

**City of Beaverton**  
**City Council Agenda for the Regular Meeting of**  
**Tuesday, January 21, 2020**  
**6:00 pm**

COUNCIL

Mayor – Ray Nau  
Member – Terry McCartney  
Member – Kevin Neville  
Member – Tim Danielak  
Member – Nellie List  
Member – Nila Frei  
Member – Brooke Werth

1. Roll Call 6:00 pm
2. Pledge of Allegiance
3. Approval of Agenda
4. Public Comment     *This is an opportunity for persons to address the Council on issues relevant to City business but not on the meeting agenda. Please state your name and address.*
5. Adoption of Meeting Minutes: Regular Meeting December 16, 2019
6. FY2019 Audit Presentation
7. Agenda Items:
  - A. Consideration to approve Maintenance Plan & local contribution to Ross Lake Park Improvement Project CDBG Application

**Summary:** The City has been working with Fleis & Vandenbrink to complete the grant application and submit to the State (MEDC). Some of the requirements of the application are a maintenance plan for Ross Lake Park and a local match. The City was grandfathered into the previous CDBG call for projects, which is a 90/10 match. Our proposed application has a slightly higher local match to earn extra points for approval of the project.

- B. Consideration to approve Resolution 2020-1 – Deficit Elimination Plan

**Summary:** The City’s auditor (Tom Smith with Smith & Klaczkiewicz) submitted the required FY19 audit to the State. Since the City has a deficit in the Major Street, Hydrodam and Sewer funds, a deficit elimination plan is required by the State. The City has been submitting deficit elimination plans since FY17. The City has made positive progress; however, the Sewer fund slipped into a deficit condition, which is new. The Cost of Service Financial Plan prepared by Utility Financial Solutions anticipated this, hence the reason for the rate increases. Once the full cost of service recommendation is implemented, the City’s finances will stabilize. The new FY19 Deficit Elimination Plan was prepared by AHP and is ready for your review and approval. The Plan will be distributed on Monday. The auditor and myself will be available to answer questions.

- C. Consideration to approve creation of part-time assistant position and set hourly wage

**Summary:** Sharon Campbell has been our Vista-AmeriCorps intern for almost a year. Our engagement with CEDAM is almost complete (February) and I would like to continue to work with Sharon. The results of Sharon’s work greatly benefited the City during Project Rising Tide and these initiatives will move quickly with her continued engagement. I recommend the City create a part-time administrative assistant position compensated at an hourly rate of \$13 per hour.

- D. Consideration to approve Performance Bond for the Hydrodam Contract with Consumer’s Energy

**Summary:** One of the conditions of the new agreement between the City and Consumer's Energy requires either the City secure a surety bond, letter of credit, one-time escrow payment or monthly escrow payments. I tried to get a letter of credit from Chemical Bank to no avail. I recommend a surety bond since the security amount is \$25,000. The annual payment for the surety bond is \$625 per year.

E. Consideration to approve encumbrance of \$100,000 for City Hall Renovation Project

**Summary:** Bids were received for the City Hall Renovation Project on January 6<sup>th</sup>. The City received 7 bids. Due to the amount of the average bid amount (\$672,977), I am recommended setting aside an encumbrance of \$100,000 for the City Hall Project. USDA RD is providing a 30-year loan at 2.75% up to \$545,000.

8. Reports:

- A. County Commissioner's Report/Rick Grove
- B. DPW Report/Robert Sabisch
- C. Police Report/Chief Brad Davis
- D. Mayor's Report/Ray Nau
- E. City Manager's Report/Heath Kaplan
- F. Engineer's Report
- G. Library Use Data Report

9. Ways & Means: Payment of Bills for December 2019: \$137,352.69

10. Committee Reports

- A. Fire Board
- B. Fair Board
- C. Parks and Recreation
- D. Police Committee
- E. Personnel Committee
- F. Downtown Development Authority

11. Communications

12. Adjournment

MINUTES OF SPECIAL BEAVERTON CITY COUNCIL MEETING  
December 16, 2019

Meeting was called to order by Mayor Ray Nau at 6:05 pm

Pledge of Allegiance was recited by all attendees present

Present: Council members: Neville, List, Frei, Werth.

Absent: Danielak, McCartney - excused

Also present: Mayor Ray Nau, City Clerk Janelle Keen, Police Chief Brad Davis, Officer Matt Pumford, Supervisor Rob Sabisch and members of the community

Approval of Agenda: Motion by Frei, second by Neville. All present voting aye, motion approved

Public Comment: Karen Blatt thanked Heath Kaplan for providing answers pertaining to Ross Lake, Rick Grove thanked City for driveway work and stated it looked great. He also wished everyone a Merry Christmas.

Adoption of meeting minutes: Motion by Frei, second by List to approve minutes from December 2, 2019. All present voting aye, motion carried

Business Agenda Items:

- A. Motion by Neville, second by Frei to support Gladwin County Conservation District Project. All voting aye, motion approved
  - B. Motion by Werth, second by Frei to change City of Beaverton Cemetery Rules to charge for plaques by the square inch. All voting aye, motion approved
  - C. Motion by Werth, second by Neville to change DPW Director R. Sabisch from hourly to salary. Salaried wages will be \$63,000/year and will take effect immediately. All voting aye, motion approved
  - D. Motion by Frei, second by Neville to increase Treasurer hourly wage by \$1.00/hour effective September 27, 2019. All voting aye, motion approved
  - E. Motion by Werth, second by List to approve City Council meeting dates for the year 2020. All voting aye, motion approved
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- A. -County Commissioner Rick Grove: No report
  - B. -DPW Supervisor Robert Sabisch: Written report.
  - C. -Police Report: Written report provided, Chief Davis introduced new part time officer Matt Pumford
  - D. -Mayor's Report/Ray Nau: Report was emailed to Council members
  - E. -City Manager's Report/Heath Kaplan: New City Hall renovation packets are out for bid and due by January 6<sup>th</sup>. Hydro dam contract with Consumers Energy was finalized today. Personnel incident was reviewed by personnel committee, employee chose to resign his position, he will receive severance pay and will receive unemployment benefits if eligible, Pat Stanley will be starting full time with the DPW Wednesday, December 18, 2019. Kaplan asked for a motion to hire Anthony Orange, another qualified DPW applicant, to fill the additional open position. Motion by Frei, second by Neville to hire Anthony Orange with same benefits and starting wage as Stanley's starting benefits and wage. All voting aye, motion approved
  - F. -Engineer's Report: Written report, all projects should be out for bid the end of January or the first part of February
  - G. -Library Use Data Report: Written report

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Ways & Means: Motion by Frei, second by Neville to approve bills paid for November 2019 in the amount of \$ 105,802.82. All voting aye, motion approved

Committee Reports:

- A. -Fire Board: Written report, Phil Andrist has been hired as the Facility Operations Manager at the Beaverton Fire Station and will be starting January 2, 2020.
- B. -Fair Board: Meeting on December 17, 2019
- C. -Park & Recreation: Committee is reviewing ordinances pertaining to the parks and recreation
- D. -Police Committee: No report
- E. -Personnel Committee: Personnel committee issues were discussed earlier in meeting
- F. -Downtown Development Authority: Work on the trailhead project is completed for the season, work will resume when weather permits, Lapham requested an additional \$5,100 previously for additional work on the trailhead project, the City was advised by our attorney not to pay the \$5,100

Communications: Kaplan provided information on the Rising Tide Project meeting this Wednesday at Riverwalk Place. We will be having a town hall meeting sometime in January.

Motion by Werth, second by Neville to adjourn meeting at 6:47pm. All voting aye, motion carried.

Respectfully Submitted,

Janelle Keen/Clerk



*City of*  
**BEAVERTON**

## **Financial Statements**

**For the Year Ended June 30, 2019**

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SMITH & KLACZKIEWICZ, PC  
CERTIFIED PUBLIC ACCOUNTANTS

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# City of Beaverton

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SMITH & KLACZKIEWICZ, PC  
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A VETERAN OWNED BUSINESS

**Independent Auditor's Report**

To the Honorable Mayor and  
Members of the City Council  
City of Beaverton  
Beaverton, Michigan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the *City of Beaverton, Michigan*, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City'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.



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the *City of Beaverton, Michigan*, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4-11) and the budgetary comparison information (pages 41-43), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and is not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2019 on our consideration of the *City of Beaverton, Michigan's* control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of

that testing, and not to provide an opinion on 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 *City of Beaverton, Michigan's* internal control over financial reporting and compliance.

*Smith + Klaczynski PC*

*Saginaw, Michigan*

December 30, 2019

# City of Beaverton

## Management's Discussion and Analysis

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As management of the *City of Beaverton, Michigan*, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements

### CONCEPTUAL INFORMATION ABOUT THE CITY'S FINANCIAL STATEMENTS

#### **Overview of the Financial Statements**

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

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

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

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works and recreation and culture. The business-type activities of the City include the Hydroelectric, Sewer and Water operations.

