions of all sizes and is particularly common among the state's largest jurisdictions (81%). Spending on water and sewer infrastructure is most commonly reported by mid-sized jurisdictions of between 5,001-10,000 residents (50%).

**Figure 3**  
Percent of jurisdictions supporting or planning various types of ARPA-funded projects, 2023, by population size



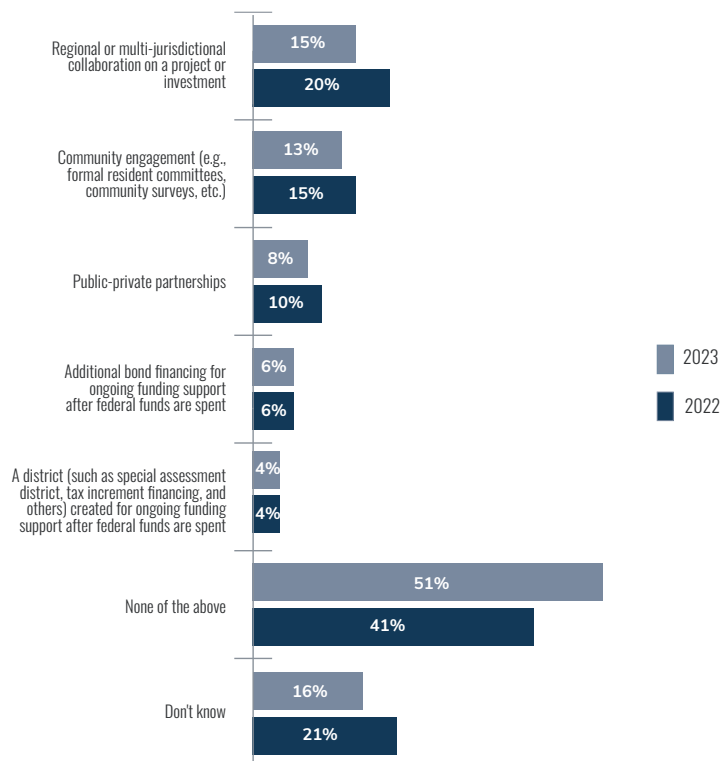
Note: Respondents were asked to check all that apply, so categories may sum to more than 100%

## Relatively few jurisdictions adopting particular strategies for managing their ARPA funds

Only 15% of local governments statewide report engaging in regional or multi-jurisdictional collaboration on ARPA projects, down from 20% in 2022 (see *Figure 4*). Counties (21%) and jurisdictions with over 30,000 residents (30%) were the most likely types of governments to say they were engaged in such collaboration on ARPA projects this year. Larger jurisdictions are also more likely to report pursuing community engagement efforts to help guide ARPA spending (23%) and to have public-private partnerships (35%). Meanwhile, over half (51%) of jurisdictions statewide say they are pursuing none of these strategies, up from 41% who weren't planning to pursue any of these strategies last year, and the percent who are uncertain has declined to 16% from 21% last year.

**Figure 4**

Percent of jurisdictions using or considering various strategies for ARPA-funded projects, 2022-2023



Note: Respondents were asked to check all that apply, so categories may sum to more than 100%

## Notes:

1. Michigan Department of Treasury. (2023). American Rescue Plan Act (ARPA): Coronavirus Local Fiscal Recovery Fund. Retrieved from: <https://www.michigan.gov/treasury/local/share/arpa/american-rescue-plan-act-arpa-coronavirus-local-fiscal-recovery-fund>
2. Fitzpatrick, N., Horner, D., and Ivacko, T. (2022, July). A survey of Michigan local government leaders on American Rescue Plan Act funding and uses. Center for Local, State, and Urban Policy at the Gerald R. Ford School of Public Policy, University of Michigan. Retrieved from: <https://closup.umich.edu/sites/closup/files/2022-07/mpps-policy-brief-arpa-2022.pdf>

## Survey Background and Methodology

The data presented in this policy brief come from the Spring 2023 Michigan Public Policy Survey (MPPS). The MPPS is an ongoing census survey of all 1,856 general purpose local governments in Michigan conducted since 2009 by the Center for Local, State, and Urban Policy (CLOSUP) at the University of Michigan's Gerald R Ford School of Public Policy. The program is a partnership with Michigan's local government associations. The Spring 2023 wave was conducted February 6 – April 17, 2023. Respondents include county administrators, board chairs, and clerks; city mayors, managers, and clerks; village presidents, managers, and clerks; and township supervisors, managers, and clerks from 1,307 jurisdictions across the state, resulting in a 70% response rate by unit. More information is available at <https://closup.umich.edu/michigan-public-policy-survey/mpps-2023-spring>

See CLOSUP's website for the full question text on the survey questionnaire. Detailed tables of the data in this report, including breakdowns by various jurisdiction characteristics such as community population size, region, and jurisdiction type, will be available soon at <http://mpps.umich.edu>.

*The survey responses presented here are those of local Michigan officials, while further analysis represents the views of the authors. Neither necessarily reflects the views of the University of Michigan, or of other partners in the MPPS.*



### Regents of the University of Michigan

**Jordan B. Acker**  
Huntington Woods

**Michael J. Behm**  
Grand Blanc

**Mark J. Bernstein**  
Ann Arbor

**Paul W. Brown**  
Ann Arbor

**Sarah Hubbard**  
Okemos

**Denise Ilitch**  
Bingham Farms

**Ron Weiser**  
Ann Arbor

**Katherine E. White**  
Ann Arbor

**Santa J. Ono**  
(ex officio)



## MEMORANDUM

**TO:** Board of Trustees  
East Bay Charter Township

**FROM:** Claire Karner, AICP, Director of Planning & Zoning

**DATE:** July 10, 2023

**RE:** Planning & Zoning Department Quarterly Report – July 2023

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The following report summarizes activities to date in the Planning & Zoning Department.

### Development Reviews

Project Name	Location	Project Type	Status	Action
SPR 11-22 Holiday Forest II Cluster	Winchester Drive	Res. Cluster Condo Sub	Approved	02.13.23
SPR 1-23 Victoria Place	Garfield & 3 Mile	Residential Condo Sub	Approved	04.10.23
SPR 2-23 Harbor Brook Hall	2155 US 31 N	Conference Center	Approved	03.07.23
SPR 3-23 Hayfield/Victoria Farms	Three Mile Road	Res. Cluster Condo Sub	Approved	06.12.23
SPR 4-23 SLU 1-23 Beringer B&B	168 Cross County Tr	Bed & Breakfast	Approved	06.06.23
SPR 5-23 1995 US 31 N Blue Sky	1995 U.S. 31 N	Jet ski/Boat Rentals	Approved	06.06.23
SPR 6-23 Row Investments LLC (Jaroh)	Holiday Rd	Multifamily	Pending	NA

### SPR 11-22 Holiday Forest II Residential Cluster Condominium Subdivision

Description: An additional 34 residential units to the existing residential condominium subdivision, Holiday Forest. The parcel (03-215-037-00) is located off Yorkshire and Winchester Drives in the Holiday Hills area and is 16.40 acres in size. The lots range in size, with a minimum proposed width of 67.3 feet and a minimum proposed area of 7,643 square feet. Streets within the development will be private.

### SPR 1-23 Victoria Place

Two (2) single family subdivision condominium units under the condominium subdivision provisions of section 222. The site is 2.36 acres and is zoned Agricultural (AG). The parcel is 03-108-005-92 with a current address of 1299 S. Garfield Road with one existing home that will be preserved. The site is located just east of the intersection of Three Mile and Garfield Road. One proposed unit is 40,315 square feet and the second unit is 47,256 square feet.

### SPR 2-23 Harbor Brook Hall Conference Center

Conversion of the existing building on the property back to its original use as a conference center. The parcel (03-791-000-55) is located at 2155 U.S. 31 North on the north side of the highway and is 0.96 acres in size. The applicant is not planning any modifications to existing building footprints or parking. The venue is approved for 94 attendees based on parking requirements in zoning, but the applicant would eventually like to host up to 300 guests as more parking options are identified.

### SPR 3-23 Hayfield/Victoria Farms

101 single family subdivision condominium units under the residential cluster subdivision provisions of section 226. The site is 119 acres and is zoned Agricultural-Rural (AG). The site is part of a larger parcel, 03-105-011-00, which is 159 acres. A land division for the 159-acre parcel has been approved and the southern 40 acres will be

developed under another project. The site is the former location of Dreves Farm and has direct access from Three Mile Road and future access from the Cinnamon Ridge subdivision. The development will be completed in two phases – Phase 1 will include 48 units on the western side of the parcel off Three Mile Road and Phase 2 will include the remaining 53 units.

#### **SPR 4-23 SLU 1-23 Beringer B&B**

After receiving administrative approval for a Bed & Breakfast, the applicant received approval from the planning commission to offer guests the use of non-motorized boats that will permanently reside on the property. The commission approved the special land use permit with a requirement that the number of non-motorized watercraft shall be limited to 6 and all watercrafts to be limited to use on Chandler Lake.

#### **SPR 5-23 1995 US 31 N Blue Sky**

Site plan review approval for an existing jet ski and boat rental operation in the Regional Business (RB) District. The site (parcel 03-325-000-00) is co-located at the Beach Condominiums, 1995 US 31 North. The approval does not include any modifications to existing building footprints or parking.

#### **SPR 6-23 Row Investments LLC (Jaroh)**

Twenty-seven (27) unit apartment complex consisting of two buildings, one with 13-units and one with 14-units. The vacant parcel (03-735-173-00) is located off Holiday Road on Maplewood Lane and is 3.47 acres in size. The parcel is zoned High Density Residential (HDR), which permits a maximum of 8 dwelling units per acre. The units are proposed to have approximately 1,000 square feet of living space, with two bedrooms and 2 baths.

#### **Zoning Ordinance Text Amendments**

<b>Rezone/Text Amendment</b>	<b>Location/Description</b>	<b>Status</b>	<b>Effective Date</b>
ZA 1-23	Parking Standards	Approved	07.01.23
ZA 2-23	Daycare Districts & Standards	Pending	NA

#### **Variances & Appeals**

<b>Appeal</b>	<b>Location</b>	<b>Description</b>	<b>Status</b>	<b>Action</b>
9-22	TC Watersports at Sugar Beach Hotel (accessory use)		Not accessory use	01.10.23
1-23	1966 E. Arbutus, (LA) dimensional variance		Denied	02.14.23
2-23	4399 Lakeview Trail, (LA) dimensional variance		Approved	03.14.23
3-23	2370 Black Forest Ln, (LA) dimensional variance		Denied	06.13.23
4-23	1228 E. River Rd, (BR) dimensional variance		Approved	05.09.23

#### **Land Use Permits & Licenses**

<b>2023 Permits</b>	<b>Year to Date</b>
Single Family Dwellings	11
Residential Additions	8
Accessory Structures	25
Commercial/Multifamily	6
Sign Permits	4
Home Occupations	0
Accessory Dwelling Units	0
Bed and Breakfast	5
Food Trucks	0
Tree Removal Permit	2
Transient Activity Permit	3

Change of Use	0
Earth Movement	4

2022 Short Term Rentals	Total
Total Active Licenses	181

## Code Enforcement Activity

Issue	Number/Location	Description	Status	Action
Blight	Holiday View	Truck in driveway	Corrected	01.31.23
Blight	Holiday Road	Couch in front yard	Corrected	01.21.23
Blight	Timber Hill	Air hockey table in DW	Corrected	02.21.23
Tree Removal	Lakes Area	50-ft setback	Ticket Issued	05.15.23
Beach	Lakes Area	No permit	Ticket Issued	05.15.23
Boat Use	Lakes Area	Violation of ZA determination	Ticket Issued	06.01.23
Land Use Permit	LDR District	Excavation without a permit	Ticket Issued/corrected	06.15.23

## Trainings Attended

Michigan Association of Planning Annual Transportation Bonanza – Held virtually in February, focusing on active transportation and Safe Routes to School, with zoning tools like curbside management and an update on federal infrastructure and recovery programs. P&Z staff also attended the Michigan Townships Association Annual Conference at the Grand Traverse Resort. Upcoming – Michigan Association of Planning Conference in October.

## Other Updates

The 2023 Master Plan was adopted by the Planning Commission in January 2023.

The zoning ordinance subcommittee continues to meet biweekly with the consultant team of Giffels Webster and Township legal counsel to discuss policy changes and review ordinance draft amendment language. Township staff hosted a Riparian Zoning Workshop in February with about 40 attendees: mostly members of the public as well as agency and nonprofit representatives. The workshop included an educational component at the beginning of the meeting with presentations by the Watershed Center, Grand Traverse County Health Department, and Giffels Webster. The second half of the evening was dedicated to gathering feedback on possible zoning changes through small group breakout activities and reporting back to the large group. Staff anticipates having a draft of the ordinance for planning commission review in early Fall.

P&Z staff continues to meet with TART, OHM, and other partners on the Three Mile Trail extension. There is a public workshop scheduled for late summer, exact date TBD.

East Bay Township was one of 10 communities in Michigan to receive funding to host a Community Economic Development Association of Michigan (CEDAM) Fellow, which is a 15-month position that begins in May 2023 and runs through August 2024. Sam LaSusa was selected amongst 21 applicants and has been extremely valuable, assisting the P&Z Department with community and economic development initiatives, providing added capacity, and specifically work on the U.S. 31 Beach District Corridor planning effort, Three Mile/SRTS trails, and the zoning ordinance update.

East Bay Township will be kicking off a Beach District Visioning process with business owners and managers and other stakeholder along the U.S. 31 North corridor on July 27. The Township was awarded two grants to support this effort, one from USDA and one from Michigan's Coastal Management Program.

EMD Complaint	2023-01-01	2023-02-01	2023-03-01	2023-04-01	2023-05-01	2023-06-01	
Altered Mental Status	6	2	2	2	1	3	16
Traffic Accident	8	9	7	2	3	8	37
Standby	1	1		1		1	4
Falls	18	16	8	6	7	16	71
Medical Alarm	2	1	2	4	6	3	18
Sick Person	12	6	15	5	14	15	67
Assault	1	1		1	1	4	8
Breathing Problem	7	5	10	5	11	7	45
No Other Appropriate Choice	4	5	2	2	1		14
Unconscious/Fainting	5	3	6	5	4	4	27
Fire		1	2			1	4
Chest Pain (Non-Traumatic)	1		6	2	4	4	17
Traumatic Injury	1		3	4	2		10
Psychiatric Problem/Abnormal Behavior/Suicide Attempt	3	3	2	1	1	1	11
Overdose/Poisoning/Ingestion	2	2	2	1	2	1	10
Unknown Problem/Person Down	2	1		1		2	6
Back Pain (Non-Traumatic)	4		3	2	1		10
Assist Invalid	2	3	2	4	6	7	24
Hemorrhage/Laceration		1		1	3	1	6
Stroke/CVA	1	5	1		3	1	11
Abdominal Pain/Problems	2	1	3	4		3	13
Diabetic Problem	2	2		1			5
Stab/Gunshot Wound/Penetrating Trauma	1						1
Convulsions/Seizure	2	1	1		3	2	9
Animal Bite				1			1
Cardiac Arrest/Death			2	2			4
Carbon Monoxide/Hazmat/Inhalation/CBRN		2					2
Heat/Cold Exposure					1		1
Well Person Check				1	1		2
Heart Problems/AICD						1	1
Allergic Reaction/Stings				1		1	2
	87	71	79	59	75	86	457

- Assisted other agencies 37 times, on par with 2022 numbers.
- ALS is approximately 62% of transport volume.
- Area of concern:
  - Continue to see extensive wait times for patient turnover at Munson Medical Center; sometimes more than 60 minutes; seeing more of an issue into summer.
- The new echo is in service, awaiting some radio reprogramming and it will be licensed with the State.
- The new ambulance has been ordered; thank you for the approval last month.
- Starting to work on 2024 Budget.
- Applied for Grand Traverse Band of Ottawa & Chippewa Indians 2% tribal allocation grant for IV pumps.
- Staffed second ALS truck during Cherry Festival week to make sure the township had an ambulance. Multiple days had multiple township calls that had the benefit of having the ability to cover the township's own calls.
- Awaiting a well inspection to satisfy requirements to complete permitting process for station dorm room renovations, once that is complete, will be able to go out for bid.



**Meeting Date:** July 10, 2023

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**Consent Agenda:**

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

- A. Board Minutes: 06/12/2023 (Recommend Approval)
- B. General Fund (Recommend Approval)
- C. Emergency Services Fund (Recommend Approval)
- D. Receiving Fund (Recommend Approval)
- E. Escrow Fund (Recommend Approval)
- F. Payroll Fund/Payroll EFT Funds (Recommend Approval)
- G. Budget Adjustments: Subsequent to initial packet distribution (Recommend Approval)
- H. Other Items:
  - 1. Intergovernmental Agreement for Participants of the Metropolitan Planning Organization
  - 2. Part-time Building & Groundskeeper
  - 3. Re-appointments for the Planning Commission & Zoning Board of Appeals

EAST BAY CHARTER TOWNSHIP  
East Bay Charter Township Hall  
1965 N. Three Mile Road  
Traverse City, MI 49696

Regular Board Meeting  
Monday, June 12, 2023

**Call Meeting to Order:** Supervisor Friend called the meeting to order at 6:30pm at the East Bay Charter Township Hall.

**Pledge of Allegiance:** was recited by all in attendance.

**Roll Call:** Board Members Present: Beth Friend, Tracey Bartlett, Glen Lile, Matt Courtade, Matt Cook, and Mindy Walters

**Absent and Excused:** Susanne Courtade

**Review for Conflict of Interest: (6:31)**  
None

**Approval of the Agenda: (6:31)**  
Friend reviewed the agenda for June 12, 2023.

*Lile moved and Cook seconded to approve the agenda as presented. The motion carried upon a unanimous voice vote.*

**Public Comment (6:32)**

*Susan Hamm* of Juniper Street commented on the closure of Parsons Road.

*Jean Powell* of Indian Trail commented on short term rentals.

*John Jury* commented on short term rentals.

*Sharon Schwartz* of Pine Grove Ave commented on short term rentals.

*Teresa Janney* of Pine Grove Blvd commented on short term rentals.

*David. Burke* of Arbutus Trail Commented on short term rentals.

*Brad Krohl* of Hobbs Road commented on short term rentals.

*Megan Pollard* of Amidon Drive commented on short term rentals.

*Ralph Bednarz* of Rennie Lake commented on short term rentals and zoning in the Forest Lakes area.

*Gail Miller* of Lake George Trail commented on the short term rentals.

*Mark Clark* of Traverse City commented on the short term rentals.

*Jill Bernardi* of East Bay Township commented on short term rentals.

*Raymond Ortega* of East River Road commented on short term rentals.

*Bill Gottman* of East Bay Township commented on short term rentals.

**Correspondence & Reports: (7:15)**

Included in packets

**Consent Calendar: (7:15)**

- A. Board Minutes:** May 8, 2023 Regular Meeting Minutes  
May 18, 2023 Special Meeting Minutes  
(Recommend Approval)
- B. General Fund:** Checks numbered 17866 - 17957 were paid in the amount of \$189,237.91 with check number 17920 voided.
- C. Emergency Fund:** Checks numbered 5315-5349 were paid in the amount of \$109,727.74.
- D. Receiving Fund:** Checks numbered 2897 – 2904 were paid in the amount of \$192,132.90.
- E. Escrow Fund:** Check numbers 1937 - 1950 were paid in the amount of \$35,068.55.
- F. Roads SAD Fund:** No checks were paid from the Roads SAD Fund.
- G. Payroll Fund:** The payroll dated 4/23/2023 - 5/6/2023, check numbers 7523-7528 totaled \$60,529.10 and includes \$10,766.54 for payroll tax and check number 7527 for \$1,681.24 for State of Michigan withholdings.
- The payroll dated 5/7/2023 - 5/20/2023, check numbers 7528-7533 totaled \$62,158.08 and includes \$11,305.30 for payroll tax and check number 7533 for \$1,792.65 for State of Michigan withholdings.
- The payroll dated 5/21/2023 - 6/3/2023, check numbers 7534 - 7538 totaled \$68,645.78 and includes \$12,911.38 for payroll tax and check number 7538 for \$1,932.85 for State of Michigan withholdings.

Total Payroll \$191,302.96

Total amount paid: \$717,480.06

**G. Proposed Budget Adjustments**

None

**H. Other Items**

1. Land Information Access Association
2. Parks Commission Grants
  - i. Rotary Seed Grant Acceptance – Holiday Woodlands Natural Area
  - ii. Spark Grant Application – Community Garden

Consent item H2 was removed to Business item a.

*Bartlett moved and Cook seconded to approve the consent calendar as amended removing item H2 to Business item 1. The motion carried upon a unanimous roll call vote.*

**Business Before the Board of Trustees**

**a. Spark Grant Application – Community Garden**

The community garden has been a project that has been in the works for multiple years. The community garden is priority #2 in the current 5-Year Park and Recreation Plan and the Parks Commission has completed a concept design and budget for the project. Board members discussed the item and expressed concern with a garden on the township property. Corey Layton, Parks Commissioner, spoke and stated that this was priority #2 on the Parks and Rec plan and has been for years. The parks commission anticipates high garden rental and participation rates. This grant has a zero match. Discussion took place between board members and Layton about the proposed project.

*Bartlett moved and Walters seconded to approve Resolution 2023-21 authorizing the Spark Grant Application. With M. Courtade dissenting, the motion carried.*

**b. Short Term Rentals (7:50)**

Board members have been given two versions of the draft ordinance with these edits incorporated. One version includes a provision that no more than one (1) short-term rental occurs in any seven (7) night period, and the other version includes a provision that no more than one (1) short-term rental occurs in any four (4) night period. Supervisor Friend reviewed the other changes that have been made to the ordinance which include a license cap, separation requirements, revised definitions, and revised requirements for parking on a short-term rental property and changes for the license transfer. Board members discussed the application process and the differences in Version 1 and Version 2. The 4 day vs. 7 day rental period was discussed at length.

*M. Courtade moved to introduce proposed amendments for Version 1 to Short-Term Rental Licensing Ordinance No. 5 of 2019. Cook Supported the motion. The motion failed with Lile, Walters, Bartlett and Friend dissenting on a roll call vote.*

*Lile moved to introduce proposed amendments for Version 2 to Short-Term Rental Licensing Ordinance No. 5 of 2019.*

Board members discussed rental contracts for the 2023 year. Friend stated that as drafted, all current contracts could be honored for 2023.

*With Cook and M. Courtade dissenting, the motion carried upon a roll call vote.*

**c. Zoning Amendment 1-23 Parking Standards (8:36)**

While the zoning ordinance subcommittee is in the process of overhauling the entire zoning ordinance, there were issues in the parking standards, particularly along U.S. 31, that the planning commission felt needed to be addressed prior to finalization of the new zoning ordinance. Proposed edits would make allowances for multiple uses; allow for flexibility in making determinations for uses not listed; make reductions in parking requirements based on a parking study, shared parking agreements, land banking, or bicycle parking; and allow for flexibility in paving requirements if stormwater requirements are met. Board members discussed the parking requirements of the township

*Walters moved and Cook seconded to approve Zoning Amendment 1-23 Parking Standards. The motion carried upon a unanimous roll call vote.*

**d. Engineering – Arbutus Lake No. 5 Construction Phase Services (8:49)**

At the April 10, 2023 Township Board meeting, the Board tabled a decision on our requested contract Amendment for the Arbutus 5 Park project. This Amendment was for an additional \$23,200 to be used for the construction phase of the project. The Board requested additional background information before moving forward with a decision on the Amendment. Township Engineer Brian Sousa reviewed the assumptions which were not met. The wastewater disposal system design needed to be redesigned; the EGLE permit took six months with many different versions of the project. The design was resubmitted numerous times and the public process took some time with comments and answers. Board members discussed the construction and asked questions.

*Walters moved and Lile seconded to approve Amendment #1 to the Arbutus Lake No. 5 Park Phase 1 Professional Services Agreement. The motion carried upon a vote with M. Courtade dissenting.*

**e. East Bay Ambulance – Ambulance Purchase (8:58)**

In trying to keep ahead of purchasing delays and setbacks, EBA administration would like to enter into an agreement with Emergency Vehicles Plus (EV+) to purchase a replacement ambulance for delivery, in December 2025. EV+ has proven to be a good partner during the last purchase, in 2021. Ambulance purchased are three years out for an order. Payment due in 2024 and would be delivered in 2025.

*Bartlett moved and M. Courtade seconded to approve the agreement with Emergency Vehicles Plus for \$326,452.00 with 10% down due in January 2024. The motion carried upon a unanimous voice vote*

**Public Comment (9:02)**

*Brad Krohl of Main Ave commented on short-term rentals.*

*Ralph Bednarz of Rennie Lake commented on the Arbutus #5 project.*

**Upcoming Meeting Dates**

1. July 10, 2023 Board of Trustees Meeting

**Adjournment:**

*Friend adjourned the meeting at 9:07pm.*

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Susanne Courtade, Clerk  
East Bay Charter Township

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Beth Friend, Supervisor  
East Bay Charter Township



**Meeting Date:** July 10, 2023  
**Consent Agenda Item:** Metropolitan Planning Organization  
**Contact:** Beth Friend

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**Description:**

At the April 10, 2023 township board meeting, Rob Carson, Development Director at Networks Northwest gave a presentation on the Traverse Transportation Coordinating Initiative's Metropolitan Planning Organization formation. At the May 8, 2023 township board meeting, the board approved Resolution 2023-20 which supported the intermunicipal committee for the purposes of transportation planning in the Traverse Study Area.

The TTCI board met and approved the presented Intergovernmental Agreement for Participants of the Metropolitan Planning Organization. These are presented for East Bay Township's approval.

**Attachments:**

- Intergovernmental Agreement for Participants of the Metropolitan Planning Organization
- TTCI Board Member List – draft, formalized upon each entity approving the presented agreement
- 06/22/2023 Email from Rob Carson

**Budget Implications:**

It is likely that funding will increase from \$2,000/year to approximately \$4,000/year, based on the estimated membership. This will be in the FY2024 budget, if passed.

**Motion Approved with Approval of the Consent Agenda:**

Move to approve the Traverse Transportation Coordinating Initiative's *Intergovernmental Agreement for Participants of the Metropolitan Planning Organization*.

# **Traverse Transportation Coordinating Initiative (TTCI)**

## **Intergovernmental Agreement for Participants of the Metropolitan Planning Organization**

### **Article I. Name**

The name of the inter-municipality committee formed under this agreement shall be the Traverse Transportation Coordinating Initiative, hereafter referred to as TTCI. The formation of this body replaces any former committee which was organized as a precursor to the formal establishment of the Metropolitan Planning Organization.

#### **Section 1.01 Transfer of Balance of Funds**

All funds held under the control of the committee established as the Traverse Transportation Coordinating Initiative previous to the execution of this agreement shall be transferred under the control of the entity named in Article I.

### **Article II. Purpose and Authority**

Michigan Public Act 200 of 1957 provides for the creation, by two or more municipalities, of an inter-municipality committee for the purpose of studying area transportation issues of mutual interest and concern. TTCI shall operate and act in compliance with and under the authority of Michigan Public Act 200 of 1957 and shall have the duties, privileges and rights prescribed in that Act.

### **Article III. Fiscal Year**

The fiscal year for TTCI shall be October 1<sup>st</sup> through September 30<sup>th</sup> of the following year.

### **Article IV. Duties of TTCI**

The duties of TTCI shall be broad objectives that will encompass, but are not limited to the following:

1. Develop transportation plans and programs and establish processes for the continuing review of plans, recommendations, and programs to facilitate the movement of persons and goods in the TTCI Study Area.
2. Design and carry out the assembling and analysis of information pertaining to transportation with the study area.
3. Coordinate transportation facility implementation and operation within the TTCI Study Area.

4. Review and evaluate the planning and programming of transportation related activities, projects and programs within the TTCI Study Area, as they may impact the transportation system.
5. Assist in project implementation where such projects require organizational, functional and operational analysis and/or to undertake those implementation functions not reserved to other agencies or as may be appropriately delegated by such other agencies.
6. Establish and implement a continuing program of public information regarding transportation planning, programs and projects.

## **Article V. TTCI MPO Organization**

TTCI shall be the established transportation planning body for the Census Designated Traverse City-Garfield Urbanized Area and TTCI Metropolitan Planning Area. Representation from transportation agencies, transit agencies and units of government which constitute a minimum of seventy-five percent (75%) of the US Census defined urbanized area shall meet the legislative requirements to seek TTCI MPO establishment; when they have agreed to participate in the formation of the inter-municipality committee through the approval and adoption of this inter-governmental agreement.

### **Section 5.01 Census Defined Urbanized Area and Metropolitan Planning Area**

#### **(a) Census Defined Urbanized Area:**

The United States Census Bureau conducts decennial census every ten (10) years. Upon completion of the decennial census the US Census Bureau conducts a review of data which supports the designation of urbanized areas. Following each decennial census, TTCI shall work with the Michigan Department of Transportation to ascertain changes to urbanized area boundaries, and shall make necessary revisions to meet the requirements of Michigan Public Act 200 of 1957. See *Attachment A* for a map of the urbanized area prescribed by the 2020 US Decennial Census. This attachment shall be updated following each decennial census.

#### **(b) Metropolitan Planning Area:**

The Metropolitan Planning Area (MPA) is the designated geographic boundary within which the planning processes prescribed in 23 CFR 450 and 49 CFR 613 is to be carried out. The Metropolitan Planning Area shall include all geographic boundaries which contain census designated urbanized areas and shall also contain geographic unit boundaries of areas which are forecasted to become urbanized within the next twenty (20) years. MDOT shall make recommendation on MPA boundaries following each decennial census with the final MPA designated by the TTCI Policy Board. A geographic boundary is defined as a Township, Village and City civil division boundaries. See *Attachment B* for a map of the MPA. This attachment shall be updated following each decennial census or as necessary to include expansion of the planning area boundary.

## Section 5.02 Eligibility

All transportation agencies, transit agencies and local units of government, which include within their respective service area or civil division boundary, a portion of the defined urbanized area or MPA; are eligible for inclusion and participation with TTCI and are referred to as Eligible Entities. A local unit of government is defined as a Village, City, Township or County. Eligibility shall solely be met through this section 5.02 and section 5.03 Member Conditions.

## Section 5.03 Member Conditions

The following conditions are required of participating eligible entities.

### (a) Voting Rights:

Participating eligible entities are each provided one (1) vote on the Policy Board. The single vote shall be administered by the primary or alternate Policy Board Member, and in no case shall both the primary and alternate Policy Board Member preside at the same meeting and in no case shall more than one (1) vote be cast by an individual eligible entity.

