

AGENDA
CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
STUDY SESSION
TUESDAY, DECEMBER 6, 2016
7:00 P.M.

- A. **CALL TO ORDER** at _____ P.M.
- B. **ROLL CALL:** Jerry Vorva _____, Chuck Curmi_____, Mark Clinton_____, Gary Heitman_____, Jack Dempsey_____, Bob Doroshewitz_____, Kurt Heise_____
- C. **PLEDGE OF ALLEGIANCE TO THE FLAG**
- D. **APPROVAL OF AGENDA**

Study Session – Tuesday, December 6, 2016
- E. **PUBLIC COMMENTS AND QUESTIONS**
- F. **NEW BUSINESS**
 - 1) **Discussion on 2017 Budget** – Treasurer Clinton
 - 2) **Audit Update** – Plante - Moran
 - 3) **Department of Justice (DOJ) Audit** – Police Chief Tiderington and Plante - Moran
 - 4) **Cross - Connections Agreement** – Patrick Fellrath
 - 5) **Extension of Cluster Housing Approval –Edinburgh Estates** – Jana Radtke
 - 6) **Discussion on Procedures for Board of Trustee agendas and minutes** – Clerk Vorva

G. PUBLIC COMMENTS AND QUESTIONS

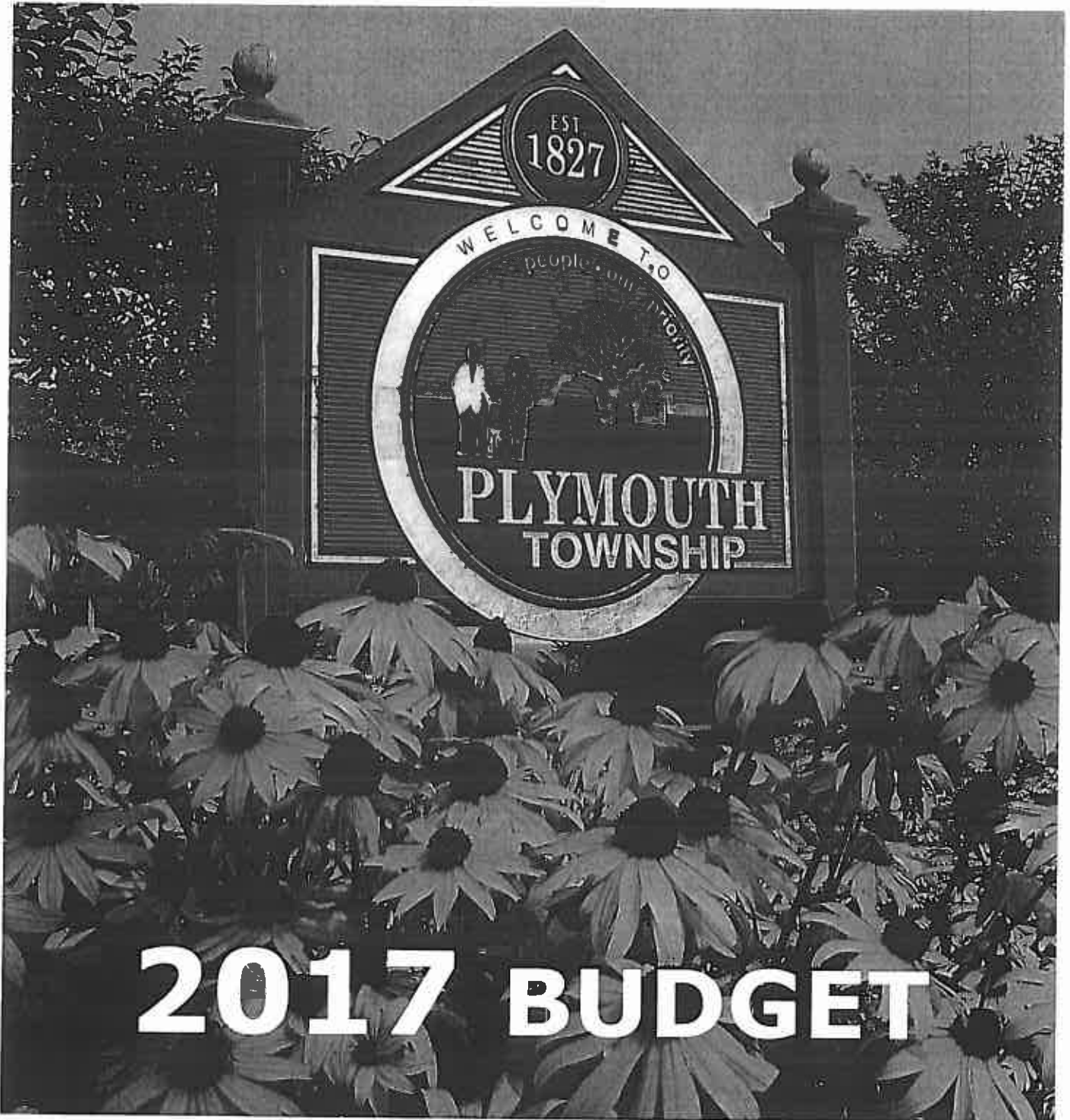
H. ADJOURNMENT

PLEASE TAKE NOTE: The Charter Township of Plymouth will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at all Township Meetings, to individuals with disabilities at the Meetings/Hearings upon two week's notice to the Charter Township of Plymouth by writing or calling the following: Human Resource Office, 9955 N Haggerty Road, Plymouth, MI 48170. Phone number (734) 354-3202 TDD units: 1-800-649-3777 (Michigan Relay Services)

THE PUBLIC IS INVITED AND ENCOURAGED TO ATTEND ALL MEETINGS OF THE BOARD OF TRUSTEES

CHARTER TOWNSHIP OF PLYMOUTH

190 years: 1827-2017



2017 BUDGET

GENERAL FUND

**Charter Township of Plymouth
General Fund
2016 Amended Budget
2017 Recommended Budget**

SOURCES OF FUNDS

	Actual 2013	Actual 2014	Actual 2015	Current 2016 Budget	July YTD	Amended 2016 Budget	Recommended 2017 Budget
Property Taxes	6,621,720	6,709,837	6,823,940	7,250,000	6,300,000	7,000,000	7,000,000
State Shared Revenue	2,056,963	2,106,621	2,191,680	2,188,000	1,059,107	2,188,000	2,258,000
Community Development	108,907	72,350	54,914	85,000	65,572	85,000	85,000
Building Permits	447,594	607,384	831,174	550,000	566,704	700,000	600,000
Cable TV	592,527	635,252	730,339	750,000	378,234	775,000	800,000
City of Ply Dispatch Contrib	152,505	318,672	483,356	375,000	199,500	400,000	375,000
Transport Fees	46,846	81,136	81,784	100,000	55,233	125,000	150,000
District Court	189,509	196,410	191,230	200,000	126,984	150,000	200,000
Grants	78,370	591,905	681,430	450,000	427,026	650,000	200,000
Interest	28,734	24,243	21,489	22,500	9,161	22,500	22,500
Miscellaneous	989,240	684,649	598,225	925,000	534,274	925,000	715,000
Other Permits	166,789	170,707	251,275	200,000	137,296	200,000	200,000
Professional License	7,094	7,751	8,790	7,000	0	7,000	7,000
Inter-Governmental	<u>639,087</u>	<u>717,128</u>	<u>696,000</u>	<u>725,000</u>	<u>420,000</u>	<u>725,000</u>	<u>725,000</u>
TOTAL REVENUE	12,125,885	12,924,045	13,645,626	13,827,500	10,279,091	13,952,500	13,337,500

USES OF FUNDS

	Actual 2013	Actual 2014	Actual 2015	Current 2016 Budget	July YTD	Amended 2016 Budget	Recommended 2017 Budget
General Administrative							
Assessing	354,329	318,147	296,138	318,514	178,630	318,514	317,295
Boards/Misc	604,267	630,499	506,053	637,528	339,974	602,528	522,528
Clerk	487,796	466,294	432,698	544,976	254,821	544,976	529,402
Elections	0	70,033	85,984	115,930	47,889	125,930	0
General Operating	339,994	359,609	419,512	358,525	216,743	358,525	343,525
Hall & Grounds	152,530	176,320	169,251	380,417	101,552	386,917	195,417
Information Services	234,004	281,769	263,684	300,416	97,084	300,416	298,225
Supervisor	390,764	394,043	393,272	436,566	205,925	421,566	404,271
Treasurer	296,013	317,040	330,645	334,875	164,676	341,334	341,334
SUBTOTAL	2,859,697	3,013,754	2,897,237	3,427,747	1,607,294	3,400,706	2,951,997
Public Safety							
Law Enforcement	3,484,865	3,617,739	3,828,350	3,975,877	1,974,688	4,018,937	3,957,527
Communications	1,037,499	1,063,101	1,141,902	1,208,285	503,879	1,208,285	1,242,337
Fire	<u>2,802,967</u>	<u>3,392,195</u>	<u>3,617,718</u>	<u>3,410,666</u>	<u>1,605,585</u>	<u>3,465,743</u>	<u>3,508,009</u>
SUBTOTAL	7,325,351	8,063,035	8,587,970	8,594,828	4,084,152	8,692,965	8,707,873
Building	399,463	455,127	452,056	434,808	234,856	468,808	436,581
Community Development	152,294	147,687	156,333	173,782	59,624	173,782	173,782
Parks and Recreation	265,346	428,117	489,051	569,688	300,791	571,494	423,158
Grants	35,104	169,464	43,727	95,000	19,650	295,000	95,000
Capital Improvement/Transfers	<u>723,951</u>	<u>523,951</u>	<u>523,951</u>	<u>523,951</u>	<u>442,628</u>	<u>523,951</u>	<u>523,951</u>
SUBTOTAL	1,576,158	1,724,346	1,665,118	1,797,229	1,057,549	2,033,035	1,652,472
TOTAL EXPENDITURES	11,761,206	12,801,135	13,150,325	13,819,803	6,748,995	14,126,705	13,312,342
Beginning Fund Balance	3,296,205	3,660,887	3,763,799	4,279,102	4,279,102	4,279,102	4,104,898
Ending Fund Balance	3,660,887	3,763,799	4,279,102	4,286,799	4,286,799	4,104,898	4,130,056

Assessing

Acct #	Account Name	Actual <u>2013</u>	Actual <u>2014</u>	Actual <u>2015</u>	Current <u>2016</u> Budget	YTD	Amended Recommended <u>2016</u> Budget	2017 Budget	% Increase
707	Salary - Non Supervisory Office	38,527	33,522	26,793	29,000	14,627	29,000	0	-100%
709	Overtime	288	317	0	0	0	0	0	0%
714	Fringe Benefits	14,560	16,950	0	0	0	0	0	0%
714.01	Pension - Non Rep.	5,779	4,366	0	0	0	0	0	0%
715	Social Security	2,524	2,257	2,050	2,219	1,119	2,219	0	0%
720	Workmen's Compensation	136	86	86	100	43	100	0	-100%
727	Office Supplies	8,002	10,060	5,814	10,000	2,758	10,000	100	0%
818	Contractual Services	230,480	240,493	233,823	251,000	148,633	251,000	10,000	0%
826	Legal	44,834	5,528	12,419	15,000	9,955	15,000	281,000	12%
853	Telephone	1,705	1,392	812	2,100	531	2,100	15,000	0%
921	Utilities	3,344	3,176	3,155	4,095	964	4,095	2,100	0%
978	Equipment Purchases	4,150	0	11,186	5000	0	5000	4,095	0%
	Total Expenditures	354,329	318,147	296,138	318,514	178,630	318,514	317,295	0%

9/1/2016

Boards and Miscellaneous

Acct #	Account Name	Actual		Current		Amended		Recommended		% Increase
		2013	2014	2015	2016	2016	2016	2017	2017	
				Actual	Budget	YTD	Budget	Budget	Budget	
704	Salary - Boards	63,644	69,723	72,959	74,500	35,601	74,500	74,500	74,500	0.0%
715	Social Security	4,868	5,334	5,582	5,763	2,692	5,763	5,763	5,763	0.0%
720	Workmans Compensation	944	121	-21	265	59	265	265	265	0.0%
813	Publishing	217	2,030	2,255	2,500	604	2,500	2,500	2,500	0.0%
818	Contractual Services	4,204	12,117	27,626	25,000	11,266	25,000	25,000	25,000	0.0%
826	Legal	21,452	50,704	30,177	26,500	53,671	71,500	26,500	26,500	-62.9%
851	Equipment Repair & Maint	0	0	0	3,500	0	3,500	3,500	3,500	0.0%
861	Expense Allowance	2,574	2,474	3,860	3,500	900	3,500	3,500	3,500	0.0%
885	Community Service	86,624	73,968	95,988	85,000	20,813	85,000	85,000	50,000	-41.2%
912	Insurance	247,891	218,740	63,675	200,000	113,788	150,000	150,000	150,000	0.0%
920	Street Lights	68,229	64,892	67,334	71,000	27,527	71,000	71,000	71,000	0.0%
942	Inter-governmental	76,644	105,091	110,000	110,000	70,000	80,000	80,000	80,000	0.0%
950	School Crossing Guard	19,536	17,332	16,222	20,000	0	20,000	20,000	20,000	0.0%
951	Emergency Preparedness	7,440	7,973	10,396	10,000	3,053	10,000	10,000	10,000	0.0%
Total Expenditures		604,267	630,499	506,053	637,528	339,974	602,528	522,528	522,528	-13.3%

Clerk

Acct #	Account Name	Actual		Actual		Current		July YTD	Amended		%
		2013	2014	2015	2016	Budget	Budget		2016	2017	
703	Salary - Managerial	148,353	156,374	161,587	166,000	80,894	166,000	80,894	166,000	0%	
707	Salary - Non Supervisory Office	149,763	152,848	125,893	170,000	87,088	170,000	87,088	170,000	0%	
708	Salary - Part - Time	12,195	17,463	21,441	30,000	13,949	30,000	13,949	22,500	-25%	
709	Overtime	635	811	13	1,000	0	1,000	0	1,000	0%	
710	Salary - Elections	15,121	0	0	0	0	0	0	0	0%	
714	Fringe Benefits	28,731	31,280	24,002	33,500	12,034	33,500	12,034	26,000	-22%	
714	Pension - Non Rep.	38,322	39,874	33,651	50,400	25,222	50,400	25,222	50,400	0%	
715	Social Security	23,286	24,485	23,984	28,076	15,527	28,076	15,527	27,502	-2%	
720	Workmen's Compensation	6,773	640	640	1,000	320	1,000	320	1,000	0%	
727	Office Supplies	26,650	13,139	19,013	20,000	8,587	20,000	8,587	20,000	0%	
813	Publishing	8,652	3,924	1,579	6,500	982	6,500	982	6,500	0%	
851	Equipment Maintenance/Rep.	8,516	6,617	0	8,000	0	8,000	0	8,000	0%	
853	Telephone	5,562	5,090	3,265	5,250	1,539	5,250	1,539	5,250	0%	
861	Expense Allowance	114	40	0	2,500	102	2,500	102	2,500	0%	
921	Utilities	10,151	9,641	9,580	11,750	2,927	11,750	2,927	11,750	0%	
960	Education/Training	3,562	2,436	1,803	5,000	3,037	5,000	3,037	5,000	0%	
978	Equipment Purchases	1,410	1,632	6,247	6,000	2,613	6,000	2,613	6,000	0%	
Total Expenditures		487,796	466,294	432,698	544,976	254,821	544,976	254,821	529,402	-3%	

Elections

Acct #	Account Name	Actual		Current		July YTD	Amended		2017 Budget	%
		2013	2014	2015	2016		2016 Budget	2016 Budget		
708	Salary - Part - Time		0	0	9,000	0	9,000	0		-100%
709	Overtime		0	0	1,000	0	1,000	0		-100%
710	Salary - Elections		36,206	51,901	58,000	17,899	58,000	0		-100%
715	Social Security		0	0	730	0	730	0		-100%
720	Workmen's Compensation		0	0	200	0	200	0		-100%
727	Office Supplies		23,713	29,377	30,000	24,282	40,000	0		-100%
730	Postage		5,123	2,720	7,500	3,741	7,500	0		-100%
813	Publishing		912	878	1,500	202	1,500	0		-100%
851	Equipment Maintenance/Rep.		2,018	0	5,000	1,765	5,000	0		-100%
960	Education/Training		13	219	3,000	0	3,000	0		-100%
978	Equipment Purchases		2,048	889	0	0	0	0		0%
Total Expenditures		0	70,033	85,984	115,930	47,889	125,930	0		-100%

General Operating

Acct #	Account Name	Actual 2013	Actual 2014	Actual 2015	Current 2016 Budget	July YTD	Amended 2016 Budget	Recommended 2017 Budget	% Increase
708	Salary - Part - Time	756	2,451	4,390	3,000	1,231	3,000	3,000	0%
714	Fringe Benefits	70,864	69,256	67,861	80,000	45,888	80,000	70,000	-13%
715	Social Security	58	187	336	230	88	230	230	0%
720	Workmen's Compensation	15	5	5	45	3	45	45	0%
722	Unemployment Insurance	0	0	0	5,000	0	5,000	5,000	0%
730	Postage	34,660	42,140	36,269	40,000	26,658	40,000	35,000	-13%
826	Legal	57,556	57,644	71,384	60,000	33,156	60,000	60,000	0%
835	Physicals	0	0	2,618	1,500	0	1,500	1,500	0%
851	Equipment Repair & Maint	133	0	0	5,000	0	5,000	5,000	0%
941	Computer Services	92,612	109,136	113,544	120,000	87,460	120,000	120,000	0%
958	Membership / Dues	15,135	15,167	15,236	15,750	9,540	15,750	15,750	0%
960	Education / Training	0	260	6,544	3,000	0	3,000	3,000	0%
963	Other Sundry	3,278	10,759	2,227	7,500	1,836	7,500	7,500	0%
973.03	Stormwater-Public Ed	10,983	10,358	10,383	12,500	10,383	12,500	12,500	0%
973.032	Stormwater-Subwatershed	748	12,091	500	5,000	500	5,000	5,000	0%
978	Equipment Purchases	53,196	30,155	88,215	0	0	0	0	0%
Total Expenditures		339,994	359,609	419,512	358,525	216,743	358,525	343,525	-4%

Township Hall and Grounds

Acct #	Account Name	Actual		Current		Amended		Recommended		%
		2013	2014	Actual	2015	2016	YTD	2016	2017	
706	Salary - Non - Supervisory	43,540	46,953	48,328	50,490	50,490	24,836	50,490	50,490	0%
714	Fringe Benefits	14,585	14,356	14,962	16,065	16,065	9,078	16,065	16,065	0%
714.01	Pension - Non Rep.	5,537	5,638	5,798	5,750	5,750	3,366	5,750	5,750	0%
715	Social Security	3,017	3,306	3,412	3,862	3,862	1,755	3,862	3,862	0%
720	Workmen's Compensation	893	748	748	950	950	374	950	950	0%
776	Maintenance - Grounds	66,430	93,422	77,071	275,000	275,000	45,077	275,000	90,000	-67%
818	Contractual Services	0	0	1,200	4,000	4,000	75	4,000	4,000	0%
853	Telephone	1,781	1,814	1,882	3,800	3,800	2,469	3,800	3,800	0%
854	Utilities - Senior Center	5,712	4,477	5,297	7,500	7,500	3,360	7,500	7,500	0%
858	Maint. - Senior Center	8,200	2,742	7,106	6,500	6,500	3,510	6,500	6,500	0%
921	Utilities	2,835	2,442	2,688	5,000	5,000	500	5,000	5,000	0%
978	Equipment Purchases	0	422	759	1,500	1,500	7,152	8,000	1,500	0%
Total Expenditures		152,530	176,320	169,251	380,417	386,917	101,552	386,917	195,417	-49%

Information Services

Acct #	Account Name	Actual		Current		July YTD	Amended Recommended		% Increase
		2013	2014	Actual 2015	Budget 2016		Budget 2016	Budget 2017	
705	Salary - Supervisory	90,648	93,494	96,145	99,118	49,709	99,118	101,000	2%
707	Salary - Non Supervisory Office	24,794	31,046	27,795	29,000	12,104	29,000	29,000	0%
714	Fringe Benefits	12,854	13,796	16,658	16,500	8,821	16,500	17,000	3%
714.01	Pension - Non Rep.	13,325	13,718	14,133	14,598	8,263	14,598	14,880	2%
715	Social Security	8,405	9,084	9,039	9,801	4,508	9,801	9,945	1%
720	Workmen's Compensation	464	274	274	300	137	300	300	0%
727	Office Supplies	4,551	2,386	5,321	5,500	953	5,500	5,500	0%
817	Auditors	30,755	34,282	33,490	37,500	7,850	37,500	37,500	0%
851	Equipment Maintenance/Rep.	4,501	4,624	3,864	5,000	1,627	5,000	5,000	0%
853	Telephone	3,929	3,005	2,092	4,800	1,310	4,800	4,800	0%
921	Utilities	6,250	5,936	5,899	7,800	1,802	7,800	7,800	0%
960	Education/Training	3,375	3,675	622	5,500	0	5,500	5,500	0%
978	Equipment Purchases	30,153	66,449	48,352	65,000	0	65,000	60,000	-8%
Total Expenditures		234,004	281,769	263,684	300,416	97,084	300,416	298,225	-1%

Supervisor

Acct #	Account Name	Actual		Current		Amended		Recommended		% Increase
		2013	2014	2015	2016 Budget	2016 Budget	2017 Budget	2017 Budget		
703	Salary - Managerial	102,596	107,146	112,799	118,230	118,230	118,230	118,230	0%	
705	Salary- Supervisory	89,510	91,560	95,128	98,226	98,226	98,226	98,226	0%	
707	Salary - Non Supervisory Office	56,282	60,722	62,638	64,388	64,388	64,388	64,388	0%	
708	Salary - Part - Time	23,570	26,862	16,579	30,000	12,870	30,000	0	0%	
714	Fringe Benefits	33,617	22,920	22,992	23,500	10,609	23,500	23,500	0%	
714	Pension - Non Rep.	36,445	38,177	39,288	42,127	22,954	27,127	42,127	55%	
715	Social Security	20,158	21,346	21,471	23,780	11,367	23,780	21,485	-10%	
720	Workmen's Compensation	553	380	380	500	190	500	500	0%	
727	Office Supplies	7,156	5,716	6,744	7,000	5,215	7,000	7,000	0%	
818	Contractual Services	0	0	325	1,000	0	1,000	1,000	0%	
853	Telephone	4,841	4,526	1,984	5,500	1,148	5,500	5,500	0%	
861	Expense Allowance	1,851	1,562	1,413	5,500	0	5,500	5,500	0%	
921	Utilities	11,681	11,094	11,023	13,316	3,368	13,316	13,316	0%	
960	Education/Training	339	434	508	1,500	285	1,500	1,500	0%	
978	Equipment Purchase	2,165	1,598	0	2,000	0	2,000	2,000	0%	
Total Expenditures		390,764	394,043	393,272	436,566	205,925	421,566	404,271	-4%	

Treasurer

Acct #	Account Name	Actual		Current		Amended		Recommended		% Increase
		2013	2014	2015	2016	2016	2016	2017	2017	
703	Salary - Managerial	152,268	160,183	165,337	171,000	171,000	171,000	171,000	171,000	0%
708	Salary - Part - Time	68,996	77,757	85,346	79,000	47,456	85,000	85,000	85,000	0%
714	Fringe Benefits	4,407	4,428	4,867	5,100	3,000	5,100	5,100	5,100	0%
714.01	Pension - Non Rep.	21,665	22,871	23,649	24,450	13,665	24,450	24,450	24,450	0%
715	Social Security	16,887	18,089	19,058	19,125	9,938	19,584	19,584	19,584	0%
720	Workmen's Compensation	525	344	344	350	172	350	350	350	0%
727	Office Supplies	8,564	7,492	9,149	8,500	3,364	8,500	8,500	8,500	0%
831	Tax Roll Preparation	9,634	10,562	9,545	12,000	1,417	12,000	12,000	12,000	0%
853	Telephone	4,207	3,769	2,875	4,600	1,597	4,600	4,600	4,600	0%
861	Expense Allowance	2,488	2,480	1,768	2,500	0	2,500	2,500	2,500	0%
921	Utilities	4,239	4,027	4,001	5,250	1,223	5,250	5,250	5,250	0%
960	Education/Training	2,133	2,215	1,706	2,500	0	2,500	2,500	2,500	0%
965	Refunds	0	0	0	500	0	500	500	500	0%
978	Equipment Purchases	0	2,823	3,000	0	0	0	0	0	0%
Total Expenditures		296,013	317,040	330,645	334,875	164,676	341,334	341,334	341,334	0%

Law Enforcement

Acct #	Account Name	Current			July YTD	Amended		Recommended 2017 Budget	%	Increase
		Actual 2013	Actual 2014	Actual 2015		2016 Budget	2016 Budget			
703	Salary - Managerial	375,070	354,574	371,045	170,337	330,000	340,000	340,000	3%	
705	Salary - Supervisory	388,211	361,911	361,598	205,362	375,000	375,000	375,000	0%	
706	Salary - Non - Supervisory	1,267,682	1,361,304	1,386,359	663,251	1,459,500	1,559,500	1,559,500	7%	
707	Salary - Non - Supervisory Office	125,518	120,474	130,594	60,829	135,660	135,660	135,660	0%	
709	Overtime	27,115	56,788	110,971	57,392	110,000	60,000	60,000	-45%	
714	Fringe Benefits	406,640	423,949	467,168	248,385	470,000	470,000	470,000	0%	
714.01	Pension - Non Rep.	63,128	58,948	53,497	17,480	75,000	75,000	75,000	0%	
714.03	Pension - Police	237,817	256,059	342,332	189,974	360,000	320,000	320,000	-11%	
715	Social Security	162,068	165,404	175,366	86,132	184,377	188,967	188,967	2%	
720	Workmen's Compensation	47,776	36,805	37,758	15,255	60,000	45,000	45,000	-25%	
727	Office Supplies	12,580	10,221	14,824	5,824	13,000	13,000	13,000	0%	
758	Laundry / Uniforms	24,920	26,985	16,411	5,789	17,000	17,000	17,000	0%	
776	Maintenance - Grounds	22,185	27,662	28,121	12,119	30,000	30,000	30,000	0%	
818	Contractual Services	23,388	20,555	3,595	10,890	20,000	20,000	20,000	0%	
819	Dog Pound Fees	1,008	700	750	1,223	1,500	1,500	1,500	0%	
826	Legal	83,817	107,746	107,982	81,215	75,000	75,000	75,000	0%	
832	Correction Charges	3,920	1,925	13,825	2,185	5,000	5,000	5,000	0%	
851	Equipment Repair & Maint	13,455	24,398	12,111	11,246	25,000	25,000	25,000	0%	
853	Telephone	15,195	12,968	9,705	5,483	15,000	15,000	15,000	0%	
863	Auto Expense	122,709	119,062	108,849	33,017	113,400	113,400	113,400	0%	
885	Community Service	0	0	1,307	0	2,500	2,500	2,500	0%	
921	Utilities	33,545	31,860	31,658	9,674	35,000	35,000	35,000	0%	
958	Membership/Dues	2,169	3,227	800	255	3,000	3,000	3,000	0%	
960	Education / Training	18,013	33,139	39,957	23,405	30,000	30,000	30,000	0%	
961	TEAM	0	0	0	0	0	0	0	0%	
963	Other Sundry	482	1,075	1,138	750	3,000	3,000	3,000	0%	
978	Equipment Purchases	6,474	0	629	57,216	71,000	71,000	71,000	0%	
Total Expenditures		3,484,885	3,617,739	3,828,350	1,974,688	4,018,937	3,975,877	3,957,527	-2%	

Plymouth Community Communications Center

Acct #	Account Name	Actual	Actual	Actual	Current	July	Amended	Recommended	% Increase
		2013	2014	2015	2016 Budget	YTD	2016 Budget	2017 Budget	
705	Salary - Supervisory	54,643	58,000	59,740	61,532	0	61,532	63,500	3%
706	Salary - Non - Supervisory	518,668	551,392	619,497	648,000	309,251	648,000	665,000	3%
707	Salary - Non - Supervisory Office	44,297	45,257	46,418	48,960	23,784	48,960	50,000	2%
708	Part Time	0	0	0	0	0	0	0	0%
709	Overtime	35,632	31,526	27,240	25,000	15,741	25,000	30,000	20%
709.004	Holiday	23,267	25,678	28,591	30,500	1,440	30,500	32,500	7%
714	Fringe Benefits	91,459	101,727	115,164	115,500	54,717	115,500	125,000	8%
714.05	Pension - Police/Comm	96,624	81,366	64,668	68,000	22,573	68,000	68,000	0%
715	Social Security	50,120	52,601	57,960	62,270	25,964	62,270	64,337	3%
720	Workmen's Compensation /Ins	15,784	1,178	14,688	16,500	599	16,500	16,500	0%
727	Office Supplies	5,452	5,601	11,526	10,000	1,903	10,000	10,000	0%
758	Laundry / Uniforms	3,238	3,774	1,886	3,000	791	3,000	3,000	0%
818	Contractual Services	45,503	38,546	42,041	50,000	27,266	50,000	50,000	0%
828	Legal- Labor	4,630	4,613	783	2,500	0	2,500	2,500	0%
835	Physicals	0	221	0	500	0	500	500	0%
851	Equipment Repair & Maint	16,390	21,625	28,805	25,000	13,141	25,000	25,000	0%
853	Telephone	10,163	8,807	7,654	12,000	4,083	12,000	10,000	-17%
921	Utilities	13,964	13,263	13,179	18,522	4,027	18,522	16,000	-14%
958	Membership / Dues	0	57	145	1,000	50	1,000	1,000	0%
960	Education / Training	5,991	7,105	-541	8,000	-3,019	8,000	8,000	0%
963	Other Sundry	1,674	764	2,458	1,500	1,568	1,500	1,500	0%
978	Equipment Purchases				0	0	0	0	0%
Total Expenditures		1,037,499	1,053,101	1,141,902	1,208,285	503,879	1,208,285	1,242,337	3%

Community Fire Department

Acct #	Account Name	Actual		Current		July YTD	Amended		Increase %
		2013	2014	Actual 2015	2016 Budget		2016 Budget	2017 Budget	
703	Salary - Managerial	99,199	136,965	101,546	104,040	54,374	104,040	105,000	1%
705	Salary - Supervisory	611,173	621,076	571,588	602,000	292,621	602,000	620,000	3%
706	Salary - Non - Supervisory	354,202	635,569	772,801	802,000	404,918	802,000	820,000	2%
707	Salary - Non Supervisory Office	38,532	39,366	40,551	41,500	20,369	41,500	42,745	3%
708	Salary - Part - Time	137,771	122,171	137,085	130,000	58,289	130,000	135,000	0%
709	Overtime	211,896	53,444	42,792	65,000	37,892	65,000	75,000	15%
709.01	Act 604 pay	41,710	55,399	56,198	60,000	28,885	60,000	61,800	3%
709.02	Food/Clothing	16,121	19,798	23,344	23,500	11,925	24,500	24,500	0%
709.04	Holiday	44,268	50,574	62,246	62,500	0	62,500	64,500	3%
714	Fringe Benefits	507,546	556,711	546,925	570,000	278,779	570,000	587,100	3%
714.01	Pension - Non Rep.	9,691	47,274	6,023	25,000	3,526	25,000	25,000	0%
714.02	Pension - Fire	154,054	146,899	279,222	300,000	170,018	300,000	300,000	0%
715	Social Security	114,527	129,422	134,924	144,626	67,984	144,703	149,064	3%
720	Workmen's Compensation	57,739	33,430	33,594	60,000	16,797	60,000	60,000	0%
727	Office Supplies	26,834	27,390	37,060	37,000	15,637	37,000	37,000	0%
747	Extinguisher Recharging	2,803	520	525	2,000	0	2,000	2,000	0%
758	Laundry / Uniforms	6,874	10,508	16,899	15,000	4,694	15,000	15,000	0%
776	Maintenance - Grounds	32,473	35,238	34,973	45,000	16,682	45,000	45,000	0%
826	Legal	77,042	116,322	33,361	20,000	15,661	20,000	15,000	-25%
835	Physicals	5,707	17,083	11,990	18,000	2,660	18,000	14,000	-22%
836	Rescue Supplies	24,402	16,775	21,225	20,000	14,319	20,000	22,000	10%
851	Equipment Repair & Maint	25,123	23,636	21,208	23,500	5,418	23,500	23,500	0%
853	Telephone	15,277	13,640	9,979	16,000	6,071	16,000	16,000	0%
863	Auto Expense	98,536	112,825	71,212	86,000	17,337	86,000	85,000	0%
873	Travel Expense	0	0	209	500	0	500	500	0%
885	Community Service	8,880	2,394	2,812	2,500	773	2,500	2,500	0%
921	Utilities	59,794	52,301	62,132	60,000	20,356	60,000	61,800	0%
960	Education / Training	11,900	17,142	18,525	21,000	12,831	21,000	21,000	0%
978	Equipment	6,909	295,955	463,003	51,000	24,640	105,000	75,000	0%
979	Small Tools	1,984	2,368	3,766	3,000	2,129	3,000	3,000	0%
Total Expenditures		2,802,967	3,392,195	3,617,718	3,410,666	1,605,585	3,465,743	3,508,009	1%

Building

Acct #	Account Name	Actual		Current		July YTD	Amended Recommended		%
		2013	2014	Actual 2015	2016 Budget		2016 Budget	2017 Budget	
705	Salary - Supervisory	85,217	87,795	90,419	92,524	46,651	92,524	94,375	2%
706	Salary - Non - Supervisory	70,064	71,858	71,373	75,276	41,114	75,276	75,276	0%
707	Salary - Non Supervisory Office	38,558	41,076	44,359	45,986	23,298	45,986	46,600	1%
709	Overtime	295	59	496	500	69	500	500	0%
714	Fringe Benefits	43,818	46,970	43,174	49,875	26,150	49,875	49,875	0%
714.01	Pension - Non Rep.	25,361	26,221	27,217	29,017	16,096	29,017	29,387	1%
715	Social Security	14,362	14,853	15,291	16,393	8,244	16,393	16,581	1%
720	Workmen's Compensation	1,514	872	872	1,287	436	1,287	1,287	0%
727	Office Supplies	2,755	3,378	6,009	4,500	2,046	4,500	4,500	0%
818	Contractual Services	88,788	80,292	121,027	80,000	58,302	100,000	80,000	-20%
820	Consulting Engineer	0	0	0	1,500	0	1,500	1,500	0%
851	Equipment Repair & Maint	0	0	20	1,000	0	1,000	1,000	0%
853	Telephone	6,003	5,169	4,408	6,500	2,514	6,500	5,250	-19%
863	Auto Expense	12,994	9,034	7,613	7,800	2,181	7,800	7,800	0%
921	Utilities	7,354	6,984	6,940	8,000	2,121	8,000	8,000	0%
958	Membership / Dues	1,170	535	840	1,850	330	1,850	1,850	0%
960	Education / Training	1,010	1,158	1,013	2,700	904	2,700	2,700	0%
965	Refunds	200	989	360	1,000	724	1,000	1,000	0%
978	Equipment Purchases	0	57,884	10,625	9,100	3,676	23,100	9,100	0%
Total Expenditures		399,463	455,127	452,056	434,808	234,856	468,808	436,581	-7%

Community Development

Acct #	Account Name	Actual		Current		Amended		%	
		2013	2014	Actual 2015	2016 Budget	July YTD	2016 Budget		2017 Budget
705	Salary - Supervisory	43,907	53,903	57,951	61,000	29,327	61,000	61,000	0%
707	Salary - Non - Supervisory Office	18,152	18,281	17,997	20,548	9,679	20,548	20,548	0%
708	Salary - Part - Time	0	0	0	0	0	0	0	0%
709	Overtime	106	184	208	500	153	500	500	0%
714	Fringe Benefits	14,407	14,675	8,485	20,200	158	20,200	20,200	0%
714.01	Pension - Non Rep.	9,106	10,249	8,207	12,232	4,740	12,232	12,232	0%
715	Social Security	4,433	5,291	5,538	6,277	2,852	6,277	6,277	0%
720	Workmen's Compensation	416	86	86	500	43	500	500	0%
727	Office Supplies	2,293	1,934	1,611	3,000	391	3,000	3,000	0%
812	Printing	0	0	0	1,000	0	1,000	1,000	0%
818	Contractual Services	48,322	34,887	44,857	35,000	9,689	35,000	35,000	0%
851	Equipment Repair & Maint	147	119	107	1,000	68	1,000	1,000	0%
853	Telephone	4,331	3,526	2,029	5,000	1,336	5,000	5,000	0%
863	Auto Expense	0	0	0	525	0	525	525	0%
921	Utilities	4,119	3,912	3,888	5,000	1,188	5,000	5,000	0%
965	Refunds	0	0	0	500	0	500	500	0%
978	Equipment Purchases	2,555	640	5,369	1,500	0	1,500	1,500	0%
Total Expenditures		152,294	147,687	156,333	173,782	59,624	173,782	173,782	0%