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

**Governmental funds** – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on

# City of Beaverton

## Management's Discussion and Analysis

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*balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 6 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Major Streets Special Revenue Fund, both of which are considered to be major funds. Data from the other 4 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The City adopts an annual appropriated budget for its General and Special Revenue Funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

**Proprietary funds** – The City maintains two different types of proprietary funds: enterprise funds and an internal service fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Hydroelectric, Sewer and Water operations. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its Equipment Revolving (equipment maintenance and replacement) activities. Because these services predominately benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Hydroelectric, Sewer and Water funds, each of which is considered to be a major fund. The basic proprietary fund financial statements can be found on pages 19-21 of this report.

**Fiduciary fund** – The City maintains a Tax Collection Agency Fund (the "*Current Tax Fund*"). The Current Tax Fund is an Agency Fund and is used to account for resources held by the City in a purely custodial capacity. Activity in this fund represents deposits from current tax and special assessment collections and payments to taxing agencies. At year-end, the Current Tax Fund had no assets or liabilities and is therefore, excluded from presentation in the basic financial

# City of Beaverton

## Management's Discussion and Analysis

statements. Activity of the Current Tax Fund is excluded from the government-wide financial statements.

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-40 of this report.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This includes the combining and individual fund financial statements and schedules. The supplementary information can be found on pages 41-48 of this report.

### **FINANCIAL HIGHLIGHTS**

The City's combined net position decreased \$147,943 over the course of the fiscal year to a total of \$3,804,758. The following tables present an analysis of the City's net position. Net position of governmental activities decreased \$24,537 or 2.52% due mainly to a combination of capital asset purchases, depreciation, new installment purchase agreement debt, the change in unavailable revenue and positive financial results in the City's governmental funds. Business-type activities decreased \$123,406 or 4.36% due mainly to depreciation on capital assets.

	<b><u>Governmental Activities</u></b>		<b><u>Business-type Activities</u></b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Assets</b>				
Current and other assets	\$ 844,624	\$ 759,755	\$ 216,789	\$ 166,167
Capital assets, net	<u>594,839</u>	<u>473,982</u>	<u>5,469,881</u>	<u>5,712,265</u>
Total assets	<u>1,439,463</u>	<u>1,233,737</u>	<u>5,686,670</u>	<u>5,878,432</u>
<b>Liabilities</b>				
Current liabilities	263,973	131,197	254,348	284,533
Noncurrent liabilities	<u>225,959</u>	<u>103,251</u>	<u>2,725,038</u>	<u>2,798,392</u>
Total liabilities	<u>489,932</u>	<u>234,448</u>	<u>2,979,386</u>	<u>3,082,925</u>
<b>Net position (deficit)</b>				
Net investment in capital assets	393,818	379,847	2,756,881	2,916,916
Restricted	143,778	219,825	62,759	78,927
Unrestricted (deficit)	<u>411,935</u>	<u>399,617</u>	<u>(112,356)</u>	<u>(200,336)</u>
Total net position	<u>\$ 949,531</u>	<u>\$ 999,289</u>	<u>\$ 2,707,284</u>	<u>\$ 2,795,507</u>

The largest component of the City's net position reflects its net investment in capital assets (e.g. land, buildings, equipment, infrastructure, and others). Restricted net position represents amounts subject to external restrictions such as bond covenants. The remaining portion, unrestricted net position, represents resources that may be used at the City's discretion, but often have limitations based on policy action.

# City of Beaverton

## Management's Discussion and Analysis

The following condensed financial information was derived from the government-wide statement of activities and reflects how the City's net position changed during the fiscal year:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Revenues</b>				
Charges for services	\$ 84,937	\$ 19,335	\$ 717,100	\$ 690,279
Operating grants and contributions	191,982	196,596	-	17,454
General revenues	874,402	529,701	116,188	-
Total revenues	1,151,321	745,632	833,288	707,733
<b>Expenses</b>				
General government	282,221	322,668	-	-
Public safety	249,313	181,966	-	-
Public works	584,437	228,039	-	-
Recreation and culture	56,733	85,523	-	-
Interest on long-term debt	3,154	16,730	-	-
Hydroelectric	-	-	221,439	196,060
Sewer	-	-	404,546	211,255
Water	-	-	330,709	325,682
Rubbish and recycling	-	-	-	38,172
Total expenses	1,175,858	834,926	956,694	771,169
Transfers	-	191,850	-	(191,850)
<b>Change in net position</b>	(24,537)	102,556	(123,406)	(255,286)
<b>Net position</b>				
Beginning of year, as restated	974,068	896,733	2,830,690	3,050,793
End of year	\$ 949,531	\$ 999,289	\$ 2,707,284	\$ 2,795,507

Charges for services revenue in the Governmental Activities increased in the current year due mainly to charges to the local school district for placement of a school resource officer. General revenues in the Governmental Activities increased in the current year due mainly to non-recurring proceeds from an insurance claim for damage sustained to one of the City's buildings. Overall, City-wide expenses increased due to non-recurring costs for contracted services related to accounting and financial reporting services, utility rate studies and other non-recurring project costs.

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

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

# City of Beaverton

## Management's Discussion and Analysis

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assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Council.

The General Fund is the chief operating fund of the City. At the end of the current year, the unassigned fund balance of the General Fund was \$449,776. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 47% of total General Fund expenditures. In addition, the fund balance of the City's General Fund increased by \$221,658, which is mainly due to \$209,318 received as insurance proceeds for fire damage incurred on one of the City's buildings and recognizing revenue from State sources that were reported as deferred inflows in the prior year due to the State withholding funding due to the City's failure to file required reports in a timely manner.

The Major Streets Fund experienced an increase in fund balance of \$136,953 due mainly to recognizing revenue from State sources that were reported as deferred inflows in the prior year due to the State withholding funding as a result of the City's failure to file required reports in a timely manner.

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

The Hydroelectric Fund experienced a modest decrease in net position as a result of normal operating and nonoperating activity and continues to report a deficit in unrestricted net position.

The Sewer Fund experienced an approximate 10% decrease in net position. This results from the combination of a modest increase in revenue coupled with increased costs for wages and nonrecurring contracted service costs related to accounting and financial reporting services, utility rate studies and other non-recurring project costs.

The Water Fund experienced an approximate \$19,000 decrease in net position. This results from the combination of a modest increase in revenue coupled with increased costs for wages and nonrecurring contracted service costs related to accounting and financial reporting services, utility rate studies and other non-recurring project costs.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City's General Fund ended the fiscal year with an increase to fund balance of \$221,658. The original budget projected an increase of \$2,455 and the final amended budget projected an increase of \$7,192. Actual revenues and other financing sources were \$593,000 more than the final amended budget and actual expenditures were \$379,000 more than the final amended budget. Virtually all functions had expenditures over the final amended budget due to ineffective budget procedures utilized by the City.

# City of Beaverton

## Management's Discussion and Analysis

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### CAPITAL ASSETS

At year-end, the primary government reported capital assets of \$6,064,720 (net of accumulated depreciation) in a broad range of capital assets, including police equipment, public works equipment, buildings, park facilities and infrastructure (roads, dam facilities, and water and sewer systems). This amounts to a net overall decrease of \$121,527 compared to the previous year, due mainly to depreciation expense being in excess of net capital asset additions and disposals. During the year, the City purchased a building and a vehicle in the General Fund, a vehicle and equipment in the Internal Service Fund and a vehicle in the Hydroelectric Fund. The City also disposed of various equipment capital assets that were held by the Internal Service Fund. Additional information regarding the City's capital assets can be found in the notes to the financial statements.

### LONG-TERM DEBT

The City entered into two additional installment purchase agreements for \$79,900 and \$50,461 for the purchase of a building and vehicle, respectively. The City made normal scheduled debt service payments on its outstanding installment purchase agreements in Governmental Activities and revenue bonds in Business-type Activities. Further information on the City's long-term debt can be found in the notes to the financial statements.

### ECONOMIC CONDITIONS AND OUTLOOK

The City of Beaverton has had a number of very productive fiscal years that positioned the City to complete a number of projects. First, the City managed a fiscal recovery plan that stabilized revenues and expenses. On the revenue side, the City renewed the Police, Fire and Streets millages. In addition, the City deployed a five (5) year utility rate increase program and the City secured approximately \$4.5 million in grant funding:

Source	Project	Amount
USDA - RD	Sewer Lift Station Project	\$829,000
State of MI	Glidden Road	\$360,000
USDA - RD	Industrial Park - Engineering	\$50,000
USDA - RD	Farmer's Market Study	\$48,500
Gladwin County Community Foundation	Police Vehicle	\$10,000
USDA - RD	Police Vehicle	\$20,000
MDOT - Category A	Industrial Park Expansion	\$484,956
MDOT - Category B	Saginaw Street	\$250,000
Department of Commerce - EDA	Industrial Park Expansion	\$1,455,720
USDA - RD	Farmer's Market Pavilion	\$100,000
USDA - RD	Industrial Park Expansion	\$100,000
Saginaw WIN	DDA Trailhead	\$20,000
Saint Gobain Performance Plastics	Industrial Park Expansion - Match	\$396,000
Michigan DNR	DDA Trailhead	\$50,000
EMCOG	DDA Trailhead	\$18,262



# City of Beaverton

## Management's Discussion and Analysis

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MEDC - Patronicity	Splash Park	\$50,000
Gladwin County Community Foundation	DDA Trailhead	\$5,000
MSHDA	Modular House	<u>\$196,000</u>
Grand Total		<u>\$4,443,438</u>

### **Hydroelectric Dam:**

In FY20, the City secured approval from the State of Michigan to bond. The proceeds were used to repay the debt owed for the Hydroelectric Dam Project.