### (b) Planning Organization Dues:

Each participating eligible entity shall pay planning dues in a sufficient amount to meet the required eighteen point fifteen percent (18.15%) of the Consolidated Planning Grant provided by MDOT. Planning due amounts are established in *Attachment C*, with the prescribed dues having been certified through approval of this agreement. Dues shall be paid by each participating eligible entity each fiscal year upon receiving the invoice, and payment shall be made within 45 days of the receipt of the invoice. Attachment C shall be updated each year following the release of the monetary amount of the consolidated planning grant by the Michigan Department of Transportation.

### (c) Participation:

Participating eligible entities shall make every effort to have their representative attend TTCI Policy Board, Executive Committee (*if applicable*), Technical Committee (*if applicable*), or Ad Hoc Committee meetings (*if applicable*). Participation is fundamental to the successful operation of the MPO Planning Process(es). Unexcused absences will be monitored and relayed to respective eligible entity's governing board following the absence. Accumulation of three (3) unexcused absences within a single fiscal year will cause a formal request by the TTCI Policy Board for appointment of a new representative by the respective eligible entity.

## Article VI. Meeting Standards, Policy Board, and Committees

### Section 6.01 Quorum

A quorum is required for the conducting of business. The presence of a simple majority of the TTCI Policy Board Membership (as defined in Article VI, Section 6.03.(a)) OR the presence of three-fifths (3/5) of transportation implementing agencies (BATA, City of Traverse City, GTCRC, LCRC, MDOT) and two (2) local units of government shall constitute a quorum for the purpose of

conducting business. Active voting members are those duly appointed representatives whose membership dues were paid in the prior budget year.

## **Section 6.02 Meeting Operation**

Meeting parliamentary procedure and voting decision processes of the TTCI Policy Board, Executive, Technical and Ad Hoc Committees shall operate according to “Robert’s Rules of Order”. All meetings of the TTCI Policy Board and Technical Committee shall operate within the requirements of the Michigan Open Meetings Act (OMA), 1976 PA 267, MCL 15.261 et seq.

## **Section 6.03 TTCI Policy Board**

### **(a) TTCI Policy Board Membership**

Membership on the TTCI Policy Board shall consist of one (1) individual from each participating eligible entity, whom is designated by the respective entities governing body to serve as their representative. Representatives may be members of the governing board, executive staff or their designee. Eligible entities shall appoint one (1) primary member to the TTCI Policy Board and shall appoint a second alternate member to attend in the primary member’s absence. Designations shall be made by each participating eligible entity at their first meeting of the calendar year and as otherwise outlined for replacement, with the exception of the initiation of the board under initial execution of this agreement. Designations shall be made in writing and by name provide a primary and alternative representative. Designations shall occur for each participating entity that have executed approval of this agreement, and shall include a representative from the Michigan Department of Transportation and the Federal Highway Administration as necessary. TTCI Policy Board Members are provided in *Attachment D*.

### **(b) Terms of TTCI Policy Board Members**

Policy Board Members shall serve a term of two (2) years, or until their replacement is designated by the eligible entities governing body. Policy Board members, whom are elected officials for eligible local units of government or a member of a governing body of an eligible agency, shall not serve past the expiration of their elected office for the eligible entity or expiration of their appointment on the eligible entities governing body. Members of the Policy Board who are staff to a participating eligible agency or local unit of government shall not serve beyond their time of employment with such eligible entity. A participating eligible entity membership that has expired due to any of the factors above shall be notified and a new designee shall be named by the respective eligible entities governing board at that time.

### **(c) Officers**

The TTCI Policy Board shall be served by an Executive Committee comprised of elected officers, which consist of a Chairperson, Vice-Chairperson, a Secretary and a Treasurer. The officers shall serve the duties outlined within the Policy Board by-laws. Officers shall be elected from TTCI Policy Board members who have served on the Policy Board from initial approval of this agreement or for a minimum of one (1) year. The four member Executive Committee shall have at least one (1) elected City, Village, Township or County representative and at least one (1)

representative of a transportation or transit agency. Officers shall be elected following a formal nomination from another member of the board, followed by a vote of the board; this shall occur for each respective officer position. Election of officers shall be at the first meeting of each calendar year or as soon as possible thereafter. Officers shall serve a term of one (1) year, or until a successor is elected. If a vacancy occurs then an election for that office shall occur at the next regular meeting of the Policy Board and that successor shall serve the remainder of the existing term.

**(d) Meetings**

The TTCI Policy Board shall hold meetings in accordance with the by-laws of the Policy Board.

## **Section 6.04 TTCI Executive Committee**

**(a) TTCI Executive Committee Established**

The TTCI Executive Committee shall be established through representation of the officers of the TTCI Policy Board.

**(b) TTCI Executive Committee Membership**

Membership on the Executive Committee shall follow the procedure outlined in Section 6.03.(c).

**(c) Terms of TTCI Executive Committee Members**

TTCI Executive Committee terms shall follow the standards outlined in Section 6.03.(c).

**(d) Executive Committee Meetings**

TTCI Executive Committee Meetings shall be held and operate in accordance with the TTCI Policy Board By-laws.

## **Section 6.05 TTCI Technical Committee**

**(a) TTCI Technical Committee Established**

The TTCI Technical Committee is hereby established and represented by professional staff of participating eligible entities of the TTCI Policy Board with inclusion of representation of other entities which are important to the areas transportation planning processes.

**(b) TTCI Technical Committee Membership**

Membership on the TTCI Technical Committee shall occur through designation of a representative by each participating eligible entity of the TTCI Policy Board. A representative shall also be included, but not limited to from each of the following entities; Northwestern Michigan College, Traverse City Area Public Schools, Traverse Connect, Cherry Capital Airport Authority, Michigan Department of Transportation, Grand Traverse Tribe of Ottawa and Chippewa Indians. TTCI Technical Committee members shall be designated through the process established in the TTCI Policy Board By-laws.

**(c) Terms of TTCI Technical Committee Members**

TTCI Technical Committee terms shall be in accordance with the TTCI Policy Board By-laws.

**(d) TTCI Technical Committee Meetings**

TTCI Technical Committee Meetings shall be held and operate in accordance with the TTCI Policy Board By-laws.

**Section 6.06 Ad Hoc Committee**

**(a) TTCI Ad Hoc Committee Establishment**

Ad Hoc Committees, special committees, and subcommittees may be established as deemed necessary by the TTCI Policy Board to further purposes in keeping with responsibilities and objectives.

**(b) TTCI Ad Hoc Committee Membership**

TTCI Ad Hoc Committees membership shall be in accordance with the TTCI Policy Board By-laws.

**(c) Terms of TTCI Ad Hoc Committee Members**

TTCI Ad Hoc Committee terms shall be in accordance with the TTCI Policy Board By-laws.

**(d) TTCI Ad Hoc Committee Meetings**

TTCI Ad Hoc Committee Meetings shall be held and operate in accordance with the TTCI Policy Board By-laws.

**Section 6.07 Community Engagement**

TTCI shall meet requirements for citizen input for the planning area through placement of a public comment agenda item on each meeting agenda for the TTCI Policy Board and TTCI Technical Committee meetings. Community Engagement events will also be scheduled a minimum of two (2) times per fiscal year. Events may consist of input sessions held at community halls or centers, pop-up sessions held in public spaces or through other interactive methods which gain public feedback. The actions outlined within this section shall be included in the Public Participation Plan (PPP) which will be updated as necessary through guidance of MDOT.

**Section 6.08 Meeting Notices, Agendas and Minutes**

**(a) Meeting Notices**

All TTCI Policy Board, TTCI Technical Committee and TTCI Ad Hoc Committee meetings shall be appropriately noticed in meeting the requirements of section 6.02.

**(b) Meeting Agendas**

All TTCI Policy Board, TTCI Technical Committee and TTCI Ad Hoc Committee meetings shall have an agenda provided to respective members no later than five (5) days prior to all regular meetings.

**(c) Meeting Minutes**

Minutes shall be taken and prepared for each TTCI Policy Board meeting, with the Draft minutes reviewed and voted upon for approval to a Final Copy of the Minutes at the next regular Board Meeting.

## **Article VII. Staffing and Support**

### **Section 7.01 Staffing Arrangement**

The TTCI Policy Board shall contract with the Northwest Michigan Council of Governments (dba. Networks Northwest) to coordinate and conduct administration and staffing related to its purpose, responsibilities and objectives. Personnel assigned to TTCI will adhere to a staffing plan outlined within each fiscal year's Unified Work Program, which is approved by the TTCI Policy Board.

### **Section 7.02 TTCI Board Autonomy**

TTCI shall be a stand-alone entity autonomous from the Northwest Michigan Council of Governments (dba. Networks Northwest) Board.

### **Section 7.03 Supportive Services**

TTCI may enter into agreements with other public and private agencies, including consultants, for all types of surveys and studies relating to its purpose, responsibilities and objectives. Such surveys and studies shall be identified and described in the annual Unified Work Program.

## **Article VIII. Unified Work Program Plan & Budget**

### **Section 8.01 Unified Work Program (UWP)**

A UWP shall be prepared prior to each fiscal year. The UWP shall meet all necessary State and Federal Planning requirements and focus areas. The UWP shall include all work to be undertaken within the fiscal year, outline necessary staffing and support, include action items and deliverables and work within a fiscally constrained context of the Consolidated Planning Grant. The UWP shall be reviewed and approved by the TTCI Policy Board prior to submittal to MDOT.

### **Section 8.02 Budget**

A budget shall be prepared prior to each fiscal year. The budget shall detail the Consolidated Planning Grant (CPG) funds, and local matching funds provided for the required eighteen point fifteen percent (18.15%) match. The budget shall outline expenditures for staffing committed to the UWP action items. The budget shall be included within the UWP and voted upon by the TTCI Policy Board for approval.

## **Article IX. Bylaws**

TTCI Policy Board shall operate under an agreed upon set of by-laws. By-laws shall uphold and not conflict with any provisions of this agreement. The provisions of this agreement shall always supersede the bylaws in guidance of board operation, the processes of the organization and all matters contained within this agreement.

### **Section 9.01 Adoption**

Bylaws shall be adopted by a two-thirds (2/3) vote of the TTCI Policy Board Membership.

### **Section 9.02 Amendment**

Bylaws may be altered, amended or replaced at any regular or special meeting of the Board by at least two-thirds (2/3) vote for the purpose of bylaw amendment. A copy of the proposed changes to the bylaws shall be filed with the Secretary at least ten (10) days prior to the meeting where such action is proposed to be taken and the secretary shall send a copy of the proposed change to each representative along with written notice of the time and place of such meeting. The Secretary shall also ensure that representatives received their notices at least five (5) days prior to such meeting.

## **Article X. Amendments to this Agreement**

### **Section 10.01 Addition or Withdrawal of Eligible Entity**

This intergovernmental agreement shall be amended for addition of any eligible entity and for the withdrawal of an eligible entity at any point during a fiscal year. This agreement shall not require approval of each respective participating entity for addition and removal of any eligible entity. *Attachment D* shall be updated to reflect any changes with eligible entity participation levels.

### **Section 10.02 Amendment to Update Attachment A (Census Urbanized Boundaries) and to Update Attachment B (Metropolitan Planning Area)**

This intergovernmental agreement shall be amended following each decennial census upon the release of the updated Urbanized Area boundaries and whenever an adjustment is made to the Metropolitan Planning Area Boundary. The amendment shall only include updates to attachments A and B. This amendment shall require only a simple majority vote of the TTCI Policy Board.

### **Section 10.03 All Other Amendments**

All other amendments to this agreement shall require approval of the TTCI Policy Board and the governing body of each participating entity. The process for amendments shall be:

1. Desired amendments shall be brought forth and placed on a TTCI Policy Board Agenda for discussion and voting.

2. A simple majority vote of the TTCI Policy Board shall move to amend a draft of the agreement.
3. The amended draft agreement will be taken to each respective participating eligible entity's governing board for approval.
4. Once approval from each respective participating eligible entity's governing board is received, the amended draft agreement will be voted upon by the TTCI Policy Board for adoption of the amendment.
5. A two-thirds (2/3) vote of the TTCI Policy Board shall be necessary for final approval of the amended agreement.

## **Article XI. Addition of Eligible Entities**

Eligible entities as outlined in Section 5.02 with ability to comply with the conditions of Section 5.03 may be added to TTCI during any part of the fiscal year. The process for addition of an eligible entity is as follows:

1. The eligible entity shall petition in writing, directed to the TTCI Policy Board, a formal request to be included as an entity of TTCI.
2. TTCI Staff shall review the request and determine if the entity meets the eligibility requirements.
3. The request shall then be placed on an upcoming regular meeting Agenda of the Board for the action to be considered, through the approval of an amendment to this agreement as outlined in Section 10.01.
4. The Amendment shall place the name of the eligible entity in *Attachment D* as outlined in Section 6.03.(a)
5. Upon TTCI Board approval of the amendment, the eligible entity to be added to TTCI must obtain approval of this agreement from their respective governing board.
6. Upon approval of the agreement by the respective governing board, the entity shall pay the required yearly dues as outlined in Section 5.03 (b) and *Attachment C* for the current fiscal year in which they will be added.
7. The eligible entity shall be considered a member of TTCI upon paying of the required due.
8. The bylaws shall be updated to include the eligible entity as a member of TTCI in accordance with Section 9.02 of this agreement.

## **Article XII. Withdrawal of Eligible Entities**

An eligible entity may withdrawal from TTCI at any time during the fiscal year. An eligible entity, which withdrawals from TTCI shall not be reimbursed for any portion of their dues for any past and current fiscal year. The process for withdrawal of an eligible entity is as follows:

1. The eligible entity shall petition in writing, directed to the TTCI Policy Board, a formal request to withdrawal from TTCI.
2. The request for withdrawal shall be placed on the next upcoming regular meeting Agenda of the TTCI Policy Board, with action requested.
3. The TTCI Policy Board shall take action on the request and amend the agreement as outlined in Section 10.01.
4. The amendment shall include removal of the entity name from *Attachment D* under Section 6.03.(a).
5. The eligible entity shall be considered withdrawn from TTCI once the amendment has been approved.
6. The bylaws shall be updated in accordance with Section 9.02.

### **Article XIII. Removal of Entity**

An entity which no longer meets the conditions of this agreement, and is considered an Inactive Member under Article XIV of this agreement, may be removed from TTCI by a simple majority vote of the TTCI Policy Board.

### **Article XIV. Inactive Membership Status**

Any entity which is a member of TTCI and has not paid its annual dues in accordance with Section 5.03.(b) or no longer meets the eligibility requirements of 5.02 shall be considered an “Inactive Member”, and shall no longer have authority to preside at TTCI Policy or any respective Committee meetings. The entity’s “Inactive Member” status shall be referred to the Executive Committee for appropriate action. Appropriate action may include Removal of the Entity under Article XIII or a request to the entity to meet the condition of Sections 5.02 and 5.03.

### **Article XV. Adoption**

Upon original adoption of this Intergovernmental Agreement by the legislative body of each participating eligible entity as outlined in Section 5.02, such adoption shall be evidenced by an endorsement on this agreement under Article XVI Signatories by the Chief Elected Official and Secretary or Clerk of each respective eligible entities governing board at the time of execution of the agreement.

## Article XVI. Signatories

This agreement is executed on the \_\_\_\_\_ day of \_\_\_\_\_, 2023 by the

\_\_\_\_\_

having motioned for approval of the agreement, support and an affirmative vote of the governing board.

\_\_\_\_\_

Board Chair/President (PRINT)

\_\_\_\_\_

Board Chair/President (SIGNATURE)

\_\_\_\_\_

Date

\_\_\_\_\_

Clerk/Secretary (PRINT)

\_\_\_\_\_

Clerk/Secretary (SIGNATURE)

\_\_\_\_\_

Date

***Attachment A: U.S. Census Defined TC-Garfield Urbanized Area (2020)***



## Attachment B: Metropolitan Planning Area (2023)



### ***Attachment C: Membership Due Calculations***

Dues shall be set at an equal proportion of the required 18.15% match to be met by each participating eligible entity. The dues shall be calculated for the consolidated planning grant amount provided to TTCI by the Michigan Department of Transportation for each fiscal year. The Consolidated Planning Grant match required for Fiscal Year 2024 shall be **\$50,672.98**.

#### **Example Calculation:**

Fourteen (14) eligible entities sign onto the agreement:

$$\$50,672.98 / 14 = \$3,619.50$$

Each of the 14 participating eligible entities would match in the amount of **\$3,619.50**

### ***Attachment D: TCI Eligible Entity Membership***

**This section to be completed upon the execution of this agreement; through placing the name of each eligible entity participating on the TCI MPO Policy Board.**

TTCI POLICY BOARD MEMBER LIST (DRAFT Eligible Entity Roster)					
Name	Title	Org	Email	Phone	Officers
Mark Wilson	Commissioner	Traverse City			
Brad Kluczynski	Managing Director	GT Cty Road Commission			Secretary
Kelly Dunham	Executive Director	BATA			Chair
Chuck Korn	Supervisor	Garfield Twp			Vice Chair
Brad Jewett	Commissioner	GT County			
Beth Friend	Supervisor	East Bay Twp	bfriend@eastbaytwp.org	231-947-8719	Treasurer
Jeff Shaw	Supervisor	Elmwood Twp			
Brendan Mullane	Manager	Leelanau Cty Road Commission			
Doug White	Supervisor	Acme Twp			
Dan Wagner	TC TSC Manager	MDOT			
Ron Lemcool	Supervisor	Long Lake Township			
Andy Marek	Treasurer	Green Lake Township			
Isaiah Wunsch	Supervisor	Peninsula Township			
Midge Werner	Supervisor	Bingham Township			
Jeff Franklin	Supervisor, MPO Regional Services West Unit	MDOT			
Deborah Allen	Leelanau County Administrator	Leelanau County			
Nicole Blonshine	Supervisor	Blair Township			
Lynette Wolfgang	Clerk	Blair Township			
Steve Brock	Interim City Manager	Traverse City			
Haider Kazim	Road Commissioner (Vice Chair)	Grand Traverse County			

Alternatives					
Krista Phillips	MDOT TC TSC Operations Engineer	MDOT			
Craig Brown	Engineer	Leelanau Cty Road Commission			
Wayne Schoonover	County Highway Engineer	GTCRC			
Claire Karner	Planner	East Bay Twp			
Eric Lingaur	Communications and Development Director	BATA			
Mitchell Treadwell	Commissioner	Traverse City			
Rob Hentschel	Commissioner	Grand Traverse County			
John Sych	Planning Director	Garfield Township			
Bob Neleson	Airport Engineer	Cherry Capital Airport			
Mark Bishop	Chief Financial Officer	Cherry Capital Airport			
Jenn Cramer	Planner	Peninsula Twp.			

## TTCI Intergovernmental Agreement (TTCI Board Approved for Release)

Robert Carson <rob.carson@networksnorthwest.org>

Thu 6/22/2023 11:21 AM

To:

Cc: Mathew Cooke <mathew.cooke@networksnorthwest.org>; Terry Vandercook <terry.vandercook@networksnorthwest.org>

 2 attachments (2 MB)

TTCI\_Intergovernmental Agreement\_Board Approved for Release to Eligible Entities\_2023-06-22.pdf; TTCI Board DRAFT Member List\_2023-06-22.pdf;

All,

Please find attached the TTCI Intergovernmental Agreement approved for release by the TTCI formation committee for review and execution by each eligible entity wishing to participate in the Metropolitan Planning Organization.

As a reminder eligible entities are:

Traverse City, Whitewater Township, Acme Township, East Bay Charter Township, Garfield Charter Township, Peninsula Township, Long Lake Charter Township, Elmwood Charter Township, Bingham Township, Green Lake Township, Blair Township, Grand Traverse County, Leelanau County, Grand Traverse Road Commission, Leelanau County Road Commission, Bay Area Transportation Authority.

The agreement included the revisions identified and approved at the last meeting which are outlined below.

- Article I has additional language which identifies that the committee formed under this agreement replaces the formerly established TTCI Board.
- Section 1.01 was added to outline the transfer of any remaining funds from the former TTCI committee to the formally established TTCI MPO.
- Section 7.02 was updated to read "Autonomy"
- Section 10.01 was revised to remove the need for a vote on inclusion or removal of an eligible entity.
- Section 10.03, paragraph 2 was revised to outline a simple majority vote.
- Article 16 now has the formal adoption language for completion by eligible entities upon approval by their respective board.
- Appendix C has language that directs the match amount for Fiscal Year 2024 is \$50,672.98. This match is to be divided up equally amongst the participating eligible entities.

For each of the eligible entities executing the agreement, please execute the signatory block on page 11 with the date and month of the board vote for approval, formal name of the governing board and printed name, signed name and date of the Chief Elected Official and the Clerk or Secretary to the Board.

We will make an effort for staff availability at your respective meetings where the agreement is to be considered pending availability of staff. Please reach out as soon as possible with dates for placement on our calendars.

it is requested to please execute the agreement prior to September 1st, 2023.

I have also included an updated DRAFT TTCI Board Roster as an attachment.

Please let me know if you have any questions.

Respectfully,

Rob Carson

--

Robert T. Carson, A.I.C.P.

Regional Director of Community Development

Networks Northwest

600 E. Front St., Suite 205

Traverse City, MI 49686

[rob.carson@networksnorthwest.org](mailto:rob.carson@networksnorthwest.org)

PH: 231-929-5057

Cell: [REDACTED]





**Meeting Date:** July 10, 2023  
**Agenda Item:** Building & Groundskeeper Part-time  
**Contact:** Beth Friend  
Dan Boersma

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**Description:**

At the May 18, 2023, special board meeting, the township hired Dan Boersma as the Building & Groundskeeper. At the meeting, the potential need to hire additional part-time personnel in the department was discussed. This would be similar to the position Dan Strang held when he assisted Bob Burns. At that meeting, no recommendation was brought forward as the administration felt Dan Boersma should have some input into the selection and recommendation. Indeed, Dan does have input and would like to recommend Mike Sheets. Mike is also a part-time paramedic. While Mike is a valued part-time ambulance employee, his hours are slightly affected by the additional full-time position added this year. Thus, his assistance in Building & Grounds would not put him into full-time status and he would remain a part-time employee across both the township and ambulance duties. Similar to Dan, his payrate would be the same for both positions. It is estimated Mike's hours will be significantly less than Dan's, as the primary position has been supplemented with contractors.

**Attachments:**

- None

**Budget Implications:**

No adjustments needed.

**Possible Motion:**

Move to approve Mike Sheets as a part-time Building & Groundskeeper at the same rate he earns at East Bay Ambulance which is, as of 07/10/2023, \$22.83/hour.



**Meeting Date:** July 10, 2023  
**Agenda Item:** Re-appointments  
**Contact:** Beth Friend  
Claire Karner

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**Description:**

Planning Commission and Zoning Board of Appeals appointments expire at the end of July for certain members. Recall, that appointments are staggered. In 2023, the following appointments need to be re-appointed:

Planning Commission: Paul Gonzalez and Steven Richardson

Zoning Board of Appeals: Paul Gonzalez and John Ewen

**Attachments:**

None

**Budget Implications:**

None

**Possible Motion:**

Move to re-appoint to terms of August 1, 2023 through July 31, 2026: Paul Gonzalez to the Planning Commission and Zoning Board of Appeals, Steven Richardson to the Planning Commission, and John Ewen to the Zoning Board of Appeals.



**Meeting Date:** July 10, 2023  
**Agenda Item:** FY2022 Audit  
**Contact:** Beth Friend  
Sue Courtade  
Tracey Bartlett

---

**Description:**

Steve Peacock, Rehmann Robson LLC, will present the township's FY2022 audited financial statements.

**Attachments:**

- FY2022 Financial Statements
- Independent Auditor's Communication

**Budget Implications:**

None at this time. East Bay Township has contracted with Rehmann to provide FY2022, 2023, and 2024 audits.

**Possible Motion:**

No motion required.

# Charter Township of East Bay, Michigan

Year Ended  
December 31, 2022

Financial  
Statements

**Rehmann**

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# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

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## INDEPENDENT AUDITORS' REPORT

June 17, 2023

Board of Trustees  
Charter Township of East Bay, Michigan  
Traverse City, Michigan

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Charter Township of East Bay, Michigan** (the "Township"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. The 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2023, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

*Rehmann Lobson LLC*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Management's Discussion and Analysis

As the Board of Charter Township of East Bay, Grand Traverse County, Michigan, we offer readers of the Township's financial statements this narrative overview and analysis as an explanation of the financial activities of the Township for the fiscal year ended December 31, 2022.

#### Financial Highlights

· Total net position	\$ 36,882,305
· Change in total net position	4,888,239
· Fund balances, governmental funds	6,136,846
· Change in fund balances, governmental funds	1,705,988
· Unassigned fund balance, general fund	3,857,960
· Change in fund balance, general fund	1,611,300
· Long-term debt outstanding	4,352,441
· Change in long-term debt	(738,503)

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of 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, liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

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

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

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

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

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Management's Discussion and Analysis

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.

The Township maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, emergency services fund and municipal streets fund, which are considered to be major funds, and for the four nonmajor funds, the street lights fund, the developers escrow fund, the public improvement fund and the Township improvement revolving fund in the aggregate. The general fund is where the Township funds are held to cover normal budgeted expenditures for the year.

The Township adopts annual appropriated budgets for general and special revenue funds. Budgetary comparison statements have been provided for all major special revenue funds herein to demonstrate compliance with those budgets.

**Proprietary Funds.** Enterprise funds, the only propriety fund type used by the Township, are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its sanitary sewer and for water distribution operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements provide separate information for the sanitary sewer and water distribution systems, both of which are considered to be major funds of the Township. Proprietary funds are where the user fees collected on behalf of the township are held for specific purposes. For example, sewer use bills, fire hydrant user fees, special assessments and special fees are used to pay for the sewer system operation, fire hydrants, and bond payments for the developments for which they are collected.

**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. Fiduciary funds accumulate all the money's collected by the Township meant for another agency, for example, school taxes, Township taxes, library taxes, escrow accounts.

**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.

#### Government-wide Financial Analysis

As noted earlier, changes in net position, over time, may serve as a useful indicator of a government's financial position. In the case of the Township, assets for all activities exceeded liabilities and deferred inflows of resources by \$36,882,305 at the close of the most recent fiscal year.

Of the Township's net position, \$15,956,978 (43.3 percent) reflects its net investment in capital assets (e.g. land, land improvements, buildings and improvements, equipment, vehicles, and sewage disposal system); less any related debt used to acquire those assets that is outstanding. The Township uses 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 the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Township's net position of \$839,073 (2.3 percent) represents resources that are subject to external restrictions on how they may be used. The Township may use the remaining balance of *unrestricted net position* of \$20,086,254 (54.5 percent) to meet its ongoing obligations to citizens and creditors.

At the end of the current year, due to conservative fiscal management, 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.

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Management's Discussion and Analysis

The government's net position for all activities increased by \$4,888,239 during the current fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 13,052,773	\$ 11,474,621	\$ 15,869,288	\$ 10,963,501	\$ 28,922,061	\$ 22,438,122
Capital assets, net	3,834,250	2,538,272	15,749,176	16,119,894	19,583,426	18,658,166
<b>Total assets</b>	<b>16,887,023</b>	<b>14,012,893</b>	<b>31,618,464</b>	<b>27,083,395</b>	<b>48,505,487</b>	<b>41,096,288</b>
Current liabilities	522,051	935,023	344,622	200,388	866,673	1,135,411
Long-term liabilities	562,886	649,030	3,789,555	4,441,915	4,352,441	5,090,945
<b>Total liabilities</b>	<b>1,084,937</b>	<b>1,584,053</b>	<b>4,134,177</b>	<b>4,642,303</b>	<b>5,219,114</b>	<b>6,226,356</b>
<b>Total deferred inflows of resources</b>	<b>3,224,034</b>	<b>2,875,866</b>	<b>3,180,034</b>	<b>-</b>	<b>6,404,068</b>	<b>2,875,866</b>
Net position:						
Net investment in capital assets	3,271,364	1,889,242	12,685,614	12,403,972	15,956,978	14,293,214
Restricted	839,073	743,505	-	-	839,073	743,505
Unrestricted	8,467,615	6,920,227	11,618,639	10,037,120	20,086,254	16,957,347
<b>Total net position</b>	<b>\$ 12,578,052</b>	<b>\$ 9,552,974</b>	<b>\$ 24,304,253</b>	<b>\$ 22,441,092</b>	<b>\$ 36,882,305</b>	<b>\$ 31,994,066</b>

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	\$ 662,791	\$ 869,955	\$ 3,450,524	\$ 2,980,916	\$ 4,113,315	\$ 3,850,871
Operating grants	612,184	40,383	-	232,888	612,184	273,271
Capital grants and contributions	480,775	-	-	-	480,775	-
General revenues:						
Unrestricted federal revenue "ARPA"	1,221,236	-	-	-	1,221,236	-
Property taxes	2,898,124	2,613,357	-	-	2,898,124	2,613,357
State revenue sharing	1,425,461	1,134,642	-	-	1,425,461	1,134,642
Rental, interest and other	532,170	34,732	248,196	188,476	780,366	223,208
<b>Total revenues</b>	<b>7,832,741</b>	<b>4,693,069</b>	<b>3,698,720</b>	<b>3,402,280</b>	<b>11,531,461</b>	<b>8,095,349</b>
Expenses:						
General government	1,148,275	1,217,925	-	-	1,148,275	1,217,925
Public safety	1,643,623	1,721,662	-	-	1,643,623	1,721,662
Health and welfare	906,698	777,368	-	-	906,698	777,368
Public works	144,282	254,611	-	-	144,282	254,611
Community and economic development	559,444	368,551	-	-	559,444	368,551
Recreation and culture	404,441	176,268	-	-	404,441	176,268
Interest on long-term debt	900	900	-	-	900	900
Sewer	-	-	845,960	1,081,571	845,960	1,081,571
Water	-	-	989,599	1,080,599	989,599	1,080,599
<b>Total expenses</b>	<b>4,807,663</b>	<b>4,517,285</b>	<b>1,835,559</b>	<b>2,162,170</b>	<b>6,643,222</b>	<b>6,679,455</b>
Change in net position	3,025,078	175,784	1,863,161	1,240,110	4,888,239	1,415,894
Net position:						
Beginning of year	9,552,974	9,377,190	22,441,092	21,200,982	31,994,066	30,578,172
<b>End of year</b>	<b>\$ 12,578,052</b>	<b>\$ 9,552,974</b>	<b>\$ 24,304,253</b>	<b>\$ 22,441,092</b>	<b>\$ 36,882,305</b>	<b>\$ 31,994,066</b>

**Governmental Activities.** The net position of the governmental activities increased by \$3,025,078. This is due to a number of different revenue streams increasing in 2022. For example, revenue from property taxes increased \$284,767 or 11.0 percent due to an increase in the taxable value of property. Additionally, revenue from state revenue sharing increased \$290,819 or 26 percent due to additional allocations from the State of Michigan. Further, grant revenues increased significantly in 2022 with \$1,228,736 received from the Federal Government COVID funding, and over \$500,000 in Michigan Natural Resource Trust Fund acquisition funding. All other revenue sources marginally increased creating a positive cumulative effect on overall revenues. The overall effect of the increase in revenues was bolstered by governmental expenses decreasing by \$290,378 or 6.4 percent. Expenses were managed to deliver expected services while limiting expenditures related to general government, recreation, community and economic development.