Parks and Recreation

Acct #	Account Name	Actual		Actual	Current		July YTD	Amended		Recommended	%
		2013	2014		2015	2016		Budget	Budget		
705	Salary - Supervisory	0	0	32,077	60,000	30,508	60,000	60,000	60,000	0%	
708	Salary - Part - Time	109,346	115,851	118,651	120,000	58,344	120,000	100,000	100,000	-17%	
709	Overtime	1,629	2,846	4,135	3,500	5,540	7,500	3,500	3,500	-53%	
714	Fringe Benefits	6,735	7,126	14,543	15,600	8,749	15,600	15,600	15,600	0%	
714.01	Pension - Non Rep.	0	0	0	0	5,282	7,500	0	0	0%	
715	Social Security	8,490	9,080	11,803	14,038	7,169	14,344	12,508	12,508	-13%	
720	Workmen's Compensation	2,713	1,714	1,714	2,300	857	2,300	2,300	2,300	0%	
727	Office Supplies	2,088	1,698	1,924	2,000	2,134	2,000	2,000	2,000	0%	
758	Laundry / Uniforms	792	610	361	1,000	0	1,000	1,000	1,000	0%	
801	Recreation Programs	0	125,000	100,000	125,000	103,027	125,000	50,000	50,000	-60%	
818	Contractual Services	1,764	7,592	7,277	10,000	1,404	10,000	10,000	10,000	0%	
853	Telephone	2,031	2,314	2,956	2,750	2,043	2,750	2,750	2,750	0%	
863	Auto Expense	6,968	7,794	977	13,000	0	13,000	13,000	13,000	0%	
921	Utilities	36,959	39,384	53,269	75,000	12,742	65,000	55,000	55,000	-15%	
931	Grounds Maintenance	67,553	74,411	100,699	100,000	61,637	100,000	80,000	80,000	-20%	
973.02	Recreation & Habitat	0	0	0	0	0	0	0	0	0%	
973.06	Forestry	4,640	31,904	9,691	0	0	0	0	0	0%	
978	Equipment Purchases	13,014	793	28,974	25,000	877	25,000	15,000	15,000	0%	
979	Small Tools	624	0	0	500	478	500	500	500	0%	
Total Expenditures		265,346	428,117	489,051	569,688	300,791	571,494	423,158	423,158	-26%	

State Drug Forfeiture Fund

Charter Township of Plymouth

Amended 2016 State Drug Forfeiture Fund Budget and Recommended 2017 State Drug Forfeiture Fund Budget

WHEREAS, the Township Supervisor has presented the Amended 2016 and Recommended 2017 Budget for the State Drug Forfeiture Fund, and; WHEREAS, the Board of Trustees has been advised of the contents of said Budgets; NOW, THEREFORE, BE IT RESOLVED, that the State Drug Forfeiture Fund Budgets be approved as presented:

	Actual		Actual	Current		July	Amended		Recommended		%
	2014	2015		2016	Budget		2016	Budget	2017	Budget	
REVENUE											
Interest	\$ 371	\$ 116	\$ 300	\$ 300	\$ 49	\$ 300	\$ 300	\$ 300	\$ 300		0%
Forfeitures and Grants	\$ 8,232	\$ -	\$ 20,000	\$ 20,000	\$ 139,008	\$ 225,000	\$ 225,000	\$ 50,000	\$ 50,000		-78%
Total Revenue	\$ 8,603	\$ 116	\$ 20,300	\$ 20,300	\$ 139,057	\$ 225,300	\$ 225,300	\$ 50,300	\$ 50,300		-78%
EXPENDITURES											
Wages			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		0%
Overtime			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		0%
Canine			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		0%
Contractual Services			\$ 2,500	\$ 2,500	\$ -	\$ 2,500	\$ 2,500	\$ 5,000	\$ 5,000		0%
Fringe Benefits			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		0%
Pension			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		0%
Uniforms			\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -		0%
Social Security			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		0%
Workmen's Compensation			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		0%
Education/Training			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		0%
Audit Services			\$ 1,000	\$ 1,000	\$ -	\$ 5,000	\$ 5,000	\$ 1,000	\$ 1,000		-80%
Miscellaneous		\$ 18,189	\$ 5,000	\$ 5,000	\$ -	\$ 10,000	\$ 10,000	\$ 5,000	\$ 5,000		-50%
Capital Outlay		\$ -	\$ 7,500	\$ 7,500	\$ -	\$ 185,000	\$ 185,000	\$ 35,000	\$ 35,000		0%
Total Expenditures	\$ -	\$ 18,189	\$ 16,000	\$ 16,000	\$ -	\$ 227,500	\$ 227,500	\$ 46,000	\$ 46,000		-80%
Fund Balance Beginning	\$ 17,076	\$ 25,679	\$ 7,606	\$ 7,606	\$ 7,606	\$ 7,606	\$ 7,606	\$ 5,406	\$ 5,406		
Fund Balance Ending	\$ 25,679	\$ 7,606	\$ 11,906	\$ 11,906	\$ 146,663	\$ 5,406	\$ 5,406	\$ 9,706	\$ 9,706		

Brownfield
Redevelopment
Fund

**Charter Township of Plymouth
Brownfield Redevelopment Authority
2016 Amended Budget
2017 Recommended Budget**

WHEREAS, the Township Supervisor has presented the 2016 Amended Budget and 2017 Recommended Budget for the Brownfield Redevelopment Authority Fund, and;

WHEREAS, the Board of Trustees has been advised of the contents of the Budgets;

NOW, THEREFORE, BE IT RESOLVED, that the Brownfield Redevelopment Authority Fund Budgets be approved as presented:

	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>	<u>Current</u> <u>2016</u> <u>Budget</u>	<u>Actual</u> <u>as of</u> <u>07/31/16</u>	<u>Amended</u> <u>2016</u> <u>Budget</u>	<u>Recommended</u> <u>2017</u> <u>Budget</u>
<u>Revenue</u>						
Tax Capture Revenue	\$ 18,487	\$ 18,254	\$ 19,300	\$ -	\$ 19,300	\$ 19,300
Interest	\$ 4,532	\$ 3,942	\$ 5,000	\$ 1,843	\$ 4,000	\$ 4,000
Total Revenue	\$ 23,019	\$ 22,196	\$ 24,300	\$ 1,843	\$ 23,300	\$ 23,300
<u>Expenditures</u>						
Financial Consultant	\$ 915	\$ 940	\$ 2,000	\$ -	\$ 2,000	\$ 2,000
Environmental Remediation	\$ 5,054	\$ 18,235	\$ 24,300	\$ -	\$ 24,300	\$ 24,300
Legal	\$ (326)	\$ -	\$ 10,000	\$ -	\$ 5,000	\$ 5,000
Tax Refund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 5,643	\$ 19,175	\$ 36,300	\$ -	\$ 31,300	\$ 31,300
Fund Balance - Beginning	\$ 1,562,026	\$ 1,579,402	\$ 1,582,423		\$ 1,582,423	\$ 1,574,423
Fund Balance - Ending	\$ 1,579,402	\$ 1,582,423	\$ 1,570,423		\$ 1,574,423	\$ 1,566,423

Improvement Revolving Fund

Charter Township of Plymouth
Improvement Revolving Fund
Amended 2016 Budget
Recommended 2017 Budget

WHEREAS, the Township Supervisor has presented the Amended 2016 and Recommended 2017 Budgets for the Improvement Revolving Fund, and;

WHEREAS, the Board of Trustees has been advised of the contents of said Budgets; **NOW, THEREFORE, BE IT RESOLVED**, that the Improvement Revolving Fund Budgets be approved as presented:

	<u>Actual</u> <u>2014</u>	<u>Actual</u> <u>2015</u>	<u>Current</u> <u>2016</u> <u>Budget</u>	<u>Actual</u> <u>as of</u> <u>7/31/2016</u>	<u>Amended</u> <u>2016</u> <u>Budget</u>	<u>Recommended</u> <u>2017</u> <u>Budget</u>
REVENUE						
Interest Income	\$ 11,154	\$ 9,123	\$ 2,500	\$ 1,962	\$ 2,500	\$ 1,000
Bond Proceeds	-	-	-	-	-	-
Grants and Other Revenue	-	\$ 109,056	\$ 50,000	-	\$ 400,000	\$ 80,000
Sale of Capital Assets	\$ 1,497,350	-	-	-	-	-
Total Revenue	\$ 1,508,504	\$ 118,179	\$ 52,500	\$ 1,962	\$ 402,500	\$ 81,000
EXPENSES						
CAPITAL						
Land/Other	-	-	-	-	-	-
Park	252,902	1,593,805	200,000	80,949	200,000	100,000
Bond Issuance Costs/Interest	-	-	-	-	-	-
Debt Payment	837,460	833,825	760,000	442,628	760,000	780,000
Total Expenses	\$ 1,090,362	\$ 2,427,630	\$ 960,000	\$ 523,577	\$ 960,000	\$ 880,000
Operating Transfers:						
From General Fund	523,951	523,951	523,951	442,628	523,951	523,951
From PCFD	-	-	-	-	-	-
Total Transfers	\$ 523,951	\$ 523,951	\$ 523,951	\$ 442,628	\$ 523,951	\$ 523,951
Beg Fund Balance	\$ 1,240,150	\$ 2,182,243	\$ 396,743	\$ 396,743	\$ 396,743	\$ 363,194
Ending Fund Balance	\$ 2,182,243	\$ 396,743	\$ 13,194	\$ 317,756	\$ 363,194	\$ 88,145

Not Completed/Not Required by Statute

- Solid Waste Fund
- Senior Transportation Fund
- Water & Sewer Fund
- SAD Fund
- Federal Drug Forfeiture Fund
- Golf Fund

Not Completed/Not Required by Statute

- Solid Waste Fund
- Senior Transportation Fund
- Water & Sewer Fund
- SAD Fund
- Federal Drug Forfeiture Fund
- Golf Fund
- DDA (do they do their own budget?)

Plymouth Township Bank Accounts - 2016

Flagstar Bank	Bank of Ann Arbor	Comerica	Community Financial
General Fund Payroll DDA Fund Brownfield Fund Medical Benefits Account Police Bond Fund		ACH - Auto Water Bill Payments Credit Cards Short Term Investments	

Checking

Savings		Short Term Investments
Water Sewer Account Capital Improvement Revolving Fund SAD Fund FDA Fund MERS Account Medicare Part D Drug Forfeiture Fund (Federal) Drug Forfeiture Fund (State)	Water Sewer Account Capital Improvement Revolving Fund General Fund Tax Account Brownfield Fund DDA Fund Senior Transportation Golf Course	

**Charter Township of Plymouth
Wayne County, Michigan**

**Financial Report
with Supplemental Information
December 31, 2015**

Charter Township of Plymouth

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Charter Township of Plymouth

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Independent Auditor's Report

To the Board of Trustees
Charter Township of Plymouth

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Plymouth (the "Township"), as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Charter Township of Plymouth's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Trustees
Charter Township of Plymouth

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Plymouth as of December 31, 2015 and the respective changes in its financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 to the basic financial statements, the Township implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in 2015. As a result, the government-wide statements now report the cost of pension benefits as the employment services are rendered, rather than as they are funded through actuarially required contributions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the major fund budgetary comparison schedules, the pension schedules of net pension liability and contributions, and the OPEB schedule of funding progress, as identified 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, which 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Plymouth's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

To the Board of Trustees
Charter Township of Plymouth

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, 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 November 20, 2016 on our consideration of the Charter Township of Plymouth's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Charter Township of Plymouth's internal control over financial reporting and compliance.

November 20, 2016

Charter Township of Plymouth

Management's Discussion and Analysis

As management of the Charter Township of Plymouth (the "Township"), we offer readers of the Charter Township of Plymouth's financial statements this narrative overview and analysis of the financial activities of the Charter Township of Plymouth for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with the Township's financial statements following the management's discussion and analysis (MD&A). All amounts, unless otherwise indicated, are expressed in dollars.

The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts. The discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Township's financial activity, (3) identify changes in the Township's financial position, (4) identify any material deviations from the approved budget, and (5) identify individual fund issues or concerns.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2015:

- At the end of the 2015 fiscal year, the assets of the Charter Township of Plymouth exceeded its liabilities by \$53.8 million. Net investment in capital assets accounts for more than \$41 million or nearly 80 percent of the total. The majority of the remaining net position of approximately \$12 million is unrestricted, meaning that it is available to be used to meet the Township's ongoing obligations to its citizens and creditors.
- The Township maintained its financial rating of AA with Standard & Poor's.
- The Township's actual General Fund expenditures were approximately \$945,000 less than the amended budget.

Water and Sewer Fund change in net position for 2015 was approximately \$1.7 million. This is the fifth consecutive year with positive results.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Governmental Activities

Many of the Township's basic services provided to the community are included here. They are fire/paramedic service, police/dispatch service, parks, building, community development, and general administration. Most of the funding is provided by property taxes, state-shared revenue, charges for service, and agreements.

The following tables show, in a condensed format, the current year's net position and changes in net position, compared to the prior two years (rounded to the nearest thousand):

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>
Assets				
Current assets	\$ 17,528,000	\$ 18,110,000	\$ 16,875,000	\$ (1,235,000)
Capital assets	<u>17,521,000</u>	<u>17,314,000</u>	<u>18,423,000</u>	<u>1,109,000</u>
Total assets	35,049,000	35,424,000	35,298,000	(126,000)
Deferred Inflows	-	629,000	959,000	330,000
Liabilities				
Current liabilities	5,940,000	5,715,000	5,845,000	130,000
Long-term liabilities	<u>16,769,000</u>	<u>22,630,000</u>	<u>23,083,000</u>	<u>453,000</u>
Total liabilities	22,709,000	28,345,000	28,928,000	583,000
Deferred Inflows	<u>6,720,000</u>	<u>6,840,000</u>	<u>6,991,000</u>	<u>151,000</u>
Net Position				
Net investment				
in capital assets	10,661,000	10,891,000	11,691,000	800,000
Restricted	621,000	175,000	1,000	(174,000)
Unrestricted	<u>(5,662,000)</u>	<u>(10,198,000)</u>	<u>(11,354,000)</u>	<u>(1,156,000)</u>
Total net position	<u>\$ 5,620,000</u>	<u>\$ 868,000</u>	<u>\$ 338,000</u>	<u>\$ (530,000)</u>

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Note that the Township implemented GASB No. 68, *Accounting and Financial Reporting for Pensions*, in 2015. The 2015 net position reported above has been restated for the effect of this change in accounting. The Township's governmental activities net position totals approximately \$338,000. This is a decrease from 2014 of approximately \$530,000. The most significant change in assets and liabilities was due to pension liability.

	Governmental Activities			Change from Prior Year	
	2013	2014	2015	in Dollars	Percent
Revenue					
Program revenue:					
Charges for services	\$ 1,975,000	\$ 2,041,000	\$ 2,372,000	\$ 331,000	16%
Operating grants	128,000	636,000	794,000	158,000	25%
General revenue:					
Property taxes	6,684,000	6,770,000	6,884,000	114,000	2%
State-shared revenue	2,057,000	2,145,000	2,141,000	(4,000)	0%
Investment earnings	35,000	38,000	31,000	(7,000)	-18%
Cable franchise agreement	593,000	635,000	730,000	95,000	15%
Other miscellaneous	-	158,000	-	(158,000)	-100%
Gain on sale of assets and other	6,000	1,508,000	-	(1,508,000)	-100%
Total revenue	11,478,000	13,931,000	12,952,000	(979,000)	-7%
Program Expenses					
General government	2,355,000	2,449,000	2,132,000	(317,000)	-13%
Public safety	8,797,000	8,906,000	9,652,000	746,000	8%
Building inspections	421,000	433,000	485,000	52,000	12%
Public works	124,000	257,000	144,000	(113,000)	-44%
Community services	35,000	169,000	44,000	(125,000)	-74%
Planning and zoning	192,000	215,000	203,000	(12,000)	-6%
Parks	385,000	545,000	629,000	84,000	15%
Interest on long-term debt	220,000	214,000	193,000	(21,000)	-10%
Total expenses	12,529,000	13,188,000	13,482,000	294,000	2%
Change in Net Position	\$ (1,051,000)	\$ 743,000	\$ (530,000)	\$ (1,273,000)	-171%

The Township's total governmental revenue was nearly \$13 million, which is a decrease from 2014 of nearly \$1 million. This was primarily due to the one-time gain on the sale of assets in 2014; excluding this, revenue increased by over \$500,000. This was mostly caused by building revenue.

Expenses increased during the year by 2 percent, or \$0.3 million. The change in expenditures was primarily caused by fire operations.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

Business-type Activities

The Township's business-type activities consist of the Water and Sewer Fund, Solid Waste Disposal Fund, Golf Fund, Special Assessment Fund, and the Senior Transportation Fund. The Township provides water to residents from the Detroit water system. We provide sewage treatment through the Western Townships Utilities Authority, which collects sewage, equalizes it, and sends it to both the Detroit sewage treatment plant and the Ypsilanti Community Utilities Authority sewage treatment plant.

The Solid Waste Disposal Fund was created to account for revenue and expenses for trash collection and recycling programs requiring separate accounting and financing.

The Golf Fund was created to account for revenue and expenses for golf course operations. The course is operated by a management company, Billy Casper Golf, which is responsible for day-to-day operations.

The Special Assessment Fund was created to account for revenue and expenses for certain special assessments (road paving and sidewalk repairs) requiring separate accounting and financing.

The Senior Transportation Fund is new in 2015, and provides for senior transportation within the Plymouth community.

The following tables show the current year's net position and changes in net position, compared to the prior two years (rounded to the nearest thousand):

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Change</u>
Assets				
Current assets	\$ 8,139,000	\$ 8,039,000	\$ 9,353,000	\$ 1,314,000
Investment in joint venture	13,918,000	15,349,000	17,000,000	1,651,000
Capital assets	<u>34,508,000</u>	<u>33,244,000</u>	<u>32,445,000</u>	<u>(799,000)</u>
Total assets	56,565,000	56,632,000	58,798,000	2,166,000
Liabilities				
Current liabilities	1,236,000	1,192,000	1,961,000	769,000
Long-term liabilities	<u>3,888,000</u>	<u>3,588,000</u>	<u>3,387,000</u>	<u>(201,000)</u>
Total liabilities	<u>5,124,000</u>	<u>4,780,000</u>	<u>5,348,000</u>	<u>568,000</u>
Net Position				
Net investment in capital assets	31,919,000	30,802,000	29,698,000	(1,104,000)
Unrestricted	<u>19,522,000</u>	<u>21,050,000</u>	<u>23,752,000</u>	<u>2,702,000</u>
Total net position	<u>\$ 51,441,000</u>	<u>\$ 51,852,000</u>	<u>\$ 53,450,000</u>	<u>\$ 1,598,000</u>

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The net position of the Township's business-type activities total \$53.45 million. This is an increase over 2014 of \$1.6 million. The increase is attributable to water and sewer operations.

	Business-type Activities			Change from Prior Year	
	2013	2014	2015	in Dollars	Percent
Program Revenue					
Charges for services:					
Water and sewer	\$ 12,601,000	\$ 12,139,000	\$ 13,095,000	\$ 956,000	8%
Rubbish	1,374,000	1,374,000	1,370,000	(4,000)	0%
Golf	624,000	666,000	709,000	43,000	6%
Special assessments	1,252,000	1,423,000	-	(1,423,000)	-100%
Senior transportation	-	-	20,000	20,000	100%
Capital contributions -					
Water and sewer	162,000	754,000	1,363,000	609,000	81%
General revenue:					
Interest income	23,000	86,000	194,000	108,000	126%
Total revenue	16,036,000	16,442,000	16,751,000	309,000	2%
Program Expenses					
Water and sewer	12,564,000	12,524,000	12,863,000	339,000	3%
Rubbish	1,268,000	1,325,000	1,413,000	88,000	7%
Golf	744,000	722,000	761,000	39,000	5%
Special assessments	1,332,000	1,460,000	101,000	(1,359,000)	-93%
Senior transportation	-	-	15,000	15,000	100%
Total program expenses	15,908,000	16,031,000	15,153,000	(878,000)	-5%
Change in Net Position	\$ 128,000	\$ 411,000	\$ 1,598,000	\$ 1,187,000	289%

In 2015, business-type activities revenue totaled \$16.75 million, an increase from 2014 of approximately \$0.3 million. This was due to an increase in water volume, as well as capital contributions; those increases were offset by the fact that there were no new special assessment projects in 2015.

Expenses for business-type activities totaled \$15.15 million, a decrease from 2014 of approximately \$0.9 million (primarily due to special assessments, offset by increases in water and sewer costs).

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

The Township's Funds

Our analysis of the Township's major funds follows the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as specific property tax millages. The Township's major funds for 2015 include the General Fund, the Improvement Revolving Fund, the Water and Sewer Fund, the Solid Waste Disposal Fund, and the Golf Fund.

Governmental Funds

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account events during the year. The most significant budget changes during the year were in public safety costs. Township departments overall stayed below the final amended budget by approximately \$945,000, resulting in total expenditures of \$12.6 million. This was an increase of \$0.3 million compared to 2014. Public safety expenditures increased \$0.75 million due to restoring six firefighter positions.

Improvement Revolving Highlights

The Township amended the budget during the year due to capital outlays. The decrease in fund balance is due to \$1.5 million of park improvements.

Business-type Funds

Water and Sewer Fund

The Water and Sewer Fund experienced a \$1.7 million increase in net position. The increase is primarily due to increase in water and sewer sales of approximately \$1.0 million.

Capital Asset and Debt Administration

Capital Assets

As of year end, the Township had \$50.9 million invested in a variety of capital assets, including buildings, fire and police equipment, and water and sewer lines. This represents an increase from 2014 of approximately \$0.3 million. Roads within the Township are accounted for and maintained by the County of Wayne. A summary of capital assets is presented in Note 5 of the notes to the financial statements.

Debt Outstanding

At the end of the current fiscal year, the Charter Township of Plymouth had total bonded debt outstanding of approximately \$9.5 million. This is a decrease of \$0.9 million compared to 2014.

Charter Township of Plymouth

Management's Discussion and Analysis (Continued)

A summary of long-term debt is presented in Note 7 of the notes to financial statements.

Economic Factors

The State of Michigan relies on various taxes and fees to provide governmental activities to its citizens. Local governments rely primarily on property taxes and state-shared revenue to provide governmental activities to their citizens. For business-type activities (water and sewer, solid waste disposal, special assessments) and certain governmental activities (permitting, development), the user pays a related fee or charge associated with the service. During 2015, the Township continued seeing positive change. Home sale prices continued to rise, state-shared revenue continued to increase, building permits continued to increase, and unemployment in Plymouth Township ended the year at 2.3 percent. Even with the economic outlook improving, the Township board continues to look for improvements in services while reducing legacy costs that the Township will be able to sustain into the future.

Contacting the Township's Management

The Charter Township of Plymouth's financial statements are designed to provide our citizens, elected officials, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, Charter Township of Plymouth, 9955 N. Haggerty Road, Plymouth, MI 48170.

Charter Township of Plymouth

Statement of Net Position December 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents (Note 3)	\$ 7,096,048	\$ 4,352,349	\$ 11,448,397	\$ 1,628,329
Receivables:				
Property taxes receivable	3,890,644	353,598	4,244,242	300,093
Receivables from sales to customers on account	-	2,811,545	2,811,545	-
Other receivables	-	46,020	46,020	-
Due from other governmental units	5,254,650	-	5,254,650	-
Special assessments receivable	-	1,836,869	1,836,869	-
Advances to component units (Note 6)	2,130	-	2,130	-
Internal balances	527,435	(527,435)	-	-
Inventory	-	22,216	22,216	-
Prepaid expenses	103,604	132,789	236,393	-
Restricted cash - Unspent bond proceeds	-	324,751	324,751	-
Investment in WTUA (Note 1)	-	16,999,911	16,999,911	-
Capital assets (Note 5):				
Assets not subject to depreciation	4,362,227	1,639,999	6,002,226	-
Assets subject to depreciation	14,060,902	30,805,156	44,866,058	-
Total assets	35,297,640	58,797,768	94,095,408	1,928,422
Deferred Outflows of Resources (Note 10)	958,717	-	958,717	-
Liabilities				
Accounts payable	445,313	1,573,792	2,019,105	19,996
Advances from primary government (Note 6)	-	-	-	2,130
Accrued liabilities and other	340,661	46,244	386,905	-
Unearned revenue	3,928,734	-	3,928,734	-
Noncurrent liabilities:				
Due within one year (Note 7)	1,129,629	340,566	1,470,195	-
Due in more than one year:				
Compensated absences - Net of current portion (Note 7)	668,141	109,613	777,754	-
Net OPEB obligation (Note 12)	9,646,887	798,734	10,445,621	-
Net pension obligation (Note 10)	6,619,202	-	6,619,202	-
Long-term debt (Note 7)	6,148,932	2,478,438	8,627,370	-
Total liabilities	28,927,499	5,347,387	34,274,886	22,126
Deferred Inflows of Resources - Property taxes levied for the following year (Note 4)	6,990,871	-	6,990,871	288,542
Net Position				
Net investment in capital assets	11,691,430	30,023,197	41,714,627	-
Restricted for drug enforcement	1,247	-	1,247	-
Unrestricted	(11,354,690)	23,427,184	12,072,494	1,617,754
Total net position	\$ 337,987	\$ 53,450,381	\$ 53,788,368	\$ 1,617,754

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of Plymouth

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,132,399	\$ 565,451	\$ -	\$ -
Public safety:				
Police	4,862,937	197,578	18,000	-
Fire	3,505,669	93,268	571,601	-
Building inspections	484,888	1,093,450	-	-
Dispatching	1,284,825	363,655	-	-
Public works	143,867	-	109,056	-
Community services	43,727	-	95,513	-
Planning and zoning	202,696	58,895	-	-
Parks	628,839	-	-	-
Interest on long-term debt	193,192	-	-	-
Total governmental activities	<u>13,483,039</u>	<u>2,372,297</u>	<u>794,170</u>	<u>-</u>
Business-type activities:				
Water and sewer	12,862,752	13,096,634	-	1,363,268
Rubbish disposal	1,413,467	1,369,807	-	-
Golf course	760,916	708,626	-	-
Special assessment projects	101,269	-	-	-
Senior Transportation	15,239	19,850	-	-
Total business-type activities	<u>15,153,643</u>	<u>15,194,917</u>	<u>-</u>	<u>1,363,268</u>
Total primary government	<u>\$ 28,636,682</u>	<u>\$ 17,567,214</u>	<u>\$ 794,170</u>	<u>\$ 1,363,268</u>
Component units:				
Downtown Development Authority	\$ 115,684	\$ -	\$ -	\$ -
Brownfield Redevelopment Authority	19,175	-	-	-
Total component units	<u>\$ 134,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
State-shared revenue				
Interest and rents				
Cable franchise fees				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year (as restated) (Note 14)				
Net Position - End of year				

Statement of Activities
Year Ended December 31, 2015

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (1,566,948)	\$ -	\$ (1,566,948)	\$ -
(4,647,359)	-	(4,647,359)	-
(2,840,800)	-	(2,840,800)	-
608,562	-	608,562	-
(921,170)	-	(921,170)	-
(34,811)	-	(34,811)	-
51,786	-	51,786	-
(143,801)	-	(143,801)	-
(628,839)	-	(628,839)	-
(193,192)	-	(193,192)	-
(10,316,572)	-	(10,316,572)	-
-	1,597,150	1,597,150	-
-	(43,660)	(43,660)	-
-	(52,290)	(52,290)	-
-	(101,269)	(101,269)	-
-	4,611	4,611	-
-	1,404,542	1,404,542	-
(10,316,572)	1,404,542	(8,912,030)	-
-	-	-	(115,684)
-	-	-	(19,175)
-	-	-	(134,859)
6,884,439	-	6,884,439	266,770
2,141,271	-	2,141,271	-
31,018	194,007	225,025	4,255
730,339	-	730,339	-
9,787,067	194,007	9,981,074	271,025
(529,505)	1,598,549	1,069,044	136,166
867,492	51,851,832	52,719,324	1,481,588
\$ 337,987	\$ 53,450,381	\$ 53,788,368	\$ 1,617,754

Charter Township of Plymouth

Governmental Funds Balance Sheet December 31, 2015

	General Fund	Improvement Revolving Fund	Nonmajor Funds	Total
Assets				
Cash and cash equivalents (Note 3)	\$ 6,443,487	\$ 635,532	\$ 17,029	\$ 7,096,048
Receivables:				
2015 property taxes	3,890,644	-	-	3,890,644
Due from other governmental units	5,254,650	-	-	5,254,650
Due to component units (Note 6)	2,130	-	-	2,130
Due from other funds (Note 6)	44,837	3,714	2,094	50,645
Advances to other funds (Note 6)	500,000	-	-	500,000
Prepaid expenses	103,604	-	-	103,604
Total assets	<u>\$16,239,352</u>	<u>\$ 639,246</u>	<u>\$ 19,123</u>	<u>\$16,897,721</u>
Liabilities				
Accounts payable	\$ 279,224	\$ 152,076	\$ 14,013	\$ 445,313
Due to other funds (Note 6)	4,781	18,429	-	23,210
Accrued liabilities and other	307,112	-	3,863	310,975
Unearned revenue	3,928,734	-	-	3,928,734
Total liabilities	4,519,851	170,505	17,876	4,708,232
Deferred Inflows of Resources (Note 4)	7,592,655	-	-	7,592,655
Fund Balances				
Nonspendable:				
Prepays	103,604	-	-	103,604
Long-term advances	500,000	-	-	500,000
Restricted - Drug enforcement	-	-	1,247	1,247
Assigned - Capital improvements	-	468,741	-	468,741
Unassigned	3,523,242	-	-	3,523,242
Total fund balances	4,126,846	468,741	1,247	4,596,834
Total liabilities, deferred inflows of resources, and fund balances	<u>\$16,239,352</u>	<u>\$ 639,246</u>	<u>\$ 19,123</u>	<u>\$16,897,721</u>

The Notes to Financial Statements are an
Integral Part of this Statement.

Charter Township of Plymouth

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2015

Fund Balance Reported in Governmental Funds	\$ 4,596,834
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	18,423,129
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	601,784
Bonds payable obligations are not due and payable in the current period and are not reported in the funds	(6,731,699)
Accrued interest is not due and payable in the current period and is not reported in the funds	(285)
Net OPEB obligation is not reported as a fund liability	(9,646,887)
Net pension liability is not reported as a fund liability	(6,619,202)
Certain changes in the pension plan net position are reported as deferred outflows of resources in the statement of net position, but are reported as expenses in the governmental funds	958,717
Accrued longevity pay for employees is not reported as a fund liability until it is due and payable	(4,401)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(1,215,003)
Accrued insurance claims are not reported as a fund liability until the payment is due and payable	(25,000)
Net Position of Governmental Activities	<u>\$ 337,987</u>

Charter Township of Plymouth

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2015

	General Fund	Improvement Revolving Fund	Nonmajor Funds	Total
Revenue				
Property taxes	\$ 6,823,941	\$ -	\$ -	\$ 6,823,941
Licenses and permits	1,150,135	-	-	1,150,135
Federal grants	250,582	-	-	250,582
State-shared revenue and grants	2,179,270	109,056	-	2,288,326
Charges for services:				
Intragovernmental service charge	700,970	-	-	700,970
City of Plymouth	490,335	-	-	490,335
District court fines	191,230	-	-	191,230
Interest and rents	21,490	9,123	405	31,018
Other revenue:				
Cable franchise fees	730,339	-	-	730,339
Other charges for services	81,784	-	-	81,784
Other miscellaneous income	836,268	-	-	836,268
Total revenue	<u>13,456,344</u>	<u>118,179</u>	<u>405</u>	<u>13,574,928</u>
Expenditures				
Current:				
General government	2,872,104	-	-	2,872,104
Public safety	8,599,938	-	120,346	8,720,284
Building inspections	452,093	-	-	452,093
Community social services	43,727	-	-	43,727
Planning and zoning	156,372	-	-	156,372
Parks	491,613	-	-	491,613
Capital outlay	-	1,521,805	53,944	1,575,749
Debt service	-	833,825	-	833,825
Total expenditures	<u>12,615,847</u>	<u>2,355,630</u>	<u>174,290</u>	<u>15,145,767</u>
Excess of Revenue Over (Under)				
Expenditures	840,497	(2,237,451)	(173,885)	(1,570,839)
Other Financing Sources (Uses)				
Transfers in (Note 6)	-	523,951	-	523,951
Transfers out (Note 6)	(523,951)	-	-	(523,951)
Net Change in Fund Balances	316,546	(1,713,500)	(173,885)	(1,570,839)
Fund Balances - Beginning of year	<u>3,810,300</u>	<u>2,182,241</u>	<u>175,132</u>	<u>6,167,673</u>
Fund Balances - End of year	<u>\$ 4,126,846</u>	<u>\$ 468,741</u>	<u>\$ 1,247</u>	<u>\$ 4,596,834</u>

The Notes to Financial Statements are an Integral Part of this Statement.

Charter Township of Plymouth

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ (1,570,839)
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, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	2,195,449
Depreciation expense	(1,085,856)
Revenue reported in the statement of activities does not provide current financial resources and is not reported as revenue in the governmental funds (GASB Statement No. 33)	(11,235)
Repayment of bond principal and premium is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	640,587
Accrued interest, recorded in the statement of activities, decreased in the current year	46
Increase in net OPEB obligation expenses reported in the statement of activities does not require the use of current resources and therefore is not reported in the fund statements until they come due for payment	(512,422)
Increase in net pension liability and deferred outflows reported in the statement of activities does not require the use of current resources and therefore is not reported in the fund statements until they come due for payment	(165,008)
Self-insurance liability, recorded in the statement of activities, increased in the current year	44,500
Accrued longevity pay and employee compensated absences are recorded when earned in the statement of activities and these amounts defeased in the current year	<u>(64,727)</u>
Change in Net Position of Governmental Activities	<u>\$ (529,505)</u>

Charter Township of Plymouth

Proprietary Funds Statement of Net Position December 31, 2015

	Enterprise Funds					Total
	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessments Fund	Nonmajor Enterprise - Senior Transportation	
Assets						
Current assets:						
Cash and cash equivalents	\$ 3,731,223	\$ 533,875	\$ 15,563	\$ 71,457	\$ 231	\$ 4,352,349
Receivables:						
Property taxes receivable	353,598	-	-	-	-	353,598
Special assessments receivable - Due within one year	-	-	-	1,836,869	-	1,836,869
Receivables from sales to customers on account	2,592,295	219,250	-	-	-	2,811,545
Other receivables	11,585	-	19,757	2,777	11,901	46,020
Due from other funds (Note 6)	27,749	110,971	2,687	-	-	141,407
Inventory	-	-	22,216	-	-	22,216
Prepaid expenses	93,166	1,318	4,319	33,986	-	132,789
Total current assets	6,809,616	865,414	64,542	1,945,089	12,132	9,696,793
Noncurrent assets:						
Restricted cash - Unspent bond proceeds	-	-	324,751	-	-	324,751
Advances to other funds	1,551,115	-	-	-	-	1,551,115
Investment in WTUA	16,999,911	-	-	-	-	16,999,911
Capital assets (Note 5):						
Assets not subject to depreciation	912,923	-	727,076	-	-	1,639,999
Assets subject to depreciation	30,400,465	4,718	399,973	-	-	30,805,156
Total noncurrent assets	49,864,414	4,718	1,451,800	-	-	51,320,932
Total assets	56,674,030	870,132	1,516,342	1,945,089	12,132	61,017,725
Liabilities						
Current liabilities:						
Accounts payable	1,154,974	249,437	33,159	136,222	-	1,573,792
Due to other funds	148,287	-	13,034	-	7,521	168,842
Accrued liabilities and other	33,348	2,317	10,579	-	-	46,244
Compensated absences - Due within one year (Note 7)	66,453	5,842	-	-	-	72,295
Current portion of long-term debt (Note 7)	168,888	-	99,383	-	-	268,271
Total current liabilities	1,571,950	257,596	156,155	136,222	7,521	2,129,444
Noncurrent liabilities:						
Advances from other funds (Note 6)	-	-	500,000	1,551,115	-	2,051,115
Compensated absences - Net of current portion (Note 7)	103,731	5,882	-	-	-	109,613
Net OPEB obligation (Note 12)	732,579	66,155	-	-	-	798,734
Long-term debt (Note 7)	2,112,166	-	366,272	-	-	2,478,438
Total noncurrent liabilities	2,948,476	72,037	866,272	1,551,115	-	5,437,900
Total liabilities	4,520,426	329,633	1,022,427	1,687,337	7,521	7,567,344
Net Position						
Net investment in capital assets	29,032,334	4,718	986,145	-	-	30,023,197
Unrestricted	23,121,270	535,781	(492,230)	257,752	4,611	23,427,184
Total net position	\$ 52,153,604	\$ 540,499	\$ 493,915	\$ 257,752	\$ 4,611	\$ 53,450,381

The Notes to Financial Statements are an Integral Part of this Statement.