### **Building Projects:**

The City advertised an invitation to bid for the relocation of City Hall from 124 W. Brown Street to 128 Saginaw Street. Also, the City is currently finalizing the design of a new Public Works/Police Building to replace the old Public Works Building that was damaged in a fire in October 2018.

### **Industrial Park Project:**

The City will also in the near future advertise the Industrial Expansion Project, which includes the reconstruction of Glidden Road, repaving of the north portion of Terry Diane Street and relocating the south portion of Terry Diane Street to the east. In addition, the industrial expansion project includes the construction of a Water Iron Removal Treatment Plant and connecting Judy Mae Street to Terry Diane.

### **Street Projects:**

The City will also advertise in the near future the reconstruction of Saginaw Street. This project will include sidewalks, curbs, storm drainage, water line and sewer line replacements. The City received a PASER rating study from the East Michigan Council of Governments (EMCOG) to assess current street conditions. This data is being utilized to deploy an aggressive street rehabilitation effort to seal and cap the streets in an asphalt overlay. This maintenance project is expected to begin in 2020.

### **Utilities:**

As mentioned earlier, the City is adding a water treatment facility. The other utility project is the Sewer Lift Station Project. This project replaces three (3) out of four (4) lift stations in the City. This project will be advertised for bid in early 2020.

### **Strategic Initiatives:**

The City is in the process of renewing the 1987 Master Plan. Once the public comment period has expired, the City will consider adoption of the new plan. The Master Plan highlights our priorities:

1. **Housing.** To stabilize the housing market by building new homes and rehabilitating the existing home. These efforts will increase our tax base and support our local school district. The other housing emphasis will be placed on recruiting and implementing housing solutions for seniors and multi-family needs (apartments). The multi-family efforts will focus on attainable workforce housing to support our local businesses and industry.

# City of Beaverton

## Management's Discussion and Analysis

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2. Infrastructure. To refresh/rebuild our public infrastructure to serve our City's needs from residential to commercial to industrial purposes. Strong emphasis will be placed on enhancing the City's recreational, storm drain and natural resources.
3. Economic Development. To recruit and retain investment in housing, commercial and industrial activities. These investments will increase the tax base, commercial activity and increase school enrollment.
4. Support of our local school district. The school district secured a Marshall Plan Grant in a combined effort with Coleman Schools. This grant will create a curriculum for Beaverton students that are interested in the Plastics Industry and give them real-life skills in addition to providing career opportunities.

The economic outlook for the City is strong with continued efforts to redevelop the City's assets, support the school district, invest in outdoor recreational activities, continue strong financial practices and create new zoning ordinances. The City appreciates the patience and support of the public during this transitional period.

### **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager at P.O. Box 477, Beaverton, Michigan 48612-0477, call (989) 435-3511, or email at [hkaplan@beavertonmi.org](mailto:hkaplan@beavertonmi.org).

# City of Beaverton

## Statement of Net Position

June 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 601,383	\$ 72,681	\$ 674,064	\$ 65,864
Receivables	207,996	63,719	271,715	-
Internal balances	1,796	(1,796)	-	-
Prepaid items and other assets	19,974	4,926	24,900	-
<b>Restricted assets</b>				
Cash and cash equivalents	-	62,759	62,759	-
Investments	13,475	14,500	27,975	-
<b>Capital assets</b>				
Assets not being depreciated	193,392	102,715	296,107	-
Assets being depreciated, net	401,447	5,367,166	5,768,613	389,495
Total assets	<u>1,439,463</u>	<u>5,686,670</u>	<u>7,126,133</u>	<u>455,359</u>
<b>Liabilities</b>				
Accounts payable	63,973	254,348	318,321	1,714
Unearned revenue	200,000	-	200,000	-
<b>Noncurrent liabilities:</b>				
Accrued compensated absences	24,938	12,038	36,976	1,872
<b>Installment purchase agreements and bonds:</b>				
Due within one year	39,507	83,000	122,507	5,271
Due in more than one year	161,514	2,630,000	2,791,514	269,729
Total liabilities	<u>489,932</u>	<u>2,979,386</u>	<u>3,469,318</u>	<u>278,586</u>
<b>Net position</b>				
Net investment in capital assets	393,818	2,756,881	3,150,699	114,495
Restricted	143,778	62,759	206,537	-
Unrestricted (deficit)	411,935	(112,356)	299,579	62,278
Total net position	<u>\$ 949,531</u>	<u>\$ 2,707,284</u>	<u>\$ 3,656,815</u>	<u>\$ 176,773</u>

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

# City of Beaverton

## Statement of Activities

*For the Year Ended June 30, 2019*

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Primary government				
Governmental activities:				
General government	\$ 282,221	\$ 31,531	\$ 32,730	\$ (217,960)
Public safety	249,313	7,329	1,850	(240,134)
Public works	584,437	43,462	157,402	(383,573)
Recreation and culture	56,733	2,615	-	(54,118)
Interest on long-term debt	3,154	-	-	(3,154)
Total governmental activities	1,175,858	84,937	191,982	(898,939)
Business-type activities:				
Hydroelectric	221,439	206,483	-	(14,956)
Sewer	404,546	241,816	-	(162,730)
Water	330,709	268,801	-	(61,908)
Total business-type activities	956,694	717,100	-	(239,594)
Total primary government	\$ 2,132,552	\$ 802,037	\$ 191,982	\$ (1,138,533)
Component unit				
Downtown Development Authority	\$ 199,935	\$ -	\$ 31,868	\$ (168,067)

*continued...*

# City of Beaverton

## Statement of Activities *(concluded)*

*For the Year Ended June 30, 2019*

Functions/Programs	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (898,939)	\$ (239,594)	\$ (1,138,533)	\$ (168,067)
General revenues:				
Property taxes	388,562	-	388,562	69,045
Grants and contributions not restricted to specific programs	247,209	-	247,209	-
Unrestricted investment earnings	3,320	671	3,991	-
Proceeds from insured loss	209,318	-	209,318	-
Miscellaneous general revenues	25,993	115,517	141,510	-
Total general revenues	874,402	116,188	990,590	69,045
Change in net position	(24,537)	(123,406)	(147,943)	(99,022)
Net position, beginning of the year, as restated	974,068	2,830,690	3,804,758	275,795
Net position, end of year	\$ 949,531	\$ 2,707,284	\$ 3,656,815	\$ 176,773

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

# City of Beaverton

## Balance Sheet

### Governmental Funds

June 30, 2019

	General	Major Streets	Other Governmental Funds	Totals
<b>Assets</b>				
Cash and cash equivalents	\$ 389,389	\$ 51,515	\$ 149,178	\$ 590,082
Investments	13,475	-	-	13,475
Due from other funds	56,198	67,277	-	123,475
Accounts receivable	8,317	-	20,000	28,317
Taxes receivable	47,502	-	-	47,502
Prepaid expenditures	18,901	257	257	19,415
Due from other governmental units	55,484	57,169	19,524	132,177
<b>Total assets</b>	<b>\$ 589,266</b>	<b>\$ 176,218</b>	<b>\$ 188,959</b>	<b>\$ 954,443</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 30,263	\$ 8,660	\$ 4,854	\$ 43,777
Accrued liabilities	16,807	-	-	16,807
Due to other funds	67,277	61,101	-	128,378
Unearned revenue	-	180,000	20,000	200,000
<b>Total liabilities</b>	<b>114,347</b>	<b>249,761</b>	<b>24,854</b>	<b>388,962</b>
<b>Deferred inflows of resources</b>				
<b>Unavailable revenue</b>				
State sources	6,242	-	-	6,242
<b>Fund balances (deficit)</b>				
<b>Nonspendable:</b>				
Prepaid expenditures	18,901	-	257	19,158
<b>Restricted for:</b>				
Capital projects	-	-	14,152	14,152
Streets and highways	-	-	129,200	129,200
Debt service	-	-	426	426
<b>Unassigned, reported in:</b>				
General fund	449,776	-	-	449,776
Special revenue funds	-	(73,543)	20,070	(53,473)
<b>Total fund balances</b>	<b>468,677</b>	<b>(73,543)</b>	<b>164,105</b>	<b>559,239</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 589,266</b>	<b>\$ 176,218</b>	<b>\$ 188,959</b>	<b>\$ 954,443</b>

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

# City of Beaverton

## Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities

June 30, 2019

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Fund balances - total governmental funds \$ 559,239

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  
therefore, are not reported in the funds.

Capital assets not being depreciated	193,392
Capital assets being depreciated, net	401,447
Capital assets accounted for in the internal service fund, net	(96,848)

Because the focus of governmental funds is on short-term financing, some  
assets will not be available to pay current expenditures. Those assets (i.e.,  
receivables) are offset by deferred inflows of resources in the governmental  
funds and, therefore, are not included in fund balance.

Deferred long-term receivables	6,242
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Long-term liabilities are not due and payable in the current period and  
therefore are not reported in the funds.

Installment purchase agreements	(201,021)
Compensated absences	(24,938)
Compensated absences accounted for in the internal service fund	1,129

Internal service funds are used by management to charge the costs of certain  
equipment maintenance to individual funds. The assets and liabilities of the  
internal service funds are included in governmental activities in the statement  
of net position.