**Business-type Activities.** The net position of the business-type activities increased by \$1,863,161. The increase is the result of an increase in interest income earned and fees during the year while maintaining expenses in order to plan the funding of future capital projects.

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Management's Discussion and Analysis

#### Financial Analysis of the Township's Funds

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

**Governmental Funds.** The focus of the Township's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements.

As of the end of 2022, the Township's governmental funds reported combined ending fund balances of \$6,136,846, an increase of \$1,705,988 in comparison with the prior year. Approximately 62.9 percent of this total amount, or \$3,857,960, constitutes unassigned fund balance, which is an adequate amount to keep the Township operating in the case of unforeseen emergencies. The nonspendable portion of the fund balance, \$491,752, represents amounts prepaid for 2023 expenses in 2022 and advances to other funds. The restricted portion of the governmental fund balance, \$802,183, is special assessment payments received for future bond payments, restricted funds for public safety and restricted funds for projects. The committed portion of the governmental fund balance, \$23,950, represents amounts committed by action of the Township Board, for specific needs and projects. The assigned portion of the governmental fund balance, \$961,001, represents amounts assigned for specific 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 \$3,857,960 while total fund balance was \$5,272,405. The fund balance of the Township's general fund increased by a total \$1,611,300 during the current fiscal year. The increase is the result of an effort to manage and/or reduce costs and increase fund balance for future capital projects and contingencies.

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

Unrestricted net position of the sewer fund and water funds at the end of the year amounted to \$6,057,571 and \$5,561,068, respectively. The sewer fund had a increase for the year of \$665,600 and the water fund had an increase for the year of \$1,035,957, in total net position.

#### General Fund Budgetary Highlights

The Township adopts an annual appropriated budget for its General Fund by resolution of the Board of Trustees. The Township budgets conservatively. Revenues are budgeted based on historic trends coupled with knowledge of factors influencing revenue line items. Expenditures are budgeted based on the previous years' actual expense and department recommendations. The Township receives a financial report at their monthly board meetings and is reviewed quarterly by the Board with the contracted accountant. Budget amendments are included in the consent calendar and in agenda items, where appropriate. Budget amendments are voted and approved at these regular monthly meetings, if necessary. Budget amendments are offered when administration observes dynamics which may impact the original budget and offers an adjustment accordingly. The only significant budget amendment made during the year was to adjust for a park capital project to take place in 2023 rather than 2022. In 2022, as compared to the General Fund original budget, actual revenues were 92.6 percent over budget, primarily due to an increase in intergovernmental revenues related to COVID funding and State of Michigan revenue sharing. In 2022, as compared to the original budget, actual expenditures were 4.8 percent under budget. As compared to the amended budget, the actual expenditures were 3 percent over budget due to the Michigan Natural Resources Trust Fund acquisition and associated wire transfers entry into the General Fund after the end of the fiscal year and the ability to approve a budget amendment prior to the closing of the financial statements for the fiscal year.

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Management's Discussion and Analysis

#### 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, 2022, amounted to \$19,583,426 (net of accumulated depreciation). Capital assets balances for the current year and the previous year ended December 31 were as follows:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,927,276	\$ 762,604	\$ 151,926	\$ 151,926	\$ 2,079,202	\$ 914,530
Construction in progress	65,048	63,678	166,529	-	231,577	63,678
Roads and sidewalks	872,930	954,486	-	-	872,930	954,486
Buildings and improvements	576,077	607,414	-	-	576,077	607,414
Furniture and equipment	169,146	150,090	-	-	169,146	150,090
Vehicles	223,773	-	-	-	223,773	-
Water and sewer systems	-	-	13,618,854	14,105,583	13,618,854	14,105,583
Septage treatment facilities	-	-	1,811,867	1,862,385	1,811,867	1,862,385
<b>Total capital assets, net</b>	<b>\$ 3,834,250</b>	<b>\$ 2,538,272</b>	<b>\$ 15,749,176</b>	<b>\$ 16,119,894</b>	<b>\$ 19,583,426</b>	<b>\$ 18,658,166</b>

The increase in the Township's investment in capital assets for the current fiscal year of \$925,260 resulted primarily from the Holiday Woodlands Natural Area purchase completed through the Michigan Natural Resources Trust Fund acquisition grant and an ambulance purchase, offset by annual depreciation expense. Additional information on capital assets can be found in the notes to the financial statements.

**Long-term Debt.** At the end of the current fiscal year, the Township had total debt outstanding of \$4,352,441. The bonds are backed by the full faith and credit of the Township. The long-term debt of the Township decreased by \$738,503 during 2022 as a result of making scheduled principal payments during the year. Outstanding balances for the current year and the previous year ended December 31 were as follows:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Special assessment bonds	\$ 548,400	\$ 627,300	\$ -	\$ -	\$ 548,400	\$ 627,300
Installment purchase agreement	14,486	21,729	-	-	14,486	21,729
Water system improvement bonds	-	-	3,560,576	3,782,544	3,560,576	3,782,544
Contractual obligations with the County	-	-	228,979	659,371	228,979	659,371
<b>Total long-term outstanding</b>	<b>\$ 562,886</b>	<b>\$ 649,029</b>	<b>\$ 3,789,555</b>	<b>\$ 4,441,915</b>	<b>\$ 4,352,441</b>	<b>\$ 5,090,944</b>

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. Additional information on long-term debt outstanding can be found in the notes to the financial statements.

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Management's Discussion and Analysis

#### Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the Township's budget for the 2023 fiscal year:

- Collection of 0.6871 mill on Taxable Value.
- Department managers operating with a conservative and fiscally responsible budget approach.
- A 8.9% wage adjustment across all positions. This follows the cost-of-living adjustment data at the time wages are approved and estimated by the Social Security and Supplemental Security Income benefits.
- Reduced revenues, as compared to 2022, due to the one-time nature of Federal COVID funding and the unpredictable nature of State of Michigan revenue sharing.

#### Requests for Information

This financial report is designed to provide a general overview of the Township's finances to its citizens, customers, investors, and creditors and to demonstrate the Township's accountability for the resources it receives. If you have questions about this report or need additional information, we welcome you to contact the Township Supervisor, Clerk, or Treasurer at the Township Hall, 1965 Three Mile Road, Traverse City, Michigan 49696.

## **BASIC FINANCIAL STATEMENTS**

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# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Statement of Net Position

December 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 7,276,932	\$ 11,686,441	\$ 18,963,373
Restricted cash and cash equivalents	-	725,993	725,993
Receivables, net	2,690,785	4,008,229	6,699,014
Prepaid items	107,178	-	107,178
Investment in joint venture	2,426,503	-	2,426,503
Internal balances	551,375	(551,375)	-
Capital assets not being depreciated	1,992,324	318,455	2,310,779
Capital assets being depreciated, net	1,841,926	15,430,721	17,272,647
<b>Total assets</b>	<b>16,887,023</b>	<b>31,618,464</b>	<b>48,505,487</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	324,395	344,622	669,017
Escrow deposits	197,656	-	197,656
Bonds, notes and other liabilities:			
Due within one year	91,143	439,413	530,556
Due in more than one year	471,743	3,350,142	3,821,885
<b>Total liabilities</b>	<b>1,084,937</b>	<b>4,134,177</b>	<b>5,219,114</b>
<b>Deferred inflows of resources</b>			
Taxes levied for a subsequent period	3,224,034	-	3,224,034
Deferred lease amounts	-	3,180,034	3,180,034
<b>Total deferred inflows of resources</b>	<b>3,224,034</b>	<b>3,180,034</b>	<b>6,404,068</b>
<b>Net position</b>			
Net investment in capital assets	3,271,364	12,685,614	15,956,978
Restricted for public safety	528,370	-	528,370
Restricted for debt service	225,788	-	225,788
Restricted for projects	84,915	-	84,915
Unrestricted	8,467,615	11,618,639	20,086,254
<b>Total net position</b>	<b>\$ 12,578,052</b>	<b>\$ 24,304,253</b>	<b>\$ 36,882,305</b>

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

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Statement of Activities

For the Year Ended December 31, 2022

		Program Revenues			
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenues
Primary government					
Governmental activities:					
General government	\$ 1,148,275	\$ 276,539	\$ 568,806	\$ -	\$ (302,930)
Public safety	1,643,623	8,487	-	-	(1,635,136)
Health and welfare	906,698	249,470	43,378	-	(613,850)
Public works	144,282	52,304	-	-	(91,978)
Community and economic development	559,444	17,511	-	-	(541,933)
Recreation and culture	404,441	58,480	-	480,775	134,814
Interest on long-term debt	900	-	-	-	(900)
Total governmental activities	4,807,663	662,791	612,184	480,775	(3,051,913)
Business-type activities:					
Sewer	845,960	1,580,363	-	-	734,403
Water	989,599	1,870,161	-	-	880,562
Total business-type activities	1,835,559	3,450,524	-	-	1,614,965
Total primary government	\$ 6,643,222	\$ 4,113,315	\$ 612,184	\$ 480,775	\$ (1,436,948)

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Statement of Activities

For the Year Ended December 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Changes in net position</b>			
Net (revenue) expense	\$ (3,051,913)	\$ 1,614,965	\$ (1,436,948)
General revenues:			
Unrestricted federal revenue "ARPA"	1,221,236	-	1,221,236
Property taxes	2,898,124	-	2,898,124
State revenue sharing	1,425,461	-	1,425,461
Tower rentals	-	232,831	232,831
Other	463,420	164,526	627,946
Unrestricted investment earnings (loss)	68,750	(149,161)	(80,411)
Loss on investment in joint venture	-	-	-
Total general revenues	6,076,991	248,196	6,325,187
<b>Change in net position</b>	3,025,078	1,863,161	4,888,239
Net position, beginning of year	9,552,974	22,441,092	31,994,066
<b>Net position, end of year</b>	<u>\$ 12,578,052</u>	<u>\$ 24,304,253</u>	<u>\$ 36,882,305</u>

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

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Balance Sheet

Governmental Funds

December 31, 2022

	General	Emergency Services	Municipal Streets	Nonmajor Funds	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 4,964,096	\$ 1,832,284	\$ 258,274	\$ 222,278	\$ 7,276,932
Receivables:					
Accounts	52,980	154,961	-	4,422	212,363
Taxes	256,136	1,419,020	-	-	1,675,156
Special assessments	-	-	517,977	-	517,977
Due from other governmental units	285,289	-	-	-	285,289
Prepaid items	68,870	38,308	-	-	107,178
Due from other funds	500	2,974	-	166,801	170,275
Advances to other funds	384,574	-	-	-	384,574
<b>Total assets</b>	<u>\$ 6,012,445</u>	<u>\$ 3,447,547</u>	<u>\$ 776,251</u>	<u>\$ 393,501</u>	<u>\$ 10,629,744</u>
<b>Liabilities</b>					
Accounts payable	\$ 172,109	\$ 25,568	\$ -	\$ 86,980	\$ 284,657
Accrued liabilities	20,003	18,317	-	-	38,320
Escrow deposits	-	-	-	197,656	197,656
Due to other funds	2,974	-	500	-	3,474
<b>Total liabilities</b>	<u>195,086</u>	<u>43,885</u>	<u>500</u>	<u>284,636</u>	<u>524,107</u>
<b>Deferred inflows of resources</b>					
Taxes levied for a subsequent period	486,474	2,737,560	-	-	3,224,034
Unavailable revenue	58,480	137,732	548,545	-	744,757
<b>Total deferred inflows of resources</b>	<u>544,954</u>	<u>2,875,292</u>	<u>548,545</u>	<u>-</u>	<u>3,968,791</u>
<b>Fund balances</b>					
Nonspendable	453,444	38,308	-	-	491,752
Restricted	-	490,062	227,206	84,915	802,183
Committed	-	-	-	23,950	23,950
Assigned	961,001	-	-	-	961,001
Unassigned	3,857,960	-	-	-	3,857,960
<b>Total fund balances</b>	<u>5,272,405</u>	<u>528,370</u>	<u>227,206</u>	<u>108,865</u>	<u>6,136,846</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 6,012,445</u>	<u>\$ 3,447,547</u>	<u>\$ 776,251</u>	<u>\$ 393,501</u>	<u>\$ 10,629,744</u>

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

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Reconciliation

Fund Balances of Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2022

<b>Fund balances - total governmental funds</b>	<b>\$ 6,136,846</b>
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.	
Capital assets not being depreciated	1,992,324
Capital assets being depreciated, net	1,841,926
Equity interest in joint ventures are not financial resources and therefore are not reported in the funds.	
Equity in joint venture	2,426,503
The focus of governmental funds is on short-term financing. Accordingly, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.	
Unavailable revenue	744,757
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds, notes and other long-term liabilities	(569,486)
Unamortized bond discount	6,600
Accrued interest on long-term debt	<u>(1,418)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 12,578,052</u></b>

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

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2022

	General	Emergency Services	Municipal Streets	Nonmajor Funds	Totals
<b>Revenues</b>					
Taxes	\$ 490,106	\$ 2,408,018	\$ -	\$ -	\$ 2,898,124
Special assessments	-	-	114,114	5,207	119,321
Intergovernmental	3,213,783	43,378	-	-	3,257,161
Licenses and permits	258,920	-	-	17,511	276,431
Charges for services	17,619	261,817	-	-	279,436
Zoning fees	-	-	-	355,021	355,021
Interest	61,991	6,759	3,555	-	72,305
Other	93,481	19,918	-	-	113,399
<b>Total revenues</b>	<b>4,135,900</b>	<b>2,739,890</b>	<b>117,669</b>	<b>377,739</b>	<b>7,371,198</b>
<b>Expenditures</b>					
Current:					
General government	1,264,185	-	-	-	1,264,185
Public safety	-	1,588,918	-	-	1,588,918
Health and welfare	-	821,047	-	-	821,047
Public works	36,051	-	860	5,686	42,597
Community and economic development	212,371	-	-	360,300	572,671
Recreation and culture	393,193	-	-	-	393,193
Debt service:					
Principal	7,243	-	80,000	-	87,243
Interest	-	-	18,718	-	18,718
Capital outlay	611,557	265,081	-	-	876,638
<b>Total expenditures</b>	<b>2,524,600</b>	<b>2,675,046</b>	<b>99,578</b>	<b>365,986</b>	<b>5,665,210</b>
<b>Net change in fund balances</b>	<b>1,611,300</b>	<b>64,844</b>	<b>18,091</b>	<b>11,753</b>	<b>1,705,988</b>
Fund balances, beginning of year	3,661,105	463,526	209,115	97,112	4,430,858
<b>Fund balances, end of year</b>	<b>\$ 5,272,405</b>	<b>\$ 528,370</b>	<b>\$ 227,206</b>	<b>\$ 108,865</b>	<b>\$ 6,136,846</b>

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

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Reconciliation

Net Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2022

**Net change in fund balances - total governmental funds** \$ 1,705,988

Amounts reported for *governmental activities* in the statement of activities are different because:

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

Capital assets purchased	984,460
Donated land	480,775
Depreciation expense	(169,257)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in equity interest of joint venture	(44,000)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Net change in unavailable revenue	(19,232)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on bonds, notes and other liabilities	87,243
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of bond discount	(1,100)
Change in accrued interest on long-term debt	201

**Change in net position of governmental activities** \$ 3,025,078

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

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues</b>				
Taxes	\$ 484,900	\$ 484,900	\$ 490,106	\$ 5,206
Intergovernmental	1,370,940	1,370,940	3,213,783	1,842,843
Licenses and permits	227,750	227,750	258,920	31,170
Charges for services	10,000	10,000	17,619	7,619
Interest	10,800	10,800	61,991	51,191
Other	42,900	42,900	93,481	50,581
<b>Total revenues</b>	<u>2,147,290</u>	<u>2,147,290</u>	<u>4,135,900</u>	<u>1,988,610</u>
<b>Expenditures</b>				
General government:				
Township board	63,912	70,412	64,382	(6,030)
Supervisor	78,919	78,919	78,530	(389)
Assessor	197,500	237,500	232,778	(4,722)
Elections	108,944	108,944	80,231	(28,713)
Clerk	134,864	134,864	125,469	(9,395)
Board of review	2,930	2,930	2,320	(610)
Treasurer	131,949	131,949	131,747	(202)
Buildings and grounds	236,050	231,050	169,828	(61,222)
Employee benefits	325,000	325,000	298,408	(26,592)
Other general government	92,000	92,000	80,492	(11,508)
Total general government	<u>1,372,068</u>	<u>1,413,568</u>	<u>1,264,185</u>	<u>(149,383)</u>
Public works:				
Highways, streets, and bridges	17,000	18,500	18,043	(457)
Street lighting	20,750	19,250	18,008	(1,242)
Total public works	<u>37,750</u>	<u>37,750</u>	<u>36,051</u>	<u>(1,699)</u>
Community and economic development:				
Planning commission/board of appeals	43,050	66,350	44,074	(22,276)
Planner/zoning administrator	177,794	192,794	168,297	(24,497)
Total community and economic development	<u>220,844</u>	<u>259,144</u>	<u>212,371</u>	<u>(46,773)</u>

continued...

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Expenditures (concluded)</b>				
Recreation and culture:				
Parks and recreation	\$ 286,243	\$ 474,243	\$ 355,293	\$ (118,950)
Village center	13,000	44,875	37,900	(6,975)
Total recreation and culture	<u>299,243</u>	<u>519,118</u>	<u>393,193</u>	<u>(125,925)</u>
Debt service:				
Principal	<u>7,243</u>	<u>7,243</u>	<u>7,243</u>	<u>-</u>
Capital outlay	<u>715,000</u>	<u>215,000</u>	<u>611,557</u>	<u>396,557</u>
<b>Total expenditures</b>	<u>2,652,148</u>	<u>2,451,823</u>	<u>2,524,600</u>	<u>72,777</u>
Revenues (under) over expenditures	(504,858)	(304,533)	1,611,300	1,915,833
<b>Net change in fund balance</b>	(504,858)	(304,533)	1,611,300	1,915,833
Fund balance, beginning of year	<u>3,661,105</u>	<u>3,661,105</u>	<u>3,661,105</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 3,156,247</u>	<u>\$ 3,356,572</u>	<u>\$ 5,272,405</u>	<u>\$ 1,915,833</u>

concluded

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

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Emergency Services Fund

For the Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues</b>				
Taxes	\$ 2,378,281	\$ 2,385,636	\$ 2,408,018	\$ 22,382
Intergovernmental	-	43,378	43,378	-
Charges for services	220,000	243,000	261,817	18,817
Interest	1,000	6,000	6,759	759
Other	7,000	18,430	19,918	1,488
<b>Total revenues</b>	<u>2,606,281</u>	<u>2,696,444</u>	<u>2,739,890</u>	<u>43,446</u>
<b>Expenditures</b>				
Public safety:				
Sheriff patrol	181,150	181,150	159,537	(21,613)
Metro services	1,627,245	1,627,245	1,429,381	(197,864)
Total public safety	<u>1,808,395</u>	<u>1,808,395</u>	<u>1,588,918</u>	<u>(219,477)</u>
Health and welfare:				
Ambulance services	745,015	838,515	821,047	(17,468)
Capital outlay	<u>213,463</u>	<u>265,463</u>	<u>265,081</u>	<u>(382)</u>
<b>Total expenditures</b>	<u>2,766,873</u>	<u>2,912,373</u>	<u>2,675,046</u>	<u>(237,327)</u>
<b>Net change in fund balance</b>	(160,592)	(215,929)	64,844	280,773
Fund balance, beginning of year	<u>463,526</u>	<u>463,526</u>	<u>463,526</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 302,934</u>	<u>\$ 247,597</u>	<u>\$ 528,370</u>	<u>\$ 280,773</u>

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

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Statement of Net Position

Proprietary Funds

December 31, 2022

	Sewer	Water	Totals
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 6,108,869	\$ 5,505,766	\$ 11,614,635
Cash held with Grand Traverse County	40,006	31,800	71,806
Restricted cash and cash equivalents	-	725,993	725,993
Receivables:			
Accounts	500,196	327,999	828,195
Leases	-	3,180,034	3,180,034
Total current assets	<u>6,649,071</u>	<u>9,771,592</u>	<u>16,420,663</u>
Noncurrent assets:			
Capital assets not being depreciated	151,926	166,529	318,455
Capital assets being depreciated, net	<u>7,298,065</u>	<u>8,132,656</u>	<u>15,430,721</u>
Total noncurrent assets	<u>7,449,991</u>	<u>8,299,185</u>	<u>15,749,176</u>
<b>Total assets</b>	<u>14,099,062</u>	<u>18,070,777</u>	<u>32,169,839</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	206,405	121,540	327,945
Accrued interest payable	249	16,428	16,677
Due to other funds	272	166,529	166,801
Current portion of bonds payable	<u>23,182</u>	<u>416,231</u>	<u>439,413</u>
Total current liabilities	<u>230,108</u>	<u>720,728</u>	<u>950,836</u>
Noncurrent liabilities:			
Advance from other funds	384,574	-	384,574
Long-term debt -			
Bonds payable, net of current portion	<u>11,534</u>	<u>3,338,608</u>	<u>3,350,142</u>
Total noncurrent liabilities:	<u>396,108</u>	<u>3,338,608</u>	<u>3,734,716</u>
<b>Total liabilities</b>	<u>626,216</u>	<u>4,059,336</u>	<u>4,685,552</u>
<b>Deferred inflows of resources</b>			
Deferred lease amounts	<u>-</u>	<u>3,180,034</u>	<u>3,180,034</u>
<b>Net position</b>			
Net investment in capital assets	7,415,275	5,270,339	12,685,614
Unrestricted	<u>6,057,571</u>	<u>5,561,068</u>	<u>11,618,639</u>
<b>Total net position</b>	<u>\$ 13,472,846</u>	<u>\$ 10,831,407</u>	<u>\$ 24,304,253</u>

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

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2022

	Sewer	Water	Totals
<b>Operating revenues</b>			
User fee charges	\$ 1,580,363	\$ 1,870,161	\$ 3,450,524
<b>Operating expenses</b>			
Cost of water	-	641,701	641,701
Sewage treatment	552,036	-	552,036
Depreciation	292,013	245,234	537,247
<b>Total operating expenses</b>	844,049	886,935	1,730,984
Operating income	736,314	983,226	1,719,540
<b>Nonoperating revenues (expenses)</b>			
Interest earnings (loss)	(71,725)	(77,436)	(149,161)
Interest expense	(1,911)	(102,664)	(104,575)
Tower rental income	-	232,831	232,831
Other	164,526	-	164,526
<b>Total nonoperating (expenses) revenues</b>	90,890	52,731	143,621
<b>Change in net position</b>	827,204	1,035,957	1,863,161
Net position, beginning of year	12,645,642	9,795,450	22,441,092
<b>Net position, end of year</b>	\$ 13,472,846	\$ 10,831,407	\$ 24,304,253

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

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022

	Sewer	Water	Totals
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 1,292,968	\$ 1,722,756	\$ 3,015,724
Cash payments to suppliers for goods and services	(211,022)	(393,784)	(604,806)
<b>Net cash provided by operating activities</b>	<u>1,081,946</u>	<u>1,328,972</u>	<u>2,410,918</u>
<b>Cash flows from noncapital financing activities</b>			
Rental income	-	232,831	232,831
<b>Cash flows from capital and related financing activities</b>			
Repayment of interfund advance	(36,900)	-	(36,900)
Purchase of capital assets	-	(166,529)	(166,529)
Principal payments	(239,581)	(410,811)	(650,392)
Interest payments	(2,909)	(106,257)	(109,166)
<b>Net cash used in capital and related financing activities</b>	<u>(279,390)</u>	<u>(683,597)</u>	<u>(962,987)</u>
<b>Cash flows from investing activities</b>			
Interest received, net	<u>92,801</u>	<u>(77,436)</u>	<u>15,365</u>
<b>Net change in cash and cash equivalents</b>	<u>895,357</u>	<u>800,770</u>	<u>1,696,127</u>
Cash and cash equivalents, beginning of year	<u>5,253,518</u>	<u>5,462,789</u>	<u>10,716,307</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 6,148,875</u>	<u>\$ 6,263,559</u>	<u>\$ 12,412,434</u>
<b>Reconciliation to the Statement of Net Position</b>			
Cash and investments	\$ 6,108,869	\$ 5,505,766	\$ 11,614,635
Cash held with Grand Traverse County	40,006	31,800	71,806
Restricted cash and cash equivalents	-	725,993	725,993
	<u>\$ 6,148,875</u>	<u>\$ 6,263,559</u>	<u>\$ 12,412,434</u>

continued...

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2022

	Sewer	Water	Totals
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income	\$ 736,314	\$ 983,226	\$ 1,719,540
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	292,013	245,234	537,247
Change in operating assets and liabilities:			
Receivables	(287,395)	(147,405)	(434,800)
Capital contributions receivable	275,273	-	275,273
Accounts payable	65,469	81,388	146,857
Due to other funds	272	166,529	166,801
<b>Net cash provided by operating activities</b>	<u>\$ 1,081,946</u>	<u>\$ 1,328,972</u>	<u>\$ 2,410,918</u>

concluded

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

**CHARTER TOWNSHIP OF EAST BAY, MICHIGAN**

**Statement of Fiduciary Net Position**

Custodial Funds

December 31, 2022

**Assets**

Cash and cash equivalents	\$ 1,434,732
---------------------------	--------------

**Liabilities**

Due to other governmental units	\$ 1,431,680
Due to individuals and agencies	3,052

<b>Total liabilities</b>	<u>1,434,732</u>
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**Net position restricted for:**

Individuals, organizations and other governments	<u>\$ -</u>
--	-------------

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

**CHARTER TOWNSHIP OF EAST BAY, MICHIGAN**

**Statement of Change in Fiduciary Net Position**

Custodial Funds

For the Year Ended December 31, 2022

**Additions**

Property taxes collected for other governments	\$ 22,444,945
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**Deductions**

Payments of property taxes to other governments	22,444,945
---	------------

<b>Change in net position</b>	-
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Net position, beginning of year	-
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<b>Net position, end of year</b>	<u><u>\$ -</u></u>
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The accompanying notes are an integral part of these financial statements.

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## **NOTES TO FINANCIAL STATEMENTS**

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The Charter Township of East Bay, Michigan is a municipal corporation governed by an elected seven-member board, which is chaired by the supervisor. The Township has determined that no entities should be consolidated into the financial statements as component units. The criteria for including a component unit include significant operational or financial relationships with the government.

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

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

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for custodial 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 intended to be used to cover current expenditures. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such 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 Township reports the following major governmental funds:

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

The *emergency services fund* is used to account for an emergency services tax millage levied by the Township for the operation of the police, ambulance, and fire departments.

The *municipal streets fund* is used to account for special assessments used for the construction of roads in the township.

The Township reports the following major proprietary funds:

The *sewer fund* accounts for the activities of the Township's sewage disposal system.

The *water fund* accounts for the activities and debt payments of the Township's water distribution system.

Additionally, the Township reports the following fund types:

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

*Capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

*Custodial funds* account for assets held by the Township in a custodial capacity for other governments and entities. Primarily this includes undistributed collections and withholdings current property taxes.

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided and includes special assessments, 2) operating grants and contributions, and 3) capital grants and contributions. 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 enterprise funds are charges to customers for sales and services. 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.

Restricted net position, if any, includes assets that are subject to restrictions beyond the Township's control. The restrictions may be externally imposed or imposed by law. 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.

### **Assets, Liabilities, Deferred Inflows of Resources, and 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 and Township policy authorize the Township to invest in:

Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.

Bankers' acceptances of United States banks.

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.

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.

CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

Notes To Financial Statements

Receivables and Payables

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

Prepaid Items

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

Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, equipment, vehicles, and the water, sewer and septage systems, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition cost as of the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	Years
Roads and sidewalks	7-15
Buildings and improvements	15-39
Furniture and equipment	3-10
Vehicles	5
Water, sewer and septage systems	50

Leases

*Lessor.* The Township is a lessor for three noncancellable leases of cell towers. The Township recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Notes To Financial Statements

At the commencement of a lease, the Township initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Township determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Township uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Township monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### ***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 are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

#### ***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenues) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from special assessments receivable and accounts receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods. Finally, the statements of net position and governmental funds balance sheets report deferred inflows related to leases. These amounts are deferred and amortized over the remaining life of the lease.

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### ***Fund Equity***

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance* is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees (the government's highest level of decision-making authority). A motion by the Board of Trustees is required to establish, modify, or rescind a fund balance commitment. The Township reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. *Unassigned fund balance* is the residual classification for the general fund.

When the Township incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Township's policy to use restricted fund balance first, then committed fund balance, assigned fund balance (if applicable), and finally unassigned fund balance.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. The Township utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the financial statements. Additionally, management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

## 2. BUDGETARY INFORMATION

### ***Budget Policy and Compliance***

Budgets presented in the financial statements were prepared on the same basis as the accounting basis used to reflect actual results. The general fund and special revenue funds are subject to legal budgetary accounting controls and all are budgeted annually.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the first day of the following fiscal year.
2. Public hearings are conducted to obtain taxpayer comments.

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

3. Prior to the first day of the following fiscal year, the budget is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed for the governmental fund types as a management control device.
5. Budgets for the general fund and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. Budgets are adopted and are authorized by resolution at the department (activity) level within funds by the Township Board. This is the local legal level of budgetary control. All unexpended and unobligated appropriations lapse at year-end.
7. Adoption and amendments of all budgets used by the Township are governed by Public Act 621, which was followed during the year. Any amendment to the original budget must meet the requirements of Public Act 621. Any revisions that alter the total expenditures of any fund must be approved by the Township Board.

P.A 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted.