Charter Township of Plymouth

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2015

	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessments Fund	Nonmajor Enterprise - Senior Transportation Fund	Total
Operating Revenue						
Sale of water	\$ 4,462,334	\$ -	\$ -	\$ -	\$ -	\$ 4,462,334
Sewage disposal charges	6,930,795	-	-	-	-	6,930,795
Meter charges	1,393,174	-	-	-	-	1,393,174
Solid waste charges	-	1,369,807	-	-	-	1,369,807
Installation fees	17,093	-	-	-	-	17,093
Golf course fees and sales	-	-	708,626	-	-	708,626
Other miscellaneous revenue	211,838	-	-	-	19,850	231,688
Charges to other funds	81,400	-	-	-	-	81,400
Total operating revenue	13,096,634	1,369,807	708,626	-	19,850	15,194,917
Operating Expenses						
Cost of water	3,619,823	-	-	-	-	3,619,823
Cost of sewage treatment	3,579,523	-	-	-	-	3,579,523
Solid waste disposal	-	1,294,872	-	-	-	1,294,872
Salaries and fringe benefits	1,051,103	84,869	326,741	-	12,125	1,474,838
Special assessment project costs	-	-	-	31,209	-	31,209
Intragovernmental service charges	700,970	-	-	-	-	700,970
Miscellaneous	299,166	27,869	84,591	-	3,114	414,740
Change in investment in WTUA	1,677,443	-	-	-	-	1,677,443
Professional service	9,461	4,054	-	-	-	13,515
Repair and maintenance	156,521	-	67,437	-	-	223,958
Administrative expense	294,237	-	171,091	-	-	465,328
Depreciation	1,375,881	1,803	98,041	-	-	1,475,725
Total operating expenses	12,764,128	1,413,467	747,901	31,209	15,239	14,971,944
Operating Income (Loss)	332,506	(43,660)	(39,275)	(31,209)	4,611	222,973
Nonoperating Revenue (Expenses)						
Investment income	85,341	-	4,628	104,038	-	194,007
Interest expense	(98,624)	-	(13,015)	(70,060)	-	(181,699)
Total nonoperating (expenses) revenue	(13,283)	-	(8,387)	33,978	-	12,308
Income (Loss) - Before contributions	319,223	(43,660)	(47,662)	2,769	4,611	235,281
Capital Contributions - Benefit fees	1,363,268	-	-	-	-	1,363,268
Change In Net Position	1,682,491	(43,660)	(47,662)	2,769	4,611	1,598,549
Net Position - Beginning of year	50,471,113	584,159	541,577	254,983	-	51,851,832
Net Position - End of year	\$ 52,153,604	\$ 540,499	\$ 493,915	\$ 257,752	\$ 4,611	\$ 53,450,381

The Notes to Financial Statements are an Integral Part of this Statement.

Charter Township of Plymouth

Proprietary Funds Statement of Cash Flows Year Ended December 31, 2015

	Water and Sewer Fund	Solid Waste Disposal Fund	Golf Fund	Special Assessment Fund	Nonmajor Enterprise - Senior Transportation	Total
Cash Flows from Operating Activities						
Receipts from customers	\$ 12,788,567	\$ 1,371,904	\$ 708,626	\$ 271,309	\$ 7,949	\$ 15,148,355
Receipts from interfund services and reimbursements	81,400	-	-	-	-	81,400
Payments to suppliers	(11,354,921)	(1,177,884)	(306,365)	(68,258)	(3,114)	(12,910,542)
Payments to employees	(1,047,848)	(80,365)	(321,284)	-	(12,125)	(1,461,622)
Internal activity - Payments to other funds	15,773	2,956	-	-	7,521	26,250
Other receipts	-	-	(17,168)	-	-	(17,168)
Net cash provided by operating activities	482,971	116,611	63,809	203,051	231	866,673
Cash Flows from Noncapital Financing Activities - Advances from other funds	279,940	-	-	(279,940)	-	-
Cash Flows from Capital and Related Financing Activities						
Benefit fees	1,363,268	-	-	-	-	1,363,268
Purchase of capital assets	(676,166)	-	(275)	-	-	(676,441)
Principal and interest paid on capital debt	(266,263)	-	(110,304)	(70,060)	-	(446,627)
Net cash provided by (used in) capital and related financing activities	420,839	-	(110,579)	(70,060)	-	240,200
Cash Flows from Investing Activities - Interest received on investments	85,341	-	4,628	104,038	-	194,007
Net Increase (Decrease) In Cash and Cash Equivalents	1,269,091	116,611	(42,142)	(42,911)	231	1,300,880
Cash and Cash Equivalents - Beginning of year	2,462,132	417,264	382,456	114,368	-	3,376,220
Cash and Cash Equivalents - End of year	<u>\$ 3,731,223</u>	<u>\$ 533,875</u>	<u>\$ 340,314</u>	<u>\$ 71,457</u>	<u>\$ 231</u>	<u>\$ 4,677,100</u>
Balance Sheet Classification of Cash and Cash Equivalents						
Cash and investments	\$ 3,731,223	\$ 533,875	\$ 15,563	\$ 71,457	\$ 231	\$ 4,352,349
Restricted assets - Unspent bond proceeds	-	-	324,751	-	-	324,751
Total cash and cash equivalents	<u>\$ 3,731,223</u>	<u>\$ 533,875</u>	<u>\$ 340,314</u>	<u>\$ 71,457</u>	<u>\$ 231</u>	<u>\$ 4,677,100</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities						
Operating income (loss)	\$ 332,506	\$ (43,660)	\$ (39,275)	\$ (31,209)	\$ 4,611	\$ 222,973
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation	1,375,881	1,803	98,041	-	-	1,475,725
Changes in assets and liabilities:						
Receivables	(226,667)	2,097	(17,168)	271,309	(11,901)	17,670
Inventories	-	-	(4,167)	-	-	(4,167)
Change in investment in WTUA	(1,651,187)	-	-	-	-	(1,651,187)
Prepaid and other assets	(16,806)	(837)	(1,301)	(33,986)	-	(52,930)
Accounts payable	650,216	149,309	28,669	(3,063)	-	825,131
Due to other funds	15,773	2,956	-	-	7,521	26,250
Accrued and other liabilities	3,255	4,943	(990)	-	-	7,208
Net cash provided by operating activities	<u>\$ 482,971</u>	<u>\$ 116,611</u>	<u>\$ 63,809</u>	<u>\$ 203,051</u>	<u>\$ 231</u>	<u>\$ 866,673</u>

The Notes to Financial Statements are an Integral Part of this Statement.

Charter Township of Plymouth

Fiduciary Funds Statement of Assets and Liabilities December 31, 2015

	<u>Agency Funds</u>
Assets - Cash and cash equivalents	<u>\$ 6,076,753</u>
Liabilities	
Due to other governmental units	\$ 5,563,077
Refundable deposits and bonds	<u>513,676</u>
Total liabilities	<u>\$ 6,076,753</u>

Charter Township of Plymouth

Component Units Statement of Net Position December 31, 2015

	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets			
Cash and cash equivalents (Note 3)	\$ 38,274	\$ 1,590,055	\$ 1,628,329
Receivables - Property taxes	280,909	19,184	300,093
Total assets	319,183	1,609,239	1,928,422
Liabilities			
Accounts payable	812	19,184	19,996
Advances from primary government (Note 6)	2,130	-	2,130
Total liabilities	2,942	19,184	22,126
Deferred Inflows of Resources -			
Property taxes levied for the following year	280,909	7,633	288,542
Net Position - Unrestricted	\$ 35,332	\$ 1,582,422	\$ 1,617,754

Charter Township of Plymouth

Component Units Statement of Activities Year Ended December 31, 2015

	Expenses	Net (Expense) Revenue and Changes In Net Position		
		Downtown Development Authority	Brownfield Redevelopment Authority	Total
Downtown Development Authority - Public works	\$ 115,684	\$ (115,684)	\$ -	\$ (115,684)
Brownfield Redevelopment Authority	19,175	-	(19,175)	(19,175)
Total component units	\$ 134,859	(115,684)	(19,175)	(134,859)
General revenue:				
Property taxes		248,516	18,254	266,770
Interest and rents		313	3,942	4,255
Total general revenue		248,829	22,196	271,025
Change in Net Position		133,145	3,021	136,166
Net Position - Beginning of year		(97,813)	1,579,401	1,481,588
Net Position - End of year		\$ 35,332	\$ 1,582,422	\$ 1,617,754

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Charter Township of Plymouth (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Charter Township of Plymouth:

Reporting Entity

The Charter Township of Plymouth is governed by an elected seven-member board of trustees. The accompanying financial statements present the Township and its component units, entities for which the Township is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the Township's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township (see discussion below for description).

Discretely Presented Component Units - The Downtown Development Authority was created to correct and prevent deterioration in the downtown district, to eliminate blighting influences and Brownfield impacts, and to promote the overall image of the downtown district. The Township board of trustees appoints the Downtown Development Authority's governing body and has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that it is legally separate from the Township. The Downtown Development Authority does not publish a separately issued financial statement. The Downtown Development Authority can be contacted at its administrative offices as follows:

Downtown Development Authority
9955 N. Haggerty Rd.
Plymouth, MI 48170

The Brownfield Redevelopment Authority was created to finance environmental cleanup within the boundaries of the Township. The Township board of trustees appoints the Brownfield Redevelopment Authority's governing body and has the ability to impose its will. It is reported within the component unit column in the government-wide financial statements to emphasize that it is legally separate from the Township. The Brownfield Redevelopment Authority does not publish a separately issued financial statement. The Brownfield Redevelopment Authority can be contacted at its administrative offices as follows:

Brownfield Redevelopment Authority
9955 N. Haggerty Rd.
Plymouth, MI 48170

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Joint Venture - The Township is a member of the Western Townships Utilities Authority, which provides sewage disposal services to the townships of Canton, Northville, and Plymouth. The participating communities provide annual funding for its operations through payment of monthly sewer use invoices and semiannual debt payments. During the current year, the Township paid the Western Townships Utilities Authority approximately \$3,329,000 for its operations, \$3,466,000 for its debt, and \$180,000 for capital project costs. The Western Townships Utilities Authority has currently been funded with \$279,000 of working capital and is current in its debt payments. The investment in the Western Townships Utilities Authority is reported in the financial statements net of the Township's portion of assets and debt. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments. Complete financial statements for the Western Townships Utilities Authority can be obtained from the administrative offices at 40905 Joy Road, Canton, MI 48187.

Accounting and Reporting Principles

The Township follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Township's water and sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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.

Fund Accounting

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

Governmental Funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Township reports the following funds as "major" governmental funds:

- The General Fund, which is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- The Improvement Revolving Fund, which was established to account for revenue and expenditures for certain capital improvements requiring separate accounting and financing.

Proprietary Funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the Township). The Township reports the following funds as "major" enterprise funds:

- The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.
- The Solid Waste Disposal Fund is used to account for the results of operations for providing solid waste services (trash pickup and household hazardous waste disposal) to citizens of the Township. The revenue is generated through a user charge to citizens requesting solid waste services.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

- The Golf Fund is used to account for the results of operations of the Township-owned Hilltop Golf Course.
- The Special Assessment Fund is used to account for the results of operations of the special assessments captured by the Township.

Fiduciary Funds include the collection of taxes on behalf of the county, school district, and other taxing entities, as well as building bonds and developer deposits that are to be returned upon successful completion of the development or building projects. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Interfund Activity

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree healthcare-related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred inflow."

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Capital assets have been depreciated using the straight-line method for real property and the 150 percent declining balance for personal property through the fiscal year ended December 31, 2011. Effective for the fiscal year ended December 31, 2012, the Township going forward is using the straight-line method for both real and personal property depreciation over the following useful lives:

Capital Asset Class	Lives
Water and sewer transportation lines	50 years
Buildings and improvements	30 to 40 years
Meters and supplies	15 years
Furnishings, vehicles, and equipment	2 to 15 years
Road improvements	40 years
Sidewalks	25 years

Long-term Obligations - In the government-wide financial statements and the 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 effective interest 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 are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources result from three transactions: the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings, difference between projected and actual experience, and changes in assumption related to economic and demographic factors.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue qualifies for reporting in this category and arises only under a modified accrual basis of accounting. Accordingly, it is reported only in the governmental funds balance sheet. The governmental funds and government-wide statements report unavailable revenue from property taxes and other sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Township board of trustees is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Township board of trustees has by resolution authorized the treasurer to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Property taxes are levied on each December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2014 tax is levied and collectible on December 1, 2014 and is recognized as revenue in the year ended December 31, 2015, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2014 taxable valuation of the Township totaled \$1,784,000 (a portion of which is abated and a portion of which is captured by the DDA and BRDA), on which taxes levied consisted of .8173 mills for operating purposes and 3.1827 mills for police and fire services. This resulted in \$1,401,000 for operating purposes and \$5,423,000 for police and fire services. These amounts are recognized in the respective General Fund financial statements as tax revenue (net of reductions for delinquent amounts and prior year tax tribunal changes).

Pension - The Township offers pension benefits to retirees. The Township records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the pension plan, and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs - The Township offers retiree healthcare benefits to retirees. The Township receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

Compensated Absences (Vacation and Sick Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Township does not have a policy to pay any amounts when employees separate from service with the Township. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Typically, the General Fund or the Water and Sewer Fund, based on whichever an employee is assigned (and to which the employee's salary and wages are charged), will also be the fund to liquidate any compensated absences.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

Fund Deficits - The Township's governmental activities have a deficit in unrestricted net position and total net position at the government-wide level, but a positive unreserved fund balance at the fund level. This net position deficit is caused primarily by the net OPEB obligation and net pension liability in the governmental activities.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 2 - Stewardship, Compliance, and Accountability (Continued)

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

Shortfall at January 1, 2015		\$	(795,910)
Current year permit revenue			1,150,135
Related expenses:			
Direct costs	\$	452,093	
Estimated indirect costs		<u>137,378</u>	<u>589,471</u>
Cumulative shortfall at December 31, 2015		\$	<u>(235,246)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Township has designated four banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The Township's deposits and investment policies are in accordance with statutory authority.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 3 - Deposits and Investments (Continued)

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At year end, the Township had \$14,463,367 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. The component units had a bank balance of \$1,628,377. The federal depository insurance coverage pertains to all of the deposits of the Township; hence, the specific coverage pertaining to the component units, if any, is not determinable.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Township has no investment policy that would further limit its investment choices. As of year end, the Township had no investments in commercial paper.

Interest Rate Risk - The Township owns no investment securities with fixed maturity dates. The Township's investment policy has no restrictions on maturity lengths (other than that found in state law, described above).

Note 4 - Deferred Inflows of Resources

At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

	Governmental Funds	Governmental Activities
Property taxes levied for the next fiscal year	\$ 6,990,871	\$ 6,990,871
Revenue received beyond 60 days:		
SAFER grant	421,004	-
35th District Court	126,985	-
City of Plymouth dispatch	53,795	-
Total deferred inflows	<u>\$ 7,592,655</u>	<u>\$ 6,990,871</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 5 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

	Balance January 1, 2015	Additions	Disposals	Balance December 31, 2015
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 3,576,011	\$ 53,228	\$ -	\$ 3,629,239
Construction in progress	164,177	568,811	-	732,988
Subtotal	3,740,188	622,039	-	4,362,227
Capital assets being depreciated:				
Buildings and improvements	14,546,538	862,095	-	15,408,633
Sidewalks	1,205,525	-	-	1,205,525
Road improvements	815,902	-	-	815,902
Furnishings, vehicles, and equipment	7,844,636	711,315	-	8,555,951
Subtotal	24,412,601	1,573,410	-	25,986,011
Accumulated depreciation:				
Buildings and improvements	4,471,278	412,537	-	4,883,815
Sidewalks	480,773	48,221	-	528,994
Road improvements	122,382	20,398	-	142,780
Furnishings, vehicles, and equipment	5,764,820	604,700	-	6,369,520
Subtotal	10,839,253	1,085,856	-	11,925,109
Net capital assets being depreciated	13,573,348	487,554	-	14,060,902
Net capital assets	\$ 17,313,536	\$ 1,109,593	\$ -	\$ 18,423,129
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 1,636,134	\$ -	\$ -	\$ 1,636,134
Construction in progress	-	3,865	-	3,865
Subtotal	1,636,134	3,865	-	1,639,999
Capital assets being depreciated:				
Water and sewer transportation lines	53,545,045	105,700	-	53,650,745
Buildings and improvements	4,815,482	-	-	4,815,482
Meters and supplies	1,868,658	222,078	-	2,090,736
Equipment and other	2,590,932	344,798	-	2,935,730
Subtotal	62,820,117	672,576	-	63,492,693
Accumulated depreciation:				
Water and sewer transportation lines	26,425,019	1,060,993	-	27,486,012
Buildings and improvements	2,223,329	107,205	-	2,330,534
Meters and supplies	1,176,786	82,965	-	1,259,751
Equipment and other	1,386,678	224,562	-	1,611,240
Subtotal	31,211,812	1,475,725	-	32,687,537
Net capital assets being depreciated	31,608,305	(803,149)	-	30,805,156
Net capital assets	\$ 33,244,439	\$ (799,284)	\$ -	\$ 32,445,155

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 5 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 275,718
Police	283,963
Fire	224,295
Dispatching	75,959
Building inspections	17,462
Planning and zoning	2,633
Public works	68,617
Parks	137,209

Total governmental activities \$ 1,085,856

Business-type activities:

Water and sewer	\$ 1,375,881
Solid waste disposal	1,803
Golf	98,041

Total business-type activities \$ 1,475,725

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Water and Sewer Fund	\$ 37,316
	Nonmajor Senior Transportation Fund	7,521
	Total General Fund	44,837
Improvement Revolving Fund	Golf Fund	3,714
Drug Forfeiture Fund	General Fund	2,094
Water and Sewer Fund	Improvement Revolving Fund	18,429
	Golf Fund	9,320
	Total Water and Sewer Fund	27,749
Solid Waste Disposal Fund	Water and Sewer Fund	110,971
Golf Fund	General Fund	2,687
	Total	<u>\$ 192,052</u>

Receivable Fund	Payable Fund	Amount
Advances to Other Funds		
General Fund	Golf Fund	\$ 500,000
Water and Sewer Fund	Special Assessment Fund	1,551,115
Due to/from Primary Government and Component Units		
General Fund	Downtown Development Authority	\$ 2,130

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

The transfer from the General Fund to the Improvement Revolving Fund represents the annual amount set aside to fund debt payments.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Advances - The long-term advance from the General Fund to the Golf Fund is to cover operations and debt payments. Repayment of the loan will begin in 2017 with an interest rate of 4 percent being charged to the Golf Fund. The long-term advance from the Water and Sewer Fund to the Special Assessment Fund is to cover the cost of special assessment projects and will be repaid with an interest rate of 4 percent.

Note 7 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds and installment purchase agreements are direct obligations and pledge the full faith and credit of the Township.

Description	Amount
Governmental Activities	
General obligations:	
2006 general obligation bond originally issued for \$995,000, used to construct the underpass at Sheldon Road, bearing interest from 4% to 4.4%, with principal maturity ranges from \$50,000 to \$100,000, maturing in 2026	\$ 750,000
2009 limited tax general obligation capital improvement bonds originally issued for \$350,000, used to pay the costs of acquiring, constructing, and equipping a new parks and recreation building, bearing interest from 3.0% to 5.0%, with principal maturity ranges from \$14,000 to \$28,000, maturing in 2030, shown net of bond discount and issue costs	301,000
2011 installment purchase agreement originally issued for \$606,150, used to pay the costs of acquiring the property at Five Mile Road, bearing interest at 3.10%, with principal maturity ranges from \$58,091 to \$67,790, maturing in 2021	371,190
2012 general obligation limited tax refunding bonds, used to advance refund \$4,400,000 of outstanding 2004 general obligation bonds, bearing interest at 2.0% to 4.0%, with principal maturity ranges from \$30,000 to \$435,000, maturing in 2025	4,355,115
2013 general obligation limited tax capital improvement bonds, used for various Township park improvements, bearing interest at 2.16%, with principal maturity ranges from \$103,342 to \$133,736, maturing in 2024	954,394
Total governmental activities	<u>\$ 6,731,699</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 7 - Long-term Debt (Continued)

Description	Amount
Business-type Activities:	
General obligations:	
2009 limited tax general obligation capital improvement bonds originally issued for \$2,150,000, used to pay the costs of acquiring, constructing, and installing water supply and sewage disposal system capital improvements, bearing interest from 3.0% to 5.0%, with principal maturity ranges from \$86,000 to \$172,000, maturing in 2030, shown net of bond discount and issue costs	\$ 1,849,000
2011 installment purchase agreement originally issued for \$321,221, used to pay the costs of acquiring a Vactor sewer cleaning machine, bearing interest at 2.65%, with principal maturity ranges from \$12,524 to \$49,277, maturing in 2018	109,790
2011 installment purchase agreement originally issued for \$452,417, used to pay the costs of acquiring golf carts and golf course lawn maintenance equipment, bearing interest at 2.85%, with principal maturity ranges from \$35,382 to \$69,275, maturing in 2018	170,444
2013 general obligation limited tax bonds, used for various water and sewer system improvements, bearing interest at 2.16%, with principal maturity ranges from \$34,895 to \$45,158, maturing in 2024	322,264
2013 general obligation limited tax capital improvement bonds, used for various golf course improvements, bearing interest at 2.16%, with principal maturity ranges from \$31,763 to \$41,105, maturing in 2024	295,211
Total business-type activities	<u>\$ 2,746,709</u>

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligations	\$ 7,091,652	\$ -	\$ 615,075	\$ 6,476,577	\$ 557,255
Unamortized bond premium	280,634	-	25,512	255,122	25,512
Total bonds payable	7,372,286	-	640,587	6,731,699	582,767
Compensated absences	1,149,638	575,611	510,246	1,215,003	546,862
Total governmental activities	<u>\$ 8,521,924</u>	<u>\$ 575,611</u>	<u>\$ 1,150,833</u>	<u>\$ 7,946,702</u>	<u>\$ 1,129,629</u>
Business-type Activities					
General obligations	\$ 3,011,273	\$ -	\$ 264,564	\$ 2,746,709	\$ 268,271
Compensated absences	178,584	81,845	78,521	181,908	72,295
Total business-type activities	<u>\$ 3,189,857</u>	<u>\$ 81,845</u>	<u>\$ 343,085</u>	<u>\$ 2,928,617</u>	<u>\$ 340,566</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 7 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal*	Interest	Total	Principal	Interest	Total
2016	\$ 557,255	\$ 207,145	\$ 764,400	\$ 268,271	\$ 97,905	\$ 366,176
2017	610,213	192,050	802,263	275,151	90,680	365,831
2018	605,190	177,057	782,247	206,471	83,386	289,857
2019	655,228	160,570	815,798	160,500	78,355	238,855
2020	663,369	140,247	803,616	164,421	73,642	238,063
2021-2025	3,159,322	361,078	3,520,400	897,795	272,417	1,170,212
2026-2030	226,000	18,999	244,999	774,100	103,039	877,139
Total	<u>\$ 6,476,577</u>	<u>\$ 1,257,146</u>	<u>\$ 7,733,723</u>	<u>\$ 2,746,709</u>	<u>\$ 799,424</u>	<u>\$ 3,546,133</u>

* Excludes the \$255,122 of unamortized premiums.

Note 8 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township participates in the Michigan Municipal League risk pool for claims relating to workers' compensation and employee medical benefit claims, and participates in the Michigan Municipal Risk Management Authority for claims relating to general liability claims.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Premiums are paid annually to the Authority and are used to pay claims up to the retention limits; the ultimate liability for those claims remains with the Township.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 8 - Risk Management (Continued)

The Township estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported, and reports them in the statement of net position (included in accrued liabilities and other). Changes in the estimated liability for the past two fiscal years were as follows:

	2015	2014
Unpaid claims - Beginning of year	\$ 69,500	\$ 61,500
Incurred claims (including claims incurred but not reported and adjustments of prior years' estimates)	70,324	105,523
Claim payments and expenses paid	<u>(114,824)</u>	<u>(97,523)</u>
Unpaid claims - End of year	<u>\$ 25,000</u>	<u>\$ 69,500</u>

Note 9 - Defined Contribution Pension Plan

The Township provides pension benefits to all of its full-time general office and DPW employees through a defined contribution plan (police and fire personnel are provided a defined benefit plan, as discussed in the following note) administered by John Hancock. 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. As established by the Township board resolution, the Township contributes 15 percent of employees' base earnings and certain employees contribute 5 percent of base earnings, with an additional 5 percent allowed.

The current year contribution was calculated based on covered payroll of \$2,247,183, resulting in an employer contribution of \$337,078 and employee contributions of \$86,201.

Note 10 - Defined Benefit Pension Plan

Plan Description - The Township participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees Retirement System of Michigan (MERS), which covers all police and fire union employees plus certain command officers. MERS was established as a statewide public employee pension plan by the Michigan legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 10 - Defined Benefit Pension Plan (Continued)

Benefits Provided - The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers all police and fire union employees plus certain command officers.

Retirement benefits for POAM and COAM employees are calculated as 2.80 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 25 years of service (unreduced) or 55 with 15 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. A non-duty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire union employees are calculated as 2.80 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 25 years of service (unreduced) or 55 with 15 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. A non-duty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for dispatch employees are calculated as 2.80 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 25 years of service (unreduced) or 55 with 15 years of service. Vesting period is 10 years. Employees are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. A non-duty death benefit is payable after 10 years of service. A duty death benefit is payable upon hire equal to a minimum of 25 percent of the employee's final average compensation. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 10 - Defined Benefit Pension Plan (Continued)

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the city council, generally after negotiations of these terms with the affected unions. Police and fire employees' benefit terms may be subject to binding arbitration in certain circumstances.

Employees Covered by Benefit Terms - At the December 31, 2014 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>53</u>
Total employees covered by MERS	<u>82</u>

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2015, the average active employee contribution rate was 7 and 10 percent of annual pay for police and fire employees, respectively, and the Township's annual required contribution was \$629,153.

Net Pension Liability

The net pension liability reported at December 31, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 10 - Defined Benefit Pension Plan (Continued)

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2013	\$ 24,339,496	\$ 18,214,866	\$ 6,124,630
Service cost	549,735	-	549,735
Interest	1,981,341	-	1,981,341
Contributions - Employer	-	629,153	(629,153)
Contributions - Employee	-	300,261	(300,261)
Net investment income	-	1,149,359	(1,149,359)
Benefit payments, including refunds	(1,196,222)	(1,196,222)	-
Administrative expenses	-	(42,269)	42,269
Net changes	<u>1,334,854</u>	<u>840,282</u>	<u>494,572</u>
Balance at December 31, 2014	<u>\$ 25,674,350</u>	<u>\$ 19,055,148</u>	<u>\$ 6,619,202</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the Township recognized pension expense of \$851,231. At December 31, 2015, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 272,494	\$ -
Employer contributions to the plan subsequent to the measurement date	<u>686,223</u>	<u>-</u>
Total	<u>\$ 958,717</u>	<u>\$ -</u>

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 10 - Defined Benefit Pension Plan (Continued)

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

<u>Years Ending December 31</u>	<u>Amount</u>
2016	\$ 68,124
2017	68,124
2018	68,124
2019	68,122

Actuarial Assumptions - The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 - 4.0 %
Salary increases	4.5 % In the long term, 1 percent, 2 percent, and 3 percent for calendar years 2014, 2015, and 2016, respectively, including inflation
Investment rate of return	8.25% Net of pension plan investment expense, including inflation

Mortality rates were based on the 1994 Group Annuity Mortality Table of a 50 percent male and 50 percent female blend. For disabled retirees, the regular mortality table is used with a 10-year set-forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study in 2008. The MERS retirement board is currently conducting an actuarial experience study covering the period from January 1, 2009 through December 31, 2013.

Discount Rate - The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 10 - Defined Benefit Pension Plan (Continued)

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2014, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Global equity	58 %	5.00 %
Global fixed income	20 %	2.20 %
Real assets	12 %	4.20 %
Diversifying strategies	10 %	6.60 %

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Township, calculated using the discount rate of 8.25 percent, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.25 percent) or 1 percentage point higher (9.25 percent) than the current rate:

	1 Percent Decrease (7.25%)	Current Discount Rate (8.25%)	1 Percent Increase (9.25%)
Net pension liability of the Township	\$ 9,685,121	\$ 6,619,202	\$ 4,085,621

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 10 - Defined Benefit Pension Plan (Continued)

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position has been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 11 - Defined Contribution Retiree Health Care

The Township provides a health savings account to all of its full-time employees hired after certain dates (which vary by employee group). For eligible employees hired after those dates, the Township provides a defined benefit retiree healthcare plan, as discussed in the following note. This is a defined contribution plan administered by the Township. The benefits are provided under collective bargaining agreements. The Township is required to contribute \$50 per pay period for each participating employee; the participants are not required to contribute. Plan members are fully vested after 10 years.

During the year ended December 31, 2015, the Township made contributions of \$17,700 to the plan.

Note 12 - Defined Benefit Retiree Health Care

Plan Description - The Township provides retiree healthcare benefits to eligible employees hired prior to certain dates (which vary from 2009 to 2012, dependent on employee group), and their beneficiaries. This is a single-employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements.

Funding Policy - The collective bargaining agreements do not require a contribution from employees. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis).

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 12 - Defined Benefit Retiree Health Care (Continued)

Funding Progress - For the year beginning January 1, 2015, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2014. The valuation computes an annual required contribution which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 1,367,015
Interest on the prior year's net OPEB obligation	396,697
Less adjustment to the annual required contribution	<u>(628,910)</u>
Annual OPEB cost	1,134,802
Amounts contributed - Payments of current premiums	<u>(565,574)</u>
Increase in net OPEB obligation	569,228
OPEB obligation - Beginning of year	<u>9,876,393</u>
OPEB obligation - End of year	<u>\$ 10,445,621</u>

The schedule of employer contributions and the net OPEB obligation for the fiscal years ended December 31 is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
12/31/12	12/31/12	\$ 1,576,591	39.0 %	\$ 8,452,166
12/31/13	12/31/13	1,553,101	39.0	9,399,571
12/31/14	12/31/14	1,102,267	57.0	9,876,393
12/31/15	12/31/14	1,134,802	49.8	10,455,621

The funding progress of the plan as of the most recent valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/12	\$ -	\$ 21,475,601	\$ 21,475,601	- %	\$ 6,838,000	314.1 %
12/31/13	-	20,942,686	20,942,686	-	6,062,927	345.4
12/31/14	-	15,695,066	15,695,066	-	5,844,899	268.5

The decline in AAL is attributable primarily to two factors: integration of retiree health-care benefits with Medicare after age 65, and general premium reductions.

Note 12 - Defined Benefit Retiree Health Care (Continued)

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the December 31, 2014 actuarial valuation, the level dollar actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is the expected long-term investment return on Township (employer) assets, and an annual healthcare cost trend rate of 7.5 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after three years. Both rates included a 3.0 percent inflation assumption. The UAAL is being amortized as a level dollar on a closed basis. The remaining amortization period at December 31, 2014 was 24 years.

Note 13 - Commitments - Brownfield Redevelopment Authority

Brownfield redevelopment costs of approximately \$108,000 have been incurred by property owners in the Brownfield district. These costs will be paid through future property tax collections. The Township is not responsible for costs incurred in excess of property taxes captured.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 14 - Change in Accounting

During the current year, the Township adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, the government-wide statements now include a liability for our unfunded legacy costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension note for further details.

The financial statements for the year ended December 31, 2014 have been restated in order to adopt GASB Statement No. 68. The effect of this new standard was a decrease in net position to record the net pension liability at December 31, 2014.

Net position - December 31, 2014 - As previously reported	\$ 6,362,969
Adjustment for implementation of GASB Statement No. 68	<u>(5,495,477)</u>
Net position - December 31, 2014 - As restated	<u>\$ 867,492</u>

Note 15 - Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Township's 2016 fiscal year.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Township to recognize on the face of the financial statements its net OPEB liability. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Township is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Township's financial statements for the year ending December 31, 2018.

Charter Township of Plymouth

Notes to Financial Statements December 31, 2015

Note 15 - Upcoming Accounting Pronouncements (Continued)

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement will require governments to disclose in their financial statements information related to tax abatement agreements. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the 2016 fiscal year.

Required Supplemental Information

Charter Township of Plymouth

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 6,700,000	\$ 6,700,000	\$ 6,823,941	\$ 123,941
Licenses and permits	757,000	757,000	1,150,135	393,135
Federal grants	873,000	873,000	250,582	(622,418)
State-shared revenue and grants	2,188,000	2,188,000	2,179,270	(8,730)
Charges for services:				
Intragovernmental service charge	693,450	693,450	700,970	7,520
City of Plymouth	525,000	525,000	490,335	(34,665)
District court fines	200,000	200,000	191,230	(8,770)
Interest and rents	60,000	60,000	21,490	(38,510)
Other revenue:				
Cable franchise fees	700,000	700,000	730,339	30,339
Other charges for services	185,000	185,000	81,784	(103,216)
Other miscellaneous income	805,000	960,000	836,268	(123,732)
Total revenue	<u>13,686,450</u>	<u>13,841,450</u>	<u>13,456,344</u>	<u>(385,106)</u>
Expenditures - Current				
General government	3,181,477	3,287,477	2,872,104	415,373
Public safety	8,897,198	8,897,198	8,599,938	297,260
Public works	466,906	481,906	452,093	29,813
Community services	95,000	95,000	43,727	51,273
Planning and zoning	170,439	170,439	156,372	14,067
Parks	539,098	629,098	491,613	137,485
Total expenditures	<u>13,350,118</u>	<u>13,561,118</u>	<u>12,615,847</u>	<u>945,271</u>
Excess of Revenue Over Expenditures	336,332	280,332	840,497	560,165
Other Financing Uses -				
Transfers out	(523,951)	(523,951)	(523,951)	-
Net Change in Fund Balance	(187,619)	(243,619)	316,546	560,165
Fund Balance - Beginning of year	<u>3,810,300</u>	<u>3,810,300</u>	<u>3,810,300</u>	<u>-</u>
Fund Balance - End of year	<u>\$ 3,622,681</u>	<u>\$ 3,566,681</u>	<u>\$ 4,126,846</u>	<u>\$ 560,165</u>

Charter Township of Plymouth

Note to Required Supplemental Information Year Ended December 31, 2015

Note - Budgetary Information

The Township adopts a formal budget for the General Fund and all special revenue funds. The budget is prepared in accordance with generally accepted accounting principles. By August 1 of each year, all department heads submit spending requests to the Township supervisor so that a budget may be prepared. Before September 1, the proposed budget is submitted to the Township board for review. Public hearings are held, and a final budget is adopted no later than December 31. The Township board must approve any budget amendments.

Appropriations are adopted by the Township board on an activity basis for the General Fund, as reported on the General Fund budgetary comparison schedule. Appropriations for all other budgeted funds are adopted at the fund level. Michigan law requires expenditures to be within budget at this level. All expenditures were within the amounts budgeted.

During the current year, the budget was amended in a legally permissible manner. Encumbrances represent commitments related to unperformed contracts (or purchase orders) for goods or services. The amount of encumbrances outstanding at December 31, 2014 has not been calculated. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures.