Net position of the internal service fund related to:

Governmental activities	109,093
Business-type activities	1,796

Net position of governmental activities	<u>\$ 949,531</u>
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*The accompanying notes are an integral part of these financial statements.*

# City of Beaverton

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

### Governmental Funds

*For the Year Ended June 30, 2019*

	General	Major Streets	Other Governmental Funds	Totals
<b>Revenues</b>				
Property taxes	\$ 372,778	\$ 8,976	\$ 3,740	\$ 385,494
State sources	345,656	330,903	114,076	790,635
Charges for services	69,644	-	35,790	105,434
Fines and forfeitures	9,179	-	-	9,179
Licenses and permits	1,160	-	-	1,160
Interest earned on deposits	3,259	28	19	3,306
Rent	8,037	-	-	8,037
Proceeds from insured loss	209,318	-	-	209,318
Miscellaneous	27,883	-	-	27,883
Total revenues	1,046,914	339,907	153,625	1,540,446
<b>Expenditures</b>				
General government	260,895	-	-	260,895
Public safety	245,904	-	-	245,904
Public works	229,503	202,954	145,354	577,811
Recreation and culture	51,052	-	4,956	56,008
Capital outlay	140,361	-	-	140,361
Debt service	27,902	-	-	27,902
Total expenditures	955,617	202,954	150,310	1,308,881
Revenues over (under) expenditures	91,297	136,953	3,315	231,565
<b>Other financing sources (uses)</b>				
Proceeds from debt issuance	130,361	-	-	130,361
Net changes in fund balances	221,658	136,953	3,315	361,926
Fund balances (deficit), beginning of year, as restated	247,019	(210,496)	160,790	197,313
Fund balances (deficit), end of year	\$ 468,677	\$ (73,543)	\$ 164,105	\$ 559,239

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



## City of Beaverton

### Reconciliation of Net Changes in Fund Balances of the Governmental Funds to Change in Net Position of Governmental Activities

For the Year Ended June 30, 2019

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Net change in fund balances - total governmental funds	\$ 361,926
Amounts reported for <i>governmental activities</i> in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation	
Add - capital asset additions	140,361
Deduct - depreciation expense	(21,173)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the subsequent fiscal year.	
Change in unavailable revenues	(389,139)
Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Deduct - proceeds from installment loan	(130,361)
Add - principal payments on installment purchase contracts	23,475
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in the accrual for compensated absences	(14,693)
Change in the accrual for interest on long-term debt	1,273
An Internal Service Fund is used by management to charge the costs of certain activities in the individual funds. The net revenue (expense) that is attributable to that fund is partially reported with governmental activities.	
Net operating income from governmental internal service funds	(44,589)
Net operating income from governmental internal service funds allocated to business-type activities.	(1,796)
Nonoperating revenue from governmental internal service funds	50,179
Change in net position of governmental activities	<u>\$ (24,537)</u>

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

# City of Beaverton

## Statement of Net Position

### Proprietary Funds

June 30, 2019

	Major Enterprise Funds				Internal Service Fund Equipment
	Hydro- Electric Fund	Sewer Fund	Water Fund	Total	
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 51,343	\$ 1	\$ 164,452	\$ 215,796	\$ 11,301
Accounts receivable	-	30,776	32,943	63,719	-
Due from other funds	-	72,500	136,728	209,228	4,903
Prepaid expenses	2,030	1,250	1,646	4,926	559
<b>Total current assets</b>	<b>53,373</b>	<b>104,527</b>	<b>335,769</b>	<b>493,669</b>	<b>16,763</b>
<b>Noncurrent assets</b>					
Investments	-	14,500	-	14,500	-
<b>Restricted assets:</b>					
<b>Cash and cash equivalents</b>					
USDA repair replacement & improvement (RRI)	-	-	9,990	9,990	-
USDA bond reserve	51,067	922	780	52,769	-
<b>Capital assets:</b>					
Nondepreciable capital assets	-	102,115	600	102,715	-
Depreciable capital assets, net	1,556,825	1,577,454	2,232,887	5,367,166	96,848
<b>Total noncurrent assets</b>	<b>1,607,892</b>	<b>1,694,991</b>	<b>2,244,257</b>	<b>5,547,140</b>	<b>96,848</b>
<b>Total assets</b>	<b>1,661,265</b>	<b>1,799,518</b>	<b>2,580,026</b>	<b>6,040,809</b>	<b>113,611</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Checks issued in excess of pooled cash	-	143,115	-	143,115	-
Accounts payable	212,297	5,591	2,309	220,197	3,389
Accrued interest	14,394	9,075	10,682	34,151	-
Due to other funds	100,000	36,728	72,500	209,228	-
<b>Current portion of long-term debt:</b>					
Accrued compensated absences	-	5,799	6,239	12,038	1,129
Revenue bonds	16,000	37,000	30,000	83,000	-
<b>Total current liabilities</b>	<b>342,691</b>	<b>237,308</b>	<b>121,730</b>	<b>701,729</b>	<b>4,518</b>
<b>Noncurrent liabilities</b>					
Revenue bonds	971,000	689,000	970,000	2,630,000	-
<b>Total liabilities</b>	<b>1,313,691</b>	<b>926,308</b>	<b>1,091,730</b>	<b>3,331,729</b>	<b>4,518</b>
<b>Net position</b>					
Net investment in capital assets	569,825	953,569	1,233,487	2,756,881	96,848
Restricted	51,067	922	10,770	62,759	-
Unrestricted (deficit)	(273,318)	(81,281)	244,039	(110,560)	12,245
<b>Total net position</b>	<b>\$ 347,574</b>	<b>\$ 873,210</b>	<b>\$ 1,488,296</b>	<b>2,709,080</b>	<b>\$ 109,093</b>
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise fund				(1,796)	
Net position of business-type activities on the government-wide statement of net position				<b>\$ 2,707,284</b>	

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

# City of Beaverton

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

### Proprietary Funds

*For the Year Ended June 30, 2019*

	Major Enterprise Funds			Total	Internal
	Hydro- Electric Fund	Sewer Fund	Water Fund		Service Fund Equipment
Operating revenues					
Charges of services	\$ 206,483	\$ 241,816	\$ 268,801	\$ 717,100	\$ 97,150
Operating expenses					
Salaries	26,135	89,562	96,572	212,269	16,129
Payroll taxes	2,116	6,683	7,208	16,007	1,228
Employee benefits	6,473	25,121	23,772	55,366	4,657
Supplies	4,358	8,841	21,232	34,431	64,465
Postage	-	4,983	1,394	6,377	-
Telephone	2,863	5,280	2,382	10,525	-
Utilities	1,978	25,701	7,349	35,028	-
Repairs and maintenance	9,409	1,498	4,954	15,861	22,374
Contracted services	7,698	99,301	8,215	115,214	-
Equipment rental	2,884	20,725	7,720	31,329	-
Miscellaneous	11,705	14,844	25,159	51,708	-
Depreciation	103,207	66,499	85,028	254,734	32,886
Total operating expenses	178,826	369,038	290,985	838,849	141,739
Operating income (loss)	27,657	(127,222)	(22,184)	(121,749)	(44,589)
Nonoperating revenues (expenses)					
Interest earned on deposits	608	30	33	671	14
Interest expense	(42,779)	(36,695)	(40,167)	(119,641)	-
Tap fees	-	72,500	43,017	115,517	-
Proceeds from sale of capital assets	-	-	-	-	50,165
Total nonoperating revenues (expenses)	(42,171)	35,835	2,883	(3,453)	50,179
Change in net position	(14,514)	(91,387)	(19,301)	(125,202)	5,590
Net position, beginning of year, as restated	362,088	964,597	1,507,597	2,834,282	103,503
Net position, end of year	\$ 347,574	\$ 873,210	\$ 1,488,296	\$ 2,709,080	\$ 109,093
Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds				1,796	
Change in net position of business-type activities				\$ (123,406)	