### 3. EXCESS OF EXPENDITURES OVER BUDGET

State statutes provide that a local unit shall not incur expenditures in excess of the amounts appropriated.

Excess of expenditures or transfers out over appropriations in individual funds are as follows:

	Final Budget	Actual	Excess
General fund -			
Capital outlay	\$ 215,000	\$ 611,557	\$ 396,557

These excesses over appropriations were funded by available fund balance.

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### 4. CASH AND INVESTMENTS

A reconciliation of cash and investments as shown on the statement of net position and statement of fiduciary net position to deposits and investments as classified for note disclosure purposes is as follows:

#### Statement of Net Position

Cash and investments	\$ 18,963,373
Restricted cash and cash equivalents	<u>725,993</u>
	19,689,366

#### Statement of Fiduciary Net Position

Cash and investments	<u>1,434,732</u>
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<b>Total</b>	<u><u>\$ 21,124,098</u></u>
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Following is a reconciliation of deposit and investment balances as of December 31, 2022:

#### Deposits and investments

Bank deposits:	
Checking and savings accounts	\$ 6,164,573
Certificate of deposit - due in one to five years	979,798
Cash held with Grand Traverse County	71,806
Investments	13,907,521
Cash on hand	<u>400</u>

<b>Total</b>	<u><u>\$ 21,124,098</u></u>
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*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. As of year end, \$4,489,877 of the Township's bank balance of \$6,908,574 was exposed to custodial credit risk because it was uninsured and uncollateralized.

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Notes To Financial Statements

As of year end, the Township had the following investments:

	Fair Value	Credit Rating	Maturity
Federal Home Loan	\$ 436,440	S&P AA+	11/27/2026
Federal Farm Credit Bank	485,903	S&P AA+	10/15/2024
Federal Farm Credit Bank	437,415	S&P AA+	8/20/2029
Commercial Paper	243,167	S&P A1	7/18/2023
Commercial Paper	746,275	S&P A1	5/30/2024
Dearborn Michigan School District Taxable General Obligation Unlimited Tax Refunding Bonds	550,794	Moody AA	5/1/2025
Great Lakes Water Authority Michigan Sewage Disposal Special Revenue Lien	246,393	S&P AA-	7/1/2023
Michigan CLASS government investment pool	<u>10,761,134</u>	S&P AAAm	N/A
<b>Total</b>	<u><u>\$ 13,907,521</u></u>		

*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. None of the Township's investments were exposed to custodial credit risk 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 in the list of authorized investments in the accounting policies. The Township's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, have been identified above for the Township's investments.

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the accounting policies. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments, where applicable, have been identified above for the Township's investments.

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Notes To Financial Statements

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the accounting policies. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk. At December 31, 2022, the Township had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
Commercial paper	Commercial Paper	6.28%
U.S. government bonds	Federal Farm Credit Bank	5.86%
Money market	Huntington Bank	7.68%
Various	Michigan CLASS	68.32%

*Fair Value.* The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. These levels are determined by the Township's investment manager, and are determined at the fund level based on a review of the investment's class, structure, and what kind of securities are held in the funds. The investment manager will request the information from the fund manager, if necessary.

Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2022
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#### Investments at fair value:

U.S. governments bonds	-	1,359,758	-	1,359,758
Commercial paper	-	989,442	-	989,442
Municipal bonds	-	797,187	-	797,187

\$	-	\$	3,146,387	\$	-	3,146,387
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Investments at net asset value - Michigan CLASS	10,761,134
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Total investments	\$ 13,907,521
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# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### *Investments in Entities that Calculate Net Asset Value per Share*

The Township holds shares in Michigan CLASS whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year end, the net asset value of the Township's investment in Michigan CLASS was \$10,761,134. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

*Restricted Cash.* Restricted cash of \$725,993 represents unspent bond proceeds related to the \$5,000,000 water system improvement bonds.

## 5. RECEIVABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts	\$ 235,518	\$ 815,046
Allowance for doubtful accounts	(23,155)	-
Interest	-	9,022
Taxes	1,675,156	-
Special assessments	517,977	4,127
Leases receivable	-	3,180,034
Due from other governments	285,289	-
	<u>\$ 2,690,785</u>	<u>\$ 4,008,229</u>
Amount not expected to be collected within one year	<u>\$ 445,986</u>	<u>\$ 3,019,051</u>

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 284,657	\$ 327,945
Accrued liabilities	38,320	-
Accrued interest	1,418	16,677
	<u>\$ 324,395</u>	<u>\$ 344,622</u>

### 7. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of December 31, 2022, is as follows:

	Receivable	Payable
<b>Due to and from other funds</b>		
General fund	\$ 500	\$ 2,974
Emergency services fund	2,974	-
Municipal streets fund	-	500
Nonmajor funds	166,801	-
Sewage fund	-	272
Water fund	-	166,529
<b>Total</b>	<u>\$ 170,275</u>	<u>\$ 170,275</u>
<b>Advances to and from other funds</b>		
General fund	\$ 384,574	\$ -
Sewage fund	-	384,574
<b>Total</b>	<u>\$ 384,574</u>	<u>\$ 384,574</u>

Interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Intrafund advances resulted from the General fund to the Sewer fund to pay off higher interest outstanding debt.

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### 8. CAPITAL ASSETS

#### Primary government

Capital asset activity for the primary government for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 762,604	\$ 1,164,672	\$ -	\$ -	\$ 1,927,276
Construction in progress	63,678	23,310	-	(21,940)	65,048
	<u>826,282</u>	<u>1,187,982</u>	<u>-</u>	<u>(21,940)</u>	<u>1,992,324</u>
Capital assets being depreciated:					
Roads and sidewalks	1,344,784	-	-	-	1,344,784
Buildings and improvements	1,443,615	6,350	-	-	1,449,965
Furniture and equipment	750,209	57,292	-	-	807,501
Vehicles	589,300	213,611	-	21,940	824,851
	<u>4,127,908</u>	<u>277,253</u>	<u>-</u>	<u>21,940</u>	<u>4,427,101</u>
Less accumulated depreciation for:					
Roads and sidewalks	(390,298)	(81,556)	-	-	(471,854)
Buildings and improvements	(836,201)	(37,687)	-	-	(873,888)
Furniture and equipment	(600,119)	(38,236)	-	-	(638,355)
Vehicles	(589,300)	(11,778)	-	-	(601,078)
	<u>(2,415,918)</u>	<u>(169,257)</u>	<u>-</u>	<u>-</u>	<u>(2,585,175)</u>
Total capital assets being depreciated, net	<u>1,711,990</u>	<u>107,996</u>	<u>-</u>	<u>21,940</u>	<u>1,841,926</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 2,538,272</u>	<u>\$ 1,295,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,834,250</u>

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 151,926	\$ -	\$ -	\$ -	\$ 151,926
Construction in progress	-	166,529	-	-	166,529
	<u>151,926</u>	<u>166,529</u>	<u>-</u>	<u>-</u>	<u>318,455</u>
Capital assets being depreciated:					
Water and sewer systems	24,336,457	-	-	-	24,336,457
Septage treatment facilities	2,525,880	-	-	-	2,525,880
	<u>26,862,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,862,337</u>
Less accumulated depreciation for:					
Water and sewer systems	(10,230,874)	(486,729)	-	-	(10,717,603)
Septage treatment facilities	(663,495)	(50,518)	-	-	(714,013)
	<u>(10,894,369)</u>	<u>(537,247)</u>	<u>-</u>	<u>-</u>	<u>(11,431,616)</u>
Total capital assets being depreciated, net	<u>15,967,968</u>	<u>(537,247)</u>	<u>-</u>	<u>-</u>	<u>15,430,721</u>
<b>Business-type activities capital assets, net</b>					
	<u>\$ 16,119,894</u>	<u>\$ (370,718)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,749,176</u>

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

### Depreciation of governmental activities by function

General government	\$ 39,633
Public safety	4,685
Health and welfare	19,038
Public works	80,558
Recreation and culture	25,343
	<u>\$ 169,257</u>

### Depreciation of business-type activities by function

Sewage disposal	\$ 292,013
Water extension	245,234
	<u>\$ 537,247</u>

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### 9. LEASES

**Lessor** - The Township is involved in three agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the Township will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended December 31, 2022 was \$141,096.

Asset Type	Remaining Term of Agreements
Cell towers	3-24 years

Lease receivable activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Leases receivable	\$ 3,321,130	\$ -	\$ (141,096)	\$ 3,180,034

### 10. BONDS, NOTES AND OTHER LONG-TERM LIABILITIES

Bonds, notes and other long-term liabilities activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
<b>Public placement</b>					
\$865,000 special assessment bonds due in annual installments of \$75,000 to \$100,000 through June 1, 2028, interest at 3.25%.	\$ 635,000	\$ -	\$ (80,000)	\$ 555,000	\$ 85,000
<b>Direct placement</b>					
\$41,648 installment purchase agreement due in annual installments of \$5,432 to \$7,243 through 2024, non-interest bearing.	21,729	-	(7,243)	14,486	7,243
Subtotal - installment debt	656,729	-	(87,243)	569,486	92,243
Discount on bonds	(7,700)	-	1,100	(6,600)	(1,100)
<b>Total</b>	<b>\$ 649,029</b>	<b>\$ -</b>	<b>\$ (86,143)</b>	<b>\$ 562,886</b>	<b>\$ 91,143</b>

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
<b>Public placement</b>					
\$1,300,000 Grand Traverse County Septage Plant Bonds due in installments of \$25,000 to \$75,000 through November 1, 2024, interest at 4.50% to 5.00%. The Township's obligation is 30.75% of the outstanding balance.	\$ 34,596	\$ -	\$ (11,531)	\$ 23,065	\$ 11,531
 \$2,875,000 sewer/water refunding bonds due in installments of \$265,000 through \$275,000 through November 1, 2023, interest at 1.50% to 2.20%. The Township's obligation is 74.90% of the outstanding balance.	408,151	-	(202,237)	205,914	205,914
 \$5,000,000 water system improvement bonds due in annual installments of \$200,000 to \$330,000 through November 1, 2035, with interest ranging from 2.00% to 3.00%	3,755,000	-	(220,000)	3,535,000	220,000
 \$32,900,000 sewage disposal system bonds based on flow through November 1, 2022, interest at 4.55% to 5.00%	216,624	-	(216,624)	-	-
Subtotal - installment debt	4,414,371	-	(650,392)	3,763,979	437,445
Premiums on bonds	27,544	-	(1,968)	25,576	1,968
<b>Total</b>	<u>\$ 4,441,915</u>	<u>\$ -</u>	<u>\$ (652,360)</u>	<u>\$ 3,789,555</u>	<u>\$ 439,413</u>

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

Annual debt service requirements to maturity for long-term bonds and installment purchase agreement are as follows:

Governmental Activities - Public Placement		
Year Ended December 31,	Principal	Interest
2023	\$ 85,000	\$ 15,743
2024	90,000	13,118
2025	90,000	10,418
2026	95,000	7,643
2027	95,000	4,734
2028	100,000	1,625
	<u>\$ 555,000</u>	<u>\$ 53,281</u>

Governmental Activities - Direct Placement		
Year Ended December 31,	Principal	Interest
2023	\$ 7,243	\$ -
2024	7,243	-
	<u>\$ 14,486</u>	<u>\$ -</u>

Business-type Activities - Public Placement		
Year Ended December 31,	Principal	Interest
2023	\$ 437,445	\$ 96,254
2024	241,534	89,615
2025	235,000	83,862
2026	245,000	79,162
2027	255,000	74,262
2028-2032	1,400,000	269,188
2033-2035	950,000	57,750
	<u>\$ 3,763,979</u>	<u>\$ 750,093</u>

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### 11. JOINT VENTURES

#### ***Master Sewer Agreement***

The Township entered into a master sewer agreement, effective July 1, 1987 through June 30, 2041, with the City of Traverse City, the Townships of Acme, Peninsula, and Garfield in Grand Traverse County, the Township of Elmwood in Leelanau County, and Grand Traverse County. This master sewer agreement defines the allocation of the costs and established 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 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, the County, 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 operation and the townships shall have the right to comment on all matters connected with the administration of the plant.

Each participant in the joint venture pays an amount sufficient to cover its pro rata share of treatment plant costs. Each participant's pro rata share is determined by the volume of its sewage treated in relation to the total sewage treated at the plant.

#### ***Grand Traverse Metro Emergency Services Authority***

The Township is a member of the Grand Traverse Metro Emergency Services Authority (the "Authority"). The incorporating municipalities are the Township of Acme, the Charter Township of East Bay, and the Charter Township of Garfield. The purpose of the Authority is to provide fire protection, prevention and inspection, and other emergency health and safety services in accordance with the authorization contained in Act 57, Public Acts of Michigan, 1998 as amended. The Authority's year end is December 31.

The Township currently is represented by two (2) of the six (6) members of the Authority Board and has an on-going financial interest in the Authority. There are two (2) members each from the other two (2) Townships. The Township's equity interest, as calculated based on the formation agreement, in the Authority at December 31, 2022 was \$2,426,503. The Authority's government-wide total assets at December 31, 2022 were \$9,468,810, total liabilities were \$1,902,030 and total deferred inflows of resources were \$91,416, which resulted in a net position of \$7,475,364. Financial support for the Authority comes mainly from the member townships based on a funding formula as detailed in the creation agreement. The components of funding are based on the Authority's proposed annual budget and taxable value of the Authority to determine a uniform millage rate. This rate is then applied to all real property in each township.

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

The equity determination at year-end was calculated based on the formation agreement. The agreement states that at termination and dissolution of the Authority, each Township would receive a percentage of the net position based on an analysis of assets and liabilities and applying criteria to each as detailed in the agreement. Based on an analysis at December 31, 2022, the Township has an equity interest of approximately 32.46%. The resulting amount has been recorded in the government-wide financial statements of the Township in accordance with applicable GASB standards.

The financial statements of the Authority can be obtained from the East Bay Township Hall, 1965 Three Mile Road, Traverse City, Michigan 49696.

## 12. RISK MANAGEMENT

The Township participates in the Michigan Township Participating Plan (the "Plan") with other municipalities for auto, employee benefits, property, public officials, electronic data processing (EDP), crime, inland marine, boiler and machinery, and liability losses. The Plan is organized under Public Act 138 of 1982, as amended. The Plan, while it operates under the Michigan Legislation of Public Act 138, does not operate as a risk pool due to the transfer of risk to U.S. Specialty Insurance Company ("USSIC") backing the Michigan Township Participating Plan under a master policy for the period July 1, 2019 to July 1, 2029. Due to this Master Policy purchase, there is no pooling of risk between members but instead it is commercial insurance. Settled claims relating to this insurance have not exceeded the amount of insurance coverage in any of the past three (3) fiscal years.

## 13. PROPERTY TAXES

The Township's property taxes are levied on the assessed taxable value of property in the Township each December 1, which is the lien date, and are due in full by March 1 of the succeeding year, at which time uncollected taxes become delinquent. The December 1 levy is recorded as receivable and deferred inflows at year end because it is intended to fund expenditures of the following fiscal year.

Assessed values as established annually by the Township are equalized by the State at an estimated 50% of current market value. Real and personal property in the Township for the 2021 levy were assessed and equalized at \$648,643,874, representing roughly 50% of estimated current market value. The Township's general operating tax rate for the 2021 levy was .7051 mills.

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### 14. DEFERRED COMPENSATION PLAN

The Township offers all its employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plans were held in a custodial account as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan and the assets may not be diverted to any other use. The administrators are agents of the Township for the purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account, and all other matters. In accordance with the provisions of accounting principles generally accepted in the United States of America, plan balances and activities are not reflected in the Township's financial statements.

### 15. PENSION PLAN

The Township provides benefits to all of its full-time employees and Township Trustees through a defined contribution benefits plan called the East Bay Charter Township Group Pension Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The Township contributes 11 percent of employees' gross earnings and employee contributions for each employee plus interest allocated to the employee's account which are fully vested immediately. The Plan is administered by Burnham and Flower Insurance Group through John Hancock.

The current year contribution was calculated on covered payroll of \$690,401. This resulted in an employer contribution of \$75,979 for Township employees. Employee contributions were \$46,592.

### 16. STATE CONSTRUCTION CODE ACT COMPLIANCE

Effective January 1, 2000, Public Act 245 of 1999 amended the State Construction Act to require Michigan municipal governments to establish fees that bear a reasonable relationship to the cost of operating their building departments. The Township has elected to record this activity in the general fund.

Revenues - building fee revenues	\$ 19,830
Expenditures	<u>(168,297)</u>
<b>Current year loss</b>	<u><u>\$ (148,467)</u></u>
<b>Loss absorbed in 2001-2022</b>	<u><u>\$ (1,282,869)</u></u>

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### 17. FUND BALANCES - GOVERNMENTAL FUNDS

The Township classifies fund balances primarily to the extent of which it is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Emergency Services	Municipal Streets	Nonmajor Governmental Funds	Total
Nonspendable -					
Prepays	\$ 68,870	\$ 38,308	\$ -	\$ -	\$ 107,178
Long-term advances	384,574	-	-	-	384,574
Total nonspendable	453,444	38,308	-	-	491,752
Restricted for:					
Emergency services activities	-	490,062	-	-	490,062
Street lighting	-	-	-	2,944	2,944
Township improvements	-	-	-	81,971	81,971
Debt service	-	-	227,206	-	227,206
Total restricted	-	490,062	227,206	84,915	802,183
Committed for -					
Capital improvements	-	-	-	23,950	23,950
Assigned	961,001	-	-	-	961,001
Unassigned	3,857,960	-	-	-	3,857,960
<b>Total fund balances, governmental funds</b>	<b>\$ 5,272,405</b>	<b>\$ 528,370</b>	<b>\$ 227,206</b>	<b>\$ 108,865</b>	<b>\$ 6,136,846</b>

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Notes To Financial Statements

### 18. NET INVESTMENT IN CAPITAL ASSETS

The composition of the Township's net investment in capital assets as of year end was as follows:

	Governmental Activities	Business-type Activities
Capital assets, net	\$ 3,834,250	\$ 15,749,176
Related debt:		
Bonds and installment purchase agreement payable	569,486	3,763,979
Bond premium	-	25,576
Bond discount	(6,600)	-
Unspent bond proceeds	-	(725,993)
	<u>562,886</u>	<u>3,063,562</u>
 Net investment in capital assets	 <u>\$ 3,271,364</u>	 <u>\$ 12,685,614</u>

### 19. COMMITMENTS AND CONTINGENCIES

In December 2020 and 2019, the Township was awarded two DNR Trust Fund Grants in the amount of \$300,000 and \$584,800, respectively, for a park improvement and the purchase of land. The land was purchased on July 19, 2022, at which point the DNR Trust Fund amount of \$526,320 was paid directly to the closing company, with the remaining amount paid for by the Township. The portion paid for by the Township is expected to be reimbursed during 2023. As of June 17, 2023, the Township is in the process of constructing the park improvement, which the remaining funds of \$300,000 will be directed towards. These projects have been affected by the COVID-19 pandemic and the delayed approval by the State of Michigan for the funding recommended by the Michigan Natural Resources Trust Fund. Additionally, the Township, in coordination with the Grand Traverse Regional Land Conservancy, is conducting due diligence on the purchase.

### 20. CORONAVIRUS ("COVID-19")

In March 2020, the World Health Organization declared the novel coronavirus outbreak ("COVID-19") to be a global pandemic. The pandemic has resulted operational challenges for the Township as it determines the impact on employees, vendors, and taxpayers, and the appropriate method for providing services. At this time, management does not believe that any ongoing negative financial impact related to the pandemic, if any, would be material to the Township.

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## **COMBINING FUND FINANCIAL STATEMENTS**

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2022

	Special Revenue		Capital Projects		
	Street Lights	Developers Escrow	Public Improvement	Township Improvement Revolving	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 3,343	\$ 284,237	\$ 77,549	\$ -	\$ 365,129
Accounts receivables, net	-	-	4,422	-	4,422
Due from other funds	-	-	-	166,801	166,801
<b>Total assets</b>	<u>\$ 3,343</u>	<u>\$ 284,237</u>	<u>\$ 81,971</u>	<u>\$ 166,801</u>	<u>\$ 536,352</u>
<b>Liabilities</b>					
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ 142,851	\$ 142,851
Accounts payable	399	86,581	-	-	86,980
Escrow deposits	-	197,656	-	-	197,656
<b>Total liabilities</b>	<u>399</u>	<u>284,237</u>	<u>-</u>	<u>142,851</u>	<u>427,487</u>
<b>Fund balances</b>					
Restricted	2,944	-	81,971	-	84,915
Committed	-	-	-	23,950	23,950
<b>Total fund balances</b>	<u>2,944</u>	<u>-</u>	<u>81,971</u>	<u>23,950</u>	<u>108,865</u>
<b>Total liabilities and fund balances</b>	<u>\$ 3,343</u>	<u>\$ 284,237</u>	<u>\$ 81,971</u>	<u>\$ 166,801</u>	<u>\$ 536,352</u>

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2022

	Special Revenue		Capital Projects		
	Street Lights	Developers Escrow	Public Improvement	Township Improvement Revolving	Totals
<b>Revenues</b>					
Special assessments	\$ 5,207	\$ -	\$ -	\$ -	\$ 5,207
Licenses and permits	-	-	17,511	-	17,511
Zoning fees	-	355,021	-	-	355,021
<b>Total revenues</b>	<u>5,207</u>	<u>355,021</u>	<u>17,511</u>	<u>-</u>	<u>377,739</u>
<b>Expenditures</b>					
Public works	5,006	-	-	680	5,686
Community and economic development	-	355,021	5,279	-	360,300
<b>Total expenditures</b>	<u>5,006</u>	<u>355,021</u>	<u>5,279</u>	<u>680</u>	<u>365,986</u>
<b>Net change in fund balances</b>	201	-	12,232	(680)	11,753
Fund balances, beginning of year	<u>2,743</u>	<u>-</u>	<u>69,739</u>	<u>24,630</u>	<u>97,112</u>
<b>Fund balances, end of year</b>	<u>\$ 2,944</u>	<u>\$ -</u>	<u>\$ 81,971</u>	<u>\$ 23,950</u>	<u>\$ 108,865</u>

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## **INTERNAL CONTROL AND COMPLIANCE**

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

June 17, 2023

Board of Trustees  
Charter Township of East Bay, Michigan  
Traverse City, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Charter Township of East Bay, Michigan** (the "Township"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 17, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

**Independent Auditors' Communication with Those Charged with Governance**

June 17, 2023

Board of Trustees  
Charter Township of East Bay, Michigan  
Traverse City, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **Charter Township of East Bay, Michigan** (the "Township"), as of and for the year ended December 31, 2022, and have issued our report thereon dated June 17, 2023. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated March 8, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Township solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated June 17, 2023.



## **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on April 10, 2023.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

## **Significant Risks Identified**

We have identified the risks of management override of internal control and revenue recognition as significant risks, and have obtained an understanding of the Township's related controls, including control activities, relevant to such risks.

## **Qualitative Aspects of the Township's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Township is included in Note 1 to the financial statements.

The Township changed accounting policies related to the accounting for leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, *Leases*.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus..

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- The Township utilizes various investment instruments which are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect the amounts reported in the financial statements.
- Management's estimate of the discount rate used for leases, and the lease term and lease payments/receipts is based on the Township's incremental borrowing rate and consideration of the noncancelable period of the lease and reasonably certain lease options.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

#### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any misstatements during our audit.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Township's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in *Attachment B* to this letter.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Township, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Township's auditors.

**Other Information in Documents Containing Audited Financial Statements**

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Upcoming Changes in Accounting Standards**

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, *Attachment A* to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

This information is intended solely for the use of the governing body and management of the **Charter Township of East Bay, Michigan** and is not intended to be and should not be used by anyone other than these specified parties.

*Rehmann Johnson LLC*

# CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

## **Attachment A – Upcoming Changes in Accounting Standards / Regulations**

For the December 31, 2022 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Township in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Township. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

### **GASB 94 ■ Public-Private and Public-Public Partnerships and Availability Payment Arrangements**

*Effective 06/15/2023 (your FY 2023)*

This standard addresses accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. We do not expect this standard to have any significant effect on the Township.

### **GASB 96 ■ Subscription-Based Information Technology Arrangements**

*Effective 06/15/2023 (your FY 2023)*

This standard expands on the new guidance for leases and applies it to computer software contracts (subscriptions) with similar characteristics. Governments that subscribe to a vendor's IT software will now report offsetting intangible subscription assets and subscription liabilities equal to the present value of future subscription payments.

### **GASB 99 ■ Omnibus 2022**

*Effective 06/15/2023 (your FY 2023)*

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the Township.

### **GASB 100 ■ Accounting Changes and Error Corrections**

*Effective 06/15/2024 (your FY 2024)*

This standard clarifies the presentation and disclosure requirements for prior period adjustments to beginning net position. We do not expect this standard to have any significant effect on the Township.

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### ■ Attachment A – Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2022 Audit

#### **GASB 101 ■ Compensated Absences**

*Effective 12/15/2024 (your FY 2024)*

This standard revises the liability governments record for compensated absences payable to include any sick, vacation, personal time, or other PTO reasonably expected to be used by employees or paid out to them at termination.

■ ■ ■ ■ ■

## CHARTER TOWNSHIP OF EAST BAY, MICHIGAN

### **Attachment B – Management Representations**

For the December 31, 2022 Audit

The following pages contain the written representations that we requested from management.

June 17, 2023

Rehmann Robson  
107 S. Cass Street, Suite A  
Traverse City, Michigan 49684

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of ***Charter Township of East Bay, Michigan*** (the "Township"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the General Fund and each major special revenue fund of the Township in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 17, 2023:

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 8, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. With respect to any assistance you provided in drafting the financial statements and related notes, we have performed the following:
  - a. Made all management decisions and performed all management functions;
  - b. Assigned a competent individual to oversee the services;
  - c. Evaluated the adequacy of the services performed;
  - d. Evaluated and accepted responsibility for the result of the service performed; and
  - e. Established and maintained internal controls, including monitoring ongoing activities.

4. We acknowledge our responsibility for 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.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
6. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. With regard to items reported at fair value:
  - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
11. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
12. All funds and activities are properly classified.
13. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
14. All components of net position and fund balance classifications have been properly reported.
15. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
16. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
17. All interfund and intra-entity transactions and balances have been properly classified and reported.
18. Special items and extraordinary items have been properly classified and reported.
19. Deposit and investment risks have been properly and fully disclosed.
20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.

21. All required supplementary information is measured and presented within the prescribed guidelines.
22. In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the County to provide services to its patrons, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. Over the past two years, the Township has been awarded funds from various sources to be used to respond to the impacts of the COVID-19 pandemic. Of the amount awarded, approximately \$1,221,000 was expended and recognized as revenue during the current fiscal year. With these additional Federal resources, at this time management does not believe that the negative financial impact of the pandemic, if any, would be material to the Township.

### **Information Provided**

23. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the Township from whom you determined it necessary to obtain audit evidence.
24. All transactions have been recorded in the accounting records and are reflected in the financial statements.
25. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
26. We have no knowledge of any fraud or suspected fraud that affects the Township and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
27. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
28. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
29. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
30. We have a process to track the status of audit findings and recommendations.
31. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

32. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
33. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
34. We have disclosed to you the identity of the Township's related parties and all the related party relationships and transactions of which we are aware.
35. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
36. The Township has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
37. We have disclosed to you all guarantees, whether written or oral, under which the Township is contingently liable.
38. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
39. There are no:
  - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
40. The Township has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
41. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
42. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

#### **Supplementary Information in Relation to the Financial Statements as a Whole**

43. With respect to the supplementary information accompanying the financial statements:
  - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.

- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.


**Required Supplementary Information**

44. With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

  
Beth Friend, Township Supervisor

  
Susanne Courtade, Township Clerk

  
Tracey Bartlett, Township Treasurer



**Meeting Date:** July 10, 2023  
**Agenda Item:** Zoning Administrator Offer of Employment  
**Contact:** Claire Karner  
Beth Friend

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**Description:**

During the weeks of June 19<sup>th</sup> and 26<sup>th</sup>, Claire Karner and Beth Friend interviewed four ZA applicants. It is expected a recommendation will be brought to the Township Board for the July 10, 2023 meeting. However, at this time, discussions and contacting references are still in progress.

**Attachments:**

- None at this time, recommended application will be sent under separate cover.

**Budget Implications:**

None anticipated.

**Possible Motion:**

To be determined.



**Meeting Date:** July 10, 2023  
**Agenda Item:** Short-term Rental Licensing Ordinance  
**Contact:** Claire Karner  
Beth Friend

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**Description:**

At the June 12, 2023, township board meeting, a short-term rental licensing ordinance was introduced. This proposed ordinance, which would be Ordinance No. 3 of 2023, would replace and essentially amend the original short-term rental licensing ordinance, Ordinance 5 of 2019.

Please see prior board packets and STR agenda items for the progression of this discussion by the township board.

**Attachments:**

- Short-Term Rental Licensing Ordinance No. 3 of 2023
- Affidavit of Posting
- Notification in newspaper of general circulation
- STR communication received

**Budget Implications:**

None

**Possible Motion:**

Move to [approve/approve with changes/deny] the Short-Term Rental Licensing Ordinance No. 3 of 2023.

**EAST BAY CHARTER TOWNSHIP**  
**Short-Term Rental Licensing Ordinance No. 3 of 2023**

AN ORDINANCE PURSUANT TO ACT 359 OF THE PUBLIC ACTS OF 1947, AS AMENDED, TO PROVIDE FOR THE PUBLIC PEACE AND HEALTH AND FOR THE SAFETY OF PERSONS AND PROPERTY IN EAST BAY CHARTER TOWNSHIP BY THE LICENSING AND REGULATION OF SHORT-TERM RENTALS, TO PROVIDE PROCEDURES FOR THE SUSPENSION AND REVOCATION OF SHORT-TERM RENTAL LICENSES, AND TO PROVIDE PENALTIES FOR VIOLATIONS OF THE ORDINANCE

EAST BAY CHARTER TOWNSHIP HEREBY ORDAINS:

**Section 1. Purpose.**

This ordinance is intended to protect and promote the health, safety and welfare of all the citizens of East Bay Charter Township, as well as those visiting the area, by requiring the licensing of short-term rentals within the Township. It is also the intent of this ordinance to allow for the purchase and continued ownership, rental, and maintenance of properties where renting the dwelling unit for short periods of time will allow the owner(s) to keep the property for their future use and enjoyment, while protecting the integrity and preserving the character of those residential neighborhoods which were developed with the intent of single-family occupancy and minimizing conflicts between different land uses. This ordinance is further intended to protect the availability of long-term rental properties within the Township, which are recognized as providing an important and affordable long-term housing option.