Charter Township of Plymouth

Required Supplemental Information OPEB System Schedule Year Ended December 31, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/12	\$ -	\$ 21,475,601	\$ 21,475,601	- %	\$ 6,838,000	314.1 %
12/31/13	-	20,942,686	20,942,686	-	6,062,927	345.4
12/31/14	-	15,695,066	15,695,066	-	5,844,899	268.5

Charter Township of Plymouth

Required Supplemental Information Schedule of Changes in the Township Net Pension Liability and Related Ratios Last Ten Fiscal Years

	2015
Total Pension Liability	
Service cost	\$ 549,735
Interest	1,981,341
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds	<u>(1,196,272)</u>
Net Change in Total Pension Liability	1,334,854
Total Pension Liability - Beginning of year	24,339,496
Total Pension Liability - End of year	<u>\$5,674,350</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 629,153
Contributions - Member	300,261
Net investment income	1,149,359
Administrative expenses	(42,269)
Benefit payments, including refunds	(1,196,272)
Other	-
Net Change in Plan Fiduciary Net Position	840,282
Plan Fiduciary Net Position - Beginning of year	18,214,866
Plan Fiduciary Net Position - End of year	<u>\$ 9,055,148</u>
Township's Net Pension Liability - Ending	<u>\$ 6,619,202</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.22 %
Covered Employee Payroll	\$ 3,950,911
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	167.5 %

Charter Township of Plymouth

Required Supplemental Information Schedule of Township Contributions Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 629,153	\$ 583,883	\$ 489,480	\$ 554,612	\$ 577,569	\$ 663,468	\$ 637,764	\$ 648,681	\$ 603,341	\$ 523,470
Contributions in relation to the actuarially determined contribution	629,153	583,883	489,480	554,612	577,569	663,468	637,764	648,681	603,341	523,470
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 3,950,911	\$ 3,887,319	\$ 3,814,924	\$ 3,778,240	\$ 4,142,812	\$ 4,757,684	\$ 4,781,800	\$ 4,447,702	\$ 4,336,838	\$ 4,177,570
Contributions as a Percentage of Covered Employee Payroll	15.9 %	15.0 %	12.8 %	14.7 %	13.9 %	13.9 %	13.3 %	14.6 %	13.9 %	12.5 %

Notes to Schedule of Township Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	10-year smoothed
Inflation	3.0 percent
Salary increases	4.5 percent
Investment rate of return	8.0 percent
Retirement age	Varies depending on plan adoption
Mortality	20% female/50% male 1994 Group Annuity Mortality Table
Other information	None

Other Supplemental Information

Charter Township of Plymouth

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds December 31, 2015

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Federal Drug Forfeiture Fund	State Drug Forfeiture Fund	
Assets			
Cash and cash equivalents	\$ 11,592	\$ 5,437	\$ 17,029
Due from other funds	2,094	-	2,094
Total assets	<u>\$ 13,686</u>	<u>\$ 5,437</u>	<u>\$ 19,123</u>
Liabilities			
Accounts payable	\$ 9,805	\$ 4,208	\$ 14,013
Accrued liabilities and other	3,863	-	3,863
Total liabilities	13,668	4,208	17,876
Fund Balances - Restricted - Drug enforcement	18	1,229	1,247
Total liabilities and fund balances	<u>\$ 13,686</u>	<u>\$ 5,437</u>	<u>\$ 19,123</u>

Charter Township of Plymouth

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds Year Ended December 31, 2015

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Federal Drug Forfeiture Fund	State Drug Forfeiture Fund	
Revenue - Interest and rents	\$ 289	\$ 116	\$ 405
Expenditures			
Current - Public safety	95,780	24,566	120,346
Capital outlay	53,944	-	53,944
Total expenditures	149,724	24,566	174,290
Net Change in Fund Balances	(149,435)	(24,450)	(173,885)
Fund Balances - Beginning of year	149,453	25,679	175,132
Fund Balances - End of year	\$ 18	\$ 1,229	\$ 1,247

Charter Township of Plymouth

Other Supplemental Information Downtown Development Authority Balance Sheet/Statement of Net Position December 31, 2015

	Modified Accrual	Full Accrual Adjustments	Total
Assets			
Cash and cash equivalents	\$ 38,274	\$ -	\$ 38,274
Receivables - Property taxes receivable	280,909	-	280,909
Total assets	<u>\$ 319,183</u>	<u>\$ -</u>	<u>\$ 319,183</u>
Liabilities			
Accounts payable	\$ 812	\$ -	\$ 812
Due from primary government	2,130	-	2,130
Total liabilities	2,942	-	2,942
Deferred Inflows of Resources -			
Property taxes levied for the following year	280,909	-	280,909
Equity			
Fund balance - Unassigned	35,332	(35,332)	-
Net position (deficit) - Unrestricted	-	35,332	35,332
Total liabilities, deferred inflows of resources, and equity	<u>\$ 319,183</u>	<u>\$ -</u>	<u>\$ 319,183</u>

Charter Township of Plymouth

Other Supplemental Information Downtown Development Authority Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities Year Ended December 31, 2015

	Modified Accrual	Full Accrual Adjustments	Total
Revenue			
Property taxes	\$ 73,516	\$ 175,000	\$ 248,516
Interest and rents	313	-	313
Total revenue	73,829	175,000	248,829
Expenditures - Current - Other contract services	115,684	-	115,684
Change in Fund Balance/Net Position	(41,855)	175,000	133,145
Fund Balance/Net Position (Deficit) - Beginning of year	77,187	(175,000)	(97,813)
Fund Balance/Net Position - End of year	\$ 35,332	\$ -	\$ 35,332

Charter Township of Plymouth

Other Supplemental Information Brownfield Redevelopment Authority Statement of Net Position December 31, 2015

	Modified Accrual	Full Accrual Adjustments	Total
Assets			
Cash and cash equivalents	\$ 1,590,055	\$ -	\$ 1,590,055
Receivables	19,184	-	19,184
Total assets	<u>\$ 1,609,239</u>	<u>\$ -</u>	<u>\$ 1,609,239</u>
Liabilities - Accounts payable	\$ 19,184	\$ -	\$ 19,184
Deferred Inflows of Resources - Property taxes levied for the following year	7,633	-	7,633
Equity			
Fund balance - Unassigned	1,582,422	(1,582,422)	-
Net position - Unrestricted	-	1,582,422	1,582,422
Total liabilities, deferred inflows of resources, and equity	<u>\$ 1,609,239</u>	<u>\$ -</u>	<u>\$ 1,609,239</u>

Charter Township of Plymouth

Other Supplemental Information Brownfield Redevelopment Authority Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities Year Ended December 31, 2015

	Modified Accrual	Full Accrual Adjustments	Total
Revenue - General revenue			
Property taxes	\$ 18,254	\$ -	\$ 18,254
Interest earnings	3,942	-	3,942
Total revenue	22,196	-	22,196
Expenditures - Current - Environmental remediation	19,175	-	19,175
Change in Fund Balance/Net Position	3,021	-	3,021
Fund Balance/Net Position - Beginning of year	1,579,401	-	1,579,401
Fund Balance/Net Position - End of year	\$ 1,582,422	\$ -	\$ 1,582,422

Charter Township of Plymouth

Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds December 31, 2015

	Agency Funds			Total Agency Funds
	General Agency	Tax Collection Fund	Police Bond	
Assets - Cash and cash equivalents	\$ 512,845	\$ 5,562,939	\$ 969	\$ 6,076,753
Liabilities				
Due to other governmental units	\$ 138	\$ 5,562,939	\$ -	\$ 5,563,077
Refundable deposits - Bonds	512,707	-	969	513,676
Total liabilities	\$ 512,845	\$ 5,562,939	\$ 969	\$ 6,076,753

Charter Township of Plymouth

Other Supplemental Information Combining Statement of Changes in Assets and Liabilities Agency Funds Year Ended December 31, 2015

	Balance at January 1, 2015	Additions	Reductions	Balance at December 31, 2015
<u>Agency Funds</u>				
Assets - Cash and investments	<u>\$ 368,458</u>	<u>\$ 383,636</u>	<u>\$ (239,249)</u>	<u>\$ 512,845</u>
Liabilities	<u>\$ 368,458</u>	<u>\$ 393,313</u>	<u>\$ (248,926)</u>	<u>\$ 512,845</u>
<u>Tax Collection Fund</u>				
Assets - Cash and investments	<u>\$ 1,943,858</u>	<u>\$ 58,074,422</u>	<u>\$ (54,455,341)</u>	<u>\$ 5,562,939</u>
Liabilities - Due to other governmental units	<u>\$ 1,943,858</u>	<u>\$ 58,074,422</u>	<u>\$ (54,455,341)</u>	<u>\$ 5,562,939</u>
<u>Police Bond</u>				
Assets - Cash and investments	<u>\$ 947</u>	<u>\$ 118,335</u>	<u>\$ (118,313)</u>	<u>\$ 969</u>
Liabilities - Refundable deposits, bonds, etc.	<u>\$ 947</u>	<u>\$ 118,335</u>	<u>\$ (118,313)</u>	<u>\$ 969</u>
	Balance at January 1, 2015	Additions	Reductions	Balance at December 31, 2015
Total - All Agency Funds				
Assets - Cash and investments	<u>\$ 2,313,263</u>	<u>\$ 58,576,393</u>	<u>\$ (54,812,903)</u>	<u>\$ 6,076,753</u>
Liabilities				
Due to other governmental units	\$ 1,943,858	\$ 58,074,422	\$ (54,455,341)	\$ 5,562,939
Refundable deposits, bonds, etc.	369,405	511,648	(367,239)	513,814
Total liabilities	<u>\$ 2,313,263</u>	<u>\$ 58,586,070</u>	<u>\$ (54,822,580)</u>	<u>\$ 6,076,753</u>

November 20, 2016

To the Members of the Township Board
Charter Township of Plymouth

We have audited the financial statements of the Charter Township of Plymouth (the "Township") as of and for the year ended December 31, 2015 and have issued our report thereon dated November 20, 2016. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 3, 2016, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are 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 specifically to identify such matters.

Our audit of the Township's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the Township, including compliance with certain provisions of laws, regulations, contracts, grant agreements, certain instances of error or fraud, illegal acts applicable to government agencies, and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated November 20, 2016 regarding 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. That letter included two material internal control weaknesses.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on May 3, 2016.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Township are described in Note 1 to the financial statements.

As described in Note 14, the Township changed accounting policies related to accounting for pensions. The government-wide statements now report the cost of pensions as the employees render their service, rather than as contributions are required. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used in accordance with GASB 68.

We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

The most sensitive estimates affecting the financial statements were related to the estimated pension and OPEB liabilities. Management's estimate of the pension and OPEB liabilities is based on actuarial valuations. We evaluated the key factors and assumptions used to develop the valuations in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

As you are aware, the December 31, 2015 audit was delayed well beyond the time frame communicated to you in our pre-audit communication of May 3, 2016. Once the accounting records were completed and supporting records provided to us, we were able to complete the audit procedures by November 20, 2016.

Disagreements with Management

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. As discussed in our separate report on internal control over financial reporting and on compliance with laws, regulations, contracts, and grant agreements, our audit did identify some accounting misstatements. Management has corrected all such misstatements.

Other Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Township, and business plans and strategies that may affect the risks of material misstatement with management each year prior to our retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Following is a summary of significant issues that were discussed or were the subject of correspondence with management prior to or during our audit:

We had significant discussions concerning the recognition of revenue from the SAFER grant that was received on March 18, 2016. Ultimately the Township agreed not to recognize the revenue in the General Fund since it was received past the 60-day period of availability.

We had significant discussions concerning the appropriate measurement date to apply for the initial measurement of the net pension liability. GASB 68 allows a choice of either December 31, 2014 or 2015 to be used. Our recommendation was to apply the earlier date (2014), because choosing 2015 would have required future years to use a concurrent date; it is not likely that the information would be available in the future to report within the six-month legal requirement. Ultimately, Township management chose to apply the earlier date.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 20, 2016.

Management Consultations with Other Independent Accountants

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

To the Members of the Township Board
Charter Township of Plymouth

November 20, 2016

This information is intended solely for the use of the members of the board of trustees and management of the Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC



Martin Olejnik

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*

Independent Auditor's Report

To Management and the Board of Trustees
Charter Township of Plymouth

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Plymouth (the "Township") as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated November 20, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter Township of Plymouth's internal control over financial reporting (internal control) to determine the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 Township'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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. Those weaknesses are identified as Findings 2015-001 and 2015-002.

To Management and the Board of Trustees
Charter Township of Plymouth

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter Township of Plymouth'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 determination of financial statement amounts. 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*.

Charter Township of Plymouth's Responses to Findings

The Charter Township of Plymouth's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Charter Township of Plymouth's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 20, 2016

Charter Township of Plymouth

Schedule of Findings and Questioned Costs Year Ended December 31, 2015

Section II - Financial Statement Audit Findings

Reference Number	Finding
---------------------	---------

2015-001 **Finding Type** - Material weakness

Criteria - The Township should have a process in place to prepare an annual financial report that is complete, accurate, and distributed within at least six months after the end of the year.

Condition - The Township has filed its financial report late for three years in a row. In the current year, the general ledger accruals were made in a rushed manner in an attempt to file on time, which resulted in a significant error identified by the audit procedures (failure to accrue the December 2015 water invoice). Further, there was a rush to perform the audit, which we feel increases the risk that an error could occur and not be detected.

Context - When the December 2015 water invoice was brought to the Township's attention, they immediately recorded the accrual. However, as the Township continued to evaluate its accounting records, there were 12 accounting adjustments made late in the process (between October 21, 2016 and November 18, 2016).

Cause - The Township has never instituted any formal timeline for preparation and completion of the annual financial report.

Effect - The financial information is not being provided to the board on a timely basis, and there is an increased risk of error.

Recommendation - We recommend that Township personnel create a written timeline for closing the accounting records, preparing the supporting documentation, and beginning the audit process before April 30 each year. This should allow sufficient time to close the books and conduct the audit at a reasonable pace to provide financial reports to the board before the end of June.

Views of Responsible Officials and Planned Corrective Actions - We agree that a formal timeline would help to assure timely financial reporting in the future.

Charter Township of Plymouth

Schedule of Findings and Questioned Costs (Continued) Year Ended December 31, 2015

Section II - Financial Statement Audit Findings (Continued)

Reference Number	Finding
---------------------	---------

2015-002 **Finding Type** - Material weakness

Criteria - The Township should have a process in place to reconcile the general ledger to the bank statements; this process should identify any unreconciled amounts, and the Township should follow up on any discrepancies on a timely basis.

Condition - In February 2015, the general checking account experienced a significant difference between the bank statement and the amount recorded in the general ledger. The difference was not identified and corrected until November 17, 2016.

Context - The amount of the difference was \$1,100,000 (the bank statements showed \$1,100,000 more than the general ledger reported). When investigated, it turned out to represent property tax collections that had been transferred to the General Fund but not recorded as such.

Cause - The bank reconciliation for the general checking account is overly complex. It involves the aggregation of five separate bank accounts, and also includes the impact of "due to/due from" to reflect interfund activity. As a result, it is more difficult to identify when discrepancies have occurred.

Effect - When the discrepancy was resolved, it resulted in a significant change to the accounting records.

Recommendation - We recommend that the Township institute one or both of the following two changes:

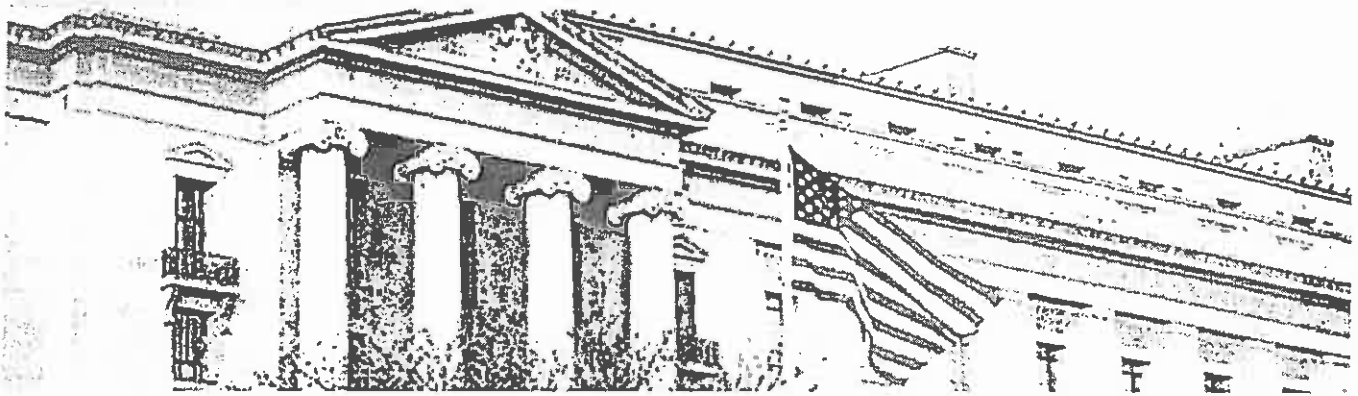
1. The account structure of the general ledger could be modified to line up better with the individual bank accounts that exist, and any interfund activity could be accounted for through the existing due to/due from accounts, rather than through the cash account.
2. There should be two individuals that look at the bank reconciliations each month. We recommend that one individual prepare the bank reconciliations, and a second individual review and sign the reconciliation to evidence the review.

Views of Responsible Officials and Planned Corrective Actions - We have always prepared accurate financial statements, and that is true this year also. We have never released annual financial statements until we have resolved all amounts, including the successful reconciliation of the general checking account. Any future changes to the accounting and reporting systems can be considered by the next administration.

F.3a



Office of the Inspector General
U.S. Department of Justice



**Audit of the
Charter Township of
Plymouth Police Department's
Equitable Sharing Program Activities
Plymouth Township, Michigan**

**AUDIT OF THE
CHARTER TOWNSHIP OF PLYMOUTH POLICE DEPARTMENT'S
EQUITABLE SHARING PROGRAM ACTIVITIES
PLYMOUTH TOWNSHIP, MICHIGAN**

EXECUTIVE SUMMARY

The U.S. Department of Justice (DOJ), Office of the Inspector General (OIG), Audit Division, has completed an audit of the use of DOJ equitable sharing revenues by the Charter Township of Plymouth, Michigan, Police Department (Plymouth Township PD). Equitable sharing revenues represent a share of the proceeds from the forfeiture of assets seized in the course of certain criminal investigations. During the period of January 1, 2010, through September 30, 2014, the Plymouth Township PD received a total of \$1,907,242 in DOJ equitable sharing revenues to support law enforcement operations.¹ The Plymouth Township PD reported expenditures of \$1,294,392 in equitable sharing funds between fiscal year (FY) 2010 and FY 2013.²

The objective of the audit was to assess whether equitably shared cash and property received by the Plymouth Township PD was accounted for properly and used for allowable purposes as defined by the applicable regulations and guidelines. We identified numerous internal control issues, including a lack of documented policies and procedures that weakened the Plymouth Township PD's management of its equitable sharing activities. We further found that the Plymouth Township PD did not fully comply with the 2009 Guide to Equitable Sharing for State and Local Law Enforcement Agencies (Guide) with respect to accounting for equitable sharing receipts and the allowable use of equitable sharing funds. Specifically:

- According to the Guide, the law enforcement agency head must authorize all expenditures of equitable sharing funds. However, we found that the Plymouth Township's governing body (Plymouth Township), including the Township Treasurer's Office, rather than the Plymouth Township Chief of Police, had responsibility for and control over all expenditures from the equitable sharing fund.
- According to the Guide, the participating law enforcement agency must establish a separate revenue account or accounting code solely for the proceeds from the DOJ Equitable Sharing Program, and the agency may not commingle DOJ equitable sharing funds with funds from any other source. Although Plymouth Township had created a separate accounting code and bank account for equitable sharing funds, we found that it commingled DOJ

¹ The Plymouth Township PD's fiscal year begins on January 1 and ends on December 31.

² The amount expended is based on Plymouth Township's annual certification reports. Because the FY 2014 certification report had not been filed at the time of fieldwork, the \$1,294,392 comprises what was reported as being expended during FYs 2010 through 2013.

equitable sharing funds with other funds within its accounting system and its bank account designated for DOJ equitable sharing receipts.

- The Plymouth Township PD submitted Equitable Sharing Agreement and Certification reports for FYs 2010 through FY 2012 that were inaccurate. Moreover, the FY 2013 report was submitted 3 months late, and Plymouth Township's Chief of Police did not sign the report.
- We identified \$29,792 in questioned costs associated with using equitable sharing funds to pay for civilian salary costs and to purchase items unrelated to the Plymouth Township PD.
- According to the Guide, agencies should not commit to the spending of equitable sharing funds for a certain purpose in advance of actually receiving such funds. However, we determined that between January 2011 and April 2011, Plymouth Township identified certain expenditures as being paid for with equitable sharing funds when it had not received a sufficient amount of equitable sharing revenues to pay for those expenses at the time the costs were incurred. As a result, we questioned \$21,591 as unallowable costs.
- For FYs 2010 through 2014, the Plymouth Township PD failed to maintain a complete and up-to-date log of its equitable sharing requests and receipts.

Our report contains 12 recommendations that address the weaknesses we identified. Our findings are discussed in detail in the Findings and Recommendations section of the report. The audit objective, scope, and methodology are included in Appendix 1.

We discussed the results of our audit with Plymouth Township officials and included their comments in the report, as applicable. In addition, we provided the Plymouth Township PD and the Criminal Division's Asset Forfeiture and Money Laundering Section (AFMLS) the opportunity to provide written responses to the draft audit report. Appendix 3 contains the Plymouth Township PD's response, and Appendix 4 contains the Criminal Division's response.

**AUDIT OF THE
CHARTER TOWNSHIP OF PLYMOUTH POLICE DEPARTMENT'S
EQUITABLE SHARING PROGRAM ACTIVITIES
PLYMOUTH TOWNSHIP, MICHIGAN**

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**AUDIT OF THE
CHARTER TOWNSHIP OF PLYMOUTH POLICE DEPARTMENT'S
EQUITABLE SHARING PROGRAM ACTIVITIES
PLYMOUTH TOWNSHIP, MICHIGAN**

INTRODUCTION

The Department of Justice (DOJ), Office of the Inspector General (OIG), Audit Division has completed an audit on the use of DOJ equitable sharing funds by the Charter Township of Plymouth, Michigan, Police Department (Plymouth Township PD). The audit covered the Plymouth Township PD's participation in the DOJ Asset Forfeiture Program between January 1, 2010, and September 30, 2014.³ During that period, the Plymouth Township PD received a total of \$1,907,242 in equitable sharing revenues and reported expenditures of \$1,294,392 in equitable sharing funds.⁴ The objective of the audit was to assess whether equitably shared cash and property received by the Plymouth Township PD was accounted for properly and used for allowable purposes as defined by the applicable regulations and guidelines.

DOJ Equitable Sharing Program

Because asset forfeiture deprives criminals of the profits and proceeds derived from their illegal activities, it is considered by DOJ to be one of the most powerful tools available to law enforcement agencies. A key element of DOJ's asset forfeiture initiative is the equitable sharing program where the Department and its components share a portion of federally forfeited cash, property, and proceeds with state and local law enforcement agencies.⁵

State and local law enforcement agencies receive equitable sharing funds by participating jointly with DOJ agencies on investigations that lead to the seizure and forfeiture of property or by requesting a DOJ agency adopt the seizure and proceed with federal forfeiture. Once an investigation is completed and the seized assets are forfeited, the assisting state and local law enforcement agencies can request a share of the forfeited assets or a percentage of the proceeds derived from the sale of forfeited assets. Generally, the degree of a state or local agency's direct participation in an investigation determines the amount or percentage of funds shared with the agency.

Three DOJ components work together to administer the equitable sharing program: (1) the U.S. Marshals Service (USMS), (2) the Justice Management

³ The Plymouth Township PD's fiscal year begins on January 1 and ends on December 31.

⁴ The amount of expenditures is based upon the annual certification reports. Because the fiscal year (FY) 2014 certification report had not been filed at the time of fieldwork, the \$1,294,392 comprises what was reported as being expended during FYs 2010 through 2013.

⁵ Federal asset forfeiture programs are also administered by the U.S. Department of the Treasury and the U.S. Department of Homeland Security.

Division, and (3) the Criminal Division's Asset Forfeiture and Money Laundering Section (AFMLS). These three components are responsible for issuing policy statements, implementing governing legislation, and monitoring the use of DOJ equitable sharing funds. The USMS is responsible for transferring asset forfeiture funds from DOJ to the receiving state or local agency. The Justice Management Division manages the Consolidated Asset Tracking System, a database used to track federally seized assets throughout the forfeiture life-cycle. Finally, AFMLS tracks membership of state and local participants, updates the equitable sharing program rules and policies, and monitors the allocation and use of equitable sharing funds.

Before requesting a share of the seized assets, a state or local law enforcement agency must first become a member of the DOJ equitable sharing program. To participate in the program, agencies sign and submit to DOJ an equitable sharing agreement and certification form. The agreement must be renewed annually, and by signing and submitting the agreement, the officials of participating agencies certify that they will use equitable sharing funds for law enforcement purposes.

Plymouth Township Police Department

Plymouth Township is located about halfway between Ann Arbor, Michigan, and Detroit, Michigan, in Wayne County. Serving a population of over 27,000 residents, the Plymouth Township PD was comprised of 28 sworn officers as of October 2014. The Plymouth Township PD became a member of the DOJ equitable sharing program in 2008.

The Plymouth Township Treasurer's Office administers and coordinates financial services, such as executing financial transactions, for the Plymouth Township PD. The Plymouth Township PD submits all expenditure requests to the Plymouth Township Clerk's Office for approval. Both the Chief of Police and the Supervisor of Plymouth Township are identified as the responsible officials for signing the annual equitable sharing agreement and certification reports.

OIG Audit Approach

We tested compliance with what we considered to be the most important conditions of the DOJ equitable sharing program. Unless otherwise stated, we applied the Guide to Equitable Sharing for State and Local Law Enforcement Agencies (Guide), Issued by AFMLS in April 2009 as our primary criteria. The Guide identifies the accounting procedures and requirements for tracking equitably shared monies and tangible property, establishes reporting and audit requirements, and defines the permissible uses of equitably shared resources.

To conduct the audit, we tested the Plymouth Township PD's compliance with the following aspects of the DOJ equitable sharing program:

- **Internal controls and program oversight** to determine if the auditee exercised proper control and oversight over DOJ equitable sharing funds.
- **Accounting for equitably shared resources** to determine whether standard accounting procedures were used to track equitable sharing assets.
- **Equitable Sharing Agreement and Annual Certification Reports** to determine if these documents were complete, accurate, and timely submitted.
- **Use of equitably shared funds** to determine if equitable sharing funds were spent for permissible uses.
- **Compliance with audit requirements** to ensure the accuracy, consistency, and uniformity of audited equitable sharing data.
- **Monitoring of applications for transfer of federally forfeited property** to ensure adequate controls were established.

See Appendix 1 for more information on our objective, scope, and methodology.

FINDINGS AND RECOMMENDATIONS

We identified numerous internal control issues, including a lack of documented policies and procedures, that weakened the Plymouth Township PD's management of its equitable sharing activities. We found that Plymouth Township commingled DOJ equitable sharing funds with other funds within its accounting system and its bank account designated for DOJ equitable sharing receipts. Additionally, we found that Plymouth Township submitted inaccurate annual certification reports. We also identified \$29,792 in questioned costs, which included using equitable sharing funds to pay for civilian salary costs and to purchase items unrelated to the Plymouth Township PD. We questioned an additional \$21,591 in costs that were charged to the equitable sharing program in advance of receiving equitable sharing funds, which is in violation of the Guide.

Internal Controls and Program Oversight Assessment

According to the Guide, the law enforcement agency head (Chief of Police) must authorize all expenditures from the federal equitable sharing account. However, according to the Plymouth Township Chief of Police, he was not involved in every fundamental equitable sharing financial decision until the FY 2015 budgeting process. According to Plymouth Township officials, state of Michigan law requires local municipalities to budget the equitable sharing monies received. As a result, the Plymouth Township governing body, not the police department, prepared a separate budget for the use of DOJ equitable sharing funds with limited involvement from the Plymouth Township PD. While the Chief of Police told us that he has been able to purchase everything he has requested, he did not always know how the equitable sharing funds were being spent. Further, AFMLS staff stated that the creation of a budget for equitable sharing monies by a local governing authority is in violation of the Guide, and that the Chief of Police should be approving all equitable sharing expenditures.

In addition to the Plymouth Township PD's limited involvement in the budgeting process, we found that the Plymouth Township PD claimed that it did not always have readily available access to financial documentation supporting the equitable sharing activities. For instance, the Chief of Police stated that he was not provided with copies of all receipts or invoices for equitable sharing transactions. Therefore, the Chief of Police was unable to confirm whether the items or services were, in fact, for the enhancement of the police department's law enforcement activities. Moreover, the Chief of Police stated that he was not allowed to receive copies of the bank statements associated with the DOJ equitable sharing program. As a result, he could not readily confirm that all equitable sharing distributions were deposited into the appropriate account in a timely manner nor could he ensure that the funds were not being used for other purposes.

During our audit, we found that Plymouth Township and the Plymouth Township PD did not have written policies and procedures for the general management, financial administration, and accounting functions of its federal programs. In our opinion, the lack of documented procedures affected the management of the Plymouth Township PD's equitable sharing program. Moreover, we found that despite their concomitant responsibilities in managing the equitable sharing program, there was a lack of communication between officials from the Plymouth Township Treasurer's Office and the Plymouth Township PD. As a result, the Plymouth Township PD and the Plymouth Township Treasurer's Office staff who were responsible for managing various aspects of the equitable sharing program were unable to ensure compliance with equitable sharing guidelines and were unaware of how their work affected the management of the equitable sharing program as a whole.

We also identified a lack of specificity in the accounting records that prevented prompt identification of posting errors or impermissible procurements because it was not possible to determine the vendor or items purchased without a more in-depth review of supporting documents. Further, Plymouth Township PD staff had not received training on the use of Plymouth Township's accounting software and its capabilities, and as a result, Plymouth Township PD personnel were unaware that they had the ability to view the equitable sharing ledgers and supporting details, which could have provided them with more specific information and the opportunity to be more knowledgeable about equitable sharing program activities. We observed that the Plymouth Township PD support staff did not find the system to be user-friendly and were unable to access the financial information related to the equitable sharing expenditures without assistance from Plymouth Township accounting personnel. During our exit conference in July 2015, Plymouth Township officials told us that it had purchased a new accounting system to replace the existing 22-year old automated accounting system, and that they expected the new system to be fully operational by November 2015.

In our opinion, these weaknesses contributed to numerous program and recordkeeping deficiencies that are discussed throughout this report. We recommend that the Plymouth Township PD, in coordination with Plymouth Township, develop written procedures for the administration of DOJ equitable sharing activities, including defining the roles of Plymouth Township employees. These procedures should appropriately include the Plymouth Township PD throughout the process, including, at a minimum, providing the Chief of Police with copies of all documentation supporting equitable sharing activities, and the procedures should comply with the federal guidelines governing the program.

Accounting for Equitably Shared Resources

The Guide requires that all participating state and local law enforcement agencies implement standard accounting procedures to track equitably shared revenues and property. Additionally, DOJ equitable sharing funds must be accounted for separately from any other funds. We reviewed equitable sharing receipts to determine if the funds were properly accounted for and deposited, and

we reconciled the agency's accounting records to DOJ records of equitable sharing funds provided to the agency.

The Plymouth Township PD receives all cash receipts from AFMLS via electronic funds transfer (EFT) from the USMS's E-share program, and funds are deposited directly into the Plymouth Township's DOJ asset forfeiture account.⁶ According to the Plymouth Township Treasurer, this bank account is supposed to be used solely for DOJ asset forfeiture funds. The Plymouth Township Treasurer's Office also maintains separate subsidiary ledgers for recording all accounting transactions related to each equitable sharing funding source (state or federal). Whenever the Plymouth Township PD is going to receive equitable sharing funds, the USMS sends an e-mail to the Plymouth Township Chief of Police notifying him of the upcoming receipt.

As shown in Table 1, we determined that from FY 2010 through September 30, 2014, the Plymouth Township PD received DOJ equitable sharing revenues totaling \$1,907,242 to support law enforcement operations. We reviewed all receipts of equitably shared revenues, and we found that the Plymouth Township PD accurately accounted for its deposits of all equitably shared revenues received during these fiscal years in its accounting records. We also confirmed that these monies were deposited into the bank account established for DOJ equitable sharing activity.

Table 1
Plymouth Township PD Equitable Sharing Receipts

Fiscal Year	Receipts
2010	\$ 34,521
2011	318,077
2012	1,532,197
2013	17,451
2014	4,996
Total	\$1,907,242

Source: Consolidated Asset Tracking System (CATS) Report

Although we confirmed that all equitable sharing distributions were deposited via EFT into the Plymouth Township's DOJ equitable sharing bank account, we found that these were not the only monies deposited into this account even though Plymouth Township officials informed us that this account was solely dedicated to DOJ equitable sharing revenues. We identified numerous other receipts totaling \$369,047 that were mistakenly deposited into this account. We also noted that the DOJ equitable sharing ledger included non-DOJ equitable sharing receipts. According to the Plymouth Township Treasurer, the Plymouth Township PD received payments from other funding sources, including the Organized Crime Drug Enforcement Task Force (OCDETF) Program, the High Intensity Drug Trafficking Areas (HIDTA) Program, and the Western Wayne Criminal Investigation's (WWCI)

⁶ E-share notification is the process of electronic payment from the USMS. Participation in the process is mandatory.

Inter-local Agreement. These receipts were to cover overtime costs of sworn law enforcement personnel dedicated to those programs. However, the Plymouth Township Treasurer stated that when the Plymouth Township PD directed other agencies to make deposits into the DOJ equitable sharing bank account, the Plymouth Township PD did not inform the Plymouth Township Treasurer's Office of additional funding sources (besides DOJ equitable sharing funds) that were being deposited into the account. As a result, the Plymouth Township Treasurer's Office incorrectly coded the receipts as DOJ equitable sharing funds.

In addition to Plymouth Township's DOJ equitable sharing bank account and ledger containing non-DOJ equitable sharing receipts, we found that certain funds associated with DOJ equitable sharing activities were not deposited into the DOJ equitable sharing bank account in a timely manner. Plymouth Township entered into an agreement with an automotive manufacturer in which the automotive manufacturer would provide rebates on police vehicles purchased by Plymouth Township. Plymouth Township purchased the vehicles at full price using equitable sharing funds, and in turn, the automotive manufacturer issued rebate checks to Plymouth Township. In June 2012, the automotive manufacturer issued a check for \$96,506 representing the rebate associated with purchases of four police cars made in March 2012 and April 2012. However, we found that this \$96,506 was not deposited into the DOJ equitable sharing bank account within a reasonable period after receipt. According to the Plymouth Township Treasurer, this particular rebate had been inadvertently deposited into the bank account established for state forfeiture activity. Based upon our review of the bank statements, we found that Plymouth Township did not transfer this rebate into the DOJ equitable sharing bank account until September 2014, about 2 years and 3 months later, and that the amount transferred was only \$82,788 of the \$96,506. The Plymouth Township Treasurer stated that he only transferred \$82,788 into the DOJ equitable sharing bank account because the DOJ equitable sharing bank account contained \$13,718 from other federal grants and programs, as well as state forfeiture funds that should not have been deposited into that account. As a result, he considered that money to now be DOJ equitable sharing funds, which when coupled with the transfer of \$82,788 accounts for the entire \$96,506 vehicle rebate.

As mentioned previously, the Chief of Police told us that he was not allowed to receive copies of the bank statements associated with the DOJ equitable sharing program, and therefore, he could not ensure that the equitable sharing funds were being appropriately handled. Given the issues identified with our review of the DOJ equitable sharing bank account and the Chief of Police not being provided copies of the bank statements, we are concerned with the handling and management of the equitable sharing funds received. As a result, we believe that the Plymouth Township PD, in coordination with Plymouth Township, needs to establish written procedures to ensure only DOJ equitable sharing receipts are deposited into the DOJ equitable sharing bank account and recorded in the DOJ equitable sharing ledger, as well as to establish a process to routinely examine both the bank account and ledger to promptly correct any incorrect deposits or postings.

Moreover, we observed that the DOJ equitable sharing bank account was not collateralized even though funds on hand exceeded \$250,000 between April 2012 and September 2014. This occurred because the Plymouth Township Treasurer's Office believed it was required by state of Michigan law to self-insure funds. However, we noted that the law had changed and left the decision on whether to collateralize accounts up to the local municipality. In our opinion, Plymouth Township unnecessarily put itself and the equitable sharing funds at risk of loss by not collateralizing the DOJ equitable sharing bank account. While not a formal recommendation, we suggest that Plymouth Township collateralize its non-FDIC insured deposits in excess of \$250,000 as a best practice.

Federal Equitable Sharing Agreements and Annual Certification Reports

The Guide requires that any state or local law enforcement agency that receives forfeited cash, property, or proceeds because of a federal forfeiture submit an annual certification report. The submission of this form is a prerequisite to the approval of any equitable sharing request. Noncompliance may result in the denial of the agency's sharing request(s). The certification report must be submitted every year within 60 days after the end of the agency's fiscal year regardless of whether funds were received or maintained during the fiscal year. In addition, the head of the law enforcement agency and a designated official of the local governing body must sign the certification report. By signing the form, the signatories agree to be bound by the statutes and guidelines that regulate the equitable sharing program and certify that the law enforcement agency will comply with these guidelines and statutes.

As part of our audit, we reviewed the methods by which the Plymouth Township PD and the Plymouth Treasurer's Office prepared its annual certification reports. The Chief of Police stated he prepared the FY 2010 through FY 2012 certification reports based on what the Plymouth Township Treasurer told him the amounts per line item should be. The Chief of Police stated that although he requested that the Plymouth Township Treasurer provide a copy of the supporting documents and bank statements, the Plymouth Township Treasurer did not provide these items to the police department. The Chief of Police stated that he was only allowed to look at supporting documentation in the Plymouth Township Treasurer's office. The Chief of Police also acknowledged that he did not understand how some of the expenditure totals provided by the Plymouth Township Treasurer were computed and that the expenditure totals included additional charges for which he had no prior knowledge. The Chief of Police stated that he signed the certification reports and sent them to the Plymouth Township Supervisor for signature. The Chief of Police stated that he was concerned with the accuracy of the expenses reported on the certification reports. For example, he referred to the resubmission of the amended FY 2012 certification report in which the expenses were greater than those originally reported, while his understanding was that the expenses should have been less than those originally reported. Due to his concern with the accuracy of reported expenditures, the Chief of Police did not sign the amended FY 2012 certification report. In addition, he stated that he refused to prepare or sign the FY 2013 report until he gained an understanding of the data being

submitted. The Chief of Police stated that the Plymouth Township Treasurer prepared the FY 2013 certification report on behalf of the Plymouth Township PD without providing to the police department a copy of the bank statements or supporting documents for the expenditures listed.

We reviewed the annual certification reports and found that the Plymouth Township PD certification reports for FYs 2010, 2011, and 2012 were submitted on time and signed by the appropriate officials. However, the amended FY 2012 report was not signed by the Police Chief, and the FY 2013 report was submitted 3 months late and was lacking the Police Chief's signature.

We also reviewed the annual certification reports for accuracy and completeness. We found that the reports for FY 2010 through FY 2013 accurately reflected the equitable sharing funds received. However, we found that the expenditures reported on the certification reports did not always agree with the costs reflected in Plymouth Township's equitable sharing ledger. While the total expenses reflected in the FY 2013 report agreed with the ledger, the certification reports for FY 2010 through FY 2012 understated the amount of equitable sharing expenditures as compared to the costs recorded in the ledgers. For example, the FY 2011 certification report stated that the Plymouth Township PD spent \$186,507 in equitable sharing funds, while the equitable sharing ledger indicated that \$196,769 in costs were incurred during FY 2011. Similarly, the FY 2012 equitable sharing ledger contained an additional \$6,870 in expenditures that were not reflected on the certification report, and neither of these amounts agreed with the amount of equitable sharing expenditures reported in the Single Audit Report.⁷ Further, we found that the FY 2013 certification report's beginning balance (\$1,132,825) was not consistent with the amended FY 2012 certification report's ending balance (\$1,163,568).