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

# City of Beaverton

## Statement of Cash Flows

### Proprietary Funds

For the Year Ended June 30, 2019

	Major Enterprise Funds			Total	Internal
	Hydro- Electric Fund	Sewer Fund	Water Fund		Service Fund Equipment
Cash flows from operating activities					
Cash received from customers	\$ 206,483	\$ 235,607	\$ 262,926	\$ 705,016	\$ -
Cash received from interfund services provided	-	-	-	-	97,150
Cash effects from interfund balances	169,908	(60,357)	(43,999)	65,552	58,285
Cash payments to suppliers for goods and services	(66,206)	(180,013)	(79,931)	(326,150)	(87,401)
Cash payments to employees for services	(35,480)	(123,126)	(129,323)	(287,929)	(22,182)
Net cash provided by (used in) operating activities	274,705	(127,889)	9,673	156,489	45,852
Cash flows from capital and related financing activities					
Purchase of capital assets	(12,350)	-	-	(12,350)	(42,251)
Interest paid on debt	(42,072)	(36,190)	(37,583)	(115,845)	-
Principal payments on debt	(15,000)	(36,000)	(31,000)	(82,000)	-
Net cash provided by (used in) capital and related activities	(69,422)	(72,190)	(68,583)	(210,195)	(42,251)
Cash flows from noncapital and related financing activities					
Nonoperating effects from changes in interfund balances	(160,474)	(115,529)	143,708	(132,295)	(53,321)
Miscellaneous revenues / receipts	-	72,500	43,017	115,517	50,165
Net cash provided by (used in) noncapital financing activities	(160,474)	(43,029)	186,725	(16,778)	(3,156)
Cash flows from investing activities					
Interest on investments	608	30	33	671	14
Net increase (decrease) in cash and cash equivalents	45,417	(243,078)	127,848	(69,813)	459
Cash and cash equivalents, beginning of year	56,993	115,386	37,384	209,763	10,842
Cash and cash equivalents, end of year	\$ 102,410	\$ (127,692)	\$ 165,232	\$ 139,950	\$ 11,301
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	27,657	(127,222)	(22,184)	(121,749)	(44,589)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	103,207	66,499	85,028	254,734	32,886
Changes in operating assets, liabilities which provided (used) cash:					
Accounts receivable	-	(6,209)	(5,875)	(12,084)	-
Due from other funds	150,868	(71,386)	(99,388)	(19,906)	58,285
Prepaid expenses	(678)	713	(567)	(532)	(559)
Accounts payable	(24,633)	447	(959)	(25,145)	(3)
Accrued liabilities	(412)	(434)	(398)	(1,244)	(1,297)
Due to other funds	19,040	11,029	55,389	85,458	-
Accrued compensated absences	(344)	(1,326)	(1,373)	(3,043)	1,129
Net cash provided by (used in) operating activities	\$ 274,705	\$ (127,889)	\$ 9,673	\$ 156,489	\$ 45,852

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

# City of Beaverton

## Notes to Financial Statements

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### **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the *City of Beaverton*, (the “*City*”) conform, in all material respects, to accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB’s Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). The following sections provide a summary of the City’s more significant policies.

#### **Reporting Entity**

The City is organized under Michigan’s Comprehensive Home Rule City Act. The Mayor and a seven-member City Council is the governing body elected by the community at large. The Council appoints a City Manager to administer the affairs of the City.

As required by U.S. GAAP, the financial statements of the reporting entity include those of the City and its component unit. The component unit discussed below is included in the City’s reporting entity because it is an entity for which the City is considered to be financially accountable. The financial data of the component unit is included in the City’s reporting entity because of the significance of its operational and financial relationship with the City. The 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 City.

#### **Discretely Presented Component Unit**

The *Downtown Development Authority* (the “*DDA*”) was created to correct and prevent deterioration in the City’s downtown district, encourage historical preservation and to promote economic growth within the downtown district. The DDA’s governing body consists of the City’s Mayor and between eight and twelve members selected by the City Council. In addition, the City is responsible for compliance with federal grants received in conjunction with the DDA’s projects and the DDA’s budget is approved by the City Council. In accordance with Statement of Michigan Governmental Accounting and Auditing No. 5, the DDA has been discretely presented in the City’s financial statements. The DDA does not issue formal financial statements, except as otherwise contained in the City’s annual financial statements. Additional information can be obtained by contacting the City Clerk.

#### **Related Organization**

The City, in conjunction with Beaverton and Tobacco Townships, entered into an agreement to create the *Beaverton Area Fire Protection District* (the “*BAFPD*”). The BAFPD is a legally separate organization established to provide fire protection services to the three communities. The BAFPD is financed each year on a proportional basis for each participating unit based upon their respective state equalized valuation.

#### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all of the non-fiduciary activities of the primary government

# City of Beaverton

## Notes to Financial Statements

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and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for the Agency fund, which does not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

Revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to finance expenditures of the fiscal

# City of Beaverton

## Notes to Financial Statements

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period. Revenues susceptible to accrual include property taxes, state revenue sharing, and interest.

The City property tax is levied each December 1<sup>st</sup> on the taxable valuation of property (as defined by State statutes) located in the City as of the preceding December 31<sup>st</sup>. The 2018 taxable valuation of the City totaled \$18,681,305, on which ad valorem taxes levied consisted of 13.7293 mills for City operating purpose, 2.0000 for roads and bridges, and 1.4730 mills for fire protection. These amounts are recognized mainly in the General Fund as property taxes.

The City reports the following major *governmental funds*:

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

The *Major Streets Fund* accounts for the City's share of proceeds from gas and weight taxes levied by the State and distributed to local governmental units for major streets and roads. State law requires that these taxes be used for street maintenance and construction.

The City reports the following major *enterprise funds*:

The *Hydroelectric Fund* is used to account for the activities of the City's hydroelectric dam system.

The *Sewer Fund* is used to account for the activities of the City's sewer system.

The *Water Fund* is used to account for the activities of the City's water system.

Additionally, the City reports the following fund types:

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *debt service fund* is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

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

The *internal service fund* accounts for equipment rental provided to other departments and funds of the City on a cost reimbursement basis.

The City also administers a Tax Collection Agency Fund (the "*Current Tax Fund*"). The Current Tax Fund is an Agency Fund and is used to account for resources held by the City in a purely custodial capacity. Activity in this fund represents deposits from current tax and special assessment collections and payments to other taxing agencies. At year-end, the Current Tax Fund had no assets or liabilities and is therefore, excluded from presentation in the basic

# City of Beaverton

## Notes to Financial Statements

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financial statements. Activity of the Current Tax Fund is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. The sewer and water funds also recognize the portion of tap fees intended to recover current costs as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Restricted net position represents amounts that are subject to restrictions beyond the government's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Assets, Liabilities, Deferred Inflows of Resources and Equity**

#### **Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less when acquired.

#### **Investments**

State statutes authorize the City to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments. Investments are comprised solely of certificates of deposits and are reported at fair value (Level 1).



# City of Beaverton

## Notes to Financial Statements

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### **Restricted Cash and Cash Equivalents**

The revenue bonds of the enterprise funds require amounts to be set aside for repairs, replacement and improvements (RRI) and for debt service. The amounts the City has deposited in separate accounts for these requirements are reported as restricted assets.

### **Receivables and Payables**

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

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

### **Prepaid Items**

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

### **Capital Assets**

Capital assets, which generally include property, infrastructure (such as water and sewer systems, roads and sidewalks), buildings vehicles and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$500 (unless the asset is a computer or firearm) 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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Donated capital assets are recorded at estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

As permitted by GASB Statement No. 34, the City has elected not to report governmental infrastructure assets (principally roads and sidewalks) acquired prior to July 1, 2003.

# City of Beaverton

## Notes to Financial Statements

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

<u>Asset Type</u>	<u>Years</u>
Buildings	40 to 60
Building improvements	15 to 30
Machinery and equipment	5 to 10
Public domain infrastructure	50 to 75

### **Unearned Revenue**

Grant proceeds that were received prior to the City having met all of the eligibility requirements (reimbursement based) are reported as a liability in governmental funds and in the Statement of Net Position at year-end.

### **Compensated Absences**

The City's policy allows employees to accumulate earned but unused paid time off benefits. Accumulated paid time off is accrued when incurred in the proprietary funds. A liability for these amounts is reported in governmental funds only if they mature, for example, as a result of employee resignations and retirements. The unpaid paid time off pay that is applicable to governmental fund types is reported in the Statement of Net Position.

### **Long-term Obligations**

In the government-wide and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported inclusive of the applicable bond premium or net of the applicable bond discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

### **Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that qualifies for reporting in this category. The governmental funds report unavailable revenues, which arise only under a modified accrual basis of accounting, from intergovernmental receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

# City of Beaverton

## Notes to Financial Statements

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### **Fund Balances**

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

The City would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds

### **Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. The amounts recorded as subsidies or advances are determined by the City. Balances outstanding at year-end are reported as due to/from other funds. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all City departments and funds as transfers or operating revenue. All City funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

### **Use of Estimates**

In preparing financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

# City of Beaverton

## Notes to Financial Statements

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### **NOTE B - DETAILED NOTES ON TRANSACTIONS CLASSES / ACCOUNTS**

#### **Deposits and Investments**

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

	Carrying Amount
Government-wide Financial Statement Captions:	
Primary government	
Cash and cash equivalents	\$ 674,064
Cash and cash equivalents – restricted	62,759
Investments	27,975
Component unit	
Cash and cash equivalents	65,864
Total	\$ 830,662
Notes to Financial Statements:	
Cash on hand	\$ 100
Deposits (checking / savings accounts)	802,587
Certificates of deposit	27,975
Total	\$ 830,662

#### **Deposit and Investment Risk**

##### *Interest Rate Risk*

Michigan Compiled Laws, Section 129.91, authorizes the City to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The City is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers acceptances of United States banks; commercial paper rated within the two highest classifications which mature 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 which are legal for direct investment by local units of government in Michigan.

The City Council has designated two banks for the deposit of City funds. The investment policy adopted by the City Council in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and certificates of deposit. The City's deposits and investment policy are in accordance with statutory authority.

# City of Beaverton

## Notes to Financial Statements

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*Credit Risk*

The City's investment policy does not have specific limits in excess of State law on investment credit risk. At year-end, the City had no investments and was therefore, not exposed to credit risk.

*Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. At year-end, \$573,033 of the City's bank balance of \$857,008 was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Concentration of Credit Risk*

State law limits allowable investments but does not limit concentration of credit risk. The City's investment policy does not have specific limits in excess of State law on concentration of credit risk. At year-end, the City had no investments and was therefore, not exposed to concentration of credit risk.

Due to the dollar amounts of cash deposits and the limits of FDIC insurance, the City believes it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**Receivables**

At year end, the City's receivables were comprised of the following:

	Governmental Activities	Business-type Activities
Accounts	\$ 8,317	\$ 63,719
Taxes	47,502	-
Intergovernmental	152,177	-
Total	\$ 207,996	\$ 63,719

**City of Beaverton**  
**Notes to Financial Statements**

**Capital Assets**

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 193,392	\$ -	\$ -	\$ 193,392
Capital assets being depreciated				
Buildings and improvements	838,989	89,900	-	928,889
Equipment and vehicles	1,127,655	92,712	(86,992)	1,133,375
Infrastructure	<u>132,261</u>	<u>-</u>	<u>-</u>	<u>132,261</u>
Total capital assets being depreciated	<u>2,098,905</u>	<u>182,612</u>	<u>(86,992)</u>	<u>2,194,525</u>
Less accumulated depreciation				
Buildings and improvements	(724,515)	(13,240)	-	(737,755)
Equipment and vehicles	(1,016,740)	(36,685)	79,296	(974,129)
Infrastructure	<u>(77,060)</u>	<u>(4,134)</u>	<u>-</u>	<u>(81,194)</u>
Total accumulated depreciation	<u>(1,818,315)</u>	<u>(54,059)</u>	<u>79,296</u>	<u>(1,793,078)</u>
Net capital assets being depreciated	<u>280,590</u>	<u>128,553</u>	<u>(7,696)</u>	<u>401,447</u>
<b>Total</b>	<u>\$ 473,982</u>	<u>\$ 128,553</u>	<u>\$ (7,696)</u>	<u>\$ 594,839</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 102,715	\$ -	\$ -	\$ 102,715
Capital assets being depreciated				
Equipment	413,027	12,350	-	425,377
Infrastructure	<u>9,944,440</u>	<u>-</u>	<u>-</u>	<u>9,944,440</u>
Total capital assets being depreciated	<u>10,357,467</u>	<u>12,350</u>	<u>-</u>	<u>10,369,817</u>
Less accumulated depreciation				
Equipment	(357,459)	(27,758)	-	(385,217)
Infrastructure	<u>(4,390,459)</u>	<u>(226,976)</u>	<u>-</u>	<u>(4,617,435)</u>
Total accumulated depreciation	<u>(4,747,918)</u>	<u>(254,734)</u>	<u>-</u>	<u>(5,002,652)</u>
Net capital assets being depreciated	<u>5,609,549</u>	<u>(242,384)</u>	<u>-</u>	<u>5,367,165</u>
<b>Total</b>	<u>\$ 5,712,264</u>	<u>\$ (284,384)</u>	<u>\$ -</u>	<u>\$ 5,469,880</u>

# City of Beaverton

## Notes to Financial Statements

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

Governmental activities:	
General government	\$ 2,424
Public safety	3,799
Public works	13,550
Culture and recreation	1,400
Capital assets held by the City's internal service funds are charged to various functions based on their usage of assets	32,886
Total governmental activities	\$ 54,059
Business-type activities:	
Hydroelectric	\$ 103,207
Sewer	66,499
Water	85,028
Total business-type activities	\$ 254,734

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Discretely presented component unit</b>				
Capital assets being depreciated				
Infrastructure	\$ 272,128	336,029	-	\$ 608,157
Less accumulated depreciation				
Infrastructure	(165,262)	(53,400)	-	(218,662)
<b>Total</b>	<b>\$ 106,866</b>	<b>\$ 282,629</b>	<b>\$ -</b>	<b>\$ 389,495</b>

### Accounts Payable and Accrued Liabilities

The composition of accounts payable and accrued liabilities at year-end is as follows:

	Governmental Activities	Business-type Activities	Component Unit
Accounts payable	\$ 47,166	\$ 220,197	\$ 1,714
Accrued liabilities	16,807	-	-
Accrued interest payable	-	34,151	-
Total	\$ 63,973	\$ 254,348	\$ 1,714

# City of Beaverton

## Notes to Financial Statements

### Interfund Receivables and Payables

The composition of interfund balances at year-end is as follows:

	Due To:					
<u>Due From:</u>	<u>General</u>	<u>Major</u>	<u>Internal</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
	<u>Fund</u>	<u>Streets</u>	<u>Service</u>	<u>Fund</u>	<u>Fund</u>	
General fund	\$ -	\$ 67,277	\$ -	\$ -	\$ -	\$ 67,277
Major Streets Fund	56,198	-	4,903	-	-	61,101
Hydroelectric Fund	-	-	-	-	100,000	100,000
Sewer Fund	-	-	-	-	36,728	36,728
Water Fund	-	-	-	72,500	-	72,500
<b>Total</b>	<u>\$ 56,198</u>	<u>\$ 67,277</u>	<u>\$ 4,903</u>	<u>\$ 72,500</u>	<u>\$ 136,728</u>	<u>\$ 337,606</u>

- The General Fund owes the Major Streets fund \$67,277 for a loan between the funds that was used to pay PILOT collections that were owed to other taxing agencies.
- The Major Streets Fund owes the General Fund \$56,198 for inter-fund expenditures of the Major Streets Fund that were paid by the General Fund.
- The Major Streets Fund owes the Internal Services Fund \$4,903 equipment rental charges that were not paid prior to the end of the year.
- The Hydroelectric fund owes the Water fund \$100,000 for a loan that was made in the prior year.
- The Sewer fund owes the Water fund \$36,728 for a loan that was made in the prior year.
- The Water fund owes the Sewer fund \$72,500 for sewer tap-in fees that were deposited into the Water fund.



**City of Beaverton**  
**Notes to Financial Statements**

**Long-term Debt**

Long-term obligations at year end were comprised of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Installment purchase contracts:					
2014 Fire building, interest of 2.79% matures December 2029	\$ 64,135	\$ -	\$ (5,337)	\$ 58,798	\$ 5,486
2016 Library land contract matures September 2021	30,000	-	(10,000)	20,000	10,000
2019 418 Ross Street land contract, interest of 6.00% matures January 2024	-	79,900	(8,138)	71,762	14,628
2019 Tahoe Police vehicle installment purchase agreement, interest of 3.59% matures June 2024	-	50,461	-	50,461	9,393
Total installment debt	<u>94,135</u>	<u>130,361</u>	<u>(23,475)</u>	<u>201,021</u>	<u>39,507</u>
Compensated absences	<u>9,116</u>	<u>15,822</u>	<u>-</u>	<u>24,938</u>	<u>-</u>
Total	<u>\$ 103,251</u>	<u>\$ 146,183</u>	<u>\$ (23,475)</u>	<u>\$ 225,959</u>	<u>\$ 39,507</u>

For the governmental activities, compensated absences and installment purchase contracts are generally liquidated by the General Fund.

**City of Beaverton**  
**Notes to Financial Statements**

	Beginning Balance	Increases	(Decreases)	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
Revenue bonds:					
1984 Water line, interest of 7.125% matures March 2022	\$ 25,000	\$ -	\$ (9,000)	\$ 16,000	\$ 7,000
1987 Water line, interest of 7.125% matures March 2022	17,000	-	(5,000)	12,000	5,000
2007 Water line interest of 4.125% matures April 2047	989,000	-	(17,000)	972,000	18,000
1992 Wastewater plant interest of 5.00% matures March 2032	762,000	-	(36,000)	726,000	37,000
2010 Dam renovation interest of 4.375% matures September 2049	<u>1,002,000</u>	<u>-</u>	<u>(15,000)</u>	<u>987,000</u>	<u>16,000</u>
Total revenue bonds	<u>2,795,000</u>	<u>-</u>	<u>(82,000)</u>	<u>2,713,000</u>	<u>83,000</u>
Compensated absences	<u>3,043</u>	<u>8,995</u>	<u>-</u>	<u>12,038</u>	<u>-</u>
Total	<u>\$ 2,798,043</u>	<u>\$ 8,995</u>	<u>\$ (82,000)</u>	<u>\$ 2,725,038</u>	<u>\$ 83,000</u>

**Primary Government**

The City issued bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Installment purchase agreements are also general obligations of the City. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

## City of Beaverton

### Notes to Financial Statements

The annual requirements to pay future principal and interest on the primary government's installment purchase contracts and bonds are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 39,507	\$ 7,372	\$ 83,000	\$ 121,790
2021	40,902	5,928	91,000	117,621
2022	32,367	4,463	96,000	113,080
2023	33,907	2,921	94,000	107,875
2024	24,555	1,464	97,000	100,441
2025-2029	29,783	2,114	524,000	446,559
2030-2034	-	-	449,000	321,343
2035-2039	-	-	341,000	240,784
2040-2044	-	-	422,000	161,084
2045-2049	-	-	462,000	62,494
2050-2054	-	-	54,000	1,181
<b>Total</b>	<b>\$ 201,021</b>	<b>\$ 24,262</b>	<b>\$ 2,713,000</b>	<b>\$ 1,794,252</b>

	Beginning Balance	Increases	(Decreases)	Ending Balance	Due Within One Year
<b>Component Unit (DDA)</b>					
Land contract	\$ -	\$ 275,000	\$ -	\$ 275,000	\$ 5,271

In 2019, the DDA entered into a land contract agreement for the purchase of a building with interest of 5.50% and required installment payments through July 2044. The annual requirements to pay future principal and interest on the component unit's installment purchase contract are as follows:

Year Ending June 30	Component Unit	
	Principal	Interest
2020	\$ 5,271	\$ 14,993
2021	5,569	14,696
2022	5,883	14,382
2023	6,215	14,050
2024	6,565	13,700
2025-2029	38,818	62,507
2030-2034	51,072	50,253
2035-2039	67,196	34,128
2040-2044	88,411	12,914
<b>Total</b>	<b>\$ 275,000</b>	<b>\$ 231,623</b>

# City of Beaverton

## Notes to Financial Statements

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### **NOTE E – OTHER INFORMATION**

#### **Property Taxes**

City property taxes are attached as an enforceable lien on property as of July 1 and are due without penalty on or before September 15. Real property taxes not collected as of March 1 are turned over to Gladwin County for collection, which advances the City 100% for the delinquent taxes. Collection of delinquent personal property taxes remains the responsibility of the City Treasurer. Property taxes levied in July of each year are recognized as revenue in that year.