**Section 2. Applicability.**

This ordinance requires all persons who desire to operate a short-term rental located anywhere within East Bay Charter Township to obtain a license from the Office of Planning & Zoning under the terms and conditions of this ordinance.

**Section 3. Definitions.** As used in this ordinance,

“Bedroom” means a room which is intended, arranged, and designed to be occupied by one or more individuals primarily for sleeping purposes, as determined by the Office of Planning & Zoning.

“Dwelling unit” means a group of rooms located within a building and forming a single habitable unit with facilities which are used or intended to be used for living, sleeping, sanitation, cooking, and eating purposes. A dwelling unit, however, shall not include an “adult motel,” “bed and breakfast,” “hotel” or “motel,” “lodging house,” and “camps and campgrounds” as those terms are defined and regulated under the East Bay Charter Township Zoning Ordinance, nor shall a dwelling unit include recreational vehicles, campers, houseboats, or cabin courts.

“Immediate family member” means a spouse or a child (including adopted), step-child, grandchild, sibling, parent, or grandparent.

“Immediate neighbors” means the owners and occupants of property that are located within three hundred (300) feet of the premises on which the short-term rental is located.

“License holder” means the person who applies for and receives a short-term rental license from East Bay Charter Township. A license holder may or may not be the owner of the dwelling unit where the short-term rental is located.

“Local agent” means the individual designated by the license holder to perform obligations under this ordinance and to serve as the contact person for issues relating to a short-term rental. The designated agent must reside or maintain a physical place of business within 45 miles of the short-term rental.

“Maximum occupancy” means the maximum number of allowable occupants and visitors of a short-term rental, as established in Section 6(c) of this ordinance.

“Occupant” means an individual living in, sleeping in, or otherwise having possession of a short-term rental. An individual present in a dwelling unit during the term of a short-term rental shall be presumed to be an occupant unless circumstances clearly indicate that the individual is a visitor, as defined herein.

“Owner” means any person holding legal or equitable title to a property or to real improvements upon a property solely, jointly, by the entireties, in common, or as a land contract vendee.

“Person” means an individual, firm, corporation, association, partnership, limited liability company, or other legal entity.

“Premises” means the property on which a short-term rental will be located.

“Property” means land, firmly attached structures, and integrated equipment (such as light fixtures or a well pump), and anything growing on the land.

“Sleeping room” means a bedroom or any other room where bunk beds, cots, rollaway beds, or hide-a-beds are made available for overnight sleeping purposes.

“Short-term rental” means a dwelling unit that is available for use or is used for accommodations or lodging of guests, paying a fee or other compensation, for a period of less than 30 nights at a time.

“Violation notice” means a written notice issued by the Office of Planning & Zoning advising the license holder and/or the local agent of a violation of this ordinance.

“Visitor” means an individual visiting a short-term rental between the hours of 8:00 am and 10:00 pm, who will not stay overnight. A visitor shall not be considered an occupant, as defined herein.

#### **Section 4. License required.**

An owner of any dwelling unit located anywhere within East Bay Charter Township, with the exception of dwelling units located within the Township’s Regional Business Zoning District, shall not rent, or allow to be rented, a dwelling unit to another person for less than 30 nights at a time, unless the owner

or the owner's authorized agent has obtained a short-term rental license for that dwelling unit in accordance with the requirements of this ordinance.

**Section 5. Application for short-term rental license.**

- (a) Responsibility. The owner, either directly or through an authorized agent, shall apply for a short-term rental license through the submission of a short-term rental license application.
- (b) Application Information Required. A person seeking a license under this ordinance shall submit a complete application, certified as being true, to the Office of Planning & Zoning. The application shall include documentation and information reasonably required to demonstrate current and continuing compliance with the standards and regulations contained in Section 6 of this ordinance and all of the following information:
  - (1) The name, address, telephone numbers (home, work, or cell phone), and email address of the owner of the proposed short-term rental. If the proposed short-term rental owner is a corporate or other entity, the application must identify all current members and their percentage ownership interests in the corporation or other entity. If the proposed short-term rental owner is a trust, the application must identify all beneficiaries of the trust and the trustee.
  - (2) An affidavit signed by the owner of the proposed short-term rental granting authority to the applicant to act on behalf of the owner to request a license under the ordinance, if the applicant is not the owner.
  - (3) The name, address, telephone numbers (home, work, or cell phone), and email address of the applicant, if different than the owner.
  - (4) If the owner of the proposed short-term rental does not qualify as, or does not desire to be, the local agent as defined in this ordinance, then the written designation by the owner of a local agent, including the name, address, telephone numbers (home, work, or cell phone), and email address of the local agent.
  - (5) The address of the proposed short-term rental.
  - (6) Parcel Identification No. for the proposed short-term rental.
  - (7) Documentation showing the owner's valid tenancy, ownership, or other legal interest in the proposed short-term rental premises, which may include, but is not necessarily limited to, a deed, land contract, or lease agreement. If the owner possesses less than fee ownership in the proposed short-term rental premises, a notarized affidavit from the owner of such premises authorizing the use of the same for a short-term rental must also be included.
  - (8) Any deed restrictions or use limitations in the subdivision covenants and restrictions or the condominium master deed and/or bylaws applicable to the short-term rental premises.

- (9) A floorplan drawing of the proposed short-term rental that includes the number of bedrooms intended to be occupied as part of the short-term rental.
  - (10) The proposed frequency for and maximum occupancy of the short-term rental.
  - (11) A drawing of the premises on which the short-term rental will be located that includes all buildings on the premises and the location where all motor vehicles, boats, campers and trailers will be parked.
  - (12) Documentation that the posting and notification requirements concerning the local agent has been and will continue to be completed.
  - (13) Documentation that the waste/recycling, advertising, safety, and wastewater disposal requirements of the ordinance have been and will continue to be met.
  - (14) Documentation that copies, summaries, or website addresses of the Township Noise Ordinance and Fireworks Ordinance, as they may be amended from time to time, will be provided to the occupants of the short-term rental prior to occupancy.
  - (15) Photographs of the short-term rental premises documenting compliance with the Township Junk Ordinance.
  - (16) A septic and well status report from the Grand Traverse County Health Department indicating the number of bedrooms the septic system servicing the short-term rental premises was designed to accommodate. If no such report exists, a report from a qualified inspector acceptable to the Township indicating the number of bedrooms the septic system servicing the short-term rental premises was designed to accommodate.
- (c) Application fee; eligibility. The application shall be accompanied by an application fee as established and set forth in the Township fee schedule. This fee schedule shall also establish an "after the fact" fee that must be paid when an otherwise lawful short-term rental is operated but without first complying with the procedural requirements of this ordinance. This "after the fact" fee is not intended to be a penalty, but shall consist of the normal application fee plus an amount equal to the legal and administrative costs incurred by the Township as the result of the applicant's failure to initially comply with the requirements of this ordinance. In addition, to be eligible for a short-term rental license, applicants must have no outstanding Township taxes, permit or inspection fees, escrow deposits, or other amounts due and owing to the Township.
- (d) Complete application. A short-term rental license application shall not be considered

accepted until the Office of Planning & Zoning deems it to be complete. The Office of Planning & Zoning shall determine whether a short-term rental license application is complete within fourteen (14) calendar days after the application is submitted. If the Office of Planning & Zoning determines that all required information was not supplied and/or if the applicant fails to pay the required fee, then the Office of Planning & Zoning shall send written notification to the applicant of the deficiencies. If the applicant fails to provide all the information required by this ordinance and/or fails to pay the required fee within fourteen (14) days after being notified of the deficiencies, then the application shall be deemed incomplete and shall be denied by the Office of Planning & Zoning on that basis.

- (e) License. Once deemed to be complete, if an application complies with all the standards and regulations of this ordinance, and if there are available licenses, the Office of Planning & Zoning shall approve the short-term rental license within fourteen (14) calendar days. All short-term rental licenses issued under this ordinance shall be sequentially numbered.

- (f) Total Number of Licenses.

- (1) The Township Board, shall, by resolution, establish a maximum limit on the total number of short-term rental licenses that may be approved pursuant to this Ordinance. Such limit shall be consistent with the purpose and objectives of this Ordinance as set forth herein.

- (2) Short-term rental licenses shall be processed and approved on a first come, first serve basis, based on the date and time the application for a short-term rental license is submitted to the Office of Planning & Zoning. An incomplete application for a short-term rental license shall not lose its priority for approval unless the applicant fails to correct any deficiencies within fourteen (14) calendar days after being notified of such deficiencies by the Office of Planning & Zoning, as set forth in subsection (d) above.

- (3) Once the total number of short-term rental licenses issued pursuant to this ordinance reaches the maximum limit established by the Township Board, the Office of Planning & Zoning shall not accept or approve any additional applications for short-term rental licenses until an existing license expires or is revoked or voided, thus creating an available license.

- (4) The Office of Zoning & Planning will develop a policy, which shall be approved by the Township Board and made available to the public, for providing notice of available short-term rental licenses and for receiving and approving applications for the same once the number of active short-term rental licenses falls below the maximum limit established by the Township Board. When short-term rental licenses become available, the Office of Zoning & Planning will circulate a notice within the Township, no more than once per year, specifying how many licenses are available and how and when applications may be submitted to the Office of Zoning & Planning.

- (5) The Township Board may review and amend the maximum limit on short-

term rental licenses on an annual basis and may adjust the limit as it determines to be advisable. Such revisions shall not be the basis for termination or non-renewal of a license previously issued.

## **Section 6. Short-term rental standards and regulations.**

A license for a short-term rental shall be issued by the Office of Planning & Zoning when all of the following standards and regulations are met.

- (a) Deed restrictions/bylaws. The short-term rental is not in violation of any deed restriction or use limitations contained in a condominium master deed and/or bylaw applicable to the premises.
- (b) Short-term rentals. The short-term rental is for any period from one (1) night to thirty (30) nights and no more than one (1) short-term rental occurs in any seven (7) night period. For purpose of this subsection, the first night of a subsequent short-term rental shall be no less than seven (7) nights from the first night of the previous short-term rental. Provided, however, any contracts that were entered into before the effective date of this ordinance for short-term rental occupancy dates in 2023 shall not be subject to the requirements of this subsection.
- (c) Occupancy. The maximum occupancy for short-term rentals shall be determined as follows:
  - (1) The maximum number of occupants shall be two (2) per bedroom the septic system is designed to accommodate, plus an additional four (4) occupants.
  - (2) The maximum number of visitors shall be equal to the maximum number of occupants as calculated above multiplied by a factor of 1.5. Visitors are permitted only between the hours of 8:00 am and 10:00 pm.
- (d) Designation of a local agent. If the license holder does not qualify as, or does not desire to be, a local agent, then the license holder designates a local agent and authorizes in writing the local agent to act as the license holder's agent for any acts required of the license holder under this ordinance.
- (e) Information. Documentation is submitted that all notification information for the owner, license holder, and local agent shall be kept current and up to date.
- (f) Parking. All motor vehicles, boats, campers, and trailers associated with the short-term rental, whether owned or operated by the owner, license holder, local agent, occupants, or visitors, shall be parked solely on the short-term rental premises in areas designated for parking and not parked on or along any public or private roadway.

- (g) Waste/recycling disposal. Documentation is submitted that occupants of the short-term rental will be notified prior to occupancy that they are not allowed to leave, or others are not allowed to leave, trash, rubbish, refuse, or garbage within public view, except in proper waste or recycling containers for the purpose of collection or disposal. No commercial dumpsters shall be allowed on the premises containing the short-term rental.
- (h) Advertising. Documentation is submitted that all advertising for the short-term rental shall display the number of the license issued under this ordinance.
- (i) Safety. Documentation is submitted that all of the following safety requirements have and will continue to be met:
  - (1) Each sleeping room within a short-term rental shall have one (1) properly functioning smoke alarm.
  - (2) A properly functioning smoke alarm shall be installed outside each sleeping room and on each level of the short-term rental.
  - (3) A minimum of one (1) properly functioning carbon monoxide detector shall be provided for each floor of the short-term rental unit. In addition, one (1) properly functioning carbon monoxide detector shall be located near the furnace or other fuel burning appliance.
  - (4) The street address of the premises and emergency contact phone numbers shall be clearly displayed in the short-term rental for access by the occupant(s).
  - (5) Each sleeping room shall have two (2) legal means of egress to the exterior from the short-term rental. (A legal door and another means to escape to the exterior, such as a legal egress window, second door, etc.)
  - (6) The street address for the short-term rental shall be a minimum of four (4) inch numbers and posted on both sides of the mailbox and on the building and be clearly visible from the street.
- (j) Wastewater Disposal. All septic systems servicing short-term rentals shall be fully functional and shall meet the minimum requirements imposed by the Grand Traverse County Health Department. For those short-term rentals not connected to a public sewer system, the wastewater disposal system shall be properly functioning, be maintained in a properly functioning condition, and be inspected a minimum of once every three (3) years. As used in this subsection, "properly functioning" may include, but shall not be limited to, written documentation from a commercial septic hauler or licensed inspector that the holding tank is being pumped on a regular basis given the size and use of the holding tank or that at least once every three (3) years the septic tank and/or dry-well has been pumped or that pumping is not required at the time of the

examination. Written documentation of inspection of wastewater disposal systems shall be submitted to the Office of Planning & Zoning at least once every three (3) years.

- (k) Rules and regulations to be provided to occupants. Documentation is submitted that the license holder or local agent will provide all occupants of a short-term rental with the following information prior to occupancy and will post such information in a conspicuous place within each short-term rental:
  - (1) The name of the license holder and/or local agent responsible to perform obligations related to the short-term rental under this ordinance, that individual's telephone number(s), and an email address at which that individual may be reached on a 24-hour basis.
  - (2) Notification of the maximum number of overnight occupants permitted in the short-term rental.
  - (3) Copies, summaries, or website addresses of the Township Noise Ordinance and Fireworks Ordinance, as they may be amended from time to time.
  - (4) A copy or website address of this ordinance, as it may be amended from time to time.
  - (5) Notification that an occupant and/or a visitor of an occupant may be cited for a violation of this ordinance, the Township Noise Ordinance, and/or the Township Fireworks Ordinance, in addition to any other remedies available to the Township.
- (l) Violation of township ordinances. Documentation is submitted that the occupants of a short-term rental and the visitors of those occupants will be informed prior to occupancy that they can be held responsible for violations of the Township Noise Ordinance and the Township Fireworks Ordinance.
- (m) Pets. Documentation is submitted that the occupants of a short-term rental and the visitors of those occupants will be informed prior to occupancy that all pets must be secured on the premises or on a leash at all times.
- (n) Taxes. The person who rents a short-term rental shall pay any applicable sales tax and/or required Michigan Use Tax for any stay of 30 nights or less.
- (o) Compliance with township junk ordinance. Prior to the issuance of a license and at all times during which a license remains in effect, the short-term rental premises is kept in compliance with the Township Junk Ordinance.
- (p) Separation Distance. No short-term rental premises shall be located closer than one thousand (1,000) feet to any other short-term rental premises licensed pursuant to this ordinance or any lawful nonconforming cabin court, with the minimum distance

measured from the address point of each property, as established by the Grand Traverse County Equalization Department. This limitation shall not apply to applications to renew short-term rental licenses issued prior to the effective date of this ordinance, but will apply if any such license expires or is terminated or voided and a new license is thereafter sought.

- (q) Aquatic Invasive Species and Boat Washing: Owners and occupants of short-term rental premises shall comply with all applicable state law related to aquatic invasive species and boat washing.

## **Section 7. Duration of License; Renewal.**

- (a) Except as otherwise provided herein, a license issued under this ordinance shall remain in effect for a period of one (1) year from the date it was issued.
- (b) The license holder or local agent may request the renewal of a license upon submitting an application for such renewal to the Office of Planning & Zoning and the payment of the renewal fee, as determined from time to time by the Township Board in the Township fee schedule.
- (c) All renewal applications for short-term rental licenses shall be submitted to the Office of Planning & Zoning no later than November 1 of each year following the first full year the short-term rental is in operation. For short-term rental licenses that were issued prior to the effective date of this Ordinance and would otherwise expire before November 1, 2023, renewal applications shall not be due until November 1, 2023. For short-term rental licenses that were issued prior to the effective date of this Ordinance and would otherwise expire after November 1, 2023, renewal applications shall not be due until November 1, 2024.
- (d) All information submitted with the prior application(s) shall be deemed submitted with the application for renewal. Except for new photographs of the short-term rental premises documenting continued compliance with the Township Junk Ordinance, which shall be submitted with any application for renewal, the license holder or local agent shall only be required to submit new information with the application for renewal when that application information has changed since the last application was filed. The Office of Planning & Zoning shall review renewal applications for completeness no later than December 15 of each year.
- (e) A renewed license for a short-term rental shall be issued when all of the standards and regulations then in effect in Section 6 of this ordinance are met. The Office of Planning & Zoning shall approve or deny renewal applications no later than February 1 of each year.
- (f) If, at the time of renewal, the short-term rental premises does not meet all the requirements of Section 6 of this ordinance, the Office of Planning & Zoning shall

promptly notify the license holder. Upon receiving such notice, all rental activity shall immediately cease and shall not resume until the Office of Planning & Zoning verifies that the premises fully complies with Section 6 of this ordinance. The license holder shall have sixty (60) calendar days from the renewal deadline to cure any deficiencies, unless the Office of Planning & Zoning extends the cure period upon good cause shown. Requests to extend the cure period must be delivered in writing to the Office of Planning & Zoning before the expiration of the cure period. If the license holder cannot demonstrate full compliance with Section 6 of this ordinance at the end of the cure period, the short-term rental license will not be renewed and will be deemed expired.

## **Section 8. Duty to remedy violations.**

The license holder and/or local agent shall have the duty to remedy any violation of this ordinance, the Township Noise Ordinance, and the Township Fireworks Ordinance by the occupants of a short-term rental and/or the visitors of such occupants. For any violation of the above ordinances, the Township may (in addition to other remedies) notify the license holder and/or local agent for the short-term rental of such violation by telephone or return receipt email. The license holder and/or local agent shall be deemed to have received notice of the violation upon receiving the telephone call or when a return receipt email message is received by the Township, whichever is sooner. Upon receiving notice of the violation, the license holder and/or local agent shall ensure that the violation is remedied within two (2) hours of receipt of such notice. Failure to remedy the violation within two (2) hours after receiving notice of the violation, without good cause, shall constitute a violation of this ordinance and may subject the license issued under this ordinance to suspension or revocation pursuant to Section 9 of this ordinance and may subject the license holder and/or local agent to court enforcement proceedings and the penalties under Section 10 of this ordinance.

## **Section 9. Suspension and Revocation of License.**

- (a) Violation notice. If the Office of Planning & Zoning has reason to believe the application material on which a license was issued contained false, incorrect, or misleading information and/or statements; that the short-term rental no longer complies with the standards for approval of a new license; and/or the short-term rental is in violation of the regulations in this ordinance, the Office of Planning & Zoning may, but is not required to, prepare or cause to be prepared a written notice specifying the false, incorrect, or misleading information and/or statements in the application material or specifying the approval standards or regulations that are allegedly being violated and the factual basis for this belief.
- (b) Service of notice. The written notice, along with the time, date, and place of the hearing before the Township Board, shall be served on the license holder either personally or by certified mail, restricted delivery and return receipt requested, no less than twenty-one (21) days before the hearing.
- (c) Violation hearing. If such a violation notice is prepared and served, the Township Board shall hold a hearing at which time the license holder shall be given an opportunity to show cause why the short-term rental license issued under this ordinance should not be suspended

or revoked. At the hearing before the Township Board the license holder shall be given an opportunity to confront adverse witnesses and present evidence and legal arguments. The license holder may also be represented by an attorney. The Township Board's decision shall be in writing and shall specify the factual evidence upon which it is based. A copy of the Township Board's written decision shall then be provided to the license holder.

- (d) Subsequent violations. After a short-term rental license has been suspended, any additional violation(s) committed by the license holder and/or local agent within two (2) years of the expiration of the last suspension shall be grounds for a second suspension. If it has been more than two (2) years since the expiration of an initial suspension of a short-term rental license, a subsequent violation shall be deemed to be a first suspension. Upon a determination that the short-term rental license holder has committed a total of three (3) or more violations of this ordinance within five (5) years, the Township Board may permanently revoke the short-term rental license.
- (e) Length and timing of suspensions and/or revocations. Suspensions and revocations shall generally be effective immediately. Provided, however, if any portion of the suspension time falls outside the primary tourist season of May through September, then the balance of the suspension time shall carry over to the next primary tourist season. Suspensions/revocations shall be for the following periods:
  - (1) First suspension -three (3) months.
  - (2) Second suspension - six (6) months.
  - (3) Revocation - permanent.
- (f) Existing contracts. Existing short-term rental contracts up to 60 nights beyond the beginning date of any suspension/revocation may be honored by the license holder with approval by the Township Board. Those existing contracts beyond 60 nights shall be canceled. The time period approved to honor existing contracts shall be added to the end of any suspension period.
- (g) Fraudulent complaints. Any person who knowingly files a fraudulent, false, or fictitious complaint about a short-term rental shall be deemed to be in violation of this ordinance and may be subject to court enforcement proceedings and the penalties under Section 10 of this ordinance.

## **Section 10. Violations and penalties.**

- (a) Any person who violates any provision of this ordinance, including the continued operation of a short-term rental after the license for that short-term rental has been suspended or revoked as provided in this ordinance, shall be responsible for a municipal civil infraction as defined in Public Act 12 of 1994, amending Public Act 236 of 1961, being Sections 600.101-600.9939 of Michigan Compiled Laws, and shall be subject to a fine of not more than Five Hundred and 00/100 (\$500.00) Dollars. Each day this ordinance is violated shall be considered as a separate violation.

- (b) The Zoning Administrator, deputies of the Grand Traverse County Sheriff, and other persons appointed by the Township Board are hereby designated as the authorized Township officials to issue municipal civil infraction citations directing alleged violators of this ordinance to appear in court.
- (c) A violation of this ordinance is hereby declared to be a public nuisance or a nuisance per se and is declared to be offensive to the public health, safety and welfare.
- (d) In addition to enforcing this ordinance through the use of a municipal civil infraction proceeding, the Township may initiate proceedings in the Circuit Court to abate or eliminate the nuisance per se or any other violation of this ordinance.

**Section 11. Transfer of ownership.**

- (a) Transfers Prohibited. Except as expressly provided herein, short-term rental licenses are nontransferable and a short-term rental license issued under this ordinance shall become void upon the attempted transfer of a license or transfer of ownership of the dwelling unit for which the license is issued. In the event of an unauthorized transfer, a new short-term rental license must be obtained by the new owner of the dwelling unit from the Office of Planning & Zoning before short-term rentals may be resumed in the dwelling unit.
- (b) “Transfer” Defined. As used in this Ordinance, a “transfer” of a short-term rental license shall include the following:
  - (1) Any transfer, sale, or other conveyance of a short-term rental license to a person or entity other than the owner or license holder;
  - (2) Any transfer, sale, or other conveyance of the Premises;
  - (3) Any change in ownership or transfer, sale, or other conveyance of an interest or membership in the corporate entity which is the owner of the Premises or the short-term rental license; or
  - (4) Any change in the trustee(s), beneficiary, or beneficiaries of the trust which is the owner of the Premises or the short-term rental license.
- (c) Permitted Transfers. Notwithstanding the above, the Township recognizes that as a matter of public policy it is equitable and consistent with the intent of this ordinance to enable transfers of short-term rental licenses in certain limited circumstances, which include transfers to immediate family members and reallocations of entity interests holding a short-term rental license among existing entity owners. Consistent with these policy goals, short-term rental licenses may be transferred under the following circumstances, provided that a transfer application conforming to the requirements and regulations set forth in this ordinance and indicating the relationship of the transferor to the transferee is first submitted to and approved by the Office of Planning & Zoning:

- (1) For short-term rental licenses held by an individual, that individual may transfer their short-term rental license to an immediate family member.
  - (2) For short-term rental licenses held by a corporate or other entity, owners or members of that entity may transfer their interest in the entity to i) an immediate family member; or ii) another member of that same entity.
  - (3) For short-term rental licenses held by a trust, a conveyance to i) a beneficiary of that trust; or ii) a beneficiary's immediate family member. The trustee of the trust may also be modified to remove an existing trustee or designate an immediate family member of the trustee as the new trustee.
- (d) Waiver. For transfers not expressly authorized herein, a license holder may make a written application to the Director of the Office of Planning & Zoning for a waiver from this ordinance's prohibition on transfers. Such application must demonstrate that the proposed transfer is essentially a transfer to an immediate family member or an existing owner of the license and is otherwise consistent with the purpose and objectives of this ordinance on good cause shown to the Director. The Director of the Office of Planning & Zoning shall approve or deny such applications.

## **Section 12. Administration and Interpretation.**

The Director of the Office of Planning & Zoning shall have the authority to administer and interpret this Ordinance. This shall include, but shall not be limited to, developing and enacting policies and procedures pertaining to short-term rental licenses and interpreting or construing provisions of this Ordinance so as to give effect to the Township Board's intent underlying the enactment of this Ordinance.

## **Section 13. Repeal.**

All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed, specifically including the East Bay Charter Township Short-term Rental Licensing Ordinance, being Ordinance No. 5 of 2019, which is hereby repealed in its entirety.

## **Section 14. Severability.**

If any section, clause, or provision of this ordinance be declared unconstitutional or otherwise invalid by a court of competent jurisdiction, said declaration shall not affect the remainder of the ordinance. The Township Board hereby declares that it would have passed this ordinance and each part, section, subsection, phrase, sentence and clause irrespective of the fact that any one or more parts, sections, subsections, phrases, sentences or clauses be declared invalid.

## **Section 15 Effective date.**

This ordinance shall become effective the day following its publication by the Township as required by Section 8 of the Charter Township Act, MCL 42.8.

Ordinance No. \_\_\_\_\_ was adopted on \_\_\_\_\_, by the East Bay Charter Township Board as follows:

Motion by:

Seconded by:

Yeas:

Nays:

Absent:

**CERTIFICATION**

I Susanne M. Courtade, being the duly elected and acting Clerk of the Charter Township of East Bay, Grand Traverse County, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of an Ordinance duly adopted by the Township Board at a regular meeting held on \_\_\_\_\_, 2023, at which meeting a quorum was present and remained throughout, (2) that an original thereof is on file in the records of the Township, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

**ORDINANCE DATES**

Introduced: June 12, 2023

Introduction Posted: June 29, 2023

Introduction Published: July 2, 2023

Adopted: \_\_\_\_\_

Adoption Posted: \_\_\_\_\_

Adoption Published: \_\_\_\_\_

Effective: \_\_\_\_\_

**EAST BAY CHARTER TOWNSHIP**

**Affidavit of Posting**

STATE OF MICHIGAN

COUNTY OF GRAND TRAVERSE

I, Susanne M. Courtade, being first duly sworn, depose and say:

1. I have personal knowledge of the facts contained herein, and if sworn as a witness can testify competently to these facts.
2. I am the East Bay Charter Township Clerk.
3. On June, 29, 2023, I posted a copy of the Short-Term Rental Licensing Ordinance, being Ordinance No. 3 of 2023, in its entirety in my office.
4. On June 29, 2023, a copy of the Short-Term Rental Licensing Ordinance, being Ordinance 3 of 2023, was posted in its entirety on the East Bay Charter Township website at the following web address: eastbaytwp.org

FURTHER AFFIANT SAYETH NOT



Susanne M. Courtade MiPMC<sup>2</sup>/MMC

East Bay Charter Township Clerk

Subscribed and sworn to before me this 29 day of June, 2023.



, Notary Public

Grand Traverse County, Michigan

My Commission expires: 14-Dec-2027

HOLLY L. COUTURIER  
Notary public, State of Michigan  
County of GRAND TRAVERSE  
My commission expires 14-Dec-2023  
Acting in the County of Gd. Traverse

T. C. RECORD-EAGLE, INC.  
120 WEST FRONT STREET  
TRAVERSE CITY MI 49684  
(231) 946-2000  
Fax (231) 946-8273

ORDER CONFIRMATION

Salesperson: MEGAN O'BRIEN

Printed at 06/29/23 13:15 by mobri

-----  
Acct #: 1394

Ad #: 603167

Status: New WHOLD

EAST BAY CHARTER TOWNSHIP  
1965 THREE MILE ROAD N  
TRAVERSE CITY MI 49696

Start: 07/02/2023 Stop: 07/02/2023  
Times Ord: 1 Times Run: \*\*\*  
STDAD 3.00 X 2.03 Words: 157  
Total STDAD 6.09  
Class: 147 LEGALS  
Rate: LEGAL Cost: 108.05  
# Affidavits: 1

Contact:

Phone: (231) 947-8647

Fax#: (231) 922-2094

Email: scourtade@eastbaytwp.org

Agency:

Ad Descrpt: LEGAL NOTICE EAST BAY CHA  
Given by: \*

P.O. #:

Created: mobri 06/29/23 13:08

Last Changed: mobri 06/29/23 13:15  
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PUB	ZONE	EDT	TP	START	INS	STOP	SMTWTFSS
RE	A	97	W	Sun 07/02/23	1	Sun 07/02/23	SMTWTFSS
IN	AIN	97	W	Sun 07/02/23	1	Sun 07/02/23	SMTWTFSS

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AUTHORIZATION

Thank you for advertising in the Record-Eagle, our related publications and online properties. If you are advertising with the Record-Eagle classifieds, your ad will begin running on the start date noted above.

Please be sure to check your ad on the first day it appears. Although we are happy to make corrections at any time, the Record-Eagle is only responsible for the first day's incorrect insertions. Also, we reserve the right to edit or reclassify your ad to better serve buyers and sellers.

No refunds or rebates will be issued if you cancel your ad prior to the stop date.

We appreciate your business.

(CONTINUED ON NEXT PAGE)

T. C. RECORD-EAGLE, INC.  
120 WEST FRONT STREET  
TRAVERSE CITY MI 49684  
(231) 946-2000  
Fax (231) 946-8273

ORDER CONFIRMATION (CONTINUED)

Salesperson: MEGAN O'BRIEN

Printed at 06/29/23 13:15 by mobri

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Acct #: 1394

Ad #: 603167

Status: New WHOLD WHOI

**Legal Notice**  
**East Bay Charter Township**  
**1965 N. Three Mile Road**  
**Traverse City, MI 49696**  
**SHORT-TERM RENTAL LICENSING ORDINANCE No. 3 of 2023**

PLEASE TAKE NOTE that the SHORT-TERM RENTAL LICENSING ORDINANCE, being proposed Ordinance No. 3 of 2023, was introduced by the East Bay Charter Township Board at its meeting held on June 12, 2023. The nature of the ordinance is to update and amend the ordinance requiring short-term rental licenses, currently enacted through the Short-Term Rental Licensing Ordinance No. 5 of 2019. Upon enactment of the proposed Ordinance No.3 of 2023, then the current Ordinance No. 5 of 2019 will be repealed in its entirety. Proposed Ordinance No. 3 of 2023 in its entirety is posted in the office of the East Bay Township Clerk and both ordinances, Ordinance No. 3 of 2023 and Ordinance No. 5 of 2019, are posted at the East Bay Charter Township website address, eastbaytwp.org.