In addition, the reported amount of interest earned on equitable sharing funds, as indicated on the certifications for all years we reviewed, was incorrect. While the preponderance of monies in the DOJ equitable sharing bank account were indeed funds received from the DOJ equitable sharing program, as previously discussed, funds from several other sources were commingled in this bank account. Although interest income reported on the certifications generally agreed with the total interest income earned by the DOJ equitable sharing bank account, the base amount of funds on which that interest was calculated by the bank included non-equitable sharing monies.

We recommend that Plymouth Township, in conjunction with the Plymouth Township PD, develop written procedures to ensure the annual certification reports are timely and accurately prepared and submitted, and that the DOJ equitable sharing ledger only reflects those expenditures paid for with DOJ equitable sharing

⁷ In FY 2012, Plymouth Township PD purchased four vehicles. On the annual certification report, Plymouth Township PD offset the cost of the vehicles with the rebate money associated with those purchases. Therefore, for purposes of our comparison, we also offset the vehicle rebate money against the expenditures recorded in the ledger and determined that the ledger still reflected more costs than indicated on the annual certification report.

funds. We also recommend that the Plymouth Township PD, working with the Plymouth Township Treasurer's Office, determine what expenditures reflected in the ledgers were paid for with DOJ equitable sharing funds and make any necessary adjustments to the ledgers so that the ledgers only reflect those expenditures paid for with DOJ equitable sharing funds. Further, we recommend that the Plymouth Township PD, working with the Plymouth Township Treasurer's Office, reconcile the bank account activity and properly allocate interest to the different sources of funds. Once the Plymouth Township PD and Treasurer's Office have resolved the accuracy of the ledgers and properly computed the interest income associated with DOJ equitable sharing funds, the Plymouth Township PD should submit revised certification reports, if necessary, for FY 2010 through FY 2013.

Use of Equitably Shared Resources

The Guide requires that equitable sharing funds received by state and local agencies be used for law enforcement purposes, and that these agencies use the funds prudently to avoid any appearance of extravagance, waste, or impropriety. However, under certain circumstances, up to 15 percent of the total equitable sharing revenues the agency received in the last 2 fiscal years may be used for the costs associated with nonprofit community-based programs or activities, such as drug abuse treatment, drug and crime prevention education, and housing and job skills programs. Law enforcement agencies can also transfer cash to another law enforcement agency. The Plymouth Township PD did not transfer any equitable sharing funds to other state or local law enforcement agencies nor did it transfer funds to community-based programs. Instead, the Plymouth Township PD generally used its equitable sharing funds to pay for sworn personnel costs and other costs associated with the police department, including firearms, police vehicles, and computers.

At the start of our audit, Plymouth Township officials informed us that they had identified certain equitable sharing transactions that were unrelated to the Plymouth Township PD and that these transactions were removed from the equitable sharing ledger. Specifically, Plymouth Township had used equitable sharing funds amounting to \$293 for a truck rental associated with a non-police department event and \$3,272 for conference room chairs for the Plymouth Township Hall. While we were able to confirm that these transactions were removed from the equitable sharing ledger, we were unable to readily identify a corresponding redeposit of those funds back into the DOJ equitable sharing bank account. The Plymouth Township Treasurer told us that the funds had been redeposited into the DOJ equitable sharing bank account, and that the redeposit was combined with other transactions. This situation provides another example of our concern with the handling and management of the equitable sharing funds received.

4th of July picnic
expenditures

Sworn Personnel Expenditures

We tested \$483,217 in sworn personnel transactions that were charged to the equitable sharing program between FYs 2010 and 2013 to assess whether these expenditures were allowable under equitable sharing guidelines.

In compliance with the Guide, during FY 2010 through FY 2013 the Plymouth Township Treasurer billed \$295,122 in salary and fringe benefit costs to the equitable sharing program for an officer who was hired to replace an officer assigned to a Drug Enforcement Administration (DEA) task force. The Plymouth Township Treasurer stated that he used the actual year-end payroll statements to determine the amount of equitable sharing funds to use for paying the salary and fringe benefit costs of this officer. Based upon our review of the year-end payroll statements, we determined that the amount of equitable sharing funds used to pay the FY 2012 and FY 2013 fringe benefit costs was more than the actual costs incurred by a total of \$1,327. Therefore, we question \$1,327 as unallowable expenses.

Plymouth Township also used equitable sharing funds to pay for overtime costs of its sworn officers. Besides using DOJ equitable sharing funds to pay for overtime costs, the Plymouth Township PD also received funding from other sources to pay for overtime costs of its sworn officers.⁸ We obtained the ledgers that reflected overtime costs paid with equitable sharing funds, the amount of overtime received from other funding sources, and the year-end payroll records for each of the officers whose overtime was paid with equitable sharing funds. We determined that the actual overtime costs incurred exceeded the combined amount of equitable sharing funds used to pay for overtime costs and the other overtime funding sources received. Therefore, the equitable sharing funds used to pay for overtime costs were allowable.

In addition to our analysis of the total overtime costs incurred and the various funding streams used to pay for those costs, we reviewed the timesheets and overtime costs incurred in FY 2013 for two officers to ensure the overtime was allowable, supported, and approved. We concluded that all transactions tested were allowable and contained the proper support and approval. Therefore, we did not identify any questioned costs associated with the equitable sharing funds used to pay for sworn officer overtime costs.

Non-Sworn Personnel and Other Expenditures

We also tested a sample of 32 non-sworn personnel and other transactions totaling \$688,595 to assess whether these expenditures were allowable under

⁸ These other overtime funding sources included the OCDEF Program, the HIDTA Program, WWCI Inter-local Agreement, and miscellaneous overtime paid by various special event venues.

equitable sharing guidelines. The number and amount of transactions we tested are summarized in Table 2.⁹

Table 2
Sample of Non-Sworn Personnel and Other Expenditures Tested

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
Total Reported						
Equitable Sharing Expenditures	\$34,859	\$186,507	\$504,125	\$568,901	In Process	\$1,294,392
Amount of Non-Sworn Personnel and Other Expenditures Tested	\$0	\$0	\$214,519	\$396,516	\$77,560	\$688,595
Number of Non-Sworn Personnel Expenditures Tested	0	0	16	11	5	32

Source: OIG analysis of Plymouth Township PD's accounting records

The Plymouth Township PD did not maintain any of the documentation to support the expenditures. Instead, Plymouth Township retained this supporting documentation, and we reviewed the documents while on-site. Based upon our review, we identified \$28,465 in impermissible or unallowable costs, as described below.

- We found that Plymouth Township purchased door mats for the Plymouth Township PD building, as well as for the Plymouth Township Hall. Although equitable sharing funds should have only been used to pay for the mats in the Plymouth Township PD building, Plymouth Township used \$1,575 in equitable sharing funds to also pay for a mat in the Plymouth Township Hall.
- We identified a miscoded Plymouth Township journal entry for \$4,208, which the Plymouth Township Treasurer stated was erroneously charged to the DOJ equitable sharing account.
- Plymouth Township used \$500 in equitable sharing funds to pay for a detective's work attire (consisting of men's dress shirts, dress pants, denim pants, and other clothing items), and the clothing purchased was not strictly for law enforcement use.
- Plymouth Township used equitable sharing funds to pay for the personnel costs of civilian employees who are responsible for providing information technology services for all Plymouth Township departments. According to Plymouth Township officials, they believed it was appropriate to use equitable sharing funds to pay for the amount of time these employees spent setting up computer equipment purchased with equitable sharing funds and, in turn, assisting Plymouth Township PD personnel with the new equipment. However, these officials also told us that they do not separately pay for these particular employees' personnel costs from other individual department

⁹ Details on our sampling methodology can be found in Appendix 1. The exact expenditure amounts may be greater or less than the amounts shown due to rounding.

budgets based upon the amount of time they spend helping those departments. Therefore, we question \$22,182 as unallowable costs.

Other Unallowable Costs

The Guide states that agencies should not budget anticipated receipts nor commit to the spending of equitable sharing monies for a certain purpose in advance of receiving equitable sharing distributions. However, we found that between January 2011 and April 2011, Plymouth Township recorded certain sworn replacement officer salary, equipment, and canine-related expenditures totaling \$21,591 as being associated with the equitable sharing program, but Plymouth Township had not yet received equitable sharing receipts to pay for those expenditures. As a result, we are questioning \$21,591 as unallowable costs.

We also identified issues with the handling of costs associated with Plymouth Township's dispatch call center (staffed by Plymouth Township personnel), which handles all calls for police and fire department assistance for both the city of Plymouth, Michigan, and Plymouth Township. In 1999, the city of Plymouth and Plymouth Township entered into an agreement wherein the city of Plymouth reimburses Plymouth Township a portion of all costs (e.g., salaries, overtime, equipment) based on a formula associated with usage figures. In FY 2013, Plymouth Township purchased equipment with DOJ equitable sharing funds to upgrade the dispatch call center. Because the city of Plymouth is reimbursing Plymouth Township to cover the costs of the city of Plymouth's use of the dispatch call center, including the equipment paid for with equitable sharing funds, we believe the portion of the reimbursements associated with the upgraded equipment should be returned to the Plymouth Township's DOJ equitable sharing bank account until the cost to upgrade the dispatch center has been fully offset based on its percentage of usage figure. During the exit conference, Plymouth Township officials stated that they agreed that a portion of the reimbursements should be returned to the DOJ equitable sharing bank account. They further told us that the city of Plymouth recently submitted a service payment, and that a portion of this payment was, in fact, placed into the DOJ equitable sharing bank account. However, we were not provided with any supporting documentation. Therefore, we recommend that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer, determine the amount reimbursed by the city of Plymouth for the upgraded equipment purchased and ensure that this amount is returned to the DOJ equitable sharing bank account. The Plymouth Township PD and Plymouth Township Treasurer should also ensure that they establish a process to appropriately account for future reimbursements received.

Use of Equitable Sharing Property

The Guide requires that any forfeited tangible property transferred to a state or local agency for official use must be used for law enforcement purposes only. Further, vehicles and other tangible property transferred for official law enforcement use must be used accordingly for at least 2 years. However, if the property becomes unsuitable for such stated purposes before the end of the 2-year

period, it may be sold with approval from AFMLS, and the proceeds are to be deposited in the agency's DOJ equitable sharing revenue account. During our review period, the Plymouth Township PD had not received any tangible property from the equitable sharing program.

Compliance with Audit Requirements

The Guide requires the Plymouth Township PD to comply with audit requirements of the Single Audit Act and Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133). OMB Circular A-133 requires non-federal entities to prepare a Schedule of Expenditures of Federal Awards for the period covered by the auditee's financial statements, provided that they have expended \$500,000 or more in federal funds in a given year. The Schedule of Expenditures of Federal Awards is included within the entity's Single Audit Report.

To determine if the Plymouth Township PD accurately reported DOJ equitable sharing fund expenditures on its Schedule of Expenditures of Federal Awards, we reviewed the Plymouth Township PD's accounting records and Plymouth Township Single Audit Report for FY 2012.¹⁰ Although the FY 2012 Single Audit Report included DOJ equitable sharing expenditures, we found that the amount reported (\$500,256) differed from the total expenditures reflected in the ledger (\$510,995) as well as on the FY 2012 certification report (\$504,124).

Plymouth Township's FY 2012 Single Audit Report disclosed three internal control weaknesses that potentially affect the Plymouth Township PD's administration of equitable sharing funds. The report identified that Plymouth Township did not perform documented bank reconciliations. In addition, the report stated Plymouth Township did not institute a system to prevent noncompliance or to detect and correct noncompliance in a timely manner, which the report indicated was due to the federal equitable sharing requirements being new to Plymouth Township. It also noted that the bank account commingled equitable sharing revenue with funds from other sources; and because of the commingling, the annual certification reports were inaccurate and needed to be amended.

Bank Reconciliations Not Performed

During our review, we determined that documented bank reconciliations were now being performed by the Plymouth Township Treasurer and verified by the Plymouth Township Clerk, and that an amended certification report for FY 2012 had been filed prior to our audit. However, we noted that the amended certification report still did not agree with the accounting records or the amounts reflected in the FY 2012 Single Audit Report, and it was not signed by the Police Chief. Moreover, while Plymouth Township had a bank account that was intended to be used solely for DOJ equitable sharing activities, we confirmed that in October 2014 Plymouth Township created another bank account for DOJ equitable sharing activities with the intent to resolve the commingling that had been occurring in the prior bank account. Lastly, while Plymouth Township had obtained a copy of the

Not True!

¹⁰ FY 2012 was the first year within our review period in which Plymouth Township expended more than \$500,000 in federal funds and, thus, required a Single Audit.

Guide, it had not established procedures to ensure compliance with the policies and procedures articulated within the Guide, and no staff in the police department or the Township had received additional training in equitable sharing or federal grant requirements. We believe that, at a minimum, appropriate staff at the Plymouth Township PD and Plymouth Township should receive training on equitable sharing requirements.

Monitoring Applications for Transfer of Federally Forfeited Property

An agency must complete a Form DAG-71 when requesting its portion of equitable sharing funds.¹¹ According to the Guide, all participating agencies should maintain a DAG-71 log of all sharing requests that consecutively numbers the requests and includes information for each request such as the seizure type, seizure amount, share amount requested, amount received, and date received. In addition, the Guide requires that the DAG-71 log be updated when an E-share notification is received. These DAG-71 log requirements were effective at the time of our fieldwork. However, in July 2015 AFMLS advised state and local law enforcement agencies that they no longer needed to maintain a DAG-71 log.

The Plymouth Township PD received its DOJ equitable sharing funds through its involvement with a local drug task force. During our review period, the Plymouth Township PD had one officer assigned to a DEA task force, and this officer was responsible for directly submitting the DAG-71s to the DEA. The Chief of Police was provided with copies of the DAG-71s and was responsible for updating the DAG-71 log.

We compared the receipts reflected in the DAG-71 log to those contained in the USMS's EFT report for our review period. As a result of our review, we found that the DAG-71 log contained inaccurate or incomplete information. For example, we found three equitable sharing requests that had not been recorded in the DAG-71 log. We also found that while three additional equitable sharing requests were initially recorded in the log, the Plymouth Township PD failed to record the funds that had been transmitted in FY 2011. We also determined that in two instances, the DAG-71 log contained different amounts than were reflected on the USMS's EFT report. Additionally, the Chief of Police stated that since FY 2012, he had not been updating the log with the date and amount of equitable sharing funds received because he was not receiving E-share notifications of receipts for FY 2013 or FY 2014.

Both the Plymouth Township Chief of Police and Treasurer subsequently obtained access to the USMS E-share website. The Chief of Police stated that the errors and omissions were an oversight on his part that occurred because he had more than one version of the DAG-71 log. During our review, the Chief of Police stated that he deleted extraneous versions of the DAG-71 log. Subsequently, the Chief of Police provided an updated log that adequately accounted for all of the

¹¹ The Form DAG-71, Application for Transfer of Federally Forfeited Property (DAG-71), is the DOJ form submitted by a state or local agency to the federal seizing agency to request a share of seized assets.

receipts during our review period. However, we noted that not all of the other required log elements, such as the amount awarded or date received, had been corrected. As mentioned, as of July 2015, state and local law enforcement agencies are no longer required to maintain a DAG-71 log. As a result, we do not recommend any actions be taken on the issues we identified during our fieldwork regarding the requirements in effect at that time.

Supplanting

The Guide requires that shared resources be used to increase or supplement the resources of the recipient agency and prohibits the use of shared resources to replace or supplant the appropriated resources of the recipient. To test whether equitable sharing funds were used to supplement rather than supplant local funding, we interviewed local officials, reviewed the Plymouth Township PD's budgets for FY 2005 through FY 2015, and sampled FY 2010 through September 2014 expenditures.

Through our review of the Plymouth Township PD's budget documents, we found that the Plymouth Township PD's total budgeted appropriations decreased during FYs 2009, 2010, and 2011. Local officials attributed these decreases to the national economic downturn during that time period. Since that time, the total appropriated amounts for the Plymouth Township PD have steadily increased overall from one fiscal year to the next and are almost back up to pre-2009 levels.

However, we noted that during FY 2010 through FY 2013 (the time period since Plymouth Township PD first began receiving equitable sharing funds in 2010), the Plymouth Township PD never expended its entire amount of appropriated funds, yet it used equitable sharing funds to pay for additional expenses during that time period.¹² Upon further review, we found that the Plymouth Township PD did not expend its appropriated funds during the 5 years preceding its participation in the DOJ equitable sharing program. Therefore, we do not take exception to this circumstance. Further, although our review raised questions regarding Plymouth Township's offset practices as previously discussed related to vehicle rebates and dispatch center fees, our testing of the sampled expenditures did not reveal any material evidence of supplanting.

While we did not identify any indications that Plymouth Township used DOJ equitable sharing funds to supplant the Plymouth Township PD's overall budget, we are concerned that conditions in Plymouth Township increases the risk of supplanting. For instance, according to the annual certification reports, one of Plymouth Township PD's major cost categories in the expenditure of equitable sharing funds is overtime. We found that Plymouth Township significantly reduced the amount of local funds budgeted for overtime in FYs 2013 to 2015 when compared to what had been budgeted during FY 2008 through FY 2012, as displayed in Table 3. With the exception of FY 2010, Plymouth Township had budgeted between \$80,000 and \$100,000 for overtime in FYs 2008 to 2012.

¹² FY 2014 had not ended at the time of our review.

However, in FY 2013 the amount of local funds budgeted for overtime was reduced to \$35,000. As shown in Table 3, this reduction came on the heels of Plymouth Township's use of only \$7,856 of the \$95,000 budgeted in local funds for overtime in FY 2012. That year, Plymouth used nearly \$80,000 in equitable sharing funds to pay overtime costs, compared with \$35,000 the previous year.

Table 3
Historical Comparison of Budgeted and Paid Overtime

Fiscal Year	Total PD Budget	Overtime PD Budget	Township-Paid Overtime	Equitable Sharing- Paid Overtime ^a
2008	\$4,105,016	\$100,000	\$117,925	0
2009	3,861,057	80,000	66,675	0
2010	3,791,025	60,000	63,177	0
2011	3,636,052	83,000	50,449	35,000
2012	3,695,522	95,000	7,856	79,706
2013	3,753,961	35,000	27,115	73,389
2014	3,885,132	35,000	In process during review	Not yet filed
2015	3,906,716	35,000	--	--

^a The Plymouth Township PD joined the equitable sharing program in FY 2008 and began receiving equitable sharing funds in FY 2010. The Plymouth Township PD began using equitable sharing funds for overtime expenses in FY 2011.

Source: Plymouth Township Treasurer's Office and Police Department

In addition to the changes in the handling of overtime costs, Plymouth Township informed us that state of Michigan law requires it to budget for the expenditure of funds, regardless of source, and this would include equitable sharing funds. We believe that these conditions, along with Plymouth Township's historical spending trends wherein locally appropriated funds are not fully expended, increase the risk of supplanting. As noted in the Guide, equitable sharing funds should be used to supplement and not supplant local funding. We recommend that the Criminal Division remind Plymouth Township officials, including the Chief of Police, of the non-supplanting requirement specified in the Guide.

Views of Responsible Officials

We discussed the results of our review with officials from the Plymouth Township PD and the Plymouth Township governing body throughout the audit and at a formal exit conference. Their input on specific issues has been included in the appropriate sections of the report.

Recommendations

We recommend that the Criminal Division:

1. Ensure that Plymouth Township PD, in coordination with Plymouth Township, establishes written procedures for the administration of equitable sharing funds. These procedures should appropriately incorporate the Plymouth

Township PD throughout the process including, at a minimum, providing the Chief of Police with copies of all documentation supporting equitable sharing activities, and the procedures should comply with the federal guidelines governing the program.

2. Ensure that the Plymouth Township establishes procedures to ensure that it accounts for DOJ equitable sharing activities separately in its accounting system and that it routinely reexamines the equitable sharing ledger to ensure that all non-equitable sharing federal program expenditures and reimbursements have been identified and any posting errors are corrected.
3. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, establishes procedures for timely submitting accurate and complete Equitable Sharing Agreement and Certification Reports, as well as procedures for ensuring that the equitable sharing ledger only reflects those expenditures paid for with equitable sharing funds.
4. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, determine what expenditures reflected in the ledgers were paid for with DOJ equitable sharing funds and make any necessary adjustments to the ledgers so that the ledgers only reflect expenditures paid for with DOJ equitable sharing funds. They should also reconcile the bank account activity and properly allocate interest to the different sources of funds. After these actions have been taken, the Plymouth Township PD should submit amended certification reports for FY 2010 through FY 2013 that accurately and completely reflect its equitable sharing activities (including interest earned) during these time periods.
5. Remedy the \$1,327 in questioned costs paid for fringe benefits that exceeded actual costs incurred in FYs 2012 and 2013.
6. Remedy the \$5,783 in questioned costs for the purchase of a mat for the Plymouth Township Hall and another Plymouth Township expense improperly paid for with equitable sharing funds.
7. Remedy the \$500 for the reimbursement of non-law enforcement specific uniforms.
8. Remedy the \$22,182 in questioned costs billed for salary costs of Plymouth Township employees who provided information technology services to the Plymouth Township PD.
9. Remedy the \$21,591 in questioned costs for incurring expenditures to be paid with equitable sharing funds in advance of receiving equitable sharing receipts.
10. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer, determine the amount reimbursed by the city of Plymouth for the upgraded equipment purchased for the police dispatch call center and repay that amount to the DOJ equitable sharing bank account. The Plymouth Township PD and Plymouth Township Treasurer should also

ensure that they establish a process to appropriately account for future reimbursements received.

11. Require personnel at Plymouth Township and the Plymouth Township PD to receive, at a minimum, training on administering equitable sharing funds.
12. Remind the Plymouth Township PD and local officials of the non-supplanting requirement specified in the Equitable Sharing Guide.

OBJECTIVE, SCOPE, AND METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate, evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objective.

Objective

The objective of this audit was to assess whether equitably shared cash and property received by the requesting agency were accounted for properly and used for allowable purposes as defined by the applicable regulations and guidelines. We tested compliance with the conditions of the DOJ equitable sharing program. We reviewed laws, regulations, and guidelines governing the accounting for and use of DOJ equitable sharing receipts, including:

- Guide to Equitable Sharing for State and Local Law Enforcement Agencies, dated April 2009; and
- OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, revised June 2003.

Unless otherwise stated in our report, the criteria we audited against are contained in these documents.

Scope and Methodology

Our audit concentrated on, but was not limited to, equitable sharing receipts received by the Plymouth Township PD from January 1, 2010, through September 30, 2014. During that period, the Plymouth Township PD received a total of \$1,907,242 and reported expenditures of \$1,294,392 in equitable sharing funds.¹³ We performed audit work mainly at the Plymouth Township PD located in Plymouth Township, Michigan. We interviewed Plymouth Township PD and Plymouth Township officials and examined their records of federal asset forfeiture revenues and expenditures of DOJ equitable sharing funds.

We judgmentally determined which transactions had the potential of being high-risk and selected a sample that contained the highest dollar transactions for each fiscal year. This non-statistical sample design does not allow for the projection of test results to all disbursements. Specifically, we selected 32 non-sworn personnel items totaling \$688,595. We also reviewed salary, fringe benefit, and overtime costs totaling \$483,217. In total, we reviewed \$1,171,812. In addition, we relied on computer-generated data contained in DOJ CATS and the

¹³ The amount of expenditures is based upon the annual certification reports. Because the FY 2014 certification report had not been filed at the time of fieldwork, the \$1,294,392 comprises what was reported as being expended during FY 2010 through FY 2013.

USMS EFT systems for determining equitably shared revenues and property awarded to the Plymouth Township PD during the audit period. We did not establish the reliability of the data contained in these systems as a whole. However, when the data used is viewed in context with other available evidence, we believe the opinions, conclusions, and recommendations included in this report are valid.

In planning and performing our audit, we considered internal controls established and used by the Plymouth Township PD and the Plymouth Township Treasurer's Office in managing the DOJ equitable sharing program. We did not assess the reliability of the Plymouth Township PD's financial management system or the internal controls of that system. Moreover, we did not assess internal controls and compliance with laws and regulations for the Plymouth Township government as a whole.

Our audit included an evaluation of the Plymouth Township's Single Audit Report for FY 2012.¹⁴ The Single Audit Report was prepared under the provisions of OMB Circular A-133. We found that the Independent auditor's assessment for FY 2012 disclosed three internal control weaknesses that potentially affected the Plymouth Township PD's administration of equitable sharing funds. These weaknesses specifically identified that Plymouth Township did not document bank reconciliation reviews; lacked compliance with federal regulations; and commingled equitable sharing revenue with funds from other sources, which, in turn, resulted in inaccurate annual certification reports. We have addressed these weaknesses in our report as they relate to the Plymouth Township PD equitable sharing program.

¹⁴ The Single Audit Report for FY 2013, due September 30, 2014, had not been filed as of June 2015. The Single Audit Report for FY 2014 is not yet due.

SCHEDULE OF DOLLAR-RELATED FINDINGS

Description	Amount	Page
Questioned Costs ¹⁵		
Unallowable Fringe Benefit Costs in Excess of Actual Costs Incurred:	\$ 1,327	11
Unallowable Purchase of Plymouth Township Hall Mat:	1,575	12
Unallowable State Forfeiture Related Expenditures:	4,208	12
Unallowable Non-Law Enforcement Specific Uniforms:	500	12
Unallowable Plymouth Township Civilian Personnel Costs:	22,182	12
Unallowable Expenditures Incurred In Advance of the Receipt of Sufficient Equitable Sharing Funds:	21,591	13
	<hr/>	
<i>Total Unallowable:</i>	<i>\$51,383</i>	
Net Questioned Costs	\$51,383	
	<hr/>	
Total Net Dollar-Related Findings	\$51,383	

¹⁵ **Questioned Costs** are expenditures that do not comply with legal, regulatory or contractual requirements, or are not supported by adequate documentation at the time of the audit, or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.

AUDITEE RESPONSE



Plymouth Township Police Department
Chief of Police
Thomas Tiderington
9955 Haggerty Drive • Plymouth, MI 48170

September 15, 2015

Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
500 W. Madison Street, Suite 1121
Chicago, Illinois 60661

Dear Ms. Taraszka,

The Plymouth Township Police Department has reviewed the draft audit report on the use of Equitable Sharing Funds for the years 2010 thru 2014. The audit concluded that Plymouth Township and the Plymouth Township Police Department substantially complied with the equitable sharing governing guidelines. However, some weaknesses and deficiencies were identified and documented in the draft audit report.

The Police Department and the Township understand the assertions made with respect to the recommendations made by your office to the Criminal Division within the Department of Justice. The Plymouth Township Police Department will work closely with the Township's Treasurer's Office and the Asset Forfeiture and Money Laundering Section (AFMLS) to correct, amend and rectify the concerns identified in the draft report.

Since some of the noted recommendations deal specifically with the financial accounting of these funds, which are predominantly outside of the Police Department's management and control, I have worked with Treasurer Edward's to provide a detailed explanation and specific responses to the recommendations (please see attachment).

On behalf of the Plymouth Township Police Department I want to thank you and your staff for your guidance with this matter. The Plymouth Township Community has greatly benefitted from our continued partnerships with the Department of Justice. We strive for continual improvement and value your assistance with this matter.

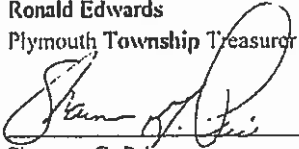
Sincerely,



Thomas J. Tidderington
Chief of Police



Ronald Edwards
Plymouth Township Treasurer



Shamon G. Price
Plymouth Township Supervisor

**Charter Township of Plymouth
Responses to DOJ Audit:**

1. Ensure that Plymouth Township PD, in coordination with Plymouth Township, establishes written procedures for the administration of equitable sharing funds. These procedures should appropriately incorporate the Plymouth Township PD throughout the process including, at a minimum, providing the Chief of Police with copies of all documentation supporting equitable sharing activities, and the procedures should comply with the federal guidelines governing the program.

Response to Recommendation:

We agree that there should be formal written policies and procedures for the administration of Federal Equitable Sharing Funds. Further, we believe the procedures should allow for police personnel to view all supporting documentation. Additionally, we are implementing a new financial software program that will be more user friendly and training will be provided.

2. Ensure that the Plymouth Township establishes procedures to ensure that it accounts for DOJ equitable sharing activities separately in its accounting system and that it routinely reexamines the equitable sharing ledger to ensure that all non-equitable sharing federal program expenditures and reimbursements have been identified and any posting errors are corrected.

Response to Recommendation:

We agree that only Federal Equitable Sharing Fund activity should be accounted for in the Federal Equitable Sharing fund (fund 265). While errors could occur from time to time, the Township will institute policies for police department personnel to review the general ledger activity quarterly and inform the accounting department of any activity that is missing or that is not properly related to Federal Equitable Sharing Funds.

3. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, establishes procedures for timely submitting accurate and complete Equitable Sharing Agreement and Certification Reports, as well as procedures for ensuring that the equitable sharing ledger only reflects those expenditures paid for with equitable sharing funds.

Response to Recommendation:

The procedures mentioned above will include a procedure for the police department to receive the necessary supporting financial documentation to complete the Federal Equitable Sharing Funds and Certification Report within 45 days after year end, and request a review by accounting personnel before it is submitted.

4. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, determine what expenditures reflected in the ledgers were paid for with DOJ equitable sharing funds and make any necessary adjustments to the ledgers so that the ledgers only reflect expenditures paid for with DOJ equitable sharing funds. They should also reconcile the bank account activity and properly allocate interest to the different sources of funds. After these actions have been taken, the Plymouth Township PD should submit amended certification reports for FY 2010 through FY 2013 that accurately and completely reflect its equitable sharing activities (including interest earned) during these time periods.

Response to Recommendation:

Within 60 days, we will review the activity from 2010 through 2014 and submit certification reports for those years. This review will include an evaluation of interest income that may be more appropriate to allocate to other activities, based on cash from other activities that had been included in the Federal Equitable Sharing Fund bank account erroneously.

5. Remedy the \$1,327 in questioned costs paid for fringe benefits that exceeded actual costs incurred in FYs 2012 and 2013.

Response to Recommendation:

In performing the review indicated in #4 above, we will correct the \$1,327 of fringe benefit costs charged in error to the Federal Equitable Sharing Fund.

6. Remedy the \$5,783 in questioned costs for the purchase of a mat for the Plymouth Township Hall and another Plymouth Township expense improperly paid for with equitable sharing funds.

Response to Recommendation:

In performing the review indicated in #4 above, we will correct the \$1,575.00 of the Federal Equitable Sharing Funds used to purchase a Township Hall mat. The \$4,208.00 was not charged and will not be included in the detail in cost in #4 above.

7. Remedy the \$500 for the reimbursement of non-law enforcement specific uniforms.

Response to Recommendation:

The Township believes the \$500 was acceptable under the contract fringe benefits and guidelines; however, the Township will exclude the item from #4 above from allowable costs.

8. Remedy the \$22,182 in questioned costs billed for salary costs of Plymouth Township employees who provided information technology services to the Plymouth Township PD.

Response to Recommendation:

The Township believes that the audit's assertion that salary costs of civilian employees are unallowable seems to be a very narrow interpretation. Section VIII.A.1.d of the Guide clearly allows costs associated with the installation and/or purchase & operations of equipment. The Township could have paid a vendor to install the newly purchased IT equipment and provide training, but chose to use internal personnel to save costs.

The Township is able to support the IT installation time incurred and the cost of the labor. We continue to believe that this should be an allowable cost, despite the fact that other individual departments do not pay for these costs. From a budgeting perspective, allocating out IT department costs to all departments seems to be a significant effort with no return, since all other departments are essentially funded from the same resource - property taxes. In the future the Township will call AFMLS for guidance and authorization before billing any internal labor cost to the Federal Equitable Sharing Fund.

9. Remedy the \$21,591 in questioned costs for incurring expenditures to be paid with equitable sharing funds in advance of receiving equitable sharing receipts.

Response to Recommendation:

In performing the review indicated in #4 above, we will evaluate whether any costs incurred prior to receiving funds were charged to the Federal Equitable Sharing Fund program. No such costs will be included in the amended list of costs to be charged to the program.

10. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer, determine the amount reimbursed by the city of Plymouth for the upgraded equipment purchased for the police dispatch call center and repay that amount to the DOJ equitable sharing bank account. The Plymouth Township PD and Plymouth Township Treasurer should also ensure that they establish a process to appropriately account for future reimbursements received.

Response to Recommendation:

The Township has calculated the portion of the call center being reimbursed by the City of Plymouth as part of the dispatch center agreement, and will determine going forward that any amounts received will be credited to the Federal Equitable Sharing Fund program. The review indicated in #4 above will ensure that any such reimbursements received have been credited to the Federal Equitable Sharing Fund program.

11. Require personnel at Plymouth Township and the Plymouth Township Police Department to receive, at a minimum, training on administering equitable sharing funds.

Response to Recommendation:

The procedures discussed in item #1 above will include training for administering Federal Equitable Sharing funds.

12. Remind the Plymouth Township PD and local officials of the non-supplanting requirement specified in the Equitable Sharing Guide.

Response to Recommendation:

The Township is aware of the rules regarding supplementing and not supplanting.

U.S. DEPARTMENT OF JUSTICE RESPONSE



U.S. Department of Justice

Criminal Division

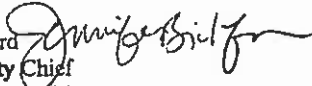
Asset Forfeiture and Money Laundering Section

Washington, D.C. 20530

SEP 16 2015

MEMORANDUM

TO: Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General (OIG)

FROM: Jennifer Bickford 
Assistant Deputy Chief
Asset Forfeiture and Money
Laundering Section

SUBJECT: Draft Audit Report for the Plymouth Township Police Department's Equitable Sharing Program Activities

In a memorandum to Assistant Attorney General Leslie R. Caldwell dated August 26, 2015, your office provided a draft audit report for the Plymouth Township Police Department (PTPD), which included actions necessary for closure of the audit report findings. The following is a list of recommendations pertaining to the draft audit report for PTPD's equitable sharing program activity:

Recommendations:

1. Ensure that Plymouth Township PD, in coordination with Plymouth Township, establishes written procedures for the administration of equitable sharing funds. These procedures should appropriately incorporate the Plymouth Township PD throughout the process including, at a minimum, providing the Chief of Police with copies of all documentation supporting equitable sharing activities, and the procedures should comply with the federal guideline governing the program.

AFMLS concurs with recommendation one. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions and ensure that PTPD establishes written procedures for the use of DOJ equitable sharing funds.

- 2. Ensure that the Plymouth Township establishes procedures to ensure that it accounts for DOJ equitable sharing activities separately in its accounting system and that it routinely reexamines the equitable sharing ledger to ensure that all non-equitable sharing federal program expenditures and reimbursements have been identified and any posting errors are corrected.**

AFMLS concurs with recommendation two. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions and ensure that the Plymouth Township establishes procedures to ensure that DOJ equitable sharing funds are accounted for on a separate account and that reporting errors are corrected on a timely manner.

- 3. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, establishes procedures for timely submitting accurate and complete Equitable Sharing Agreement and Certification Reports, as well as procedures for ensuring that the equitable sharing ledger only reflects those expenditures paid for with equitable sharing funds.**

AFMLS concurs with recommendation three. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions and ensure that PTPD and Plymouth Township establishes procedures to ensure that ESAC forms are submitted on a timely manner and that the general ledger only reflects expenditures of DOJ equitable sharing funds.

- 4. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer's Office, determine what expenditures reflected in the ledgers were paid for with DOJ equitable sharing funds and make any necessary adjustments to the ledgers so that the ledgers only reflect expenditures paid for with DOJ equitable sharing funds. They should also reconcile the bank account activity and properly allocate interest to the different sources of funds. After these actions have been taken, the Plymouth Township PD should submit amended certification reports for FY 2010 through FY 2013 that accurately and completely reflect its equitable sharing activities (including interest earned) during these time periods.**

AFMLS concurs with recommendation four. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions to ensure that PTPD and Plymouth Township perform a review of the DOJ equitable sharing account to determine the correct balance of sharing funds, correct the general ledger, and submit amended ESACs.

- 5. Remedy the \$1,327 in questioned costs paid for fringe benefits that exceeded actual costs incurred in FYs 2012 and 2013.**

AFMLS concurs with recommendation five. Upon issuance of the final audit report, AFMLS will work with the agency to remedy the \$1,327.00 in questioned costs and require reimbursement for any impermissible or unsupported expenditures.

- 6. Remedy the \$5,783 in questioned costs for the purchase of a mat for the Plymouth Township Hall and another Plymouth Township expense improperly**

paid for with equitable sharing funds.

AFMLS concurs with recommendation six. Upon issuance of the final audit report, AFMLS will work with the agency to remedy the \$5,783.00 in questioned costs and require reimbursement for any impermissible or unsupported expenditure.

- 7. Remedy the \$500 for the reimbursement of non-law enforcement specific uniforms.**

AFMLS concurs with recommendation seven. Upon issuance of the final audit report, AFMLS will require reimbursement for the impermissible expenditure.

- 8. Remedy the \$22,182 in questioned costs billed for salary costs of Plymouth Township employees who provided information technology services to the Plymouth Township PD.**

AFMLS concurs with recommendation eight. Upon issuance of the final audit report, AFMLS will work with the agency to remedy the \$22,182.00 in questioned costs and require reimbursement for any impermissible or unsupported expenditure.

- 9. Remedy the \$21,591 in questioned costs for incurring expenditures to be paid with equitable sharing funds in advance of receiving equitable sharing receipts.**

AFMLS concurs with recommendation nine. Upon issuance of the final audit report, AFMLS will work with the agency to remedy the \$21,591.00 in questioned costs and require reimbursement for any impermissible or unsupported expenditure.