The City acts as a collection agent for the State of Michigan, Gladwin County and the local school district. Taxes collected on behalf of the school district, Gladwin County and the State of Michigan are turned over immediately following collection and are accounted for in the agency fund.

#### **Tax Abatements**

The City has entered into property tax abatement agreements with local businesses under programs authorized under Public Act 198 of 1974, as amended (PA 198).

PA 198 (Industrial Property Tax Abatement) allows abatements to encourage Michigan manufacturers to build new plants, expand existing plants, renovate aging plants, or add new machinery and equipment. High technology operations are also eligible for the abatement. Once approved by the municipality the firm pays an Industrial Facilities Tax (IFT), instead of full rate property taxes, which reflects the abatement savings. The exemption covers only the specific project that is the subject of the application. Any buildings and equipment that existed prior to the construction of a new facility are not eligible. Likewise, any structures or equipment added after completion of the project are fully taxable. The IFT on new plant and non-industrial personal property is computed at half the local property millage rate, resulting in a reduction of property taxes of approximately 50%. For an obsolete plant or machinery that is being replaced or restored, the IFT is frozen at the assessed value of the plant prior to improvement, resulting in a 50% exemption from property tax on the value of the improvements. A speculative building would be eligible for a reduction in property taxes of approximately 50%. Commercial personal property will receive an automatic reduction of 12 mills for the local school operating millage on their property tax bill.

During the year, the City abated property taxes of approximately \$2,000 under these programs.

#### **Risk Management**

The City participates in a public entity risk (insurance) pool with other local units of government in the Michigan Municipal Liability and Property Pool. This self-insurance plan provides members with loss protection for property damage and general liability. The City made contributions of \$34,468 to the plan during the year.

When a claim is incurred and/or paid, the member's loss contribution account is charged or credited according to the member's actual loss experience; no obligation is credited for another

# City of Beaverton

## Notes to Financial Statements

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member's losses. If contributions are in excess of actual expenses and reserves, future contributions are decreased. Should any member have more losses paid on their behalf than contributions covering such losses, credit is extended within the association joint loss fund; such a deficit is repaid by the member in future contributions.

The plan does not maintain separate funds for members and consequently the City's share of total assets and total equity is unknown. Audited financial statements of the plan are available.

### **Pension Plan**

The City's defined contribution pension plan investments are held in trust by the fiduciary: Michigan Municipal Employees' Retirement System, Massachusetts Mutual Life Insurance Company, Chemical Bank, or Modern Woodmen of America. Michigan Compiled Laws, Section 38.1132, authorizes the City pension plan to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contracts, obligations of a specified nature, and real property. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City provides pension benefits to administrative employees and union employees, who are full-time, age twenty-one and over, and employed with the City for at least one year.

The City is required to contribute 7.5% or 8.5% of gross earnings, depending upon the applicable plan. Benefits in the plan vest immediately at 100%. For the year ended June 30, 2019, the cost to the City for these plans was \$42,910, which was in accordance with the applicable requirements. No employee contributions are allowed in the plan.

### **Deferred Compensation Plan**

The City offers all full-time employees a deferred compensation plan (Plan) created in accordance with the Internal Revenue Code Section 457. The assets of the plans are held in trust, as described in IRC Section 457(g), for the exclusive benefit of the participants (employees) and their beneficiaries. The Plan custodian holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Plan administrators are agents of the employer for the purpose of providing direction to the Plan custodian from time to time for the investment of the funds held in the custodial account, transfer of assets to or from the custodial account, and all other matters.

### **Contingencies and Commitments**

The City receives financial assistance from other governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the City. However, in the opinion of management, any such disallowed claims will not have a material effect on any financial statements herein or on the overall position of the City.

The City is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The City has purchased commercial insurance

# City of Beaverton

## Notes to Financial Statements

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for these types of claims. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three years.

The City is subject to various legal proceedings arising in the course of providing public services to City residents. However, in the opinion of the City's attorney and management, the resolution of these matters will not have a material effect, if any, on the financial condition of the City.

In a prior year, the City hired a contractor to perform services on the hydro-dam and did not pay the contractor for the services in a timely manner. The City has accrued \$210,290 in accounts payable in the Hydroelectric fund for the amount owed to the contractor. The contractor has since claimed that the City now owes interest on the unpaid balance in excess of \$102,000. The City is disputing the interest claim and has hired an attorney to negotiate the amount in question. The City has not accrued a liability for the claimed interest because the actual amount owed, if any, cannot be reasonably determined at year-end.

### **Deficit Fund Equity**

At year-end, the Major Streets special revenue fund had a deficit fund balance of \$73,543 and the Hydroelectric and Sewer enterprise funds had deficits in unrestricted net position of \$273,318 and \$81,281, respectively. Public Act 275 of 1980 (MCL141.921) requires that the City file a deficit elimination plan to the Michigan Department of Treasury within 90 days after the end of the fiscal year due to the deficit positions.

### **Subsequent Events**

- On July 25, 2018, USDA Rural Development obligated grant funds in the amount of \$829,000 and loan funds in the amount of \$277,000 (2.3750% over 40 years) for the replacement of three (3) sewer lift stations. The project is designed and ready to be released for bid. Anticipated release date is January 2020.
- On September 21, 2018, Michigan Department of Transportation (MDOT) earmarked \$360,000 in grant funds for the reconstruction of Glidden Road in accordance with Article XVII, Section 751 and Article XX, Section 121 of Public Act 207 of 2018, Fiscal Year 2019 Omnibus Budget Appropriation Act. This project is a part of the Industrial Park Expansion Project and is projected to be released for bid in January 2020.
- On July 3, 2018, USDA Rural Development obligated Rural Business Development grant funds in the amount of \$48,500 and \$50,000 for a Farmer's Market Feasibility Study and Engineering fees for Industrial Park Improvements, respectively. The feasibility study is projected to be completed in early 2020, with design completion to follow. The Industrial Park Expansion Project is projected to be released for bid in January 2020.
- On March 27, 2019, Michigan Department of Transportation (MDOT) approved category A grant funds in the amount of \$218,060 for resurfacing of Terry Diane Street and \$266,896 for the reconstruction of Glidden Road. This project is a part of the Industrial Park Expansion Project and is projected to be released for bid in January 2020.

# City of Beaverton

## Notes to Financial Statements

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- On May 17, 2019, Michigan Department of Transportation (MDOT) approved category B grant funds in the amount of \$250,000 for the reconstruction of Saginaw Street. This project is projected to be released for bid in January 2020.
- On June 25, 2019, the Department of Commerce's Economic Development Administration (EDA) approved a grant in the amount of \$1,455,720 to construct the Beaverton Industrial Park upgrade and Iron Removal Project. This project is projected to be released for bid in January 2020.
- On June 27, 2019, USDA Rural Development obligated Rural Business Development grant funds in the amount of \$100,000 for a new Farmer's Market Pavilion and \$100,000 to support the Industrial Park Expansion Project. The Industrial Park Project is projected to be released for bid in January 2020 and the Farmer's Market Pavilion Project is projected to be released in Spring 2020.
- On June 20, 2019, the Saginaw Bay Watershed Initiative Network (WIN) approved a grant in the amount of \$20,000 to support plans to construct the Beaverton Trailhead Project. The project began construction in late 2019 and is scheduled in be completed in Spring 2020.
- On April 4, 2018, the Michigan Strategic Fund (MSF) approved an incentive in the amount of \$396,000 to support the expansion of the Saint Gobain Plant in Beaverton, MI. The project started in September 2018 and is expected to be completed in 2020.
- In 2016, the Michigan Department of Natural Resources (DNR) Trust Fund approved a grant in the amount of \$50,000 for the development of a paved pathway and improved parking area for a trailhead along the Gladwin to Beaverton Trail in the City of Beaverton. The project began construction in late 2019 and is scheduled in be completed in Spring 2020.
- In 2016, the East Michigan Council of Governments (EMCOG) approved a grant in the amount of \$18,262 for the development of a paved pathway and improved parking area for a trailhead along the Gladwin to Beaverton Trail in the City of Beaverton. The project began construction in late 2019 and is scheduled in be completed in Spring 2020.
- In November of 2016, the Gladwin County Community Foundation approved a grant in the amount of \$5,000 for the development of a paved pathway and improved parking area for a trailhead along the Gladwin to Beaverton Trail in the City of Beaverton. The project began construction in late 2019 and is scheduled in be completed in Spring 2020.
- On July 17, 2019, the Michigan Economic Development Corporation (MEDC) approved a new crowdfunding campaign through Patronicity for a new Splash Park in Ross Lake Park. The crowdfunding goal of \$50,000 is matched through the MEDC Public Spaces Community Places Program. The crowdfunding campaign was successful and funds were delivered in the amount of \$50,000 in late 2019. The second phase of the campaign has begun and is projected to begin construction in 2020.
- On July 26, 2019, the Michigan State Housing Development Authority approved a grant in the amount of \$196,000 for the construction of modular, workforce housing in support of the housing demand from the Saint Gobain Expansion Project. The modular house is 90%

# City of Beaverton

## Notes to Financial Statements

complete and is currently awaiting utility connections. The house is expected to be complete in early 2020.