July 2, 2023- 1T

603167

## Sue Courtade

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**From:** Dana [REDACTED]  
**Sent:** Thursday, June 15, 2023 10:25 PM  
**To:** Bot  
**Subject:** I am in favor of the change to 1 in 7 nights

Thanks

Dana Cowell

## Sue Courtade

---

**From:** John Reichard [REDACTED]  
**Sent:** Thursday, June 15, 2023 2:09 PM  
**To:** Bot  
**Subject:** Change

I am in favor of the change to one in seven days.

Thank you for your consideration.

John Reichard  
[REDACTED] Evergreen Ave  
Lake Two  
Arbutus Lake

Sent from my iPhone



**Meeting Date:** July 10, 2023  
**Agenda Item:** Traverse Connect  
**Contact:** Beth Friend

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**Description:**

In 2023, East Bay Township entered into an agreement with Traverse Connect for business attraction and retention. At the July 10, 2023, meeting, Camille Hoisington, Director of Ecosystem Development, and Mandy Sentieri, Chief Financial Officer, will present to the township board.

**Attachments:**

- July 10, 2023 Update for East Bay Township
- Q1 2023 Growth Barometer Report
- 2022 Traverse Connect Annual Report

**Budget Implications:**

None

**Possible Motion:**

None requested



## East Bay Township - Update July 10, 2023

### SUMMARY

Traverse Connect's partnership with East Bay Township, and other municipal entities is an important aspect of the comprehensive public/private partnership to drive economic development in the Grand Traverse region. Taken together, this coordination sends a strong message that our region is supportive, collaborative, and a great place to grow a business and build a career.

The current economic development services contract between East Bay Township and Traverse Connect outlines an economic development strategy for the Township as part of a comprehensive economic development strategy for the Grand Traverse Region; publication of a data dashboard and website to serve as a central point of contact for communication regarding economic growth and prosperity in the Township; targeted site visits to Township businesses to identify needs, goals, and barriers faced by Township employers; and a corridor improvement feasibility study for the Township's two main commercial corridors.

In addition to the focus outlined above, Traverse Connect continues to execute on our broad-based economic development objectives: enhancing the competitiveness of our region, direct support for growing firms, and workforce attraction and development.

Traverse Connect provides East Bay Township board trustees with regular reporting to track the effectiveness of our work for targeted projects and the broader impact on the overall economy. Quarterly "Growth Barometer" reporting provides updates and metrics detailing the regional business sentiment and current challenges. Traverse Connect's annual report details strategic plan outcomes, industry-specific results, and regional dashboard metrics.

This report supplements the broad-based quarterly and annual reports with updates and progress on the objectives outlined in Traverse Connect's professional services contract with East Bay Township for 2023. Additional reports:

- **Q1 2023 Growth Barometer Report:** [Link](#)
- **Q2 2023 Growth Barometer Report:** [Link](#)
- **2022 Traverse Connect Annual Report:** [Link](#)

As part of the contract, Traverse Connect also provides direct organizational support services to East Bay Township for events, communications, and professional development programs.

## CORRIDOR IMPROVEMENT STUDY

The goal of the East Bay Township Commercial Corridor Improvement Feasibility Study is to help East Bay Township continue to develop its two key commercial corridors; (1) US-31 “Hotel Mile” between 3 Mile and Holiday Roads and (2) Hammond “East Bay Corners” between Precision Drive and Vanderlip Road. The study will include inventorying of existing available commercial sites within existing corridors, determining the demand for and identifying possible locations for new commercial sites, and conducting outreach to potential new commercial businesses that may wish to locate operations in the Township’s commercial corridors.

Traverse Connect has reviewed East Bay Township’s Master Plan and been briefed by the Township’s Director of Planning & Zoning, Claire Karner, to gain a familiarity with the vision for economic development along these two commercial corridors. As such, the framework for this study is built upon East Bay Township’s Master Plan and the Township’s vision to enhance economic development, attract businesses, improve transportation routes and walkability, improve public access to the water, generate workforce housing and mixed-use development, revitalize public space, and encourage the community to engage with local restaurant and retail.

An example of the type of work a corridor improvement study can guide is a recent meeting we were invited to with the owner of a vacant lot at East Bay Corners. The owner/potential developer contacted the Township seeking input and ideas as to how to proceed with the use of his land, whether to sell, or how to build and what to build. We met with the developer, alongside representatives from the Township to gather his interest and timeline status. Subsequently, we have been working with the Township to provide the developer with some possible site use cases, including site renderings and suggested mixed use of the land and buildings, alongside the recommended use of commercial land according to East Bay Township’s Master Plan and desire for development types including housing, daycare, implementation of green and park space, as well as stormwater management. Additionally, we have provided the potential developer with some financing options. This includes a suggestion that if he were to incorporate workforce housing into his development, he may be eligible for low-interest financing via Grand Traverse County’s tax-exempt revenue bonds program.

**The next steps in continuing to develop the corridor improvement study are as follows:**

### **INVENTORY OF EXISTING COMMERCIAL SITES**

- Conduct a comprehensive inventory of existing commercial sites within the designated corridors, including a business contact list for businesses located in East Bay Corners.
- Upload to Thrive North website
- Identify any zoning regulations, infrastructure limitations, or environmental constraints that may impact development.

## IDENTIFICATION OF NEW COMMERCIAL SITE LOCATIONS

- Conduct a site selection analysis to identify potential locations for new commercial sites, evaluating the feasibility and economic viability of each potential site.
- Inventory and list each potential site.

## PREPARATION OF SUGGESTED USE CASES, ZONING & DEVELOPMENT TYPE

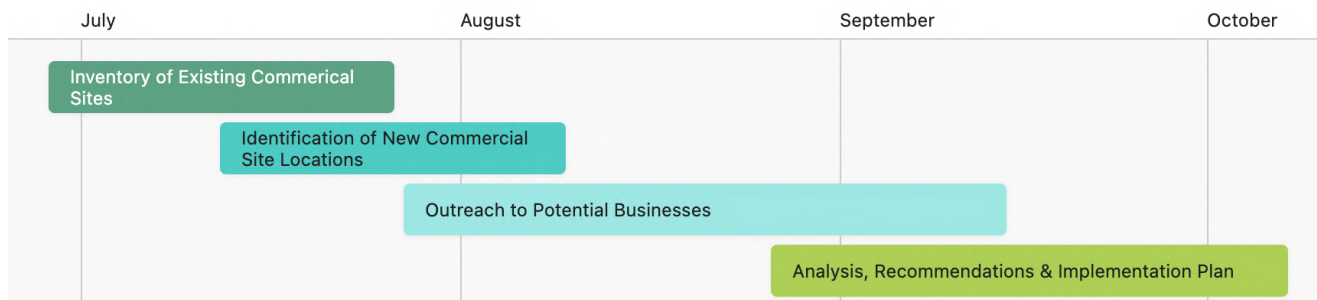
- Prepare suggested use cases and identify spaces where smart development could take place. For example, it is already implied that the beach district would benefit from more activity, walkability, and resident engagement, and that East Bay Corners would benefit from a public square with surrounding mixed-use retail and restaurant/cafe activity, and upper floor housing. Traverse Connect will propose development types and suggested area 'hot spots' prime for development.
- Review current zoning in place and make suggested changes. For example, changing the 'high-density' definition from 8 units per acre, plus one ADU, to 12 units per acre, with room for additional housing/ADUs, could greatly spur on workforce housing development and mixed-use development. Additionally, current development along East Bay Corners corridor is sporadic and inconsistent. A longer, more infilled corridor with higher density could be implemented with some simple updates and changes to existing zoning, such as aligning the north side of Hammond special density zoning (12-15 units/acre) to be consistent with the south side of Hammond (currently zoned as agricultural).
- Identify best practices and creative placemaking development successfully implemented by similar-sized and similar-profile districts in the country.

## OUTREACH TO POTENTIAL BUSINESSES

- Develop a target list identifying specific industries or business sectors that align with the Township's goals and targeting those businesses for outreach.
- Reach target list via a survey/questionnaire, and via direct outreach to developers and business owners. Following the July 27 East Bay Beach District Visioning Session, Traverse Connect will coordinate with the Township to include curated questions in the follow up survey, including the three questions asked by our quarterly Growth Barometer Survey. Analyze results.

## IMPLEMENTATION PLAN

- Prepare suggested next steps and implementation plan for East Bay Township to ensure a successful and smooth execution.



# ECONOMIC DEVELOPMENT STRATEGY

## Entrepreneurial Ecosystem Development

At Traverse Connect, our approach to economic development is forward-thinking and non-traditional. Instead of focusing all our resources on “chasing smokestacks,” we value a healthy mix of attracting new business to the region while supporting the growth of our existing companies and encouraging the creation of new industries from the ground up.

Building a vibrant entrepreneurial ecosystem means fostering a culture of openness and information exchange between companies and across industries within our region, from corporate headquarters and startup entrepreneurs, down to Main Street coffee shop founders. Our goal is to ignite a community of entrepreneurs and local partners who feed off each other’s talent, creativity, and support at each stage of growth. By focusing on local business conditions, we hope to create clusters of new firms and industries that ultimately produce a fertile landscape in the long term. Many future employees will reside in the East Bay Township catchment area and will benefit from new industry clusters that provide year-round, high-paying jobs. We have identified the following target markets or ‘industry clusters’ to focus our attention on:

## Target Market Engagement

Traverse Connect has identified target businesses and industries for recruiting and promotion of the features that are most attractive and decisive for these firms. We have undertaken efforts to outline the unique value proposition and market opportunities, as well as existing businesses, infrastructure, and cultural assets in a tailored digital marketing campaign that promotes our comprehensive entrepreneurial ecosystem. Target-industry business attraction initiatives include:

**Outdoor Recreation:** The accessibility of outdoor recreation in northwest Michigan provides an exciting longer-term opportunity to attract and develop outdoor recreation firms. Companies in this sector can see value in office locations in close proximity to the TART Trails, ORV trails, equestrian facilities, and water resources for testing and promotion.

**Marine Technology & The Blue Economy:** The formal collaboration between Northwestern Michigan College (NMC) and Michigan Technological University (MTU) on Great Lakes research provides a unique business attraction opportunity. Our region has the potential to be a center for marine technology and an internationally recognized center of excellence in freshwater science and research. Firms engaged in marine mapping, hydrographic surveying, autonomous subsurface exploration, and similar fields are a natural fit for the region. Momentum continues to build in our efforts to create the *Freshwater Research & Innovation Center* with the exciting announcement that we received \$15M in the State Budget and an additional \$1.6M in the federal budget for FY 2023.

**Financial Services:** Traverse City serves as the de facto financial center of northern Michigan and is currently home to many financial service firms and one of the premier insurance companies in the world. There is an opportunity to reinforce this position by attracting banking, accounting, wealth management, and insurance, as well as real estate services. Retaining and attracting more financial firms will encourage further business travel and our regional businesses will see a positive impact from additional firms and supportive capital.

**Life Sciences & Digital Health:** Traverse Connect and 20Fathoms have partnered on a series of discussions with leading life science entities to promote the development of the Grand Traverse region as a location for rural health innovation. Our rural setting and Munson Healthcare's position as a leading health system provide an opportunity to lead the development of rural-health technology and digital health delivery to improve access and efficiency.

**Manufacturing:** The manufacturing industry represents an important driver of overall economic growth for our region, with significant local employment, high average wages, and considerable multiplier effects for the local economy. The targeted services are focused on the expansion of existing manufacturers and encouraging new companies to locate in the Grand Traverse Region, East Bay Township included. The Grand Traverse Area Manufacturing Council (GTAMC) and Traverse Connect have entered into a Memorandum of Understanding to catalyze the growth of our regional manufacturing economy and to raise the profile and effectiveness of the GTAMC in supporting local manufacturers. The MOU outlines reciprocal marketing and communications efforts, support for GTAMC's internal capacity, and the growth of membership and resources for manufacturers. Traverse Connect and GTAMC are working on a plan to umbrella each entities efforts under one organization.

## **REGIONAL DATA DASHBOARD & WEBSITE**

### **Regional Dashboard**

Economic activity that generates higher-margin tradable goods and services increases local GDP and produces higher average compensation in year-round employment. The five metrics on our [economic development dashboard](#) have all improved;

- |   |                                       |
|---|---------------------------------------|
| • Annual GDP Per Employee:                          | <b>\$69,845</b> (2030 Goal: \$84,000) |
| • Local Wage Compared to the State Average:         | <b>87%</b> (2030 Goal: 90%)           |
| • Bachelor's Degree or Post-Secondary Certificate:  | <b>50.6%</b> (2030 Goal: 60%)         |
| • Growth of Prime Working Age Population:           | <b>3%</b> (2030 Goal: 5% growth)      |
| • Scientific, Professional, Technical, and IT jobs: | <b>2,761</b> (2030 Goal: 3,200 jobs)  |

## EMPLOYER NEEDS, GOALS, & BARRIERS

### Tailored Business Services

Traverse Connect conducts regular outreach visits to both its member and non-member companies in partnership with Networks Northwest/MI Works! and the Michigan Economic Development Corporation. The purpose of these 'retention visits' is to visit and speak with the business, directly address any challenges the business faces, and assist by providing resources and guidance. Business reviews and visits to date in 2023 include:

- Electro-Optics Technology (site visit)
- Opti-Temp (site visit)
- Windemuller (site visit)
- Great Lakes International Trading (site visit)
- Center ICE (site visit)
- Traverse Bay CAC (investor review)
- Timber Ridge RV Park (investor review)
- Peterson McGregor (investor review)
- Pirate's Cove (investor review)
- Woodcreek Associates (attempted)

Planned site visits and/or investor reviews for businesses within East Bay Township in the remainder of 2023 include:

- Frontier Computer Corp.
- Oilgear
- Quantum Sails Design Group
- United Shield International
- Hobart Brothers
- Salamander Technologies
- Grand Traverse Container
- Shoreline Endodontics
- Tamarack Holdings
- Peegeo's
- Grand Traverse Distillery
- Gosling Czubak

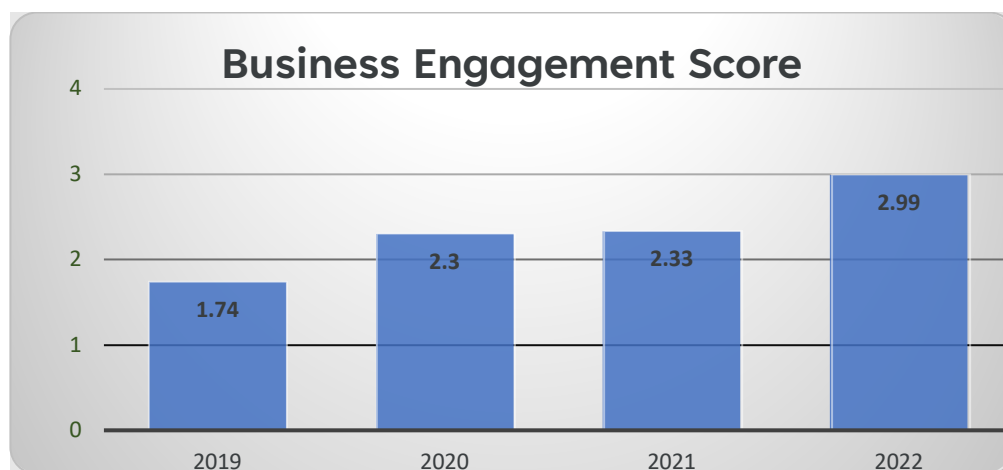
The next step is to analyze trends and patterns (common needs and goals) as identified by these East Bay Township businesses, presenting the information with suggested solutions to common barriers.

### Employer Benefits Survey

Traverse Connect recently completed the [Grand Traverse Region Employer Benefits Survey Report](#) to understand the benefits offered by employers, the preferences of employees, and the emerging trends in the region. The report aims to assist employers in making informed decisions about their benefits packages and to support employees in evaluating their overall compensation and benefits. The employer benefits report will serve as a solid benchmarking tool for the businesses, small and large, in our community.

### Business Engagement

Effective business support services will lead to increased business engagement. Traverse Connect's total Business Engagement Score tracks business event attendance, sponsorships, job postings, referrals, and usage of web resources;



## NEXT STEPS

Our region's economic development efforts are increasingly effective and more coordinated with collaboration between private and public sector partners. Traverse Connect continues to direct and support these efforts as envisioned in the community's 2019 economic development strategic planning process and has outlined several key priorities for 2023 collaboration.

- **Local Development Toolbox:** Improve, expand, and market local incentives, including tax-exempt revenue bonds, renaissance zones, brownfield, and land bank programs.

- **Talent-Oriented Economic Development:** Work to mitigate significant and persistent labor shortages by addressing specific workforce challenges, including workforce housing solutions, placemaking initiatives, and employee training programs.
- **Industry-Specific Events and Studies:** Improve presence, participation, and attendance at key economic development events such as the CAR Conference, and NMC Lakebed 2030 Conference.
- **Metropolitan Planning Organization:** Leverage our region's pending Census Bureau designation as an MPO, with significant implications for the metropolitan planning process and federal transportation funding.
- **Industry Cluster Priorities:** Develop and attract companies, researchers, and conferences by drawing upon our region's existing economic, educational, and geographic assets for industries such as marine technology, rural health, and pilotless aerial systems.

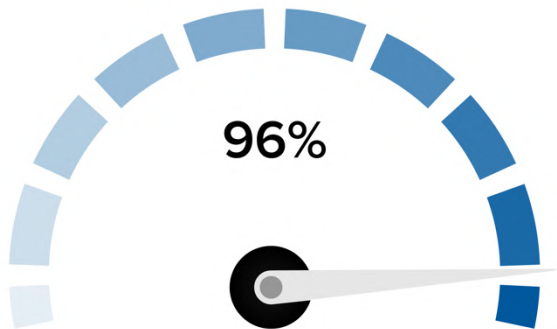
# Business Growth Barometer Survey Results & Quarterly Update



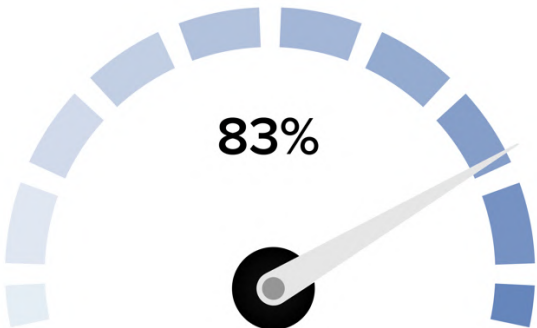
Q1 2023 Investor Growth Barometer Survey Results

The Traverse Connect Quarterly Growth Barometer provides a concise update on strategic initiatives, our economic development work on behalf of public sector partners, and metrics detailing the regional business sentiment, outlook, and current challenges.

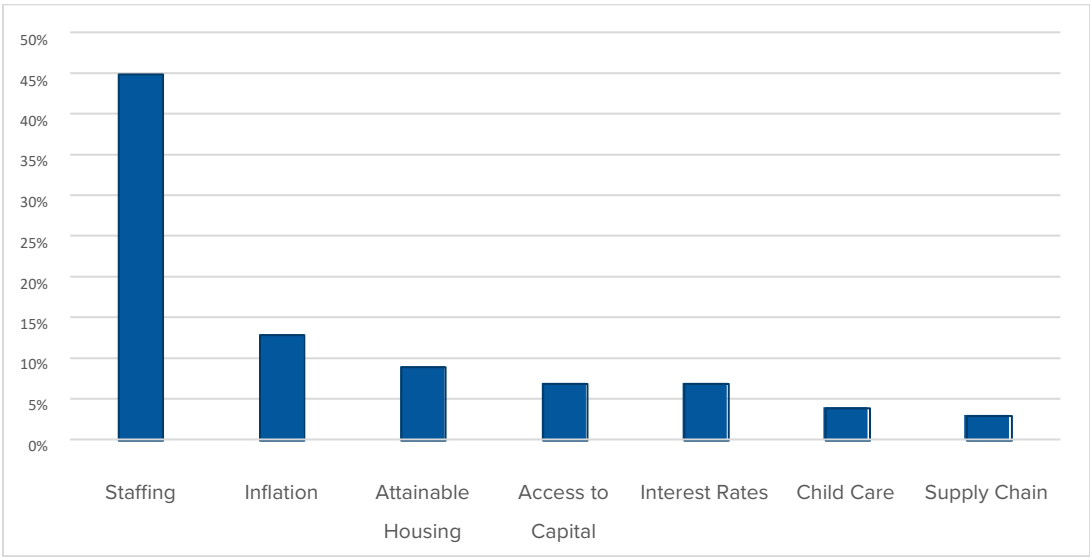
**IS OUR REGION A GOOD PLACE TO GROW YOUR BUSINESS?** (Net response)



**IS OUR REGION IMPROVING AS A PLACE TO GROW YOUR BUSINESS?** (Net response)



**WHAT IS THE SINGLE-BIGGEST BARRIER TO GROWING YOUR BUSINESS?**



### IMPROVING THE POLICY LANDSCAPE

- Momentum is building in our efforts to create the Freshwater Research & Innovation Center with the exciting announcement that the project received **\$1.6 Million** in this year's federal budget. This funding will allow Discovery Center to make further pier improvements and initiate architectural renderings, construction plans, and financial modeling for the project. We continue to work with state and federal lawmakers to outline funding to support this and other key regional projects to drive economic growth.

### TELLING THE STORY OF OUR REGIONAL ECONOMY

- Our newly launched [Freelancers & Independent Talent Directory](#) is off to a great start with nearly **30** independent contractor members. The directory showcases the creative freelancers and independent entrepreneurs of the Grand Traverse region. It offers these entrepreneurs a microsite to showcase their resumes, portfolios, and services to businesses and employers looking for local talent and creates business-to-business development among freelancers.

### ADDRESSING THE NEEDS OF GROWING FIRMS

- Traverse Connect has entered into an agreement with the Grand Traverse County Economic Development Corporation to market and deploy its [Tax Exempt Revenue Bond program](#). This tool provides manufacturers, nonprofit housing developers, and other qualified projects with loans for capital expenditures. The involvement of the Grand Traverse County EDC authorizes the lender to issue the bond with tax-exempt status, resulting in a lower-than-market interest rate for the borrower. This resource can provide substantial savings in financing costs over the life of the project.

### CREATING INTERACTIONS FOR BUSINESSES

- Business engagement was robust in the first quarter, with Traverse Connect providing over **80** business referrals and welcoming **32** new member companies. We conducted over **60** business outreach and retention visits and hosted eight events with well over **1,200** total attendees. These events and activities continue to provide valuable opportunities for business and community leaders across our region to discuss issues, develop partnerships, and grow their businesses.

### BUILDING THE TALENT PIPELINE

- Employer-offered benefits play a significant role in attracting and retaining talent, and Traverse Connect is working with Networks Northwest to develop a benefits benchmarking tool for our regional businesses. A survey has been distributed to employers across the region. Traverse Connect will compile the completed employee benefits survey results into a report that provides employers with comparative data to determine if their benefits package is in line with other local businesses. This will be a valuable resource for enhancing talent attraction and retention in our region.

### FOSTERING A CULTURE OF OPENNESS AND CREATIVITY

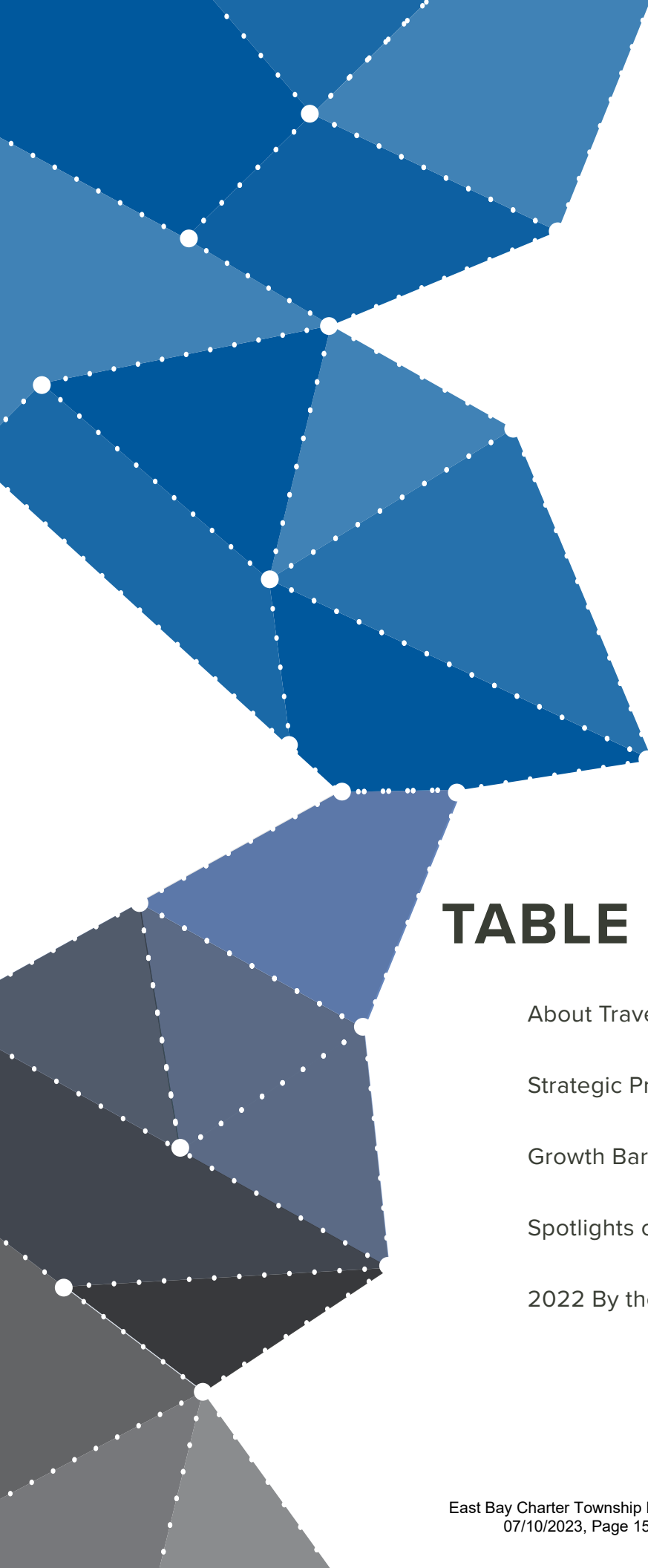
- Traverse Connect and the Northern Michigan Chamber Alliance joined several other prominent business groups, including the Michigan, Grand Rapids, and Detroit Chambers, at a recent bill signing in Lansing for the expansion of the Elliott-Larsen Civil Rights Act. The legislation includes workplace and legal protections for the LGBTQ+ community.



— 2022 —

# ANNUAL REPORT





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# TO OUR INVESTORS AND PARTNERS

The Grand Traverse regional economy enjoyed considerable positive momentum throughout 2022. Your organizations continued to demonstrate incredible creativity and resiliency to grow your businesses with ingenuity and move our community forward. Thank you to our member companies, community partners, and public sector leaders for driving sustainable regional growth. It is Traverse Connect's distinct honor to support your hard work.

As we continue to implement our strategic goals to improve the competitiveness of our region, foster business growth, and develop and attract a bright workforce, your businesses' and organizations' success is our first concern. We carried out your priorities in a number of crucial areas with success.

Our state-level advocacy work was successful, and in Lansing, we were able to pass several important bills. With an emphasis on enhancing the business environment in rural areas, Traverse Connect was instrumental in the planning, formation, and budget request leading to the creation of the new Office of Rural Development. We led a bipartisan coalition to pass a package of childcare bills that will make it easier to find and afford the care options our community needs. To support your workforce development, we successfully lobbied for the approval of a bipartisan package of state housing legislation in collaboration with our partners, the Northern Michigan Chamber Alliance and Housing North.

Traverse Connect launched a program in collaboration with Grand Traverse County to increase and enhance resources for our region's manufacturing businesses. This program includes upgrades to Industry 4.0 technology, improved communication with the Grand Traverse Area Manufacturing Council, and direct support for talent development. Nearly 100 regional businesses and entrepreneurs were featured in our "Grow Your Business" campaign, and we welcomed 96 new member businesses.

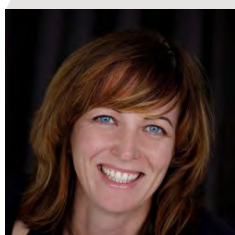
In our joint endeavor to create a qualified workforce with a variety of educational backgrounds and technical training, we made significant progress. We started the Skilled Trades Explorers Program in collaboration with Kingsley Area Schools to give middle school students a chance to learn more about skilled trades career paths. Our partnership with Michigan Tech facilitated the rollout of the new hybrid TechMBA® program focused on management skills in the manufacturing and technology sectors. More than 1,500 jobs are viewed each month on our Michigan Creative Coast job board.

Our collective efforts are leading to noticeable improvements in several key data points: 47.2% of our population now has a bachelor's degree or post-secondary certificate; we are growing our prime working age population of those 35-49 years of age; we have added new jobs in scientific, professional, technical, and IT fields; our GDP per employee has grown from \$67,000 to nearly \$70,000 per year; and local average wages have grown faster than the state of Michigan as a whole.

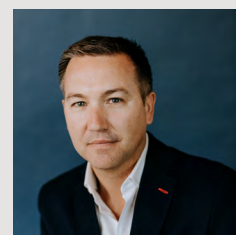
Forward-looking regional business sentiment is also on the upswing, with quarterly survey results showing that over 90% of businesses say that the Grand Traverse region is a good place to grow a business, and 77% of respondents say our region is improving as a place to grow a business, a figure that increased steadily throughout 2022.

We anticipate a successful and prosperous year ahead. The stories of local companies fostering economic expansion for our region, highlighted below, illustrate the important positive impact you and your businesses have on our region.

Only with the involvement and financial support of our members and partners is our work possible. We sincerely appreciate your ongoing support.