- 10. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer, determine the amount reimbursed by the city of Plymouth for the upgraded equipment purchased for the police dispatch call center and repay that amount to the DOJ equitable sharing bank account. The Plymouth Township PD and Plymouth Township Treasurer should also ensure that they establish a process to appropriately account for future reimbursements received.**

AFMLS concurs with recommendation ten. Upon issuance of the final audit report, AFMLS will work with the agency to ensure the proper reimbursement occurs. Additionally, AFMLS will ensure that Plymouth Township PD and Treasurer's Office establish a process to account for future reimbursements.

- 11. Require personnel at Plymouth Township and the Plymouth Township PD to receive, at a minimum, training on administering equitable sharing funds.**

AFMLS concurs with recommendation eleven. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions for providing training to personnel administering DOJ equitable sharing funds.

- 12. Remind the Plymouth Township PD and local officials of the non-supplanting requirement specified in the Equitable Sharing Guide.**

AFMLS concurs with recommendation twelve. Upon issuance of the final audit report, AFMLS will work with the agency to implement corrective actions and remind Plymouth Township officials of the non-supplanting requirement.

AFMLS will update the OIG every 180 days on the status of the corrective actions until all recommendations are implemented and corrective actions are completed.

cc: Denise Turcotte, Audit Liaison
U.S. Department of Justice
Criminal Division

Richard P. Theis, Assistant Director
Audit Liaison Group
Internal Revenue and Evaluation Office
Justice Management Division

The Department of Justice Office of the Inspector General (DOJ OIG) is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in the Department of Justice, and to promote economy and efficiency in the Department's operations. Information may be reported to the DOJ OIG's hotline at www.justice.gov/oig/hotline or (800) 869-4499.



Office of the Inspector General
U.S. Department of Justice
www.justice.gov/oig



Plymouth Township Police Department

ADMINISTRATIVE MEMORANDUM

To: Shannon Price / Township Supervisor

From: Thomas J. Tiderington / Chief of Police

Date: October 31, 2016

Subject: Federal Drug Forfeiture – Audit Response

As discussed, last week I spoke with Brian Boykin (AFMLS Supervisor) who indicated that the information submitted by Plymouth Township did not satisfy the concerns outlined in the OIG Audit report dated September 2015. Mr. Boykin stated that his office is unsatisfied with the Township's responses to the unresolved listed items. He pointed out that for over a year now the Township has "routinely ignored" AFMLS imposed deadlines and information submitted did not meet their expected accounting standards.

As stated in the DOJ's Guide to Equitable Sharing, any agency that "fails to become compliant within one year, the agency's request will be denied and extinguished, and any equitable sharing money and/or property being held will be deposited into the Department of Justice Assets Forfeiture Fund. Any such denial and the deposit of money and/or property into the Assets Forfeiture Fund shall be final and irrevocable."

The Township currently has an interest in several million dollars that are either pending our compliance or pending forfeiture decisions (see chart below). If we do not take the required corrective action the Township stands to lose a very significant amount of money.

Attached is the document that I received on October 28, 2016 from AFMLS listing OIG's Audit Recommendations and the required corrective action that must be taken by the Township. In summary, AFMLS is directing the Township to reimburse the Federal Drug Forfeiture Account \$83,397.67.

The corrective action must be completed no later than November 28, 2016. If the funds listed are not transferred into the Federal Drug Forfeiture Account by the suspense date, the Township will likely be extinguished from the Federal Drug Forfeiture Program and all pending funds will be lost.

20 Total Pending Requests

Sharing Status: All Pending

Save Configuration

Export to Spreadsheet

Asset ID	Processing Agent	Requesting Agency	Description	Sharing Status
14-DEA-589971	1F-14-0115	unknown	\$723,901.00 U.S. Currency	Pending Forfeiture Decision
16-DEA-621428	17-16-0111	17-16-0111	\$1,667,499.00 U.S. Currency	Pending Forfeiture Decision
16-DEA-617864	17-15-0136	17-15-0136	\$399,345.00 U.S. Currency	Pending Forfeiture Decision
15-DEA-613224	17-15-0136	17-15-0136	Vehicles - Passenger - 2004 Pontiac GTO 2-Door	Pending Forfeiture Decision
16-DEA-618337	17-14-0075	17-14-0075	Jewelry/Preci Item - Value = \$5,000.00	Pending Forfeiture Decision
16-DEA-618288	17-14-0075	17-14-0075	Jewelry/Preci Item - Value = \$55,435.00	Pending Forfeiture Decision
16-DEA-618248	17-14-0075	17-14-0075	Vehicles - Motorcycle - 2013 Assembled Custom Kit	Pending Forfeiture Decision
16-DEA-618244	17-14-0075	17-14-0075	Vehicles - Passenger - 1976 Cadillac Seville Sedan	Pending Forfeiture Decision
16-DEA-617958	17-14-0075	17-14-0075	Vehicles - Passenger - 2014 Maserati Ghibli Sedan	Pending Forfeiture Decision
16-DEA-616381	17-12-0120	n/a	Financial Instrument - Personal and Cashiers Checks - Valu...	Pending Forfeiture Decision
13-DEA-582407	17-12-0120		\$32,000.00 U.S. Currency	Pending Forfeiture Decision
13-DEA-582405	17-12-0120		\$217,750.00 U.S. Currency	Pending Forfeiture Decision
14-DEA-598875	17-10-0119	N/A	\$50,000.00 U.S. Currency	Pending Forfeiture Decision
15-DEA-613930	17-15-0145	17-15-0145	\$85,740.00 U.S. Currency	Pending Sharing Decision
13-DEA-585882	17-12-0120		\$1,094,808.00 U.S. Currency	Pending Sharing Decision
11-DEA-543941	17-10-0119		Vehicles - Passenger - 2006 Ferrari F-430 Coupe	Pending Sharing Decision
11-DEA-540350	17-10-0119		Vehicles - Passenger - 2008 Bentley Coupe 2-Door	Pending Sharing Decision
14-DEA-591416	17-13-0192		\$586,000.00 U.S. Currency	Pending Compliance
13-DEA-575944	17-12-0120		\$302,155.00 U.S. Currency	Pending Compliance
11-DEA-546150	17-06-0237		\$48,392.00 U.S. Currency	Pending Compliance

F. 3c

Plymouth Township Police Department - OIG Audit Open Items

Feliciano, Alejandro (CRM) <Alejandro.Feliciano@usdoj.gov>

Fri 10/28/2016 10:06 AM

[To] Tom Tiderington <tiderington@plymouthtwpdpd.org>;
 [Cc] Boykin, Brian <Brian.Boykin@usdoj.gov>; Murphy, Crystal (CRM) <Crystal.Murphy@usdoj.gov>; AFMLS.ESRT <AFMLS.ESRT@usdoj.gov>;
 Dear Chief Tiderington:

Thank you for your continuous cooperation as we work to resolve the findings of the OIG audit report of the Plymouth Township Police Department (PTPD) issued on September 30, 2015. As discussed on our conference call on October 24, 2016, this follow is a status of PTPD's pending corrective actions and the support needed to close out the audit report.

OIG Recommendation	Status	Necessary Corrective Action
5. Remydy the \$1,327 in questioned costs paid for fringe benefits that exceeded actual costs incurred in FY's 2012 and 2013.	PTPD provided a copy of the adjustment entry performed in the account ledger dated August 31, 2015, for this reimbursement. However, bank statements for August 2015 reflect that no funds were deposited into the bank account for this reimbursement.	PTPD must reimburse its equitable sharing bank account for \$1,327.00.
6. Remydy the \$5,783 in questioned costs for the purchase of a mat for the Plymouth Township Hall and another Plymouth Township expense improperly paid for with equitable sharing funds.	Plymouth Township provided account ledger to support that only \$1,575.00 of expenditures were paid with DOJ equitable sharing funds. PTPD provided a copy of the adjustment entry performed in the account ledger dated August 31, 2015, for this reimbursement. However, bank statements for August 2015 reflect that no funds were deposited into the bank account for this reimbursement.	PTPD must reimburse its equitable sharing bank account for \$1,575.00.
7. Remydy the \$500 for the reimbursement of non-law enforcement specific uniforms.	PTPD provided a copy of the adjustment entry performed in the account ledger dated August 31, 2015, for this reimbursement. However, bank statements for August 2015 reflect that no funds were deposited into the bank account for this reimbursement.	PTPD must reimburse its equitable sharing bank account for \$500.00.

<p>8. Remedy the \$22,182 in questioned costs billed for salary costs of Plymouth Township employees who provided information technology services to the Plymouth Township PD.</p>	<p>PTPD provided a copy of the adjustment entry performed in the account ledger dated August 31, 2015, for this reimbursement. However, bank statements for August 2015 reflect that no funds were deposited into the bank account for this reimbursement.</p>	<p>PTPD must reimburse its equitable sharing bank account for \$22,182.00.</p>
<p>9. Remedy the \$21,591 in questioned costs for incurring expenditures to be paid with equitable sharing funds in advance of receiving equitable sharing receipts.</p>	<p>PTPD provided reconciliation to support that only \$20,357.69 of funds were used to pay for expenditures. PTPD provided a copy of the adjustment entry performed in the account ledger dated August 31, 2015, for this reimbursement. However, bank statements for August 2015 reflect that no funds were deposited into the bank account for this reimbursement.</p>	<p>PTPD must reimburse its equitable sharing bank account for \$20,357.69.</p>
<p>10. Ensure that the Plymouth Township PD, in conjunction with the Plymouth Township Treasurer, determine the amount reimbursed by the city of Plymouth for the upgraded equipment purchased for the police dispatch call center and repay that amount to the DOJ equitable sharing bank account. The Plymouth Township PD and Plymouth Township Treasurer should also ensure that they establish a process to appropriately account for future reimbursements received.</p>	<p>Reimbursement to the Township are based on the 1999 Agreement between the City and Plymouth Township. The Agreement and adjusting journal entries for the recording of these reimbursements were provided in the amount of \$6,135.52 for 2013, \$14,487.02 for 2014, and \$16,833.44 for 2015. However, bank statements provided reflect that no funds were deposited into the bank account as a result of these reimbursements. OIG reported that Plymouth Township officials communicated that a portion of these payments were placed into the DOJ equitable sharing bank account but were not provided with supporting documentation.</p>	<p>PTPD must reimburse its equitable sharing bank account for \$37,455.98.</p>

After completion of the corrective actions above, PTPD must perform and provide to AFMLS:

- Chart of accounts supporting that all Program revenues, expenditures, and interest are tracked together in a separate account or accounting code;

- Updated current year's account ledger that support your current DOJ equitable sharing account balance; and
- Bank evidence of the current DOJ equitable sharing account balance after the reimbursements to include but not limited to: bank statement and bank statement reconciliation support.

In addition, PTPD will need to submit its fiscal year 2014 and fiscal 2015 Equitable Sharing Agreement and Certification (ESAC) to }
reinstale compliance. PTPD must confirm that the fiscal year 2016 ESAC will reflect the above corrections to the equitable sharing }
account as "Other Income" on line 4 pursuant to the updated account ledger maintained.

Please provide all requested documentation to aide in the close out the audit report. Information should be submitted in a single
complete package by November 28, 2016. Please forward the package to the Compliance Review Team at
AFMLS.ESRT@usdoj.gov.

If you have any questions about the request above, please contact



CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: November 15, 2016

ITEM: Status of Equitable Sharing Program Audit performed by the Department of Justice

PRESENTER: Joe Heffernan, Plante Moran
Cindy Kushner, Director, Accounting and Financial Reporting

OTHER INDIVIDUALS IN ATTENDANCE: None anticipated.

BACKGROUND: On June 4, 2014, as a result of discussions with Township Supervisor, Richard Reaume, and Township Treasurer, Ron Edwards, Township Clerk, Nancy Conzelman, contacted Jovan Ware with the Department of Justice about sending someone to monitor the Township's compliance with the rules of the Federal Equitable Sharing Program. The Department of Justice responded that they would send either a training team or audit team to assist. In August, 2014, the Department of Justice began an audit, which took more than 12 months to complete. On September 30, 2015, the Office of the Inspector General issued their final audit report with their findings and a list of recommendations, which Plante Moran reviewed for the Plymouth Township Board of Trustees at a Regular Meeting on October 20, 2015. The DOJ made 12 recommendations which included the creation of policies and procedures for administering the Equitable Sharing Program Activities, submission of amended certification reports for FY 2010 through FY 2013, reimbursement of the Federal Forfeiture Fund for expenses that should have been charged to either the Police Department Budget or the General Fund Budget, training for Police Department and other Township personnel charged with administering the Equitable Sharing program, and a reminder to the Plymouth Township Police Department and Plymouth Township elected officials of the non-supplanting requirement. The Department of Justice also reported significant irregularities and inaccuracies in the Police Chief's legally mandated DAG-71 log reports for the period FY 2010 through FY 2013, which persisted even after the Police Chief was asked to submit new reports. The DOJ did not include a recommendation in the final audit report pertaining to these errors and omissions since the DAG-71 logs have been replaced by a new procedure.

The Township has now completed each of the recommended actions including the submission of amended certification reports for the relevant years and reimbursement for any expenses that should have been charged to the Police Department Budget or the General Fund Budget. Bank reconciliations have been provided to the DOJ's contract

accountants, showing that the bank statements tie out to the general ledger, which is consistent with the amended certification reports that were received, reviewed and accepted by the DOJ on October 21, 2016.

Despite the Township's completion of all recommended actions, the DOJ's contract accountants maintain that because they can't tell from the bank statements alone, whether each expense was reimbursed, the Township must reimburse the Forfeiture Fund a second time.

Cindy Kushner, Director of Accounting and Financial Reporting, has reviewed the bank statements, the bank reconciliation and the general ledger for the Federal Forfeiture Fund, and has concluded that the Township has, in fact, reimbursed the Forfeiture Fund for all amounts due as recommended in the audit report and that no additional reimbursement to the fund should be made.

Likewise, Joe Heffernan of Plante Moran has reviewed the adjustments that the Township was told to make and believes them to be appropriate.

ACTION REQUESTED: Authorize Plante Moran to draft a letter stating to the DOJ and/or the DOJ's contract accountants that the Township has made the appropriate adjustments and that reimbursing the Federal Forfeiture Fund again would be completely inappropriate and throw off all future accounting records in that fund.

BUDGET/ACCOUNT NUMBER:

RECOMMENDATION:

MODEL RESOLUTION:

ATTACHMENTS:

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
REGULAR MEETING
TUESDAY, NOVEMBER 15, 2016**

PROPOSED MINUTES

- 1) Request for Board Action - Deny Metro Act Application of Mobilitie, LLC

Moved by Ms. Conzelman and seconded by Mr. Edwards to deny the METRO Act Application as submitted by Mobilitie, LLC, since the application is administratively incomplete. Ayes all.

- 2) Request for Board Action - Memorandum of Understanding Between Plymouth Township and Regional Participating Partners for Grant Request

Fire Chief Phillips explained the need for a Memorandum of Understanding for all parties participating in regional grants. The grant request is for the purchase of a pumper to replace aging equipment.

Moved by Ms. Conzelman and seconded by Mr. Edwards to approve the Supervisor's signature on the Memorandum of Understanding between Plymouth Township and its Regional Participating partners (Northville Township and the City of Novi). Ayes all.

- 3) Request for Board Action - 2016 Financial Review/Audit

Mr. Joe Heffernan of Plante and Moran distributed a draft of the financial statement and explained that he hoped the audit could be closed by the end of this week, with financial statements printed and published in another week and a half.

- 4) Request for Board Action - Senior Transportation - Discussion and report

This item was removed from the agenda.

- 5) Request for Board Action - Status of Equitable Sharing Audit Performed by the Department of Justice

Mr. Heffernan and Mr. Edwards reviewed the conflicting e-mails coming from various individuals in the Department of Justice, first denoting compliance, then asking for further compliance. An e-mail was received two weeks ago that they wished for \$83,000 to be returned to the Drug Forfeiture Fund from the General Fund in six separate installments, despite receiving documentation that shows the Township had made the requested reimbursements. Mr. Heffernan indicated that there would be no harm in transferring the \$83,000 to the Forfeiture Fund, even if the fund has already been reimbursed, since there would be police-related costs that would be allowable to apply under the Drug Forfeiture Act.

Moved by Mr. Doroshewitz and seconded by Mr. Mann that \$83,397.67 be transferred to the Federal Drug Forfeiture Fund from the General Fund., and to authorize the Treasurer to pay the line items that total \$83,397.67. Ayes all.

F.3 e

state Forfeiture



Plymouth Township Police Department

ADMINISTRATIVE MEMORANDUM

To: Shannon Price / Township Supervisor
From: Thomas J. Tiderington / Chief of Police
Date: October 21, 2016 amended on (October 28, 2016)
Subject: Missing/Unaccounted for checks

This memorandum is a follow-up to all of our previous discussions regarding missing and/or unaccounted for checks. The exact number of missing checks and amounts cannot be determined or reconciled as I do not have access to any bank records. I am in the process of calling the finance departments from each municipality (Michigan State Police, Redford Township, Canton Township, Western Wayne Criminal Investigations and vendors) that may have issued us checks over the last three years.

The following is a list of missing/unaccounted for checks that have been issued to us and subsequently turned over to the Treasurer's office (see the attached supporting documentation) for deposit.

Redford Township (Uncashed/unaccounted for checks):		
Date Issued	Amount of Check	Total Amount
03-2015	7416.00 (#101485)	
06-2015	3852.40(#102305)	
02-2016	77,288.00 (#105118)	On 10/27/16 we determined that these two checks have been cashed and apparently deposited in the State Forfeiture Account.
3-2016	27,909.00 (#105899)	
06-2016	1,131.40 (#106445)	
		12,399.08
Downriver Community Conference (Uncashed/unaccounted for checks):		
Date Issued	Amount of Check	Total Amount
05-2016	31,601.00 (#106957)	
05-2016	13,535.00 (#106958)	
		45,136.00

Eotech (Uncashed/unaccounted for checks):		
Date Issued	Amount of Check	Total Amount
2016	\$2757.00 (#130014)	2757.00
	Total Amount = \$60,292.08	



Plymouth Township Police Department

ADMINISTRATIVE MEMORANDUM

To: Mark Clinton / Township Treasurer

From: Thomas J. Tiderington / Chief of Police *TJT*

Date: November 21, 2016

Subject: State Forfeiture Checks – Downriver Community Conference

On June 13, 2016 the Plymouth Township Police Department was issued two checks totaling \$45,136.00 (Check #106957 in the amount of \$31,601.00 and Check # 106958 in the amount of \$13,535.00) from the Downriver Community Conference (DCC).

These funds were shared with us based on our participation and involvement in a joint State narcotics investigation. The funds were awarded to the DCC and shared with us per our agreement. The two checks were given to Supervisor Shannon Price who reportedly "hand carried" them to Treasurer Ron Edwards along with the attached memorandum dated June 13, 2016.

In September 2016 I learned that the checks were not deposited or cashed and had expired. Supervisor Price and the Treasurer were made aware of the missing and unaccounted for checks and Cindy Kusner was directed to assist Treasurer Edwards in locating the missing funds.

Unable to account for the funds, I contacted the DCC and asked that they reissue the funds, which they did on October 26, 2016.

Attached to this memorandum please find the following two checks:

- 1) Check # 108172 in the amount of \$13,555.00
- 2) Check # 108171 in the amount of \$31,541.00

I am respectfully requesting that these funds be deposited in the STATE Forfeiture Funds Account.

Cc Supervisor Kurt Heise
Clerk Jerry Vorva



ACCOUNTS PAYABLE
15100 Northline Road
Southgate, MI 48195
734 362 7055

Flagstar Bank
Taylor-Pelham Road
Banking Center

Date
10/26/2016

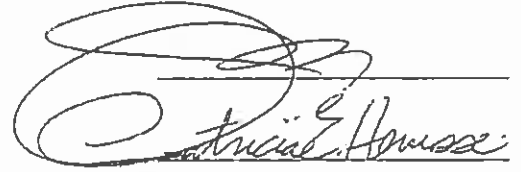
Amount
\$13,555.00

108172

Void After 90 Days

****Thirteen Thousand Five Hundred Fifty Five and 00/100 Dollars

Pay to the order of Plymouth Township Police Department



⑈ 108172⑈

⑈ 272471852⑈

⑈ 110355402⑈

Payee Plymouth Township Police Department 108172
Vendor ID PLYMOUTH POLICE Account #: 10/26/2016

Invoice	Description	Amount
Plym PD 4/16 b	Case# C-31-15	\$13,555.00

Total : \$13,555.00

Plymouth Charter Township
 Date Entered 11/22/2016 10:07:07 AM
 Posting Date: 11/21/2016
 Code: SF
 Ref FORFEITURE REVENUE-STATE
 Receipt 172865
 Amount \$13,555.00
 Tender Type: CHECKS
 Check #: 108172



ACCOUNTS PAYABLE
15100 Northline Road
Southgate, MI 48195
734 362 7065

Flagstar Bank
Taylor-Pelham Road
Banking Center

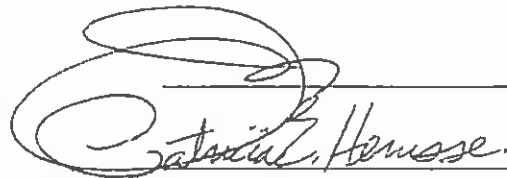
Date
10/26/2016

Amount
\$31,541.00

Void After 90 Days

***Thirty One Thousand Five Hundred Forty One and 00/100 Dollars

Pay to the order of Plymouth Township Police Department



⑈ 108171 ⑈

⑆ 272471852⑆

⑈ 110355402⑈

Payee	Plymouth Township Police Department	Account #:	108171
Vendor ID	PLYMOUTH POLICE		10/26/2016

Invoice	Description	Amount
Plym PD 4/16	Case# C-35-15	\$31,581.00
Plym PD 4/16b	Case# C-31-15	(\$40.00)

Total : \$31,541.00

Plymouth Charter Township
 Date Entered 11/22/2016 10:05:42 AM
 Posting Date: 11/21/2016
 Code: SF
 Ref FORFEITURE REVENUE-STATE
 Receipt 176864
 Amount \$31,541.00
 Tender Type: CHECKS
 Check #: 108171

**CHARTER TOWNSHIP OF PLYMOUTH
REQUEST FOR BOARD ACTION**

Meeting Date: December 13, 2016

ITEM: Service Agreement for Water Supply Cross Connection Control Program

BRIEF: Under proposed Professional Service Agreement, HydroCorp will conduct Township's water supply cross connection control program services in accordance with State (MDNRE) requirements.

ACTION: Approve proposed Professional Service Agreement.

DEPARTMENT/PRESENTER(S): Patrick J. Fellrath, P.E., Director of Public Utilities

BACKGROUND: State law requires water utilities to conduct a comprehensive control program for the elimination and prevention of cross connections. Program requirements include routine inspections of non-residential (i.e., commercial, industrial, and institutional) customers and an annual submission of a report to the State (MDNRE) on the status of the program.

Since December 2010, HydroCorp has administered the Township's program including conducting inspections and submitting annual reports. The current agreement expires on December 11, 2016.

HydroCorp is a qualified and reputable firm specializing in municipal cross connection control programs. HydroCorp currently provides same services to surrounding communities including Northville Twp, Canton Twp and City of Plymouth.

Similar to the current agreement, the proposed Professional Service Agreement is for a one (1) year term, with two (2) automatic renewals. Proposed contract amount is less than 10% (or about 8% more) than current contract and includes 10 additional annual inspections.

ATTACHMENTS: Professional Service Agreement.

BUDGET/TIME LINE: Water and Sewer Fund; \$21,348 per year (One (1) year Contract with two (2) automatic renewals).

RECOMMENDATION: Approve Agreement.

PROPOSED MOTION: I move to approve the Professional Service Agreement between the Township and HydroCorp, for the implementation of the Cross Connection Control Program and authorize the Supervisor and Clerk to sign the Agreement.

RECOMMENDATION: Moved by: _____ Seconded by: _____

VOTE: ___ KH ___ MC ___ JV ___ JD ___ GH ___ CC ___ RD

MOTION CARRIED _____ MOTION DEFEATED _____

PROPOSAL

DEVELOPED FOR
Patrick J. Fellrath, P.E.
Charter Township of Plymouth, MI

9955 Haggerty Road
Plymouth, MI 48170

November 22, 2016

KEEPING DRINKING WATER SAFE FOR INDUSTRIES AND MUNICIPALITIES

For over 30 years, HydroCorp™ has been dedicated to safe drinking water for companies and communities across North America. Fortune 500 firms, metropolitan centers, utilities, small towns and businesses – all rely on HydroCorp to protect their water systems, averting backflow contamination and the acute health risks and financial liabilities it incurs.

HYDR  **CORP.**
THE SAFE WATER AUTHORITY.

CROSS-CONNECTION
CONTROL / BACKFLOW
PREVENTION

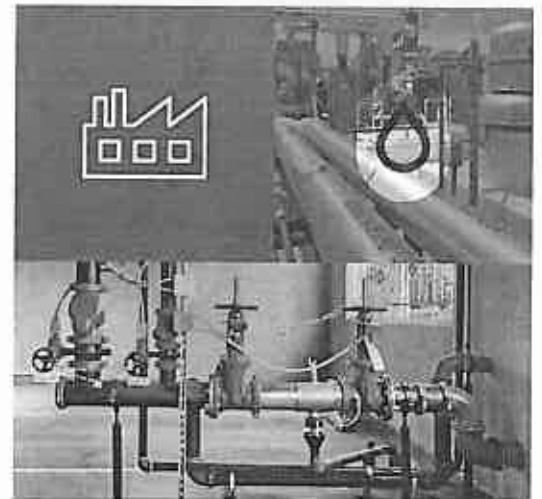
WATER SYSTEM
SURVEYS / AUDITS

PIPE SYSTEM MAPPING
AND LABELING

WATER SAMPLING
AND ANALYSIS / RISK
ASSESSMENTS

PROGRAM
AND PROJECT
MANAGEMENT

COMPLIANCE
ASSISTANCE /
DOCUMENTATION



MICHIGAN CORPORATE OFFICE
5700 Crooks Road, Suite 100
Troy, MI 48098
800.690.6651 TOLL FREE
248.250.5000 PHONE
248.786.1788 FAX GENERAL
info@hydrocorpinc.com EMAIL



SCOPE OF WORK3

PROFESSIONAL SERVICE AGREEMENT. 4-10

QUALIFICATIONS 11



SCOPE OF WORK

Based on your current program, HydroCorp™ will provide the following services to Plymouth Township. This project is a continued effort for an ongoing Cross-Connection Control Program and will provide Plymouth Township with the necessary data and information to maintain compliance with the Michigan Department of Environmental Quality (DEQ) Water Bureau Cross Connection Control Regulations. Once this project has been approved and accepted by the Township and HydroCorp, you may expect completion of the following elements within a one (1) year period. The components of the project include:

1. Annually, perform a minimum of 220 initial inspections, compliance inspections, and re-inspections at individual industrial, commercial, institutional facilities and miscellaneous water users within the Township served by the public water supply for cross-connections. Inspections will be conducted in accordance with the DEQ Water Bureau Cross Connection Control regulations.
2. Generate all backflow prevention assembly test notices, non-compliance notices and coordinate/monitor backflow prevention assembly testing compliance for all backflow prevention assemblies.
3. Perform administrative functions including: answering water user telephone calls, scheduling of inspections, mailing of all notices, verification of backflow prevention assembly tester credentials & proper testing results and general customer service and program education inquiries.
4. Generate and document the required program data for the facilities using the HydroCorp Software Data Management Program.
5. Submit comprehensive management reports on a quarterly basis.
6. Conduct an annual review meeting to discuss overall program status and recommendations.
7. Provide up to six- (6) ASSE approved hose bibb vacuum breakers or anti-frost hose bibb vacuum breakers, (i.e. combination) per facility as required, in order to place a facility into immediate compliance at the time of inspection.
8. Prepare the annual State of Michigan, DEQ Water Bureau Cross Connection Report.
9. Assist the Township with a community wide public relations program including general awareness brochures and customized web site cross connection control program overview content and resources.
10. Provide ongoing support via phone, fax, internet, text or email.

The above services will be provided for:

Monthly Amount: \$ 1,779.00

Annual Amount: \$ 21,348.00

Contract Amount is based upon a 12-month period. HydroCorp will invoice in 12 equal amounts of \$ 1,779.00



PROFESSIONAL SERVICE AGREEMENT

This agreement, made and entered into this (Date) _____ by and between Plymouth Township organized and existing under the laws of the State of Michigan referred to as "Utility", and HydroCorp™ a Michigan Corporation, referred to as "HydroCorp".

WHEREAS, the Utility supplies potable water throughout its corporate boundary to property owners; and desires to enter into a professional services contract for cross connection control program inspection, reporting and management services.

WHEREAS, HydroCorp is experienced in and capable of supplying professional inspection of potable water distribution systems and cross connection control program management to the Utility and the Utility desires to engage HydroCorp to act as its independent contractor in its cross connection control program.

WHEREAS, the Utility has the authority under the laws of the State of Michigan and its local governing body to enter into this professional services contract.

NOW THEREFORE, in consideration of the mutual agreements herein contained, and subject to the terms and conditions herein stated, the parties agree as follows:

ARTICLE I. Purpose

During the term of this Agreement, the Utility agrees to engage HydroCorp as an independent contractor to inspect and document its findings on its potable water distribution system in public, commercial and industrial facilities within the community. Each party to this Agreement agrees that it will cooperate in good faith with the other, its agents, and subcontractors to facilitate the performance of the mutual obligations set forth in this Agreement. Both Parties to this Agreement recognize and acknowledge that the information presented to them is complete and accurate, yet due to the inaccessible nature of water piping or due to access constraints within water users' facilities, complete and accurate data is not always available.

ARTICLE II. Scope of Services

The scope of services to be provided by HydroCorp under this Agreement will include the inspections/surveys, program administration, answering telephone call inquires, scheduling of inspections, program compliance review, public education materials, preparation of quarterly management reports, and annual cross connection reports with respect to the facilities to the extent specifically set forth in this Article II (hereinafter the "Scope of Services"). Should other reports/services be included within the Scope of Services, the same shall be appended to this Agreement as Exhibit 1.

2.1 PROGRAM REVIEW/PROGRAM START UP MEETING. HydroCorp will conduct a Program Startup Meeting for the Cross-Connection Control/Backflow Prevention Program. Items for discussion/review will include the following:

- Review state & local regulations
- Review and/or provide assistance in establishing local Cross-Connection Control Ordinance
- Review/establish wording and timeliness for program notifications including:
 - Inspection Notice
 - Compliance Notice
 - Non-Compliance Notices 1-2, Penalty Notices
- Special Program Notices
- Electronic use of notices/program information
- Obtain updated facility listing, address information and existing program data from Utility
- Prioritize Inspections (Township buildings, schools, high hazard facilities, special circumstances.)
- Review/establish procedure for vacant facilities



- Establish facility inspection schedule
- Review/establish procedures and protocol for addressing specific hazards
- Review/establish high hazard, complex facilities and large industrial facility inspection/containment procedures including supplemental information/notification that may be requested from these types of facilities in order to achieve program compliance.
- Review/establish program reporting procedures including electronic reporting tools
- Review/establish educational and public awareness brochures

2.2 INSPECTIONS. HydroCorp will perform initial inspections, compliance inspections, and re-inspections at individual industrial, commercial, institutional facilities and miscellaneous water users within the utility served by the public water supply for cross-connections. Inspections will be conducted in accordance with Michigan Department of Environmental Quality Cross Connection Control Rules.

- *Initial Inspection* – the first time a HydroCorp representative inspects a facility for cross connections. Degree of Hazard will be assigned and/or verified during this facility visit. The Degree of Hazard will dictate future re-inspection frequency/schedule of facility, (facility will be either compliant or non-compliant after this inspection).
- *Compliance Inspection* – subsequent visit by a HydroCorp representative to a facility that was non-compliant during the *Initial Inspection* to verify that corrective action was completed and meets the program requirements.
- *Re-Inspection* – Revisit by a HydroCorp representative to a facility that was previously inspected. The re-inspection frequency/schedule is based on the degree of hazard assigned to the facility during the initial inspection (two, six or ten year re-inspection cycle).

2.3 INSPECTION SCHEDULE. HydroCorp shall determine and coordinate the inspection schedule. Inspection personnel will check in/out on a daily basis with the Utility's designated contact person. The initial check in will include a list of inspections scheduled. An exit interview will include a list of inspections completed.

2.4 PROGRAM DATA. HydroCorp will generate and document the required program data for the Facility Types listed in the Scope of Services using the HydroCorp Software Data Management Program. Program Data shall remain property of the Utility; however, the HydroCorp Software Data Management program shall remain the property of HydroCorp and can be purchased for an additional fee. Data services will include:

- Prioritize and schedule inspections
- Notify users of inspections, backflow device installation and testing requirements if applicable
- Monitor inspection compliance using the HydroCorp online software management program.
- Maintain program to comply with all MDEQ regulations

2.5 MANAGEMENT REPORTS. HydroCorp will submit comprehensive management reports in electronic, downloadable format on a quarterly & annual basis to the Utility. Reports to include the following information:

- Name, location and date of inspections
- Number of facilities inspected/surveyed
- Number of facilities compliant/non-compliant

2.6 REVIEW OF CROSS-CONNECTION CONTROL ORDINANCE. HydroCorp will review or assist in the development of a cross-connection control ordinance. Items for review include: Code adoption references, standard operational procedures, program notice documentation, reporting procedures and preference standards and penalties for non-compliance.



- 2.7 VACUUM BREAKERS.** HydroCorp will provide up to six (6) ASSE approved hose bibb vacuum breakers or anti-frost hose bibb vacuum breakers per facility as required, in order to place a facility into immediate compliance at the time of inspection if no other cross-connections are identified.
- 2.8 PUBLIC RELATIONS PROGRAM.** HydroCorp will assist the Utility with a community-wide public relations program including general awareness brochures and website cross connection control program content.
- 2.9 SUPPORT.** HydroCorp will provide ongoing support via phone, fax, text, website or email for the contract period.
- 2.10 FACILITY TYPES.** The facility types included in the program are as follows:
- Industrial
 - Institutional
 - Commercial
 - Miscellaneous Water users
- Complex Facilities.** Large industrial and high hazard complexes or facilities may require inspection/survey services outside the scope of this Agreement. An independent cross connection control survey (at the business owner's expense) may be required at these facilities and the results submitted to the Utility to help verify program compliance.
- 2.11 INSPECTION TERMS.** HydroCorp will perform a minimum of 220 total inspections over a **one (1) year** contract period. The total inspections include all initial inspections, compliance and re-inspections.
- 2.12 COMPLIANCE WITH DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ).** HydroCorp will assist in compliance with DEQ and Michigan Plumbing Code cross connection control program requirements for all commercial, industrial, institutional, residential, multifamily and public authority facilities.
- 2.13 POLICY MANUAL.** HydroCorp will review and/or develop a comprehensive cross connection control policy manual/plan and submit to the appropriate regulatory agency for approval on behalf of the Utility.
- 2.14 INVENTORY.** HydroCorp shall inventory all accessible (ground level) backflow prevention assemblies and devices. Documentation will include: location, size, make, model and serial number if applicable.
- 2.15 DATA MANAGEMENT.** HydroCorp shall provide data management and program notices for all inspection services throughout the contract period.
- 2.16 ANNUAL YEAR END REVIEW.** HydroCorp will conduct an on-site annual year-end review meeting to discuss overall program status and specific program recommendations.
- 2.17 CROSS CONNECTION CONTROL BROCHURES.** HydroCorp will provide approximately 1,000 cross-connection control educational brochures for the duration of the Agreement.
- 2.18 INSURANCE.** HydroCorp will provide all required copies of general liability, workers compensation and errors and omissions insurance naming the Utility as an additional insured if required.



ARTICLE III. Responsibilities of the Utility

- 3.1 UTILITY'S REPRESENTATIVE.** On or before the date services are to commence under this Agreement, the Utility shall designate an authorized representative ("Authorized Representative") to administer this Agreement.
- 3.2 COMPLIANCE WITH LAWS.** The Utility, with the technical and professional assistance of HydroCorp, shall comply with all applicable local, state, and federal laws, codes, ordinances, and regulations as they pertain to the water inspection and testing, and shall pay for any capital improvements needed to bring the water treatment and delivery system into compliance with the aforementioned laws.
- 3.3 NOTICE OF LITIGATION.** In the event that the Utility or HydroCorp has or receives notice of or undertakes the prosecution of any actions, claims, suits, administrative or undertakes the prosecution of any actions, claims, suits, administrative or arbitration proceedings, or investigations in connection with this Agreement, the party receiving such notice or undertaking of such prosecution shall give the other party timely notice of such proceedings and will inform the other party in advance of all hearings regarding such proceedings.
- 3.4 FACILITY LISTING.** The Utility must provide HydroCorp a complete list of facilities to be inspected, including facility name, type of service connection, address, contact person, and phone number, (if available). *Electronic file format such as Microsoft Excel, etc. is required. An additional one-time fee to manually enter facility listing will be charged at the rate of \$80.00 per hour. Incorrect facility addresses will be returned to the Utility contact and corrected address will be requested.*
- 3.5 LETTERHEAD/LOGO.** The Utility will provide HydroCorp with an electronic file copy of the utility logo or utility letterhead and all envelopes for the mailing of all official program correspondence only. (300 dpi in either .eps, or other high quality image format for printing.)