**Sara Harding**  
Chair  
Board of Directors



**Warren Call**  
President & CEO  
Traverse Connect

# ABOUT TRAVERSE CONNECT

## MISSION

To advance the economic vitality of the Grand Traverse Region through the growth of family-sustaining careers.

## VISION

By 2030, the Grand Traverse Region will be a diversified economic destination of choice powered by growth-oriented enterprises providing competitive total compensation to match our world-class quality of life.

## BOARD OF DIRECTORS

**Sara Harding**  
Chair  
*Cherry Republic*

**Russ Knopp**  
Past Chair  
*Comfort Keepers*

**Matt Wille**  
Vice-Chair  
*Munson Medical Center*

**Rachel Johnson**  
Treasurer  
*Cherryland Electric Cooperative*

**Janis Adams**  
Secretary  
*Danbrook Adams Raymond*

**David Mengebier**  
Government Relations Chair  
*Grand Traverse Regional  
Community Foundation*

**Kacie SanMiguel**  
Finance Chair  
*Plante Moran*

**Suzanne Allen**  
*Blue Cross Blue Shield  
of Michigan*

**Michael Brown**  
*Burdco Inc.*

**Dan Buron**  
*Goodwill Industries of Northern Michigan*

**Trey Devey**  
*Interlochen Center for the Arts*

**Doug DeYoung**  
*Consumers Energy*

**Laura Galbraith**  
*Venture North*

**Paul Heidbreder**  
*Traverse City Record-Eagle*

**Don Howe**  
*Century Inc.*

**Jennifer Jones**  
*Huntington Bank*

**Kevin Klein**  
*Traverse City Airport*

**Jordan Lindberg**  
*Stardust Memorials &  
eFulfillment Service*

**Fernando Meza**  
*Oneupweb*

**Chris Morse**  
*Rehmann*

**Bill Myers**  
*Promethient, Inc.*

**Nick Nissley**  
*Northwestern Michigan College*

**Steve Perdue**  
*Grand Traverse Industries*

**Amy Shamroe**  
*City of Traverse City*

**Jessica Sullivan**  
*Legado Family Office Management*

**Whitney Waara**  
*Traverse City Tourism*

**Tonya Wildfong**  
*Team Elmer's*

Traverse Connect's accomplishments for 2022 are summarized in relation to our six focus areas that are aligned to our strategic priorities of enhancing the competitiveness of the Grand Traverse regional economy, driving growth of second-stage businesses, and developing and attracting a talented workforce.

# STRATEGIC PRIORITIES

## IMPROVING THE POLICY LANDSCAPE

- Traverse Connect coordinated with partner organizations to develop a comprehensive action plan for ARPA and Infrastructure funding. In partnership with Networks Northwest, Rotary Charities, and the Grand Traverse Regional Community Foundation, we developed a portfolio of potential projects in the five-county area that can be candidates for state and federal ARPA funds. The coalition received nearly 150 submissions for potential projects.



- Traverse Connect was instrumental in the planning, formation, and budget request leading to the creation of the new Office of Rural Development at the state level. The new office provides designated departmental staff to support rural Michigan communities and funding to implement a new rural grant program to support broadband, housing, infrastructure, education, workforce development, and other needs unique to rural areas of Michigan. In addition, we were instrumental in the passage of a package of childcare bills in Lansing that will help to increase availability and affordability of care options to support staffing needs.



- Traverse Connect and the Northern Michigan Chamber Alliance published comprehensive election information to educate our region's business community on the fall 2022 elections and the issues most important to small businesses and our rural communities. Information included comprehensive candidate questionnaires for Michigan Senate and House races across northern Michigan, questionnaires from Grand Traverse County Commissioner candidates, a primary election guide, and a detailed breakdown of the new state House and Senate districts.



- Traverse Connect, the Northern Michigan Chamber Alliance, and Housing North successfully advocated for the bipartisan effort to pass a package of state housing legislation in December. The package provides new tools to address our local housing needs in several important ways, including new payment in lieu of taxes (PILOT) programs and temporary tax abatements for multi-family and single-family housing. Traverse Connect, the Northern Michigan Chamber Alliance, and Housing North attended the bill signing in Lansing.



East Bay Township Regular Meeting  
07/10/2023, Page 159 of 170

# STRATEGIC PRIORITIES

## TELLING THE STORY OF OUR REGIONAL ECONOMY

- Traverse Connect initiated its “Grow Your Business” communications campaign, highlighting companies and entrepreneurs across the region in an effort to tell the full story of our diverse regional economy. The campaign included over a dozen articles and featured nearly 100 local businesses across newspapers, business periodicals, and social media platforms in the first quarter alone.

- Traverse Connect hosted the third annual Scale Up North Awards in May, with many great participant companies, including Oryana Community Cooperative as the winner of the Hagerty Scaling Business Award and FirstIgnite as the winner in the Emerging Business category. The program generated significant state-wide press highlighting the diversity and strength of our regional businesses.



- The new [Economic Development landing page](#) on Traverse Connect’s website launched in the summer, which emphasizes our Entrepreneurial Ecosystem Growth Model, reports the Scale Up Growth Barometer, and highlights key ‘industry cluster’

developments, including a webpage covering the growth of Northern Michigan’s Blue Economy and how the Grand Traverse region is well positioned to be the global epicenter for freshwater innovation.



- Traverse Connect hosted its Annual Economic Summit in November, which featured keynote speaker Quentin L. Messer, Jr., CEO of the Michigan Economic Development Corporation. Mr. Messer and leaders from the Office of Rural Development, the Home Builders Association, and the Michigan Manufacturers Association also participated in a panel discussion that covered key regional issues, including manufacturing expansion, housing development, skilled trades, and broadband internet infrastructure.



# STRATEGIC PRIORITIES

## ADDRESSING THE NEEDS OF GROWING FIRMS

- Traverse Connect continues to work with private and public sector partners on targeted industry support services to companies in the manufacturing and skilled trades sectors. These efforts are intended to outline and develop actionable solutions for pressing challenges, including increased access to flexible capital options, programs to support the development of key employees, and improvements to the long-term talent development pipeline in our region.



### SKILLED TRADES EXPLORERS PROGRAM

Kingsley Middle School 2022/23  
OCTOBER-DECEMBER 2022

Tuesdays  
3:30-5:00 p.m.  
Room #25

Mr Bob Shoaff - bshoaff@kingsleyschools.org

There has never been a better time to consider a career in the skilled trades and construction workforce!

The Skilled Trades Explorers Program is an eight-session program held once a week for 1.5 hours after school hours in Room #25 (The Wood Shop). The Program will help you explore career options in the skilled trades and help you gain inspiration into what particular skill or trade interests you most. By joining the Skilled Trades Explorers Program you'll gain:

- Hands-on learning in general construction, basic carpentry, plumbing and electrical skills that are used in skilled trades careers
- Meet construction trade professionals and guest speakers
- Learn why choosing a skilled trade can be a smart and fulfilling career path for you and how to make a plan to meet your career and life goals

FREE REGISTRATION:



**SIGN UP TODAY!**

<https://bit.ly/STEPKINGSLEY>

**TRAVERSE CONNECT**  **BUILD YOUR LIFE**  
Proud Partner: MNC MHA Builders Exchange

- In partnership with Kingsley Public Schools and Build Your Life, Traverse Connect launched the first Skilled Trades Explorers Program for middle school students. The free eight-week program helped 20 students explore career options in the skilled trades through after-school sessions with local professionals in the construction, carpentry, plumbing and electrical industries. Following the conclusion of the program, parents offered their enthusiastic support for continued growth and expansion of the program into new districts.

**“Keep doing this! We need to educate our youth on careers that are not college based.”**  
- Kingsley parent

**“The program was amazing. I tell everyone about it and friends and family in other schools or states are very jealous and think it’s amazing.”** - Crystal, Kingsley parent

Area Manufacturing Council to strengthen the manufacturing industry and increase economic investment in the Grand Traverse region. Formal collaboration between our two organizations enhances our respective efforts and helps to raise the profile of the Grand Traverse region as a leader in providing a supportive environment for manufacturing companies to grow and prosper.

- A ‘Manufacturing Resources Awareness Campaign’ centered around developing and publishing a Manufacturing Resource webpage that provides Grand Traverse area manufacturers with the resources they need to grow and expand their businesses and improve the local manufacturing sector’s sustainability and growth.
- One of our significant development projects is moving forward with the announcement that Lear Corporation is slated to initiate a major expansion of their Traverse City location as part of their electric vehicle battery program. This expansion, including a new \$28M facility in Traverse City with 79 new high-paying advanced manufacturing jobs, will provide significant economic value to our regional economy and is an important next step in growing the segment of our workforce engaged in advanced and high-technology manufacturing.



**MICHIGAN ECONOMIC**  
DEVELOPMENT CORPORATION



**LEAR**  
CORPORATION

# STRATEGIC PRIORITIES

## CREATING INTERACTIONS FOR BUSINESSES

- Business engagement was robust in the first quarter, with Traverse Connect providing over 60 business referrals and welcoming 33 new member companies. We conducted over 200 business outreach and retention visits and hosted a dozen events, such as the DEIB Summit, Coffee Connection, and the Northern Michigan Policy Conference with well over 400 total attendees, providing an opportunity for business and community leaders across our region to reengage with customers, clients, and partners.
- In the second quarter, Traverse Connect's business engagement included 125 direct business referrals and 22 new member companies. We conducted over 100 business outreach and retention visits and hosted nearly twenty events with well over 1,000 total attendees. Traverse Connect presented the third Scale Up North Awards Finals - the first to be in-person - in addition to the Distinguished Service Award Luncheon, Leadership Lessons from the Field with women leaders in sports from around the country, and the first of three Economic Strategy Session events of the year.
- The third quarter saw continued momentum with Traverse Connect's business engagement. We made 54 direct business referrals and welcomed 22 new member companies. We conducted over 140



business outreach and retention visits. We hosted 15 events with nearly 900 total attendees, including the Leadership Grand Traverse Golf Outing, Bully Pulpit, and two Economic Strategy Session events.



- Traverse Connect's business engagement continued on a strong trend for the fourth quarter, with 57 direct business referrals and 19 new member companies. We conducted 50 business outreach and retention visits and hosted seven events with a total of 985 total attendees, including the Annual Economic Summit - the highest-attended event of the year - and the Traverse Connect Candidate Forum with Michigan House and Senate candidates.



# STRATEGIC PRIORITIES

## BUILDING THE TALENT PIPELINE

- Traverse Connect launched a new [Internship Resource Portal](#) as part of the [Michigan's Creative Coast](#) program to support local companies in finding their next generation of talent. In addition, a new resume portal allows prospective employees to upload their resumes to a database that is shared with over 250 regional employers and HR Managers on a biweekly basis.
- The next step in our region's growing partnership with Michigan Technological University was announced in Q2. The new hybrid option of the TechMBA® program focused on business management skills in the manufacturing and technology sectors. The 30-credit degree program began in fall 2022 and included a cohort of students participating in person from the Michigan Tech Grand Traverse Research Office in the Traverse Connect building.



- A cohort of "[Northern Explorers](#)" were invited to attend the Traverse Connect Annual Economic Summit to learn more about our area's exceptional career opportunities and lifestyles. These individuals from outside the Grand Traverse region wish to relocate here and represent a range of skills and expertise. Since the November event, several program participants have subsequently found jobs with local companies.
- Traverse Connect hosted four [Fresh Coast Quarterly Club](#) meetups for newcomers and current residents. The Meetups are an opportunity to gather in a welcoming space with other people living in the Grand Traverse region, as well as being a great way for remote workers and newcomers to the region to get plugged into a network, meet new people, and learn about one of the most vibrant arts & culture communities in Michigan, the Midwest, and beyond. [Sponsorships for 2023](#) are available.
- Traverse Connect's [Community Mentoring](#) program launched to pair professionals in all stages of development with mentors aligned with competencies in which they sought further development. [Leadership Roundtables](#) expanded to serve manufacturing professionals and women executives. Applications for these, and all roundtables, are open to Traverse Connect investor companies.



# STRATEGIC PRIORITIES

## FOSTERING A CULTURE OF OPENNESS AND CREATIVITY

- Traverse Connect hosted the 2022 DEIB Summit, with over 150 total attendees who participated in employment and recruiting-related discussions with speakers and panelists. We have secured discounted rates from a DEIB facilitator for our member companies that wish to initiate or further diversity and inclusion training programs in their organizations.
- Traverse Connect has been awarded a Michigan Enhancement Grant to continue successfully driving out-of-state web traffic to the Michigan's Creative Coast job board, relocation resources, and regional information. This talent attraction program has also added new resources, including detailed information on housing, community engagement, and childcare.
- The Michigan's Creative Coast Freelance & Independent Talent Directory launched in the fall to showcase the creative freelancers and independent entrepreneurs "making it" in the



**CALLING ALL FREELANCERS, ARTISTS, SELF-EMPLOYED PROFESSIONALS, AND INDEPENDENT CONTRACTORS!**

Are you ready to join the first-ever digital Freelance & Independent Talent Directory of the Grand Traverse region?

MICHIGAN'S  
**CREATIVE COAST** MAKE IT HERE.  
**FREELANCE & INDEPENDENT TALENT DIRECTORY**



The Michigan's Creative Coast Freelance & Independent Talent Directory showcases the creative freelancers and independent entrepreneurs 'making it' in the Grand Traverse region. The directory offers these entrepreneurs a microsite to showcase their resumes, portfolios, and services to businesses and employers looking for local talent and creates business-to-business development with local businesses and freelancers.

Directory listings start at \$100 for a 12-month subscription.

See the features and benefits and sign up today!



[michiganscreativecoast.com/freelance](http://michiganscreativecoast.com/freelance)

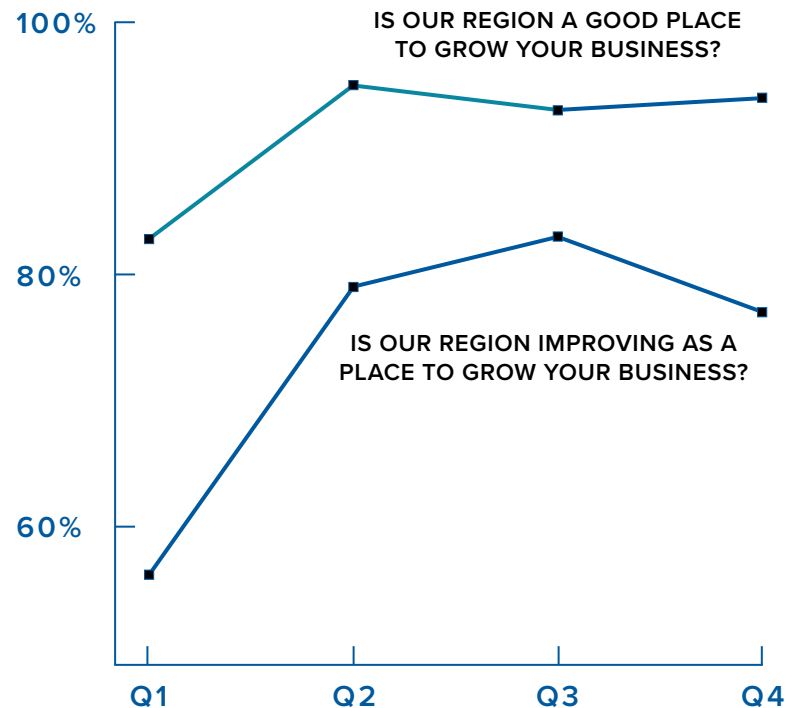
Grand Traverse region. The directory offers these entrepreneurs a microsite to showcase their resumes, portfolios, and services to businesses and employers looking for local talent. Two types of listings offer standard and enhanced marketing through Michigan's Creative Coast newsletters and social media.

- Traverse Connect continues to develop and improve diversity training programs and resources for our member companies and partner organizations. For 2023, we are launching an in-kind partnership with the Michigan Diversity Council to offer DEIB education and training opportunities to businesses and nonprofit entities across the Grand Traverse region.
- Five new local newcomers and longtime residents joined the Michigan's Creative Coast Northern Navigators program as regional ambassadors. Twenty-eight Northern Navigators come from a wide range of backgrounds, and offer diverse perspectives on living in the Grand Traverse region to newcomers while helping them get connected and feel welcomed.



# GROWTH BAROMETER & REGIONAL DASHBOARD

Measuring Entrepreneurial Ecosystem Building can be difficult and complex, but there are key performance indicators to highlight progress. We have adopted the use of a local Scale Up Growth Barometer measurement, adapted from the Babson College Entrepreneurship Ecosystem Platform, which asks two important questions of our local business community:



## REGIONAL DASHBOARD

Traverse Connect is tracking five metrics in Talent Attraction & Development and Economic Development to measure the region's progress against our organization's vision and goals for 2030. The vision: By 2030, the Grand Traverse region will be a diversified economic destination of choice powered by growth-oriented enterprises providing competitive total compensation to match our world-class quality of life. Data is an imperfect, yet necessary, tool to measure those gains. All five key metrics on the Traverse Connect [Regional Dashboard](#) have trended positive for 2022.

### TALENT ATTRACTION & DEVELOPMENT

BACHELOR'S DEGREE  
OR POST-SECONDARY  
CERTIFICATE  
2030 GOAL: 60%

**47.2%**



GROWTH OF PRIME  
WORKING AGE  
POPULATION (35-49)  
2030 GOAL: 5%

**1%**



SCIENTIFIC,  
PROFESSIONAL,  
TECHNICAL, & IT JOBS  
2030 GOAL: 3,200

**2,719**



### ECONOMIC DEVELOPMENT

ANNUAL GDP PER  
EMPLOYEE  
2030 GOAL: \$84,000

**\$69,719**



STATE AVERAGE WAGE  
PERCENTAGE  
2030 GOAL: 90%

**86%**



# INVESTOR SPOTLIGHT

## CENTURY, LLC

Century has been manufacturing and heat-treating parts in Traverse City for fifty years. The Janis family owned and operated Century Specialties and Century Sun Metal Treating from its inception. The first ownership change in the company's history occurred in June of 2021 when a group comprised of heavy hitters in the manufacturing world purchased the company. The last year and a half have seen a renewed effort by Century's ownership and management to rebuild relationships within the community.



Leadership team members are sitting on advisory boards at the Career Tech Center and have hosted multiple tours for students of their welding, machining, and engineering programs. We are also working closely with similar programs run at Northwest Michigan College. In addition, we are actively engaged with Northwest Ed and the programs they support.



Reengaging with Traverse Connect has been extremely beneficial to Century, LLC over the past year. We've hired a handful of employees that moved to Traverse City from other parts of Michigan and across the country. The resources that are available for transplants to our corner of the state are invaluable.

2022 was a year of stabilization and growth for Century. Early in the year, supplier and labor shortages impacted our manufacturing and thermal processing efficiencies. As we managed these disruptions and adjusted to fill key positions, the industries and customers we serve saw a steady increase in demand for our services and products. Century observed an increased demand overseas and domestically for our industrial tooling, aerospace, and energy components, along with heat-treat services that support automotive, aerospace, energy, performance off-road, heavy agriculture, flat rolled products, copper rod production, and seamless tube production for nuclear, aerospace, and chemical processing. The growing demand created a heavy workload for our workforce and impacted our turnaround performance.



In the third quarter, our actions in employee retention and recruiting capacity relieved hiring lulls, driving throughput and contracting lead times. We have ended the year with a stronger workforce and increased flexibility to meet market demands. Inflationary trends throughout the year created many headwinds in raw materials, outsourced special processing, fuel, and energy costs. As a business, we took action to predict future risks and minimize the impact on the organization. We launched new training programs to increase employee training and drive operational efficiencies to create a stronger base going into 2023, where we forecast growth across the majority of our products and services.



Cross-training and diversifying the workforce will be a key focus for Century's resiliency as we grow. As customer order demand changes and industry sectors adjust to deal with inflation and economic fluctuations, we must be able to shift roles quickly and efficiently to meet that change. We are actively monitoring technological advances and evaluating our equipment to improve processes and identify efficiencies our workforce can implement to align our capabilities with market needs and our vision.

# TALENT SPOTLIGHT

## FUSTINI'S

At Fustinis, we strive to provide the best selection of oils and vinegars for everyone, for the beginning cook, to area chefs in many of our excellent restaurants. Our goal is to make the guest experience inspirational, informative, and fun. The pandemic made us look at things in a new way. If there is one thing we have learned, it is how to be adaptable. The challenges of the last few years have brought us chaos and a terrific opportunity. We have assessed our company's strengths and weaknesses and delved right into becoming a great place to work.



We conducted an internal poll of our employees and asked them to share their pain points. Not surprisingly, the cost of food, gas, and overall stress were at the top of the list. We knew we wanted to help our staff in these areas but didn't know where to begin. A quick meeting with Traverse Connect soon put us on a path. We implemented programs to help with these pain points, aiming to make measurable changes, not just provide a quick fix.

Key to addressing stress was the EAP (employee assistance program) available through Traverse Connect to all investors. Open to all employees, the EAP program offers a wealth of resources. One look at the website found counseling options, financial assistance options, and web seminars on personal finance. Within two weeks, our employees made contact with at least six resources, dealing with everything from grief counseling to animal sitting. Clearly, we would never have known about EAP without the guidance of Traverse Connect.



We had a strong year in all four locations, including Traverse City. The strength of the community is evident all year, but never as much as at the holidays. Our Men's Night and Ladies' Night brought us record sales, and it was great to see so many familiar faces.

healthy choices, this year, we plan to do it more deliberately. We will be rolling out some new initiatives in Q1 to help support those facing food insecurity. Stay tuned for us to share those with the community in the coming months.

Having a resource as talented and well-connected as Traverse Connect at our disposal has been immensely helpful. We have made connections that have helped us remain engaged with our community, on which our success depends.

The collaboration between local businesses and nonprofits has always been important to us and is something we will focus on this year. While we have always supported nonprofits who share our vision of helping people make



# ADVOCACY SPOTLIGHT

## OFFICE OF RURAL DEVELOPMENT

Traverse Connect and the Northern Michigan Chamber Alliance in 2019 helped convene a group of nearly 100 stakeholders to develop a new concept – a new state Office of Rural Development (ORD). The goal of the ORD would be to support rural communities as they work to address their unique needs and to ensure coordinated, holistic action on complex opportunities and challenges, including workforce attraction, infrastructure, and access to health care.

In January 2022, Gov. Gretchen Whitmer heard our call and established the ORD within the Michigan Department of Agriculture and Rural Development (MDARD). In February, the governor subsequently made an official request in her executive budget recommendation to fund the ORD.

Later in the spring, the House MDARD Appropriations Subcommittee met to discuss funding for the new office. Though most legislators agreed with the concept, they had questions about specific functions of the office and were reluctant to approve funding until those questions were answered.



The immediate need for the new ORD was an experienced leader who could quickly develop a specific policy framework and office structure.

When former Lake Superior Community Partnership CEO and Alliance partner Sarah Lucas decided to apply, Traverse Connect actively supported her appointment. We engaged with interested stakeholders to contact the governor's office and help ensure that Sarah, an experienced community leader from northern Michigan, would fill that role.

Indeed, on March 15, MDARD announced they had selected the former Traverse City resident and Alliance member to be the new Deputy Director for Rural Development, a significant win for northern Michigan and the Upper Peninsula.



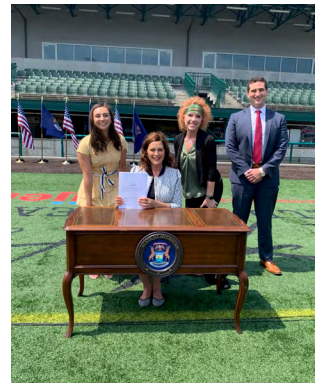
Traverse Connect worked closely with the Northern Michigan Chamber Alliance (NMCA) and Director Lucas over the spring and summer to develop a specific policy framework and office structure. Our efforts helped develop a detailed office structure and list of objectives that answered questions from lawmakers.

Traverse Connect visited Lansing in June to meet with legislators and distribute this document, along with a letter of support demonstrating the broad range of support from nearly 100 Economic, Health, Energy, Education, and Labor organizations from across Michigan. Legislators appreciated the personal visit to share information and answer questions.

After months of work, legislators and the governor agreed on \$3.5 million in funding to launch the ORD.

Four years ago, the ORD was a new idea developed by Traverse Connect and other stakeholders from across northern Michigan. As of January 2023, the ORD will have four full-time staff dedicated to restoring vitality to rural communities through new policies and the development of a new rural grant program.

Traverse Connect looks forward to a continued partnership as the Office of Rural Development examines new, creative solutions to retain and attract talent in northern Michigan.



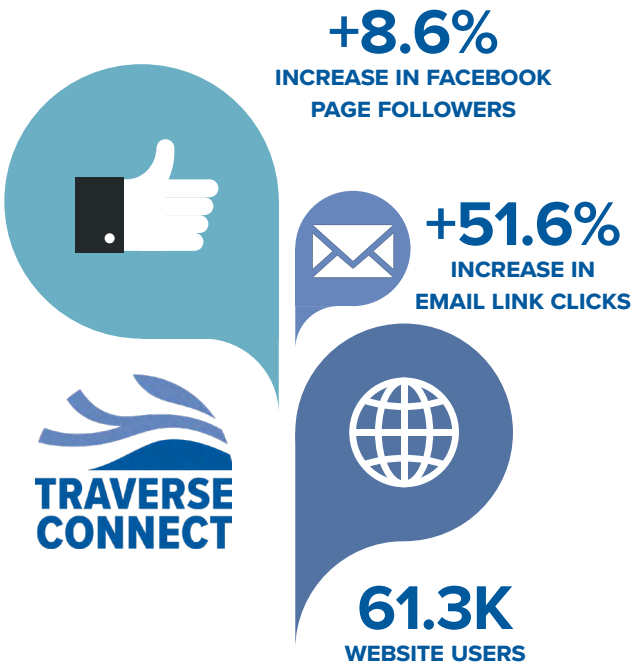
# 2022 BY THE NUMBERS

**372**  
DIRECT MEMBER REFERRALS  
IN 2022

**29,778**  
SEARCHES OF OUR  
INVESTOR DIRECTORY

**+48%**  
REFERRALS TO INVESTOR  
WEBSITES FROM DIRECTORY  
FROM 2021 TO 2022

**100+**  
MENTIONS BY LOCAL AND  
STATE MEDIA





*Grow your business*



**Meeting Date:** July 10, 2023

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**Consent Agenda:**

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

- A. Board Minutes: 06/12/2023 (Recommend Approval)
- B. General Fund (Recommend Approval)
- C. Emergency Services Fund (Recommend Approval)
- D. Receiving Fund (Recommend Approval)
- E. Escrow Fund (Recommend Approval)
- F. Payroll Fund/Payroll EFT Funds (Recommend Approval)
- G. Budget Adjustments: Subsequent to initial packet distribution (Recommend Approval)  
**FY2023 Q2 Budget Amendments: BA-2023-11 through BA-2023-15**
- H. Other Items:
  - 1. Intergovernmental Agreement for Participants of the Metropolitan Planning Organization
  - 2. Part-time Building & Groundskeeper
  - 3. Re-appointments for the Planning Commission & Zoning Board of Appeals



## 2023 Budget Amendments

BA: Adjustments with Board Approval

CC: Adjustments within Cost Center, Administrative Approval

AA: Administrative Adjustment, Administrative Approval

Adj. #	Line Item #	Date Presented	Line Name	Original Budget (or Amended)	Amount to Increase or (Decrease)	Adjusted Budget	Description
BA-2023-01	101-623-802.000	04/10/23	Trails Study - Contract Services	\$ 188,000.00	\$ 17,020.00	\$ 205,020.00	Per 01/09/2023 BOT motion to cover SRTS surveying costs.
BA-2023-02	101-702-802.000*	04/10/23	Planning & Zoning Contract Services	\$ 20,000.00	\$ 10,000.00	\$ 30,000.00	Per 01/09/2023 BOT motion for CEDAM Fellowship commitment.
BA-2023-03	101-446-967.300*	04/10/23	Road Projects	\$ 52,000.00	\$ 3,500.00	\$ 55,500.00	Per 03/13/2023 BOT motion for Holiday Woods SAD Cost Share (10%) Note: \$17K already in budget for this.
BA-2023-04	101-751-973.754*	04/10/23	PKS Dept - Arbutus Lake No. 5 Park	\$ -	\$ 833,000.00	\$ 833,000.00	Per 03/13/2023 BOT motion for MNRTF Arbutus Project Award and Grand Proceeds
	101-000-581.000*		Revenue - Grant Awards	\$ 37,500.00	\$ 300,000.00	\$ 337,500.00	
BA-2023-05	101-271-711.100*	04/10/23	HSA Deductible Acct (HRA)	\$ 63,000.00	\$ 25,500.00	\$ 88,500.00	Per 03/13/2023 BOT motion for HSA/Maximum-Out-Of-Pocket gap
BA-2023-06	207-000-956.000	04/10/23	Other Expenses	\$ 1,000.00	\$ 19,950.00	\$ 20,950.00	Per 03/13/2023 BOT motion for Flock Cameras
BA-2023-07	210-651-711.100*	04/10/23	HSA Deductible Acct (HRA)	\$ 36,000.00	\$ 15,000.00	\$ 51,000.00	Per 03/13/2023 BOT motion for HSA/Maximum-Out-Of-Pocket gap
BA-2023-08	210-651-973.002*	04/10/23	Station 9 Inside Improvements	\$ -	\$ 7,200.00	\$ 7,200.00	Per 02/13/2023 BOT motion for Architect
BA-2023-09	210-000-676.344	04/10/23	Grant Awards	\$ 95,000.00	\$ (20,000.00)	\$ 75,000.00	Per 02/13/2023 BOT motion for ARPA and 2% funding for Echo, Lucas, & Cardiac Monitor
BA-2023-10	101-265-973.265*	04/10/23	Capital Major Repair/Replace	\$ 10,000.00	\$ 6,500.00	\$ 16,500.00	Per 02/13/2023 BOT motion for copier purchase, outright purchase saves lease interest cost
AA-2023-01	101-265-925.000	06/19/23	Utilities/ Cable (Township Hall is Dept 265)	\$ 3,000.00	\$ (800.00)	\$ 2,200.00	To properly assign park cable invoices to Building & Grounds
	101-770-925.000		Utilities/ Cable (Building & Grounds is Dept 770)	\$ -	\$ 800.00	\$ 800.00	
BA-2023-11	101-000-581.000	07/10/23	Grant Awards	\$ 337,500.00	\$ 12,781.00	\$ 350,281.00	To receive & distribute successful GTRLC grant award from the 2% tribal funds
	101-751-967.020		Distribute Grant Proceeds	\$ -	\$ 12,781.00	\$ 12,781.00	
BA-2023-12	101-265-703.002	07/10/23	Receptionist/Office Manager	\$ 60,000.00	\$ (25,000.00)	\$ 35,000.00	Adjusting line items for shift in personnel from P/Z Office Specialist to Office Manager
	101-265-710.000		Payroll Expenses	\$ 4,600.00	\$ (2,000.00)	\$ 2,600.00	
	101-702-703.012		P/Z Office Specialist	\$ 59,696.00	\$ (43,500.00)	\$ 16,196.00	
	101-702-710.000		Payroll Expenses	\$ 15,575.00	\$ (1,600.00)	\$ 13,975.00	
BA-2023-13	101-751-973.754	07/10/23	Arbutus Lake #5 Park	\$ 833,000.00	\$ 36,200.00	\$ 869,200.00	Adjustment for engineering expenses to be included, \$3K in upcoming railing change (maintenance free material), add in previously approved security cameras (partially grant funded)
BA-2023-14	101-770-703.007	07/10/23	Building/Groundskeeper	\$ 48,027.00	\$ (8,000.00)	\$ 40,027.00	Adjustment for personnel and position change
	101-770-710.000		Payroll Expenses	\$ 4,250.00	\$ (1,000.00)	\$ 3,250.00	
BA-2023-15	101-770-802.000	07/10/23	Contract Services	\$ 10,000.00	\$ 23,000.00	\$ 33,000.00	Adjustment for lawncare and janitorial services

\* changed line item after approval due to COA or error adjustment; line item, amount, description remain the same.