ARTICLE IV. Term, Compensation and Changes in Scope of Services

- 4.1 TERM AND TERMINATION TERM.** Services by HydroCorp under this Agreement shall commence on (Date) and end one (1) year from such date, unless this Agreement is renewed or terminated as provided herein. The terms of this Agreement shall be valid only upon the execution of this Agreement within ninety (90) days of its receipt. Failure to execute this Agreement within the ninety (90) day period shall deem the proposed terms void.
- 4.2 RENEWAL.** This agreement shall automatically renew for up to two (2) additional one (1) year terms unless Agreement is terminated pursuant to paragraph 4.3 below.
- 4.3 TERMINATION.** The Utility or HydroCorp may terminate this Agreement at any time and on any date in the initial and renewal terms of this Agreement, with or without any cause, by giving written notice of such intent to terminate to the other party at least thirty (30) days prior to the effective date of termination. Notice of the intent to terminate shall be given in writing by personal service, by an authorized agent, or by certified mail, return receipt requested. The Utility shall pay the balance of any outstanding accounts for work performed by HydroCorp.
- 4.4 BASE COMPENSATION.** From the Beginning thirty (30) days after execution of this Agreement, the Utility shall pay HydroCorp as compensation ("Base Compensation") for labor, equipment, material, supplies, and utilities provided and the services performed pursuant to this Agreement, the sum of \$1,779.00 per month, for a one (1) year contract period totaling \$21,348.00.



- 4.5 PAYMENT OF INVOICES.** Upon presentation of invoices by HydroCorp, all payments including base and other compensation shall be due and payable on the first day of each month (due date) after the month for which services have been rendered. All such payments shall be made no later than thirty (30) days after the due date. Failure to pay shall be deemed a default under this Agreement. For any payment to HydroCorp which is not made within thirty (30) calendar days after the due date, HydroCorp, shall receive interest at one and one-half (1½) percent per month on the unpaid balance.
- 4.6 CHANGES IN SCOPE OF SERVICES.** In the event that the Utility requests and HydroCorp consents to perform additional work or services involving the consulting, management, operation, maintenance, and repair of the Utility's water delivery system where such services or work exceeds or changes the Scope of Services contemplated under this Agreement, HydroCorp shall be provided additional compensation. Within thirty (30) calendar days from the date of notice of such additional work or services, the parties shall mutually agree upon an equitable sum for additional compensation. This amount shall be added to the monthly sum effective at the time of change in scope. Changes in the Scope of Service include, but are not limited to, requests for additional service by the Utility or additional costs incurred in meeting new or changed government regulations or reporting requirements.
- 4.7 CLIENT CONFIDENTIALITY.** Disclosure of all communications between HydroCorp and the Utility regarding business practices and other methods and forms of doing business is subject to the provisions of Michigan Public Records Law. HydroCorp agrees to make available for inspection and copying all records in its possession created, produced, collected or otherwise related to this Agreement to the same extent as if the records were maintained by the Utility. HydroCorp expressly acknowledges and agrees that its obligations concerning Public Records Law and compliance under this Agreement should not be limited by copyright, license, privacy and/or confidentiality except as authorized under the Public Records Law.
- 4.8 ACCESSIBILITY.** Backflow prevention device information will be completed in full only when the identifying information (i.e. data plate, brass tag, etc.) is accessible and visible from ground level or from a fixed platform/mezzanine.
- 4.9 CONFINED SPACES.** – HydroCorp personnel will not enter confined spaces.

ARTICLE V. Risk Management and General Provisions

- 5.1 INFORMATION.** Both Parties to this Agreement recognize and acknowledge that the information presented to them is complete to the best of their knowledge, yet due to the inaccessible nature of water piping or lack of access provided by property owner/water user, complete accurate data is not always available. Cross-connection control inspection and results are documented as of a specific date. The property owner and/or water user may make modifications to the potable water system after the inspection date that may impact compliance with the program.
- 5.2 INDEMNIFICATION.** HydroCorp agrees to and shall hold the Utility, its elected and appointed officers, and employees harmless from any liability for claims or damages for personal injury or property damage which is caused by or arises from the sole negligence of HDI in the performance of its services under this Agreement. HDI shall in no event be liable for indirect or consequential damages, including but not limited to, loss of profits, loss of revenue, or loss of facilities, based upon contract, negligence, or any other cause of action.



5.3 HYDROCORP INSURANCE. HydroCorp currently maintains the following insurance coverage's and limits:

	Occurrence	Aggregate
Comprehensive General Liability	\$1 Million	\$2 Million
Excess Umbrella Liability	\$5 Million	\$5 Million
Automobile Liability (Combined Single Limit)	\$1 Million	
Worker's Compensation/ Employer's Liability	\$1 Million	
Errors and Omissions	\$2 Million	\$2 Million

Within thirty (30) calendar days of the start of the project, HydroCorp shall furnish the Utility with satisfactory proof of such insurance, and each policy will require a 30-day notice of cancellation to be given to the Utility while this Agreement is in effect. The Utility shall be named as an additional insured according to its interest under the general liability policy during the term of this Agreement.

5.4 UTILITY INSURANCE. The Utility will maintain liability insurance on an all risk basis and including extended coverage for matters set forth in this Agreement. The Utility and HydroCorp agree that with respect to insurance coverage carried by either party in connection with the Facilities, such insurance will provide for the waiver by the insurance carrier of any subrogation rights against the Utility or against HydroCorp as the case may be.

5.5 RELATIONSHIP. The relationship of HydroCorp to the Utility is that of independent contractor and not one of employment. None of the employees or agents of HydroCorp shall be considered employees of the Utility. For the purposes of all state, local, and federal laws and regulations, the Utility shall exercise primary management, and operational and financial decision-making authority.

5.6 ENTIRE AGREEMENT AMENDMENTS. This Agreement contains the entire Agreement between the Utility and HydroCorp, and supersedes all prior or contemporaneous communications, representations, understandings, or agreements. This Agreement may be modified only by a written amendment signed by both parties.

5.7 HEADINGS, ATTACHMENTS, AND EXHIBITS. The heading contained in this Agreement is for reference only and shall not in any way affect the meaning or interpretation of this Agreement. The Attachments and Exhibits to this Agreement shall be construed as integral parts of this Agreement.

5.8 WAIVER. The failure on the part of either party to enforce its rights as to any provision of this Agreement shall not be construed as a waiver of its rights to enforce such provisions in the future.

5.9 ASSIGNMENT. This Agreement shall not be assigned by either party without the prior written consent of the other unless such assignment shall be to the affiliate or successor of either party.

5.10 FORCE MAJEURE. A party's performance under this Agreement shall be excused if, and to the extent that, the party is unable to perform because of actions due to causes beyond its reasonable control such as, but not limited to, Acts of God, the acts of civil or military authority, loss of potable water sources, water system contamination, floods, quarantine restrictions, riot, strikes, commercial impossibility, fires, explosions, bombing, and all such interruptions of business, casualties, events, or circumstances reasonably beyond the control of the party obligated to perform, whether such other causes are related or unrelated, similar or dissimilar, to any of the foregoing. In the event of any such force majeure, the party unable to perform shall promptly notify the other party of the existence of such force majeure and shall be required to resume performance of its obligations under this Agreement upon the termination of the aforementioned force majeure.



5.11 AUTHORITY TO CONTRACT. Each party warrants and represents that it has authority to enter into this Agreement and to perform the obligations, including any payment obligations, under this Agreement.

5.12 GOVERNING LAW AND VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan, regardless of the fact that any of the parties hereto may be or may become a resident of a different state or jurisdiction. Any suit or action arising shall be filed in a court of competent jurisdiction within the State of Michigan, venue by the presiding County. The parties hereby consent to the personal jurisdiction of said court within the State of Michigan.

5.13 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

5.14 NOTICES. All notices, requests, demands, payments and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally or sent by nationally recognized overnight carrier, or mailed by certified mail, postage prepaid, return receipt requested, as follows:

If to HydroCorp:

HydroCorp
c/o John Hudak
5700 Crooks Road, Ste. 100
Troy, MI 48337
(248) 250-5005

If to Utility:

Patrick J. Fellrath
Plymouth Township
9955 Haggerty Road
Plymouth, MI 48170

5.15 SEVERABILITY. Should any part of this Agreement for any reason, be declared invalid or void, such declaration will not affect the remaining portion, which will remain in full force and effect as if the Agreement has been executed with the invalid portion eliminated.

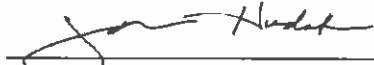
SIGNATURES

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date first above written.

Plymouth Township

By:
Title:

HydroCorp



By: John Hudak
Its: President

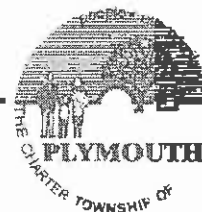


Qualifications/Experience

HydroCorp™ is a professional service organization that specializes in Cross Connection Control Programs. Cross Connection Control Program Management & Training is the main core and focus of our business. We are committed to providing water utilities and local communities with a cost effective and professionally managed cross connection control program in order to assist in protecting the public water supply.

- HydroCorp conducts over 30,000 Cross Connection Control Inspections **annually**.
- HydroCorp tracks and manages over 35,000+ backflow prevention assemblies for our Municipal client base.
- Our highly trained staff works in an efficient manner in order to achieve maximum productivity and keep program costs affordable. We have a detailed **system** and **process** that each of our field inspectors follow in order to meet productivity and quality assurance goals.
- Our municipal inspection team is committed to providing outstanding customer service to the water users in each of the communities we serve. We teach and train customer service skills in addition to the technical skills since our team members act as representatives of the community that we service.
- Our municipal inspection team has attended training classes and received certification from the following recognized Cross Connection Control Programs: UF TREEO, UW-Madison, and USC – Foundation for Cross Connection Control and Hydraulic Research, American Backflow Prevention Association (ABPA), American Society for Sanitary Engineering (ASSE). HydroCorp recognizes the importance of Professional Development and Learning. We invest heavily in internal and external training with our team members to ensure that each Field Service and Administrative team member has the skills and abilities to meet the needs of our clients.
- We have a trained administrative staff to handle client needs, water user questions and answer telephone calls in a professional, timely and courtesy manner. Our administrative staff can answer most technical calls related to the cross connection control program and have attended basic cross connection control training classes.
- HydroCorp currently serves over 200 communities in Michigan, Wisconsin, Maryland, Delaware, Virginia & Florida. We still have our first customer!
- HydroCorp and its' staff are active members in many water industry associations including: National Rural Water Association, State Rural Water Associations, National AWWA, State AWWA Groups, HydroCorp is committed to assisting these organizations by providing training classes, seminars and assistance in the area of Cross Connection Control.
- Several Fortune 500 companies have relied on HydroCorp to provide Cross Connection Control Surveys, Program Management & Reporting to assist in meeting state/local regulations as well as internal company guidelines.

Memo



To: Board of Trustees
From: Jana Radtke
Community Development Director/Planner
Date: December 1, 2016
Re: Application 1921/0306 – Edinburgh Estates
Extension of Cluster Housing Option Approval

Edinburgh Estates is a proposed cluster housing condominium development, which would contain 6 detached single-family homes. The Board of Trustees had previously granted an extension of the Cluster Housing Option Approval, which was due to expire in December 2016.

On October 19, 2016, the Planning Commission granted Tentative and Final Site Plan Approval. The next step is for the Board of Trustees to approve the Cluster Housing Agreement and Final Site Plan. In order for this project to be considered by the Board of Trustees, the engineering review process must be completed. This requires all necessary permits to be secured from Wayne County.

At this time, Centennial Home Group LLC is requesting an extension of the Cluster Housing Option Approval in order to keep this approval valid while they finalize the permit review process with Wayne County. The past practice of the Township has been to grant two-year extensions. Centennial Home Group LLC hopes to begin construction during 2017.

Jack R. Carnahan, P.E., PLLC

Consulting Civil Engineer

November 30, 2016

Plymouth Township Board of Trustees
9955 N. Haggerty Road
Plymouth, MI 48170

Re: Proposed Edinburgh Estates

Dear Board Members,

On behalf of Centennial Home Group LLC, the developer of the referenced site we are requesting an extension of the Cluster Housing approval originally granted in December 2012. Centennial is continuing to pursue development of this site and it appears that everything is in place except the permit from the Wayne County Department of Public Services and final site plan approval from your board.

Thank you for your consideration. If you need additional information please contact me.

Sincerely,

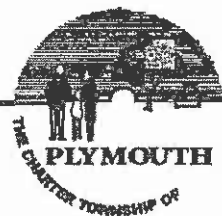
Centennial Home Group LLC



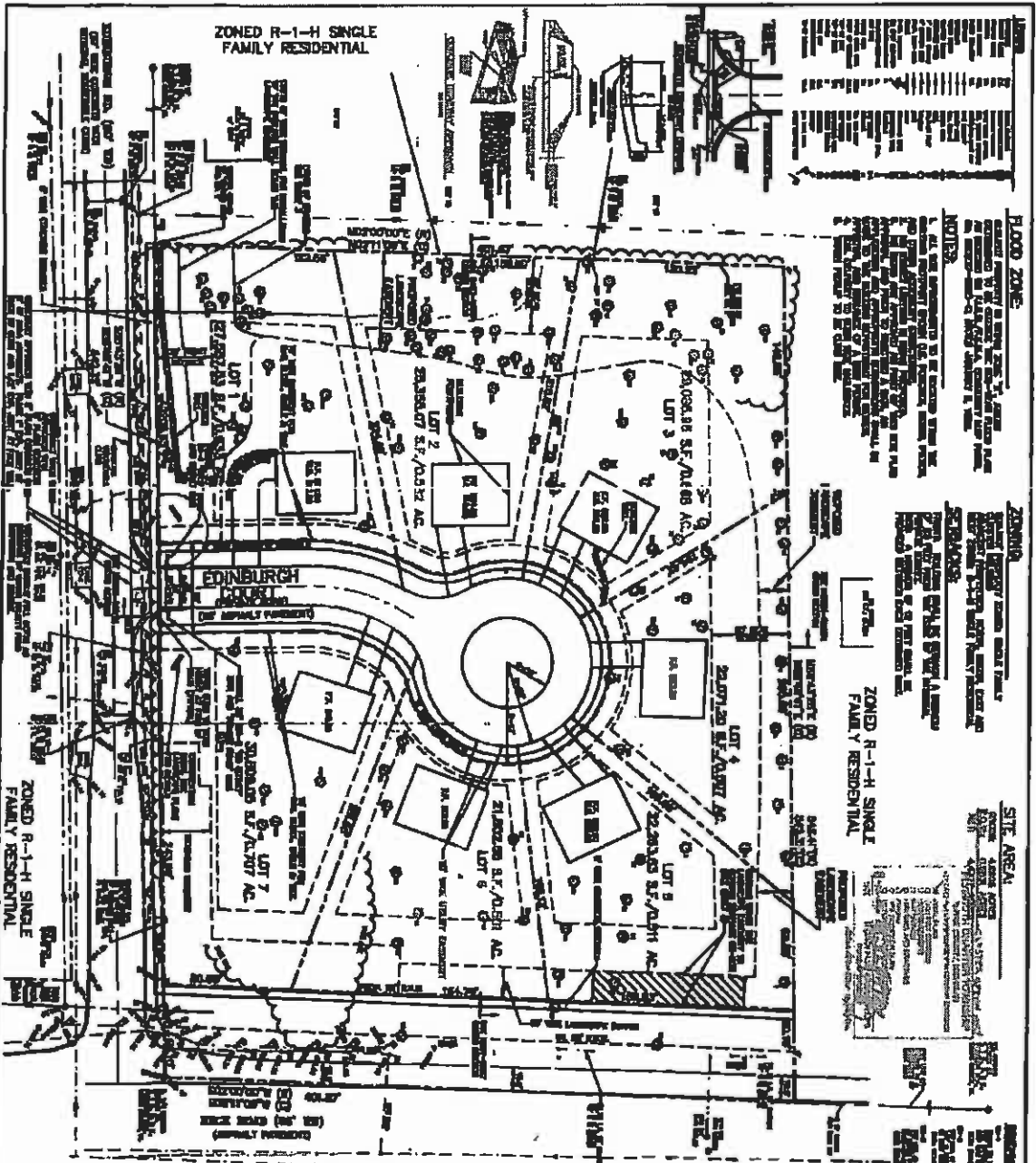
Jack R. Carnahan, agent



**PLANNING COMMISSION
CHARTER TOWNSHIP OF PLYMOUTH**



Application: 2211-0716
ApplicationType: Request for Site Plan Approval - Cluster Housing
Applicant: Edinburgh Estates
Tax I.D(s): R-78-037-99-0001-000



FLOOD ZONE:
FLOOD ZONE: The area shown on this plan is not within the flood zone of any water body or stream. The applicant is advised that the applicant should check the Flood Insurance Rate Map (FIRM) for the area shown on this plan to determine if the area is within the flood zone of any water body or stream.

ZONING:
ZONING: The area shown on this plan is zoned R-1-H Single Family Residential. The applicant is advised that the applicant should check the zoning map for the area shown on this plan to determine if the area is within the R-1-H Single Family Residential zoning district.

SITE AREA:
SITE AREA: The total site area is 2.15 acres. The area shown on this plan is 2.15 acres. The applicant is advised that the applicant should check the site plan for the area shown on this plan to determine if the area is within the site area.

LEGAL DESCRIPTION:
LEGAL DESCRIPTION: The area shown on this plan is described as follows: ...

ZONED R-1-H SINGLE FAMILY RESIDENTIAL
ZONED R-1-H SINGLE FAMILY RESIDENTIAL

ADJACENT COUNTY DATA:
ADJACENT COUNTY DATA: The area shown on this plan is adjacent to the following counties: ...

PA1

INTEROFFICE MEMO

TO: Kurt Heise -Supervisor, Jerry Vorva-Clerk, Mark Clinton-Treasurer, Chuck Curmi-Trustee, Jack Dempsey-Trustee, Robert Doroshewitz-Trustee, Gary Heitman-Trustee

FROM: Sandy Groth, Deputy Clerk

DATE: December 2, 2016

REF: New Procedures for Handling Agendas and Minutes

Clerk Vorva and I have been talking about the "future" of the Clerk's Office in Plymouth Township and the need for efficient, effective agenda setting, minute taking and document sharing as it relates to Board of Trustee items.

Supervisor Heise and Clerk Vorva have advised the department heads that all agenda items must be submitted to the Supervisor's office for him to approve for placement on the agenda. Likewise, all back up material will be provided to the Clerk's office by noon on the Friday before the meeting so that we can get the packets out to you to give you adequate time to study the agenda and back up material.

In this packet you will see a copy of the proposed minutes from the Special Meeting of November 22, 2016. Clerk Vorva would like for each of you to look at these to evaluate if they represent the type of minutes you want to continue to see in the future from this office or if you are hoping for verbatim minutes as opposed to summaries.

Another concern relates to the publishing of agendas and minutes in the local newspapers. In the past four years the Clerk has not published the minutes in the newspaper. She has published a notice stating that minutes are available in the Clerk's office for public perusal and the minutes have been posted on the Township website.

That procedure is in accordance with the provisions of the Charter Township Act (which is also enclosed in this packet). It will be up to you all to decide if you want to continue that practice or if you want to adopt a different practice.

If I can assist you in any way, please let me know at sgroth@plymouthtwp.org or you can call me at 734-354-3228.

F.6.b

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, NOVEMBER 22, 2016
PROPOSED MINUTES**

Supervisor Heise called the meeting to order at 7:13 p.m. and Lieutenant Governor Brian Calley led in the Pledge of Allegiance to the Flag.

MEMBERS PRESENT: Kurt Heise, Supervisor
Jerry Vorva, Clerk
Mark Clinton, Treasurer
Charles Curmi, Trustee
Jack Dempsey, Trustee
Gary Heitman, Trustee

MEMBERS ABSENT: Robert Doroshewitz, Trustee, Excused

OTHERS PRESENT: Thomas Tiderington, Police Chief
Robert Antal, Police Lieutenant
Sandra Groth, Deputy Clerk
Alice Geletzke, Recording Secretary
150 Members of the Public

D. SWEARING IN OF ELECTED OFFICIALS

Lt. Gov. Brian Calley administered the oath of office to Trustees Charles Curmi, Gary Heitman and Jack Dempsey; and Treasurer Mark Clinton, Clerk Jerry Vorva, and Supervisor Kurt Heise.

E. SUPERVISOR AND TRUSTEE COMMENTS

Supervisor Heise thanked Lt. Gov. Calley for being part of this historic evening. He then recognized Mayor Dan Dwyer, Colleen Pobur and Dan Dalton from the City of Plymouth Commission; Wayne County Commissioner Joe Barone, and former Township Clerk Marilyn Massengill. He thanked his family and supporters for their efforts, and prayed for healing, tolerance, and cooperation toward a new beginning.

Board members thanked their families and supporters for all their assistance and expressed their gratitude and willingness to serve.

Clerk Vorva also introduced Deputy Clerk Sandy Groth.

F. PUBLIC COMMENTS

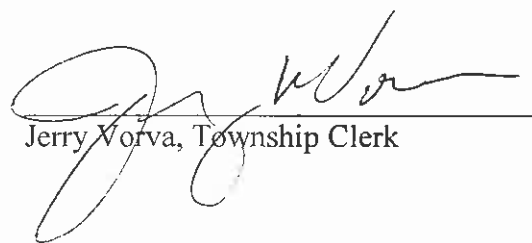
Ed Haggerty, Dorian Thompson, Sandy Groth, Alan Guzzo, Chris Hunter, Paul Sharp, Colleen Pobur, Duane Zantop, Polly Wise, Trisha Curmi, Bill Carter, and Ms. Itsell congratulated the new administration, offered their support and looked forward to better days for the community, as well as thanking the police and fire personnel.

**CHARTER TOWNSHIP OF PLYMOUTH
BOARD OF TRUSTEES
SPECIAL MEETING
TUESDAY, NOVEMBER 22, 2016
PROPOSED MINUTES**

Lt. Gov. Calley thanked the Board for their invitation and echoed thanking police, fire and emergency services personnel. He also talked about working with Supervisor Heise in facing challenges of the State.

M. ADJOURNMENT

Moved by Mr. Heitman and seconded by Mr. Dempsey to adjourn the meeting at 8:02 p.m. Ayes all.



Jerry Vorva, Township Clerk

7/29/16

F.b.c

THE CHARTER TOWNSHIP ACT
Act 359 of 1947

AN ACT to authorize the incorporation of charter townships; to provide a municipal charter therefor; to prescribe the powers and functions thereof; and to prescribe penalties and provide remedies.

History: 1947, Act 359, Eff Oct 11, 1947,—Am. 1998, Act 144, Eff Mar. 23, 1999.

The People of the State of Michigan enact:

42.1 Short title; charter townships; incorporation; powers, privileges, immunities and liabilities; petition; special census; expenses.

Sec. 1. (1) This act shall be known and may be cited as “the charter township act”.

(2) A township, having a population of 2,000 or more inhabitants according to the most recent regular or special federal or state census of the inhabitants of the township may incorporate as a charter township. The charter township shall be a municipal corporation, to be known and designated as the charter township of, and shall be subject to this act, which is the charter of the charter township. The charter township, its inhabitants, and its officers shall have, except as otherwise provided in this act, all the powers, privileges, immunities, and liabilities possessed by a township, its inhabitants, and its officers by law and under chapter 16 of the Revised Statutes of 1846, being sections 41.1a to 41.110c of the Michigan Compiled Laws.

(3) A special census of the inhabitants of a township desiring to incorporate under this act shall be taken by the secretary of state upon receipt of a petition signed by not less than 100 registered electors of the township. Within 5 days after receipt of the petition, the secretary of state shall appoint an enumerator or enumerators. An enumerator shall qualify for the office of enumerator, enumerate the inhabitants of the township, and make a return in the manner provided in section 6 of Act No. 279 of the Public Acts of 1909, as amended, being section 117.6 of the Michigan Compiled Laws. The census, when accepted by the secretary of state, shall fix the population of any township so enumerated for the purposes of this act. All expenses incident to the census shall be paid for by the township.

History: 1947, Act 359, Eff Oct 11, 1947,—CL 1948, 42 1,—Am. 1949, Act 70, Eff Sept 23, 1949,—Am 1967, Act 238, Eff Nov 2, 1967,—Am. 1994, Act 82, Eff Oct 1, 1994.

42.1a Emergency financial manager; authority and responsibilities.

Sec. 1a. Notwithstanding any provision of this act, if an emergency financial manager has been appointed under the local government fiscal responsibility act, Act No. 101 of the Public Acts of 1988, being sections 141.1101 to 141.1118 of the Michigan Compiled Laws, with respect to a township governed by this act, then that emergency financial manager may exercise the authority and responsibilities provided in this act to the extent authorized by Act No. 101 of the Public Acts of 1988.

History: Add 1988, Act 193, Imd. Eff June 27, 1988.

42.1b Minimum staffing requirement; adoption of ordinance prohibited.

Sec. 1b. Beginning on the effective date of the amendatory act that added this section, a charter township shall not adopt an ordinance that includes any minimum staffing requirement for charter township employees. Except as otherwise provided in this section, any provision in an ordinance adopted on or after the effective date of the amendatory act that added this section that contains a minimum staffing requirement for charter township employees is void and unenforceable.

History: Add 2011, Act 137, Imd Eff. Sept 13, 2011.

42.2 Incorporation; referendum; ballot, form and content; filing of petition or resolution by township clerk; finality of proceedings; term of incumbent officers; disincorporation.

Sec. 2. Any eligible township shall become a charter township when the inhabitants thereof shall, by a majority vote of the electors thereof, voting on such proposition, declare in favor thereof at any general or special election at which the proposition to incorporate as a charter township shall be submitted to the electors of the township. At such election the township clerk shall prepare a ballot for the submission of such proposition in accordance with the general election laws of the state and setting forth such proposition as follows:

“Shall the township of incorporate as a charter township which shall be a municipal corporation subject to the provisions of Act No. 359 of the Public Acts of 1947, as amended, which act shall constitute the charter of such municipal corporation?”

Yes ()
No ()"

If on the vote being canvassed on the question of incorporation as a charter township, the result is determined to be in favor of such incorporation, the township clerk shall file with the secretary of state and with the county clerk of the county within which the township is located a copy of the petition or resolution initiating the move to become a charter township, together with the notice of the election at which such question was submitted to the electors of the township, the ballot upon which such question was submitted, and a certificate of the board of canvassers showing that the purposes of such petition or resolution have been approved by a majority of the electors of the township voting thereon, which certificate shall also give the number of votes cast on such proposition and the number cast for and against the same. From the date of such filing, the township shall be duly and legally incorporated as a charter township. After the filing of such petition or resolution and the other papers hereinabove required, neither the sufficiency thereof nor the legality of the incorporation of the township as a charter township may be questioned in any proceeding except by proceedings in the nature of quo warranto which shall be brought within 40 days after the date of such filing. All officers of any township which shall elect to become a charter township shall serve in the offices to which they have been elected or appointed for the balance of the terms for which they were elected or appointed and until their successors elect or to be elected shall qualify for and assume their respective offices. Any charter township may be disincorporated and returned to its previous status as a township governed under the provisions of chapter 16 of the Revised Statutes of 1846, as amended, being sections 41.1 to 41.103 of the Compiled Laws of 1948, by following the same procedures therefor as provided herein for adopting the provisions of this act. No election to disincorporate shall be held until 4 years after incorporation nor oftener than once each 4 years.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42 2,—Am 1949, Act 70, Eff. Sept. 23, 1949,—Am 1964, Act 163, Eff. Aug. 28, 1964

42.2a Violation of MCL 168.1 to 168.992 applicable to petitions ; penalties.

Sec. 2a. A petition under section 3, 3a, 4, 6a, or 34(5), including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488. A person who violates a provision of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

History: Add 1998, Act 144, Eff. Mar. 23, 1999.

42.3 Incorporation; submission of proposition to electors, time; petitions, verification of signatures.

Sec. 3. The proposition to incorporate as a charter township shall be submitted at the next general or at a special election in the event that, on or before August 30, or, in the event of a special election, not less than 60 days, preceding such election, the township board shall vote to submit such proposition to the electors of the township, or in the event that there shall be filed with the township clerk on or before such date petitions requesting the submission of such proposition which have been signed by a number of electors of the township which shall not be less than 10% of the total vote cast for supervisor in the township at the last election in which a supervisor was elected. The township clerk shall check the signatures on such petitions with those of the electors signing such petitions as they appear on the registration cards of the township and, if such petitions bear the required number of signatures of electors of the township, shall do and perform all acts required for the submission of the proposition to become a charter township at the next general or special election.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42 3,—Am 1964, Act 163, Eff. Aug. 28, 1964.

42.3a Notice to clerk of township not incorporated as charter township; resolution of township board; notice of right to referendum; petition; signatures; submitting question of incorporation at general or special election; wording of ballot.

Sec. 3a. (1) Within 30 days after the effective date of this 1984 amendatory act and after each regular or special federal or state census, the secretary of state shall notify the clerk of a township which is not incorporated as a charter township pursuant to this act and which has a population of 2,000 or more inhabitants, excluding the population of any incorporated village, according to the most recently made regular or special federal or state census that the township may be incorporated as the charter township of under this act.

(2) After notification is received by the clerk, the township board may:

(a) Adopt, by a majority vote, a resolution opposed to incorporation.

(b) Adopt, by a majority vote, a resolution of intent to approve incorporation and if a petition of disagreement to the intent resolution relative to the incorporation is filed within 60 days before final passage of the resolution, the electors of the township have the right to a referendum on the incorporation question.

(c) Adopt, by a majority vote, a resolution to place before the electorate the question of incorporation at the next regular or special election.

(3) The clerk shall publish in a newspaper of general circulation in the township a notice of the right to referendum within 15 days after receipt of notification from the secretary of state. A second notice shall be published 7 days after the first notice.

(4) The petition under subsection (2)(b) shall be signed by not less than 10% of the number of electors of the township voting for township supervisor at the last election in which a supervisor was elected. The township clerk shall check the signatures on the petitions with those of the electors signing the petitions as they appear on the registration cards of the township. If petitions bearing the required number of signatures of electors have been filed, the clerk shall do and perform all acts required for the submission of the question of incorporation at the next general or special election. The wording of the ballot shall be in accordance with section 2.

History: Add. 1976, Act 90, Eff. Mar. 31, 1977;—Am. 1984, Act 361, Eff. Mar. 29, 1985.

42.4 Nomination of candidates for township office; conducting primary election; duties of township clerk; duties and composition of board of township election commissioners.

Sec. 4. Candidates for township office in charter townships shall be nominated at the general primary election held in the township before each general election at which township officers are to be elected. The primary election shall be conducted, as near as may be, pursuant to the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992. Duties of the county clerk in the conduct of primary elections shall be performed by the township clerk with respect to the nomination of township officers, and the duties of the county board of election commissioners shall be performed for each township by a board of township election commissioners to be composed of the township clerk and the 2 trustees appointed by the township board.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 4;—Am. 1949, Act 70, Eff. Sept. 23, 1949;—Am. 1954, Act 169, Eff. Aug. 13, 1954;—Am. 1964, Act 163, Eff. Aug. 28, 1964;—Am. 1975, Act 328, Imd. Eff. Jan. 12, 1976;—Am. 1990, Act 12, Imd. Eff. Feb. 26, 1990;—Am. 1998, Act 101, Imd. Eff. May 28, 1998

42.5 Township board; election of members; powers and duties; supervisor as presiding and executive officer; authentication of instruments; president pro tem; clerk; record of proceedings; temporary clerk.

Sec. 5. (1) Except as otherwise provided in this act, all legislative authority and powers of each charter township shall be vested in and shall be exercised and determined by a township board of 7 members composed of the supervisor, the township clerk, the township treasurer, and 4 trustees who shall be electors in the township. If the provisions of this act are adopted, the township board as constituted at the time of the adoption of this act shall constitute the township board until the first general election at which township officers are elected after the adoption of this act. All members of the township board shall be elected under the provisions of the Michigan election law, Act No. 116 of the Public Acts of 1954, being sections 168.1 to 168.992 of the Michigan Compiled Laws. If 2 additional trustees are required to be elected, they shall be elected at the next general election. If the next general election is not a regular township election, each additional trustee shall hold office until a successor is elected at the next regular township election and qualifies for office.

(2) The elected township board described in subsection (1) shall be the successor to the prior township board of the township and shall possess the powers and perform the duties of township boards in townships in addition to the powers granted by law to charter townships. As a member of the township board, the supervisor shall be the presiding and executive officer of the board and shall have an equal voice and vote in the proceedings of the board. The supervisor shall authenticate by his or her signature any instruments which the board and the laws of the state or the federal government may require. If the supervisor is absent from a meeting of the township board, the board shall appoint 1 of its members president pro tem for that meeting. The township clerk shall be clerk of the township board and shall keep a full record of all the proceedings of the township board. In the absence of the clerk, the board shall appoint 1 of its members as temporary clerk for that meeting.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 5;—Am. 1949, Act 70, Eff. Sept. 23, 1949;—Am. 1953, Act 188, Eff. Oct. 2, 1953;—Am. 1954, Act 169, Eff. Aug. 13, 1954;—Am. 1964, Act 163, Eff. Aug. 28, 1964;—Am. 1986, Act 34, Imd. Eff. Mar. 17, 1986.

42.6 Charter township board; compensation and expenses of members.

Sec. 6. A trustee may receive, in addition to other emoluments provided by law for his service to the township, a sum per meeting of the board actually attended by him, as established by the township board to be paid upon authorization of the township board. The supervisor, the township clerk, and the township treasurer shall receive no additional compensation for attending meetings of the board. Reasonable expenses may be allowed to members of the township board when actually incurred on behalf of the township.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42 6,—Am. 1953, Act 188, Eff. Oct. 2, 1953,—Am. 1962, Act 20, Eff. Mar. 28, 1963,—Am. 1974, Act 98, Imd. Eff. May 10, 1974

42.6a Ordinance establishing procedure for determining salary of elected official; contents; conducting business at public meeting; public notice; resolution implementing ordinance; petition for referendum; change of procedure; decreasing salary of elected township official.

Sec. 6a. (1) In place of the procedure in section 6 for determining the salary of each elected official, the township board may establish by ordinance the procedure described in this section. The ordinance shall provide the following:

(a) A local officials compensation commission is created. The commission shall determine the salary of each township elected official. The commission shall consist of 5 members who are registered electors of the township, appointed by the supervisor subject to confirmation by a majority of the members elected and serving on the township board. The terms of office shall be 5 years, except that of the members first appointed, 1 each shall be appointed for terms of 1, 2, 3, 4, and 5 years. All first members shall be appointed not more than 30 days after the effective date of the ordinance. Members other than the first members shall be appointed before October 1 of the year of appointment. Vacancies shall be filled for the remainder of an unexpired term. An officer or employee of a government agency or unit or a member of the immediate family of that officer or employee shall not be appointed to the commission.

(b) The commission shall determine the salary of each township elected official which determination shall be the salary unless the township board by resolution adopted by 2/3 of the members elected to and serving on the board rejects the determination. A determination of the commission shall be effective 30 days following its filing with the township clerk unless rejected by the township board. If a determination is rejected, the existing salary shall prevail. An expense allowance or reimbursement paid to an elected official in addition to salary shall be for expenses incurred in the course of township business and accounted for to the township.

(c) The commission shall meet for not more than 15 session days in each odd numbered year and shall make a determination within 45 calendar days of the first meeting. A majority of the members of the commission constitutes a quorum for conducting the business of the commission. The commission shall not take action or make a determination without a concurrence of a majority of the members appointed and serving on the commission. The commission shall elect a chairperson from among the commission's members. As used in this section, "session days" means a calendar day on which the commission meets and a quorum is present. The members of the commission shall not receive compensation, but shall be entitled to actual and necessary expenses incurred in the performance of official duties.

(2) The business which the commission may perform shall be conducted at a public meeting of the commission held in compliance with Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976, as amended.

(3) The township board may implement the ordinance by resolution including the date for convening the commission.

(4) Not more than 60 days after the effective date of the ordinance, a petition for a referendum on the ordinance may be filed with the township clerk containing the signatures of at least 5% of the registered electors of the township on the effective date of the ordinance in which case the election shall be conducted in the same manner as an election on a charter amendment. If a petition for a referendum is filed, a determination of the commission shall not be effective until the ordinance has been approved by the electors.

(5) After 1 year following the effective date of the ordinance, the procedure for establishing the compensation of township elected officials may be changed by ordinance.

(6) The salary of an elected township official shall not be decreased during the official's term of office as long as the responsibilities and requirements of that office are not diminished during the term of the official's term of office, and the salary of an elected township official shall not be decreased during the official's term of office unless the official consents in writing to the reduction in salary. Notwithstanding the above, if a township in setting a township supervisor's salary has designated a portion of the supervisor's salary to be paid

the supervisor for directly performing the property tax assessing function within the township and the supervisor subsequently fails to perform that function, the salary of the supervisor may be reduced by that portion of the supervisor's salary designated for the direct performance of the property tax assessment function; provided that in no event may that portion of a supervisor's salary designated for nonassessment functions be decreased during the supervisor's term of office without the supervisor's written consent.

History: Add. 1974, Act 175, Imd. Eff. June 23, 1974;—Am. 1977, Act 157, Imd. Eff. Nov. 8, 1977;—Am. 1982, Act 382, Eff. Mar. 30, 1983.

42.7 Township board; meetings; conducting business at public meeting; notice of meeting; transacting business at special meeting; quorum; adjournment; rules and order of business; journal; voting; availability of certain writings to public; attendance and conduct at meetings; misconduct in office; sergeant-at-arms.

Sec. 7. (1) The township board shall provide by resolution for the time, date, and place of the board's regular meetings, and shall hold at least 1 regular meeting each month. If a time set for the holding of a regular meeting of the township board is a holiday, then the regular meeting shall be held at the same time and place on the next day that is not a Saturday, Sunday, or holiday.

(2) A special meeting of the township board shall be called by the township clerk pursuant to subsection (3) on the written request of the supervisor or of 2 members of the township board and on at least 24 hours' written notice to each member of the township board. The notice shall designate the time, place, and purpose of the meeting and shall be served personally or left at the member's usual place of residence by the township clerk or someone designated by the township clerk.

(3) The business that the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976.

(4) Business shall not be transacted at a special meeting of the township board unless the business has been stated in the notice of the meeting. However, if all the members of the board are present at a special meeting, then business that might lawfully come before a regular meeting of the board may be transacted at the special meeting.

(5) Four members of the township board are a quorum for the transaction of business at a meeting, but, in the absence of a quorum, 2 members may adjourn a regular or special meeting to a later date.

(6) The township board shall determine its own rules and order of business and shall keep a journal of its proceedings in the English language. The journal shall be signed by the supervisor and the township clerk. The vote upon the passage of an ordinance, and upon the adoption of a resolution and ordinance shall be taken by yes and no votes and shall be entered upon the record, except that if the vote is unanimous, it shall only be necessary to record that fact. Except as otherwise provided in this subsection, a member of the township board who is recorded as present shall vote on all questions decided by the board unless excused by the unanimous consent of the other members present. If, at a meeting of the township board, a member of the township board states that he or she desires to be appointed by the township board to fill a vacancy in a township office, that member may abstain from voting on the appointment to fill the vacancy.

(7) A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

(8) The township board, by vote of not less than 2 members, may compel the attendance of board members and other officers of the township at a regular or special meeting and enforce orderly conduct in the meeting. A member of the board or any other officer of the township who refuses to attend a meeting or conduct himself or herself in an orderly manner is guilty of misconduct in office. The township marshal shall serve as the sergeant-at-arms of the township board in the enforcement of this section.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 7;—Am. 1949, Act 70, Eff. Sept. 23, 1949;—Am. 1977, Act 157, Imd. Eff. Nov. 8, 1977;—Am. 1992, Act 15, Imd. Eff. Mar. 16, 1992

42.8 Charter township board; monthly publication of proceedings; notices and ordinances; posting.

Sec. 8. (1) The proceedings of the township board shall be published at least once each month. A publication of a synopsis of the proceedings, prepared by the township clerk and approved by the supervisor, showing the substance of each separate proceeding of the board is in compliance with this section.

(2) The board shall determine the method of publication of all notices, ordinances, and proceedings for which the method of publication is not prescribed by law.

- (3) In making a **determination under subsection (2)**, the board shall require 1 or both of the following:
- (a) That publication be made in a newspaper published and circulated in the township or, if no such newspaper exists, then in one published in the county in which the township is located.
 - (b) That publication be made by posting in the office of the clerk and in 5 other public places in the township or by posting in the office of the clerk and on the township's website.
 - (4) If publication is made by posting under subsection (3)(b), a notice of the posting describing the purpose or nature of the notice, ordinance, or proceeding posted and the location of the places where posted shall be published at least once in a newspaper as required under subsection (3)(a) within 7 days of the posting.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42.8;—Am 1949, Act 70, Eff. Sept. 23, 1949;—Am 2004, Act 406, Imd. Eff. Nov. 29, 2004.

42.9 Township officers; powers and duties; additional officers, limitations.

Sec. 9. The township supervisor, township clerk, township treasurer, justices of the peace, and constables in each charter township shall have and perform the duties and functions required of such officers by state law. The township board may, by resolution, upon the recommendation of the supervisor, or of the township superintendent if one shall be appointed, create such additional officers as may be necessary to administer the affairs of the township government, or may combine any administrative offices in any manner not inconsistent with state law, and prescribe the duties thereof. No creation of any additional administrative office or combination thereof shall abolish the offices of township clerk or township treasurer nor diminish any of the duties or responsibilities of those offices which are prescribed by state law.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42.9

42.10 Township superintendent; appointment; delegation of powers and duties of township supervisor.

Sec. 10. The township board in each charter township shall have power to appoint a township superintendent and may delegate to him any or all of the following functions and duties which functions and duties, unless so delegated, shall be exercised by the supervisor:

- (a) To see that all laws and township ordinances are enforced;
- (b) To manage and supervise all public improvements, works, and undertakings of the township;
- (c) To have charge of the construction, repair, maintenance, lighting and cleaning of streets, sidewalks, bridges, pavements, sewers, and of all the public buildings or other property belonging to the township;
- (d) To manage and supervise the operation of all township utilities;
- (e) To be responsible for the preservation of property, tools, and appliances of the township;
- (f) To see that all terms and conditions imposed in favor of the township or its inhabitants in any public utility franchise, or in any contract, are faithfully kept and performed;
- (g) To attend all meetings of the township board, with the right to take part in discussions, but without the right to vote;
- (h) To be a member, ex officio, of all committees of the township board;
- (i) To prepare and administer the annual budget under policies formulated by the township board and keep the said board fully advised at all times as to the financial condition and needs of the township;
- (j) To recommend to the township board for adoption such measures as he may deem necessary or expedient;
- (k) To be responsible to the township board for the efficient administration of all departments of the township government;
- (l) To act as the purchasing agent for the township or, under his responsibility, delegate such duties to some other officer or employee;
- (m) To conduct all sales of personal property which the township board may authorize to be sold;
- (n) To assume all the duties and responsibilities as personnel director of all township employees or delegate such duties to some other officer or employee;
- (o) To perform such other duties as may be prescribed by this act or required of him by ordinance or by direction of the township board, or which are not assigned to some other official in conformity with the provisions of this act.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42.10;—Am. 1949, Act 70, Eff. Sept. 23, 1949.

42.10a Township manager; employment; service; duties.

Sec. 10a. If a township has not appointed a township superintendent under section 10, the township board may employ a township manager who shall serve at the pleasure of the township board and perform such duties lawfully delegated to the manager by the township board. The duties may include those that are

delegated by law to another township official if written consent has been granted by that official.

History: Add. 2003, Act 205, Imd Eff. Nov 26, 2003

42.11 Township superintendent; tenure; qualifications; residency requirements; waiver.

Sec. 11. (1) The township superintendent shall hold office at the pleasure of the township board and shall be selected by the township board on the basis of training and ability alone, without regard to his or her political or religious preference.

(2) An individual who is not a resident of the township at the time of his or her appointment as township superintendent shall become a resident of the township within 90 days after his or her appointment and shall so remain throughout his or her tenure of office. An individual who is a resident of the township at the time of his or her appointment as township superintendent shall remain a resident of the township throughout his or her tenure of office. The requirements of this subsection may be waived by a resolution adopted by a vote of 2/3 of the members of the township board elected or appointed.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42.11;—Am 1990, Act 342, Imd Eff. Dec 21, 1990.

42.11a Township assessors; appointment, powers and duties, compensation.

Sec. 11a. In any charter township, in addition to the supervisor, the charter township board may provide for the appointment of assessors, not exceeding 2, for such charter township. Such assessors, when appointed, shall be clothed with all the powers and duties of supervisors in the assessment of property for taxation within such township and shall receive for their services such compensation as may be allowed by the charter township board. Whenever assessors shall be appointed, as in this act provided, the supervisor shall be the chief assessing officer and such assessors shall in all cases be subordinate to such supervisor. Upon completion of the assessment and the making of the rolls, such rolls shall be deposited with the supervisor.

History: Add. 1962, Act 145, Eff. Mar. 28, 1963

42.12 Township police force; establishment; township marshal, appointment; rules; policemen, powers and duties.

Sec. 12. The township board in each charter township may provide for and establish a police force and authorize the supervisor, or the township superintendent if one has been appointed, to appoint, subject to the approval of the said board, a township marshal and such other policemen and watchmen as may be required to protect property and preserve the public welfare and safety in that portion of the township not included within the corporate limits of any village or villages located wholly or in part within the township. No police officer of any such village shall be ineligible for appointment as a member of the township police force, except that no village police officer shall serve as township marshal. The township board shall make all necessary rules for the government of the township police force and its members and shall prescribe the powers and duties of policemen and watchmen, and may invest them with such authority as may be necessary for the preservation of quiet and order and the protection of persons and property within that part of the township not located within the corporate limits of any village.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42.12.

42.13 Township fire department; establishment; township fire chief, appointment; rules and regulations; refusal to aid at fire, penalty.

Sec. 13. The township board in each charter township shall have power to provide for and establish and maintain a fire department and authorize the supervisor, or the township superintendent if one has been appointed, to appoint, subject to the approval of the said board, a township fire chief and such other firemen as may be required to protect persons and property from the hazards of fire in that part of the township located outside the corporate limits of villages. The township board shall make and establish rules and regulations for the government of the department, the employes, firemen, and officers thereof; and for the care and management of the buildings, engines, apparatus, and equipment pertaining thereto. The township fire chief, or any officer acting as such, may command and require any person present at a fire to aid in the extinguishment thereof, and to assist in the protection of property thereat. If any person shall wilfully disobey any such requirement or other lawful order of any such officer, he shall be deemed guilty of a misdemeanor.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42.13

42.13a Free public library; establishment and maintenance; conditions; ordinance; resolution; board of directors; appointment of library advisory committee; rules and regulations; state aid.

Sec. 13a. (1) In a charter township in a county with a population of more than 750,000 but less than

2,000,000 that has not been located within the service area of an established free public library for the previous 3 years, the township board may establish and maintain a free public library.

(2) The board shall establish a free public library under subsection (1) by adopting an ordinance or passing a resolution as provided by law. The board shall file a copy of the ordinance or resolution with the department of education within 10 days after adoption or passage.

(3) The township board shall serve as board of directors for the library with final authority over all library matters. The township board shall appoint a library advisory committee consisting of 7 members holding staggered 3-year terms to advise the township board with regard to development, operation, and maintenance of the library. The township board may fill vacancies on the library advisory committee and may remove a member with or without cause.

(4) The township board shall establish the rules and regulations for the operation of the library, appoint a library director and authorize the hiring of qualified assistants, establish a separate and dedicated library fund, and pass any necessary ordinances governing the operations of the library.

(5) A free public library established and operated under this section is a public library for the purposes of the state aid to public libraries act, 1977 PA 89, MCL 397.551 to 397.576.

History: Add. 2006, Act 596, Imd. Eff. Jan. 3, 2007;—Am. 2012, Act 191, Imd. Eff. June 20, 2012.

42.14 Charter township; power to acquire property; approval of electors.

Sec. 14. Each charter township shall have power to acquire property for public purposes by purchase, gift, condemnation, lease, construction, or otherwise, and to maintain and operate public buildings, parks, and facilities needed in the performance of the powers and functions, expressed and implied, granted, possessed, and required of them by this act, or any other statute of the state of Michigan relating to townships and may sell and convey or lease any such property or part thereof which is not needed for public purposes: Provided, That no taxes shall be levied to acquire any such property, public building, park, or facility, unless such levy shall be approved by a majority of the electors of the township voting thereon at any regular or special township election.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42.14;—Am. 1949, Act 70, Eff. Sept. 23, 1949.

42.14a Bonds for public improvements; issuance; approval required; exceptions; limitation on net indebtedness; computation of net indebtedness; bonds subject to MCL 141.2101 to 141.2821.

Sec. 14a. (1) The township may borrow money and issue bonds on the credit of the township for the purpose of constructing or otherwise acquiring a public improvement that the township is authorized to construct or otherwise acquire by law.

(2) Bonds shall not be issued, except special assessment bonds, bonds for the township portion of local improvements, and bonds that the township board is authorized by specific statute to issue without vote of the electors, unless approved by a majority of the electors voting on the bonds at a general or special election.

(3) The net indebtedness of the township incurred for all public purposes shall not exceed 10% of the assessed value of all real and personal property in the township. In computing the net indebtedness all of the following shall be deducted:

(a) Bonds issued in anticipation of the collection of special assessments, even though they are general obligations of the township.

(b) Revenue bonds, even though they are general obligations of the township.

(c) Bonds issued to comply with an order of the former water resources commission, the department of environmental quality, or a court of competent jurisdiction, even though they are a general obligation of the township.

(d) Bonds issued, or contract or assessment obligations incurred, for water supply, sewerage, drainage, solid waste disposal, and steam generation and distribution necessary to protect the public health by abating pollution, even though they are a general obligation of the township.

(e) Bonds issued or contract or assessment obligations incurred for the construction, improvement, or replacement of a combined sewer overflow abatement facility. As used in this subdivision:

(i) "Combined sewer overflow" means a discharge from a combined sewer system that occurs when the flow capacity of the combined sewer system is exceeded.

(ii) "Combined sewer overflow abatement facility" means any works, instrumentalities, or equipment necessary or appropriate to abate combined sewer overflows.

(iii) "Combined sewer system" means a sewer designed and used to convey both storm water runoff and sanitary sewage, and which contains lawfully installed regulators and control devices that allow for delivery of sanitary flow to treatment during dry weather periods and divert storm water and sanitary sewage to surface

waters during storm flow periods.

(iv) "Construction" means any action taken in the designing or building of a combined sewer overflow abatement facility. Construction includes, but is not limited to, all of the following:

- (A) Engineering services.
- (B) Legal services.
- (C) Financial services.
- (D) Design of plans and specifications.
- (E) Acquisition of land or structural components, or both.
- (F) Building, erection, alteration, remodeling, or extension of a combined sewer overflow abatement facility.
- (G) Township supervision of the project activities described in sub-subparagraphs (A) to (F).

(v) "Improvement" means any action taken to expand, rehabilitate, or restore a combined sewer overflow abatement facility.

(vi) "Replacement" means any action taken to obtain and install equipment, accessories, or appurtenances during the useful life of a combined sewer overflow abatement facility necessary to maintain the capacity and performance for which the equipment, accessories, or appurtenances are designed and constructed.

(4) The resources of the sinking fund or debt retirement fund pledged for retirement of outstanding bonds shall also be deducted from the amount of the indebtedness.

(5) Bonds are issued subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: Add 1953, Act 188, Eff. Oct. 2, 1953;—Am 1973, Act 82, Imd Eff. July 31, 1973;—Am. 1979, Act 141, Imd Eff. Nov. 7, 1979;—Am 1995, Act 212, Imd. Eff. Nov. 29, 1995;—Am. 2002, Act 230, Imd. Eff. Apr. 29, 2002

42.15 Ordinances to provide for peace, health and safety; licenses, granting, fees, bonds.

Sec. 15. The township board of any charter township may enact such ordinances as may be deemed necessary to provide for the public peace and health and for the safety of persons and property therein, and may by ordinance prescribe the terms and conditions upon which licenses may be granted, suspended, or revoked; and may in such ordinances require and exact payment of such reasonable sums for any licenses as it may deem proper. The persons receiving the licenses shall, before the issuing thereof, execute a bond to the township when required by any ordinance in such sum and with such securities as prescribed by such ordinance, conditioned for the faithful observance of this act, and the ordinance under which the license is granted.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 15;—Am 1949, Act 70, Eff. Sept. 23, 1949.

42.16 Streets, alleys, bridges and public places; regulation of use; record of ordinances, filing.

Sec. 16. Except insofar as limited by state law and the provisions of this act, the township board shall have power to establish and vacate and use, and to control and regulate the use of the streets, alleys, bridges, and public places of the township and the space above and beneath them, such regulation of its streets, alleys, bridges, and public places shall be deemed a matter of local concern. Nothing in this act shall be construed to repeal or nullify the provisions of Act No. 221 of the Public Acts of 1937. Any ordinance concerning the operation of motor vehicles on any road, street or highway shall not become effective until 30 days after approval by the commissioner of the Michigan state police. A record of all ordinances so approved by the commissioner shall be kept on file in his office. Such power shall include, but not be limited to, the proper policing and supervision thereof; to the licensing and regulation, or the prohibition of the placing of signs, awnings, awning posts, and other things which are of such nature as to impede or make dangerous the use of sidewalks or streets, upon or over the sidewalks or streets of the township; and the licensing and regulation of the construction and use of openings in the sidewalks or streets, and of all vaults, structures, and excavations under the same.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 16;—Am. 1949, Act 70, Eff. Sept. 23, 1949.

Compiler's note: For provisions of Act 221 of 1937, referred to in this section, see MCL 750.497 and 750.498.

42.17 Construction of buildings; powers and liabilities of charter townships as to public health and safety.

Sec. 17. Charter townships shall have and possess and may exercise the same powers and shall be subject to the same liabilities as are possessed by cities to regulate the construction of buildings for the preservation of public health and safety, to regulate the conduct of business, and to provide for the public peace and health and for the safety of persons and property.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 17
Rendered Wednesday, November 30, 2016

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42.18 Joint action with other governmental unit or agency.

Sec. 18. Each charter township may join with any governmental unit or agency, or with any number or combination thereof, by contract or otherwise as may be permitted by law, to perform jointly, or by one or more, for or on behalf of the other or others, any power or duty which is permitted to be so performed by law or which is possessed or imposed upon each such governmental unit or agency.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 18

42.19 Ordinances, resolutions, rules and regulations of former township; continuation.

Sec. 19. All ordinances, resolutions, rules, and regulations of a charter township which were in effect at the time such township became a charter township and which are not inconsistent with the laws of the state applicable to charter townships shall continue in full force as the ordinances, resolutions, rules, and regulations of the charter township until repealed or amended by action of the proper authorities.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42.19;—Am. 1949, Act 70, Eff. Sept. 23, 1949

42.20 Legislation to be ordinance or resolution; form, passage, amendment, recording, authentication, and compilation of ordinances.

Sec. 20. (1) Legislation of a charter township shall be by ordinance or by resolution. A resolution shall be limited to matters required or permitted to be done by resolution by this act or by state or federal law and to matters pertaining to the internal affairs or concerns of the township government. Any other act of the township board, and any act imposing a sanction for the violation of the act, shall be by ordinance. "Resolution" means the official action of the township board in the form of a motion.

(2) Each ordinance shall be identified by a number and a short title. Each proposed ordinance shall be introduced in written or printed form. The style of an ordinance shall be, "The charter township of ordains:". Except in the case of an ordinance that is declared to be an emergency ordinance, an ordinance shall not be finally passed by the township board at the same meeting at which it is introduced, or before it is published in the form in which it is introduced. An ordinance shall not be revised, altered, or amended by reference to its title only, but the section or sections of the ordinance revised, altered, or amended shall be re-enacted and published at length. When enacted, an ordinance shall be immediately recorded by the township clerk in a book to be called "The ordinance book". The supervisor and township clerk shall authenticate the record by their official signatures on the record. The ordinances of each charter township shall be compiled and published in loose leaf or booklet form not less than once in every 10-year period.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42.20;—Am. 1949, Act 70, Eff. Sept. 23, 1949;—Am. 1994, Act 13, Eff. May 1, 1994.

42.21 Violation of ordinances; sanction; designation as civil infraction; act or omission constituting crime; penalty; distribution of fines.

- Sec. 21. (1) The township board shall provide in each ordinance a sanction for violation of the ordinance.
- (2) Consistent with any of the following statutes, the township board may adopt an ordinance that designates a violation of the ordinance as a civil infraction and provides a civil fine for that violation:
 - (a) The Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.
 - (b) 1969 PA 235, MCL 257.941 to 257.943.
 - (c) 1956 PA 62, MCL 257.951 to 257.955.
- (3) The township board may adopt an ordinance that designates a violation of the ordinance as a municipal civil infraction and provides a civil fine for that violation. An ordinance shall not designate a violation as a municipal civil infraction if that violation may be designated as a civil infraction under subsection (2). A statute may provide that a violation of a specific type of ordinance is a municipal civil infraction whether or not the ordinance designates the violation as a municipal civil infraction.
- (4) An ordinance shall not make an act or omission a municipal civil infraction if that act or omission constitutes a crime under any of the following:
 - (a) Article 7 of the public health code, 1978 PA 368, MCL 333.7101 to 333.7545.
 - (b) The Michigan penal code, 1931 PA 328, MCL 750.1 to 750.568.
 - (c) The Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.
 - (d) The Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303.
 - (e) Part 801 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80101 to 324.80199.
 - (f) The aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208.
 - (g) Part 821 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.82101 to

324.82160.

(h) Part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150.

(i) Sections 351 to 365 of the railroad code of 1993, 1993 PA 354, MCL 462.351 to 462.365.

(j) Any law of this state under which the act or omission is punishable by imprisonment for more than 93 days.

(5) For an ordinance not described in subsection (2) or (3), punishment for a violation of the ordinance shall not exceed a fine of \$500.00 or imprisonment for 90 days, or both. However, unless otherwise provided by law, the ordinance may provide that a violation of the ordinance is punishable by imprisonment for not more than 93 days or a fine of not more than \$500.00, or both, if the violation substantially corresponds to a violation of state law that is a misdemeanor for which the maximum period of imprisonment is 93 days. In addition, a charter township may adopt section 625(1)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.625, by reference in an adopting ordinance and shall provide that a violation of that ordinance is a misdemeanor punishable by 1 or more of the following:

(a) Community service for not more than 360 hours.

(b) Imprisonment for not more than 180 days.

(c) A fine of not less than \$200.00 or more than \$700.00.

(6) Fines collected for the violation of the ordinances of a charter township shall be distributed as provided in section 8379 of the revised judicature act of 1961, 1961 PA 236, MCL 600.8379.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 21;—Am 1949, Act 70, Eff. Sept. 23, 1949;—Am 1978, Act 553, Imd Eff. Dec. 22, 1978;—Am 1994, Act 13, Eff. May 1, 1994;—Am. 1996, Act 36, Imd. Eff. Feb. 26, 1996;—Am. 1999, Act 58, Eff. Oct. 1, 1999;—Am. 2012, Act 8, Imd. Eff. Feb. 15, 2012

42.21a Police officers; right to pursue, arrest, and detain person outside of charter township limits.

Sec. 21a. If a person has committed a civil infraction violation under the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, being sections 257.1 to 257.923 of the Michigan Compiled Laws, within a charter township, or has committed or is suspected of having committed any crime within a charter township, or has escaped from any prison or jail in the charter township, the police officers of that charter township shall have the same right to pursue, arrest, and detain the person outside of the charter township limits as does the sheriff of the county.

History: Add 1983, Act 9, Imd Eff. Mar 18, 1983

42.21b Police officer or constable; authority to execute bench warrant.

Sec. 21b. A police officer of a charter township or, if authorized by the township board, a constable of a charter township has the same authority within the charter township as a deputy sheriff to execute a bench warrant for arrest issued by a court of record or a municipal court.

History: Add. 1992, Act 45, Imd Eff. May 12, 1992.

42.21c Regulation of recreational trailway; posting of ordinance; violation as municipal civil infraction; penalty.

Sec. 21c. (1) An ordinance regulating a recreational trailway is not effective unless it is posted and maintained near each gate or principal entrance to the trailway.

(2) The operation of a vehicle on a recreational trailway at a time, in a place, or in a manner prohibited by an ordinance is a municipal civil infraction, whether or not so designated by the ordinance. A civil fine ordered for a municipal civil infraction described in this subsection shall not exceed the maximum amount of a fine provided by the ordinance or \$500.00, whichever is less. An act or omission described in this subsection is not a municipal civil infraction if that act or omission constitutes a violation or crime that section 21 prohibits an ordinance from designating as a municipal civil infraction.

History: Add 1994, Act 82, Eff. Oct. 1, 1994

42.22 Ordinance; publication; effective date; publication of summary or true copy; catch lines required; drafting of summary.

Sec. 22. An ordinance passed by a township board shall be published at least once. An ordinance is effective immediately upon its publication, unless a date upon which the ordinance shall become effective, which is subsequent to the date of the publication of the ordinance, is specifically provided in the ordinance. The publication of a summary or a true copy of an ordinance after final passage, as a part of the published proceedings of the township board, shall constitute publication of the ordinance. If a summary of an ordinance

is published, the township shall include in the publication the designation of a location in the township where a true copy of the ordinance can be inspected or obtained. Each section of an ordinance or a summary of an ordinance shall be preceded by a catch line. A summary of an ordinance may be drafted by the same person, corporation, partnership, firm, association, or other legal entity who drafted the ordinance or by the township board or township zoning board and shall be written in clear and nontechnical language.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 22;—Am. 1949, Act 70, Eff. Sept. 23, 1949;—Am. 1982, Act 345, Eff. Mar. 30, 1983

42.23 State law or standard code; adoption as township ordinance by citation; publication, distribution, charge.

Sec. 23. The township board may adopt any provision of state law or any detailed technical regulations as a township ordinance or code by citation of such provision of state law or by reference to any recognized standard code, official or unofficial: Provided, That any such provision of state law or recognized official or unofficial standard code shall be clearly identified in the ordinance adopting the same as an ordinance of the township. Where any recognized official or unofficial standard code is so adopted, it may be published by providing to the public not less than 50 copies in book or booklet form, available for public distribution at a reasonable charge, and any amendment to or revision of such adopted code or detailed technical ordinance may be published in the same manner.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 23;—Am. 1949, Act 70, Eff. Sept. 23, 1949.

42.24 Submission of itemized estimates of anticipated expenditures; preparation and submission of budget proposal; time.

Sec. 24. On or before 150 days prior to the commencement of the fiscal year, each township officer shall submit to the supervisor, or to the township superintendent if such officer has been appointed, an itemized estimate of the anticipated expenditures of the township for the next fiscal year for the township activities under his or her charge. The supervisor, or township superintendent, as the case may be, shall prepare a complete itemized budget proposal for the next fiscal year and shall submit it to the township board not later than 120 days prior to the commencement of the fiscal year.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42.24;—Am. 1988, Act 82, Eff. Apr. 1, 1988

42.25 Budget proposal; contents; commencement of fiscal year.

Sec. 25. The budget proposal shall present a complete financial plan for the ensuing fiscal year, which shall commence on January 1 of each year and end on the following December 31, or in the alternative shall commence on April 1 of each year and end on the following March 31. In no event shall any fiscal year of a township be extended beyond 12 months. It shall include at least all of the following information:

(a) Detailed estimates of all proposed expenditures for each function and office of the township, showing the expenditures for corresponding items for the current and last preceding fiscal years, with reasons for increases and decreases recommended, as compared with appropriations for the current year.

(b) Statements of the bonded and other indebtedness of the township, showing the debt redemption and interest requirements, the debt authorized and unissued, and the condition of sinking funds, if any.

(c) Detailed estimates of all anticipated income of the township from sources other than taxes and borrowing, with a comparative statement of the amounts received by the township from each of the same or similar sources for the last preceding and current fiscal years.

(d) A statement of the estimated balance or deficit, as the case may be, from the end of the current fiscal year.

(e) An estimate of the amount of money to be raised by taxation and from delinquent taxes and the amount to be raised from bond issues which, together with income from other sources, will be necessary to meet the proposed expenditures.

(f) Such other supporting schedules as the township board considers necessary.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42.25;—Am. 1988, Act 82, Eff. Apr. 1, 1988

42.26 Budget; notice, public hearing, prior public inspection.

Sec. 26. A public hearing on the budget shall be held before its final adoption, at such time and place as the township board shall direct, and notice of such public hearing shall be published at least 1 week in advance by the township clerk. A copy of the proposed budget shall be on file and available to the public for inspection during office hours at the office of the township clerk for a period of not less than 1 week prior to such public hearing.

History: 1947, Act 359, Eff. Oct. 11, 1947;—CL 1948, 42 26.

42.27 Adoption of budget by township board; resolution; appropriation; tax levy; limitation; separate appropriation for fire and police departments; tax collection; interim budget.

Sec. 27. (1) Except as otherwise provided by this subsection, prior to the commencement of the fiscal year, the township board shall, by resolution, adopt the budget for the next fiscal year, make an appropriation of the money needed for township purposes, and provide for a levy of taxes upon real and personal property. If a township operates on a calendar year budget cycle, a public hearing on the proposed budget shall be held not later than December 15 and adopted not later than December 31, in the year preceding the calendar year covered by the budget.

(2) The levy allowed under subsection (1) shall not exceed 1/10 of 1% of the assessed valuation of all real and personal property subject to taxation within the limits of a village located within the township and 1/2 of 1% of the assessed valuation of all real and personal property subject to taxation in the balance of the township. The electors of a charter township may increase the tax levy limitation not to exceed a total of 1% of the assessed valuation of all real and personal property in the township for a period not to exceed 20 years at 1 time.

(3) If a township has 1 or more villages that maintain either or both a fire department or a police department, the expense of a township fire department or police department shall be appropriated separately from the other expenses of the township and a tax levy for these expenses shall not be spread upon the township assessment roll against the property, either real or personal, located in these villages.

(4) The adoption of the resolution under this section is the final authority for the township supervisor to spread any approved levies upon the tax roll for the current year and to include the amount of each levy in his or her warrant to the township treasurer. The township treasurer shall collect and return the warrant as provided under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(5) Within 60 days after the incorporation of a township as a charter township under this act, the township board shall, by resolution, adopt an interim budget until the commencement of the next fiscal year and make an appropriation from the funds and assets of the township available for these purposes.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42 27;—Am. 1949, Act 70, Eff. Sept. 23, 1949,—Am. 1953, Act 188, Eff. Oct. 2, 1953,—Am. 1976, Act 90, Eff. Mar. 31, 1977;—Am. 1988, Act 82, Eff. Apr. 1, 1988,—Am. 2003, Act 191, Imd Eff. Oct. 31, 2003

42.28 Budget or supplemental appropriations; expenditure, restrictions; unencumbered balances, transfer, reappropriation.

Sec. 28. No money shall be drawn from the treasury of the township nor shall any obligation for the expenditure of money be incurred, except pursuant to the budget appropriation, or pursuant to any supplemental appropriation which may be made from surplus received. The township board may transfer any unencumbered appropriation balance, or any portion thereof, from 1 fund or agency to another. The balance in any appropriation, which has not been encumbered, at the end of the fiscal year shall revert to the general fund and be reappropriated during the next fiscal year.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42 28;—Am. 1967, Act 34, Imd Eff. June 6, 1967

42.29 Quarterly statement of estimated and actual income and expenses; submission by supervisor to township board; reduction of appropriations, exceptions.

Sec. 29. At the beginning of each quarterly period during the fiscal year, and more often if required by the township board, the supervisor or the township superintendent, as the case may be, shall submit to the township board data showing the relation between the estimated and actual income and expenses to date; and if it shall appear that the income is less than anticipated, the township board may reduce appropriations, except amounts required for debt and interest charges, to such a degree as may be necessary to keep expenditures within the cash income.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42 29.

42.30 Annual audit of accounts; results, filing, public inspection; annual report of township business.

Sec. 30. An independent audit shall be made of all accounts of the township government at least annually and more frequently if deemed necessary by the township board. Such audit shall be made by qualified accountants experienced in municipal accounting. The results of such audit shall be on file in the office of the township clerk and available to the public for inspection. An annual report of the township business shall be made available to the public by the township board in such form as will disclose pertinent facts concerning the activities and finances of the township government.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42 30

42.31 Local or public improvements; approval; determination of necessity; special assessments; bonds.

Sec. 31. Each charter township may make local or public improvements by paving streets that are not a part of the county highway system, laying curbs and gutters, installing elevated structures for foot travel over highways within the township with the written approval of the director of the state transportation department if the highways are state highways or with the written approval of the board of county road commissioners if the highways are county roads, laying sidewalks, installing solid waste disposal systems, steam generation and distribution, paving streets that are a part of the county highway system with the consent of and according to specifications of the county road commission, laying storm and sanitary sewers and separating storm water drainage and footing drains from sanitary sewers on privately owned property for a public purpose, installing water systems, and installing street and highway lighting systems, and further may maintain or operate these improvements. The township board of each charter township may determine the necessity of the local or public improvement and may determine that the whole or any part of the expense of the local or public improvement shall be defrayed by special assessment upon lands abutting upon and adjacent to or otherwise benefited by the improvement. A special assessment under this section shall be made in all respects as provided for the making of special assessments under 1954 PA 188, MCL 41.721 to 41.738. Each charter township may borrow money and issue bonds therefor in anticipation of the payment of special assessments, which may be an obligation of the special assessment district or may be both an obligation of the special assessment district and a general obligation of the township. Bonds issued under this act shall be issued in accordance with 1954 PA 188, MCL 41.721 to 41.738.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42.31;—Am. 1960, Act 13, Imd Eff. Apr. 13, 1960,—Am. 1964, Act 34, Imd Eff. May 4, 1964;—Am. 1973, Act 82, Imd Eff. July 31, 1973;—Am. 1979, Act 141, Imd Eff. Nov. 7, 1979.—Am. 2002, Act 576, Imd Eff. Oct. 3, 2002.

42.32 Succession to properties of former township; suits or prosecutions, debts and liabilities, uncollected taxes and assessments.

Sec. 32. All charter townships created under the provisions of this act shall succeed to and be vested with all the property, real and personal, moneys, rights, credits and effects, and of all records, files, books and papers belonging to such township as it formerly existed, and no rights or liabilities of the township which existed at the time it became a charter township, and no suit or prosecution of any kind commenced prior to and continuing at such time, shall be, in any manner, affected by such change, but the same shall continue, stand, or progress as if no such change had been made, and all debts and liabilities of the township and all taxes and assessments levied and uncollected at the time of such change shall stand until discharged or collected the same as if such change had not been made.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42 32.

42.33 Liberal construction of act.

Sec. 33. The provisions of this act shall be liberally construed in the interest of the public health and welfare and the safety of persons and property within such townships as shall incorporate under the provisions of this act.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42 33

42.34 Exemption of charter township from annexation to contiguous city or village; exceptions.

Sec. 34. (1) A charter township existing on June 15, 1978, or a township incorporated after June 15, 1978 as a charter township that complies with the following standards, is exempt from annexation to any contiguous city or village except as provided in subsections (2) to (8):

- (a) Has a state equalized valuation of not less than \$25,000,000.00.
- (b) Has a minimum population density of 150 persons per square mile to be determined by the secretary of state by dividing the most recent regular or special census of population by the number of square miles then under the jurisdiction of the charter township not to include the population or territory within the jurisdiction of an incorporated village.
- (c) Provides fire protection service by contract or otherwise.
- (d) Is governed by a comprehensive zoning ordinance or master plan.
- (e) Provides solid waste disposal services to township residents, within or without the township, by contract, license, or municipal ownership.

(f) Provides water or sewer services, or both, by contract or otherwise.

(g) Provides police protection through contract with the sheriff in addition to normal sheriff patrol, through an intergovernmental contract, or through its own police department.

(2) Notwithstanding subsection (1), the state boundary commission may, under procedures initiated and conducted under section 9 of the home rule city act, 1909 PA 279, MCL 117.9, order a portion or portions of a charter township to be annexed as necessary to eliminate free standing islands of the township completely surrounded by an annexing city, or to straighten or align the exterior boundaries of the city or village in a manner that the charter township and city or village contain uniform straight boundaries wherever possible.

(3) Notwithstanding subsection (1), a portion of a charter township, which charter township is contiguous on all sides with a city or village, may be annexed by that city or village with the approval of a majority of the electors in that portion of a charter township.

(4) Notwithstanding subsection (1), if a qualified elector does not reside in the territory proposed to be annexed that is contiguous to the city or village, other than the 1 or more persons petitioning, or if a petition signed by 1 or more persons, firms, corporations, the United States government, or the state or any of its subdivisions that collectively hold the equitable title as vendee under a recorded land contract or memorandum of land contract, or recorded legal title to more than 1/2 of the area of the land in the territory to be annexed is filed with the city or village and with the township board of the charter township in which the territory is situated, the annexation may be accomplished by the affirmative majority vote of the city council or village board of the city or village and the approval of the charter township board of the township.

(5) Notwithstanding subsections (1) and (3), a portion of a charter township contiguous to a city or village may be annexed to that city or village upon the filing of a petition with the county clerk which petition is signed by 20% of the registered electors in the area to be annexed and approval by a majority of the qualified and registered electors voting on the question in the city or village to which the portion is to be annexed, and the portion of the township which is to be annexed, with the vote in each unit to be counted separately.

(6) If a petition is filed as provided in subsection (5), the county clerk, after determining the validity of the petition, shall order a referendum on the question of annexation. This referendum shall occur within 1 year after the validation of the petitions. The referendum shall be held at the first primary or general election held in that county not less than 60 days after the validation of the petition, or in compliance with the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(7) A village having a population of 4,200 or more shall not be annexed to a contiguous unit of government unless a majority of the qualified and registered electors residing within the village vote in favor of the annexation at an election held under the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(8) The common boundary of a charter township and a city or village may be adjusted by resolution approved by a majority of each of the respective governing bodies after the governing bodies give 90 days' notice to property owners in the area proposed for the boundary adjustment, and the governing bodies conduct a public hearing on the proposed boundary adjustment.

History: 1947, Act 359, Eff. Oct. 11, 1947,—CL 1948, 42 34;—Am 1978, Act 242, Imd. Eff. June 15, 1978,—Am. 1978, Act 591, Imd. Eff. Jan. 4, 1979;—Am. 1983, Act 136, Imd. Eff. July 18, 1983;—Am 1984, Act 353, Eff. Mar. 29, 1985,—Am. 2003, Act 300, Eff. Jan. 1, 2005