Completed budget amendments and cost center adjustments are shaded.

BUDGET AMENDMENT DETAIL REPORT FOR EAST BAY TOWNSHIP  
 Post Dates: 01/01/2023 to 07/06/2023

Page: 1/1

GL Number	JNL CODE	POST DATE	REF#	DESCRIPTION	CHANGE TO BUDGET INCREASE (DECREASE)
101-000-581.000	BA	04/11/2023	26004	GRANT AWARDS	300,000.00
101-265-973.265	BA	04/11/2023	26009	CAPITAL MAJOR REPAIR/REPLACE	6,500.00
101-271-711.100	BA	04/11/2023	26005	HSA DEDUCTIBLE ACCT	25,500.00
101-446-967.300	BA	04/11/2023	26003	ROAD PROJECTS	3,500.00
101-623-802.000	BA	04/11/2023	26000	CONTRACT SERVICES	17,020.00
101-702-802.000	BA	04/11/2023	26002	CONTRACT SERVICES	10,000.00
101-751-973.754	BA	04/11/2023	26004	ARBUTUS LAKE #5 PARK	833,000.00
210-651-711.100	BA	04/11/2023	26007	HSA DEDUCTIBLE ACCT	15,000.00
210-651-973.002	BA	04/11/2023	26008	STATION 9 INSIDE IMPROVEMENTS	7,200.00



**Meeting Date:** July 10, 2023  
**Consent Agenda Item:** Metropolitan Planning Organization  
**Contact:** Beth Friend

---

**Description:**

At the April 10, 2023 township board meeting, Rob Carson, Development Director at Networks Northwest gave a presentation on the Traverse Transportation Coordinating Initiative's Metropolitan Planning Organization formation. At the May 8, 2023 township board meeting, the board approved Resolution 2023-20 which supported the intermunicipal committee for the purposes of transportation planning in the Traverse Study Area.

The TTCI board met and approved the presented Intergovernmental Agreement for Participants of the Metropolitan Planning Organization. These are presented for East Bay Township's approval.

**Attachments:**

- Resolution authorizing participation in MPO – **added to packet 07/07/2023**
- Intergovernmental Agreement for Participants of the Metropolitan Planning Organization
- TTCI Board Member List – draft, formalized upon each entity approving the presented agreement
- 06/22/2023 Email from Rob Carson

**Budget Implications:**

It is likely that funding will increase from \$2,000/year to approximately \$4,000/year, based on the estimated membership. This will be in the FY2024 budget, if passed.

**Motion Approved with Approval of the Consent Agenda:**

Move to approve the Traverse Transportation Coordinating Initiative's *Intergovernmental Agreement for Participants of the Metropolitan Planning Organization*.

Beth Friend, Supervisor  
Susanne M. Courtade, Clerk  
Tracey Bartlett, Treasurer



Glen Lile, Trustee  
Mindy Walters, Trustee  
Matt Courtade, Trustee  
Matt Cook, Trustee

**East Bay Charter Township  
Board of Trustees**

**Traverse Transportation Coordinating Initiative**

**Resolution 2023-\_\_**

**RESOLUTION TO ESTABLISH AN INTERMUNICIPALITY COMMITTEE UNDER MICHIGAN  
PUBLIC ACT 200 OF 1957 FOR PURPOSES OF TRANSPORTATION PLANNING IN THE  
TRAVERSE STUDY AREA**

At a regular meeting of the Township Board for the Charter Township of East Bay, Grand Traverse County, Michigan, held in the Township Hall located at 1965 N. Three Mile Road, Traverse City, Michigan, on the 10<sup>th</sup> day of July, 2023.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Whereas the urban transportation planning regulations implementing sections of the Federal-Aid Highway Act of 1962, and the Urban Mass Transportation Act of 1964, as amended, require that each urbanized area, as a condition of receipt of Federal transportation capital or operating assistance, having a continuing, cooperative and comprehensive (3-C) transportation planning process that results in plans and programs consistent with the comprehensively plan development of the urbanized area;

Whereas Michigan Public Act 200 of 1957 provides for the creation, by two or more municipalities, of an Intermunicipal Committee for the purpose of studying area problems;

Whereas the Charter Township of East Bay elected to participate in the formation of the Metropolitan Planning Organization through participation in the Traverse Transportation Coordinating Initiative (TTCI);

Whereas the conditions for the participation of eligible entities and the requirements for formation of the MPO Policy Board and committees to the board, rules of procedure and overall operation of the collaborative body are contained within the attached referenced Traverse Transportation Coordinating Initiative Intergovernmental Agreement for Participants of the Metropolitan Planning Organization; and

Whereas bylaws for TTCI have been drafted and are attached and referenced as the Traverse Transportation Coordinating Initiative (TTCI) Bylaws; therefore, be it

*Resolved* by the Board of Review of East Bay Charter Township that:

1. The Charter Township of East Bay authorizes their participation as an eligible entity in the creation of what is hereinafter referred to as the Traverse Transportation Coordinating Initiative (TTCI) Metropolitan Planning Organization.

East Bay Charter Township Resolution 2023-\_\_

Page 1 of 2

This resolution was offered by \_\_\_\_\_ and supported by \_\_\_\_\_ and passed upon roll call vote:

YES: \_\_\_\_\_

NO: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

**THIS EAST BAY CHARTER TOWNSHIP BOARD OF TRUSTEES  
RESOLUTION 2023-\_\_\_\_, APPROVED ON THE 10th DAY OF JULY 2023,  
IS DECLARED ADOPTED BY THE TOWNSHIP SUPERVISOR  
AND DECLARED CERTIFIED BY THE CLERK.**

\_\_\_\_\_  
Beth Friend, Supervisor

\_\_\_\_\_  
Date

I, the undersigned, the Clerk of the Charter Township of East Bay, Grand Traverse County, Michigan, do hereby certify that the foregoing is a true and complete copy of certain proceedings taken by said municipality of East Bay Charter Township at its meeting, relative to the adoption of the resolution therein set forth, that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267 of 1976, Public Acts of Michigan, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

\_\_\_\_\_  
Susanne Courtade MiPMC2/MMC, Clerk

\_\_\_\_\_  
Date



**Meeting Date:** 7/10/2023  
**Consent Agenda Item:** Sapphire IV Pumps  
**Contact:** Nick Lemcool  
Beth Friend

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**Description:**

Recently with changes coming in protocols, East Bay Ambulance administration found the need to purchase IV pumps to help administer certain medications more accurately and effectively. EBA applied for a 2% grant to cover the up-front costs for three Sapphire IV pumps, this will put an IV pump on the primary truck, backup truck and one in the echo.

EBA administration is thankful to the Grand Traverse Band of Ottawa and Chippewa Indians for their continued support to the organization with the 2% grants.

**Attachments:**

- 2% Award
- Quote

**Budget Implications:**

Upfront costs are covered by the 2% grant. There will be future costs for tubing and batteries that will be absorbed by Medical Supplies budget.

**Action Approved through Acceptance of Consent Agenda:**

Move to approve the purchase 3 IV pumps and accessories as outlined in Bound Tree Quote.



# The Grand Traverse Band of Ottawa and Chippewa Indians

2605 N. West Bay Shore Drive • Peshawbestown, MI 49682-9275 • (231) 534-7750

## **2% AWARD NOTICE!!**

To: Recipient of 2% Grant from the Grand Traverse Band of Ottawa and Chippewa Indians  
Beth Friend, Township Supervisor [bfriend@eastbaytwp.org](mailto:bfriend@eastbaytwp.org)  
Nick Lemcool, EMS Staff [nlemcool@eastbayambulance.org](mailto:nlemcool@eastbayambulance.org)

From: Page L. Paul, Legal Affairs Administrator/2% Coordinator

Date: July 6, 2023

Re: Confirmation of 2% award and details of check presentation/Media Event

\*\*\*\*\*

**CONGRATULATIONS!** East Bay Charter Township on Behalf of East Bay EMS will be receiving a 2% award from the Grand Traverse Band of Ottawa & Chippewa Indians (GTB) for the 1st half 2023 2% cycle in the amount of **\$7,917.33** to purchase 3 Sapphire Infusion Pumps as outlined in your 2% application.

Under the terms of the consent decree settling *Tribes v. Engler* (Case No. 1:90 CV 611 U.S. Dist. Ct. West. Dist. Mich.), the Grand Traverse Band of Ottawa and Chippewa Indians agreed to pay 2% of its video gaming revenue as defined in the stipulation, no later than 60 days after October 1<sup>st</sup> and March 31<sup>st</sup> of each year. This payment schedule was modified with the consent of the State of Michigan to July 31<sup>st</sup> and January 31<sup>st</sup> of each year because the fiscal year of the Grand Traverse Band gaming operation is calendar-based.

The Tribal Council of the Grand Traverse Band of Ottawa and Chippewa Indians will be hosting a check presentation/Media Event:

**When: FRIDAY, July 14, 2023**  
**Time: 9:30 a.m. – 11:30 a.m.**  
**Where: Grand Traverse Resort, 17<sup>TH</sup> FLOOR, Acme, Michigan,**

PLEASE CONFIRM your attendance at this event by calling 231-534-7601 (leave a message if I am not in), or by sending me an e-mail at [Page.Paul2@gtb-nsn.gov](mailto:Page.Paul2@gtb-nsn.gov)

We look forward to seeing a representative from your organization at this event.

**Please provide a short report (*template attached*) one year from the date of completion of the 2% grant expenditure to:**

**Attention: 2%**  
**GTB of Ottawa and Chippewa Indians**  
**2605 N.W. Bayshore Drive**  
**Peshawbestown, MI 49682**

Thank you and we will see you at the Media Event!



## Quotation

Quotation#:

05/23/2023

**Account Number: 101400-SHIP001**

**BILL-TO**

EAST BAY TWP FIRE RESCUE  
110 HIGH LAKE RD  
TRAVERSE CITY, MI 49696-8136  
Ship Method: >\$150 NO FRT  
Payment Terms: NET 30

**SHIP-TO**

EAST BAY TWP FIRE RESCUE  
110 HIGH LAKE RD  
TRAVERSE CITY, MI 49696-8136

Contact Name .  
Phone Number .

Item	UOM	Description	Qty	Price	Ext.Price	Exp.Date
1850-07261	1/EA	*DS ONLY* Sapphire Multi-Therapy Infusion Pump Kit	3	\$ 2,249.91	\$6,749.73	06/30/2023
1850-15771	1/EA	*DS ONLY* Q Core Medical Sapphire USB to 4-Port RS232 Adapter	1	\$ 205.20	\$ 205.20	06/30/2023
1850-52213	1/EA	*DS ONLY* Q Core Medical Sapphire Infusion Pump Communication Cable	1	\$ 91.40	\$ 91.40	06/30/2023
2530-16253	1/EA	*DS ONLY* Sapphire Pump EMS Carry Case	3	\$ 54.00	\$ 162.00	06/30/2023
670220-KIT	50/CS	Sapphire Pump Half-Set Admin Start Kit	1	\$ 709.00	\$ 709.00	06/30/2023

**Quote Total \$7,917.33**

**Comments:**

**Dan O'Brien**

Boundtree | Account Manager- Michigan  
5000 Tuttle Crossing Blvd. | Dublin, OH,43016  
Phone: (810) 278-3878 | Fax:  
dan.obrien@boundtree.com |

Sales tax will be applied to customers who are not exempt.

Shipping charges will be prepaid and added to the invoice unless otherwise stated.

This quotation is valid until the quote expires or the manufacturer's price to Bound Tree Medical increases.

To place an order, please visit our website at [www.boundtree.com](http://www.boundtree.com), login and add to your shopping cart



**Meeting Date:** July 10, 2023  
**Agenda Item:** GTRLC Grant Award  
**Contact:** Beth Friend  
Glen Chown

---

**Description:**

The Grand Traverse Regional Land Conservancy submitted a grant application to the Grand Traverse Band of Ottawa and Chippewa Indians 2% Tribal Grant program. The GTRLC presented this project to the Township Board which offered a resolution of support. The GTRLC was awarded \$12,781. The Township, as the applicant on behalf of the GTRLC, will receive the funds and disperse them to the GTRLC.

**Attachments:**

- 2% Tribal Fund Grant Award Notification

**Budget Implications:**

None

**Possible Motion:**

Move to accept the 2% Grand Traverse Band of Ottawa and Chippewa Indians grant award for \$12,781 and disperse the funds to the Grand Traverse Regional Land Conservancy.



# The Grand Traverse Band of Ottawa and Chippewa Indians

2605 N. West Bay Shore Drive • Peshawbestown, MI 49682-9275 • (231) 534-7750

## 2% AWARD NOTICE!!

To: Recipient of 2% Grant from the Grand Traverse Band of Ottawa and Chippewa Indians  
Beth Friend, Township Supervisor [bfriend@eastbaytp.org](mailto:bfriend@eastbaytp.org)  
Glen Chown, GTRLC Executive Director [glenchown@gtrlc.org](mailto:glenchown@gtrlc.org)

From: Page L. Paul, Legal Affairs Administrator/2% Coordinator 

Date: July 6, 2023

Re: Confirmation of 2% award and details of check presentation/Media Event

\*\*\*\*\*

**CONGRATULATIONS!** East Bay Charter Township will be receiving a 2% award from the Grand Traverse Band of Ottawa & Chippewa Indians (GTB) for the 1st half 2023 2% cycle in the amount of **\$12,781** to partner with GTRLC to fund the Mitchell Creek Watershed total restoration plan as outlined in your 2% application.

Under the terms of the consent decree settling *Tribes v. Engler* (Case No. 1:90 CV 611 U.S. Dist. Ct. West. Dist. Mich.), the Grand Traverse Band of Ottawa and Chippewa Indians agreed to pay 2% of its video gaming revenue as defined in the stipulation, no later than 60 days after October 1<sup>st</sup> and March 31<sup>st</sup> of each year. This payment schedule was modified with the consent of the State of Michigan to July 31<sup>st</sup> and January 31<sup>st</sup> of each year because the fiscal year of the Grand Traverse Band gaming operation is calendar-based.

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We look forward to seeing a representative from your organization at this event.

**Please provide a short report (*template attached*) one year from the date of completion of the 2% grant expenditure to:**

**Attention: 2%  
GTB of Ottawa and Chippewa Indians  
2605 N.W. Bayshore Drive  
Peshawbestown, MI 49682**

Thank you and we will see you at the Media Event!



**Meeting Date:** July 10, 2023  
**Agenda Item:** Zoning Administrator Offer of Employment  
**Contact:** Claire Karner  
Beth Friend

---

**Description:**

During the weeks of June 19<sup>th</sup> and 26<sup>th</sup>, Claire Karner and Beth Friend interviewed four ZA applicants. While all were qualified candidates, Bill Vandercook stood out for the reasons listed in the Offer of Employment. It is recommended to approve the Offer of Employment which has been, upon board concurrence, agreed upon by Planning & Zoning and the applicant.

**Attachments:**

- Recommended application is sent under separate cover.

**Budget Implications:**

The recommended salary is included in the Offer of Employment and is \$789 over the salary established for the former Zoning Administrator at the time of departure.

**Possible Motion:**

Move to [approve/approve with changes/deny] the Offer of Employment to Bill Vandercook as recommended by staff with salary and benefit details included in the aforementioned offer.



July 6, 2023

*Sent via Email*

Bill Vandercook  
2309 Peppermill Rd.  
Lapeer, MI 48446

Dear Bill,

Thank you for your application and interview for the position of Zoning Administrator. During the interview which included Township Supervisor Beth Friend, I enjoyed learning more about your professional background in land preservation as well as your work serving as the Zoning Coordinator for the City of Flint. It was evident in your interview as well as in speaking with your references that you are hardworking, honest, have strong communication skills, and are knowledgeable about land use and zoning.

On behalf of East Bay Charter Township, I am pleased to propose to you this offer of employment. As we discussed, you will be working for East Bay Charter Township in the Planning & Zoning Department as the Zoning Administrator. Per the township's organizational chart, this position reports to the Director of Planning & Zoning and I look forward to working as a team with you to further advance planning and zoning in East Bay Township.

Regarding the specifics of this offer, you will be classified as a salary employee (payable biweekly) based upon a 40-hour work week. The compensation rate that will be presented to the Board of Trustees at their July 10 meeting is \$64,000/year.

Benefits are offered with this position and East Bay Charter Township offers a competitive package which includes:

- *Medical/Vision/Dental plans*  
Current East Bay Township employment benefits include full employer-paid medical, vision, and dental plans for individual or family packages. The medical package is a high-deductible package and the Township provides a funded Healthcare Savings Account to fully fund the deductible. Any employee and their dependents become eligible for Medical/Vision/Dental plans on the first day of the month following 30 days of employment.
- *Vacation and Personal Time-off (PTO)*  
Under the Employment Manual clause regarding mid-career transitions and in recognition of your years of experience, this offer includes vacation of 3 weeks established at a service time of nine years (i.e. eligibility for the fourth week occurs in the eleventh year of career employment in 2026.) Personal time off is granted at 48 hours per year per full-time employee and accrued per the personnel policy guidelines.



- *Retirement Funds*

Current East Bay Township employment benefits include an employer-funded account at 11% of salary. There is also an opportunity for employees to electively invest in an additional retirement plan.

- *Miscellaneous*

East Bay Township employees are covered with both short and long-term disability insurance which is paid by the township as an employee benefit.

Upon employment acceptance and the Board of Trustees' concurrence, typically a background check and screenings are conducted. Please visit with Township Clerk Susanne Courtade to identify any needed scheduling or coordination of screenings. You will also receive a copy of the Employment Manual and be asked to sign a form recognizing you received this document. Susanne can be reached at (231) 947-8647 or [scourtade@eastbaytp.org](mailto:scourtade@eastbaytp.org).

In accepting the offer of employment, you certify your understanding that your employment will be on an at-will basis, and that neither you nor any East Bay Charter Township representative have entered into a contract regarding the terms or the duration of your employment. As an at-will employee, you will be free to terminate your employment with the East Bay Charter Township at any time, with or without cause or advance notice. Likewise, the East Bay Charter Township will have the right to terminate your employment at any time, with or without cause or advance notice.

We are enthusiastic to have you join the township and are confident that you will be a great asset to the team. We look forward to your work with elected and appointed officials, residents, and staff to support the township's Planning and Zoning efforts. Please let me know if you have any questions or if I can do anything to make your transition easier.

Sincerely,

Claire Karner, AICP  
Director of Planning & Zoning



**Meeting Date:** July 10, 2023  
**Agenda Item:** Short-term Rental Licensing Ordinance  
**Contact:** Claire Karner  
Beth Friend

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**Description:**

At the June 12, 2023, township board meeting, a short-term rental licensing ordinance was introduced. This proposed ordinance, which would be Ordinance No. 3 of 2023, would replace and essentially amend the original short-term rental licensing ordinance, Ordinance 5 of 2019.

Please see prior board packets and STR agenda items for the progression of this discussion by the township board.

**Attachments:**

- Short-Term Rental Licensing Ordinance No. 3 of 2023
- Affidavit of Posting
- Notification in newspaper of general circulation
- STR communication received
- Short-Term Rental License Notification and Issuance Policy – added 07/07/2023 (previously reviewed)
- Resolution Establishing a Maximum Limitation on Issued Short-Term Rental Licenses added 07/07/2023 (previously discussed)

**Budget Implications:**

None

**Possible Motion:**

Move to [approve/approve with changes/deny] the Short-Term Rental Licensing Ordinance No. 3 of 2023, the Short-Term Rental License Notification and Issuance Policy, and Resolution 2023-\_\_\_ Resolution Establishing a Maximum Limitation on Issued Short-Term Rental Licenses.

**EAST BAY CHARTER TOWNSHIP OFFICE OF PLANNING & ZONING**  
**SHORT-TERM RENTAL LICENSE NOTIFICATION AND ISSUANCE POLICY**

**Intent and Purpose**

The East Bay Charter Township Short-Term Rental Ordinance, Ordinance No. \_\_ of \_\_\_\_, (“STR Ordinance”) imposes a cap on the maximum number of short-term rental licenses (“STR licenses”) that may be issued by the Township. Under the STR Ordinance, once the number of active STR licenses falls below the maximum number of licenses, the public must be notified that STR licenses are available and that applications will be processed, and licenses issued, on a first-come, first-serve basis.

The following policy is intended to provide administrative guidance as to how applications for new STR licenses will be received, processed, and approved by the Office of Planning & Zoning, consistent with the STR Ordinance. This policy is intended to compliment and coincide with the STR Ordinance, which provides some flexibility as to how it is administered. However, to the extent this policy conflicts with or is contradicted by any provision of the STR Ordinance, the STR Ordinance will control.

**Approval and Posting of Policy**

This policy shall not become effective until it is approved by a majority vote of the Township Board at a regular or special meeting. Once approved by the Township Board, this policy shall be posted on the Township’s website and otherwise made available to the public.

**Notice; Publication**

- When the number of active STR licenses falls below the maximum cap of licenses available pursuant to the STR Ordinance, the Office of Planning & Zoning shall prepare and circulate a notice to the public. The notice shall:
  - Be published in a newspaper of general circulation, posted on the Township’s website, and posted at the Township Hall.
  - Indicate how many STR licenses are available.
  - Indicate the application window, including the exact date and time that applications for STR licenses will be received by the Office of Zoning & Planning, and that applications will be considered in the order that they are received.
  - Indicate the manner in which applications must be submitted to the Office of Planning & Zoning (e.g., through third-party software used by the Township).
  - Indicate that copies of this policy are available on the Township’s website.
  - Provide contact information for questions concerning the application process.
- The Office of Planning & Zoning shall not be required to provide notice of available STR licenses more than once per year. Beyond this minimum requirement, the Office of Planning & Zoning may, but is not required to, provide notice of available STR licenses more than once per year.
- If additional STR licenses become available between the time notice is published and the date selected for the application window, the Office of Planning & Zoning may, but is not required to, circulate a

second notice indicating the new number of available licenses and establishing a new application window. Otherwise, a separate notice must be circulated for such additional available licenses, along with a separate application window as set forth herein.

### **Submission of Applications**

- Applications for STR licenses shall contain all of the information required by the Township's STR Ordinance and be accompanied by the required application fee.
- Applications shall be accepted by the Office of Planning & Zoning during an application window which shall be no sooner than 14 calendar days after and no later than 90 days after the publication of the most recent notice provided for above.
- The application window shall open at 8:00am on the day designated by the Office of Planning & Zoning and shall close at 8:00pm that same night.
- Applications shall be submitted through third-party software used by the Township and shall be processed on a first-come, first-served basis.
- Applications will be deemed received on the date and time indicated by the third-party software used by the Township.
- If two applications are submitted at the exact same time, they will be deemed received in the order they are displayed by the third-party software used by the Township.
- Applicants may submit only one application per proposed short-term rental location. If the Office of Planning & Zoning receives duplicate applications, all such applications shall be rejected. Attempts to circumvent this limitation may also result in the rejection of applications.
- Applications received outside of the application window by any increment of time shall be rejected.
- After the application window closes, the Office of Planning & Zoning shall review applications in the order they were received.

### **Processing of Applications**

- The Office of Planning & Zoning shall begin its review by processing only a number of applications equal to the number of available licenses, in the order applications were received (the "initial applications").
- These initial applications will be reviewed for completeness. If any required information is missing or the applicant failed to pay the required application fee, the Office of Planning & Zoning shall provide notice to the applicant consistent with Section 5(d) of the STR Ordinance. If the applicant does not remedy any deficiencies within 14 calendar days after receiving such notice, the application shall be deemed incomplete and rejected.
- After the Office of Planning & Zoning verifies the completeness of the initial applications, they will be reviewed for compliance with the standards and regulations of the STR Ordinance. If these standards are met, the Office of Planning & Zoning shall approve the applications and issue the STR licenses consistent with the provisions of the STR Ordinance.
- If at any point in this process an application is withdrawn or rejected, the Office of Planning & Zoning shall process the next application in line.

- As soon as the Office of Planning & Zoning approves a number of STR applications equal to the number of available STR licenses, it will cease its review and processing of applications, and all remaining applications will be deemed rejected.
- Application fees shall be deemed nonrefundable for applicants whose applications are reviewed by the Office of Planning & Zoning, regardless of whether an STR license is issued. After the Office of Planning & Zoning issues all available STR licenses, application fees will be refunded to any applicants whose applications were not reviewed.
- The Office of Planning & Zoning shall provide notice via email and regular mail to each applicant whose application is rejected.
- If there are still available licenses after the Office of Planning & Zoning completes its review of all applications submitted during the application window, the Office of Planning & Zoning shall again publish notice and establish an application window as set forth herein.

#### **Amendment of Policy**

- The Office of Planning & Zoning may amend this policy from time to time as it sees fit to carry out the fair and efficient administration of the STR Ordinance. Any such amendments must be approved by a majority vote of the Township Board before they will become effective.

Approved by the East Bay Charter Township Board on \_\_\_\_\_, 20\_\_.

Beth Friend, Supervisor  
Susanne M. Courtade, Clerk  
Tracey Bartlett, Treasurer



Glen Lile, Trustee  
Mindy Walters, Trustee  
Matt Courtade, Trustee  
Matt Cook, Trustee

**East Bay Charter Township  
Board of Trustees**

**Resolution 2023-\_\_\_\_  
Resolution Establishing a Maximum Limitation on Issued Short-Term Rental Licenses**

At a regular meeting of the Township Board for the Charter Township of East Bay, Grand Traverse County, Michigan, held in the Township Hall located at 1965 N. Three Mile Road, Traverse City, Michigan, on the \_\_\_\_ day of \_\_\_\_, 2023.

PRESENT: \_\_\_\_\_

ABSENT: \_\_\_\_\_

The following resolution was offered by \_\_\_\_\_ and supported by \_\_\_\_\_ and passed \_\_\_\_\_.

Whereas on \_\_\_\_, the East Bay Charter Township Board adopted Ordinance No. \_\_\_\_ of 2023, the East Bay Charter Township Short-Term Rental Licensing Ordinance (the “Short-Term Rental Ordinance”);

Whereas Section 5(f) of the Short-Term Rental Ordinance provides that the Township Board shall, by resolution, establish a maximum limit on the total number of short-term rental licenses that may be approved pursuant to the Short-Term Rental Ordinance, consistent with the purpose and objectives of the Short-Term Rental Ordinance;

Whereas the Township Board has conducted studies and held public hearings to better understand the benefits and impacts of short-term rentals within the Township, including but not limited to long-term housing availability and affordability, the character of the Township’s residential neighborhoods, land use conflicts, increased tourism and economic benefits, and the ability of short-term rental owners to keep their properties for future use and enjoyment by offsetting the costs of ownership through rentals;

Whereas the Township Board finds that the health, safety, and welfare of the citizens of East Bay Charter Township as well as those visiting the area will be best served by a maximum limit on the total number of short-term rental licenses that may be approved pursuant to the Short-Term Rental Ordinance approximately equal to 2.5% of the available housing units within the Township;

Whereas the Township Board finds that such a maximum limit on short-term rental licenses will appropriately balance the interests of those who own and operate short-term rentals within the Township against the interests of those who live and work in the Township but do not own or operate short-term rentals, will preserve the character of the Township and its residential neighborhoods, and will promote the availability and affordability of long-term housing; and

Whereas, the Township Board finds that such a maximum limit on short-term rental licenses will otherwise be consistent with and will advance the purposes and objectives of the Short-Term Rental Ordinance; therefore, be it

*Resolved* by the Township Board of East Bay Charter Township that:

1. The Township Board hereby establishes a maximum limit of one hundred and forty-five (145) short-term rental licenses that may be issued pursuant to the Short-Term Rental Ordinance.
2. The Office of Planning & Zoning shall not accept or approve any additional applications for short-term rental licenses until the total number of issued and current short-term rental licenses within the Township falls below this maximum limit of one hundred and forty-five (145) short-term rental licenses.
3. The Township Board may review and amend this maximum limit on short-term rental licenses on an annual basis and may adjust the limit as it determines to be advisable.
4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution shall be and are hereby rescinded.

Upon roll call vote:

YES: \_\_\_\_\_

NO: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

**THIS EAST BAY CHARTER TOWNSHIP BOARD OF TRUSTEES  
RESOLUTION 2023-\_\_\_\_, APPROVED ON THE \_\_\_\_ DAY OF \_\_\_\_\_ 2023,  
IS DECLARED ADOPTED BY THE TOWNSHIP SUPERVISOR  
AND DECLARED CERTIFIED BY THE CLERK.**

\_\_\_\_\_  
Beth Friend, Supervisor

\_\_\_\_\_  
Date

I, the undersigned, the Clerk of the Charter Township of East Bay, Grand Traverse County, Michigan, do hereby certify that the foregoing is a true and complete copy of certain proceedings taken by said municipality of East Bay Charter Township at its meeting, relative to the adoption of the resolution therein set forth, that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267 of 1976, Public Acts of Michigan, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

\_\_\_\_\_  
Susanne Courtade MiPMC2/MMC, Clerk

\_\_\_\_\_  
Date