### Restatements / Prior Period Adjustments

During the year, restatements were necessary to properly account for beginning fund balance and net position in the funds, Governmental Activities, Business-type Activities and the Component Unit to properly account for interfund receivables, payables and transfers. It was determined that certain amounts that were reported as transfers in prior years should have been relieving the interfund receivable and payable balances, instead of impacting equity in the Statements of Activities and Changes in Fund Balance / Net Position. Restatements were also necessary in the Sewer fund and Water fund for long-term debt; a portion of debt related to the Sewer fund had been inadvertently reported in the Water fund. During the year, management decided to consolidate balances and financial activity of the Rubbish Fund with balances and activity of the General Fund, effective at the beginning of the year. The errors and consolidations had the following effects on beginning equity:

<u>Opinion Unit</u>	Beginning Equity As Previously Stated	Consolidation and Interfund Balances	Long-term Debt	Beginning Equity As Restated
General Fund	\$ 66,278	\$ 180,741	\$ -	\$ 247,019
Major Streets	(76,863)	(133,633)	-	(210,496)
Non-major Governmental	5,426	155,364	-	160,790
Hydroelectric	521,125	(159,037)	-	362,088
Sewer	1,208,415	(134,818)	(109,000)	964,597
Water	1,245,644	152,953	109,000	1,507,597
Rubbish	1,485	(1,485)	-	-
Internal Service	153,626	(50,123)	-	103,503
Governmental activities	999,289	(25,221)	-	974,068
Business-type activities	2,795,507	35,183	-	2,830,690
DDA – fund balance	178,891	(9,962)	-	168,929
DDA – net position	285,757	(9,962)	-	275,795
Total	<u>\$ 7,384,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,384,580</u>

### Deficit Fund Equity

At year-end, the Major Streets special revenue fund and the Hydroelectric and Sewer enterprise funds had deficit equity positions. These equity positions met the criteria prescribed in the State of Michigan's Numbered Letter 2016-1, "Deficit Elimination Plans". As a result, the City is required to file deficit elimination plans with the State for each of these funds.

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# City of Beaverton

## Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual

### General Fund

*For the Year Ended June 30, 2019*

	Original Budget	Amended Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
Property taxes	\$ 311,297	\$ 311,297	\$ 372,778	\$ 61,481
State sources	136,603	136,603	345,656	209,053
Charges for services	35,453	76,503	69,644	(6,859)
Fines and forfeitures	16,181	21,483	9,179	(12,304)
Licenses and permits	4,523	4,523	1,160	(3,363)
Interest earned on deposits	50	52	3,259	3,207
Rent	6,030	6,030	8,037	2,007
Proceeds from insured loss	-	-	209,318	209,318
Miscellaneous	-	136	27,883	27,747
<b>Total revenues</b>	<b>510,137</b>	<b>556,627</b>	<b>1,046,914</b>	<b>490,287</b>
<b>Expenditures</b>				
<b>General government:</b>				
City council	9,261	9,261	46,962	37,701
City manager	25,496	27,353	27,563	210
Finance and administration	50,400	50,400	94,755	44,355
Clerk	24,953	26,984	26,147	(837)
Board of review	1,347	1,347	209	(1,138)
Treasurer	21,545	12,360	21,482	9,122
Assessor	11,236	11,236	10,925	(311)
Elections	2,626	2,626	2,602	(24)
Buildings and grounds	15,750	15,750	30,250	14,500
<b>Total general government</b>	<b>162,615</b>	<b>157,317</b>	<b>260,895</b>	<b>103,578</b>
<b>Public safety:</b>				
Police	215,467	219,418	213,762	(5,656)
Fire protection contract	20,381	20,381	32,142	11,761
<b>Total public safety</b>	<b>235,848</b>	<b>239,799</b>	<b>245,904</b>	<b>6,105</b>
<b>Public works:</b>				
Public works	36,555	74,655	206,542	131,887
Cemetery	20,080	20,080	5,127	(14,953)
Street lights	14,700	14,700	17,834	3,134
<b>Total public works</b>	<b>71,335</b>	<b>109,435</b>	<b>229,503</b>	<b>120,068</b>

# City of Beaverton

## Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual

### General Fund

*For the Year Ended June 30, 2019*

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Expenditures				
Recreation and culture	\$ 51,791	\$ 51,791	\$ 51,052	\$ (739)
Capital outlay	10,500	10,500	140,361	129,861
Debt service:				
Principal	5,301	5,301	23,475	18,174
Interest	2,143	2,143	4,427	2,284
Total debt service	7,444	7,444	27,902	20,458
Total expenditures	539,533	576,286	955,617	379,331
Revenues over (under) expenditures	(29,396)	(19,659)	91,297	110,956
Other financing sources (uses)				
Transfers in	31,851	31,851	-	(31,851)
Transfers out	-	(5,000)	-	5,000
Proceeds from debt issuance	-	-	130,361	130,361
Total other financing sources (uses)	31,851	26,851	130,361	103,510
Net change in fund balance	2,455	7,192	221,658	214,466
Fund balance:				
Beginning of year, as restated	66,278	66,278	247,019	180,741
End of year	\$ 68,733	\$ 73,470	\$ 468,677	\$ 395,207

# City of Beaverton

## Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual

### Major Streets Fund

*For the Year Ended June 30, 2019*

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Property taxes	\$ 30,150	\$ 30,150	\$ 8,976	\$ (21,174)
Federal sources	324,196	324,196	-	(324,196)
State sources	873,762	873,762	330,903	(542,859)
Interest earned on deposits	-	-	28	28
<b>Total revenues</b>	<b>1,228,108</b>	<b>1,228,108</b>	<b>339,907</b>	<b>(888,201)</b>
 Public works:				
Salaries	2,100	2,100	49,966	47,866
Payroll taxes	643	643	3,882	3,239
Employee benefits	-	-	9,301	9,301
Supplies	1,482,192	1,482,192	76,278	(1,405,914)
Utilities	105	105	223	118
Repairs and maintenance	15,000	15,000	46,756	31,756
Equipment rental	6,300	6,300	16,548	10,248
<b>Total public works</b>	<b>1,506,340</b>	<b>1,506,340</b>	<b>202,954</b>	<b>(1,303,386)</b>
 Revenues over (under) expenditures	(278,232)	(278,232)	136,953	415,185
 Other financing sources (uses)				
Bond proceeds	335,722	335,722	-	(335,722)
 Net change in fund balance	57,490	57,490	136,953	79,463
 Fund balance (deficit):				
Beginning of year, as restated	(76,863)	(76,863)	(210,496)	(133,633)
End of year	\$ (19,373)	\$ (19,373)	\$ (73,543)	\$ (54,170)

# City of Beaverton

## Notes to Required Supplementary Information

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### Budgets and Budgetary Accounting

Following is a summary of the City's procedures related to establishing the budgetary data that is presented as required supplementary information:

- Prior to June 1st, the departments submit to the City Council a proposed departmental operating budget for the fiscal year commencing the following July 1st. This operating budget includes proposed expenditures and means
- Public hearings are conducted at City Hall to obtain taxpayer comments.
- Prior to July 1, the budget is legally enacted through passage of an ordinance.
- All budget appropriations lapse at year end. Budgetary amounts reported herein are as originally adopted, or as amended by the City Council throughout the operating year.
- Annual budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.
- Budgets for the General and Special Revenue Funds are prepared on a modified accrual basis, while the Internal Service and Enterprise Funds informational budgets are prepared using the accrual basis of accounting. Both methods are consistent with U.S. GAAP.
- The legal level of control is at the activity level for the General and Special Revenue Funds.
- Revisions that alter the total expenditures of any fund or total department expenditures in the General Fund must be approved by the City Council.
- Michigan Public Act 621 of 1978, Section 18(1), as amended, provides that a governmental unit shall not incur expenditures in excess of the amount appropriated at the legally adopted level. The General Fund had expenditures that exceeded budgeted appropriations at the activity level, which is the City's legal level of budgetary control, as follows:

	Final Budget	Actual	Over (Under) Budget
General Fund			
General government	\$ 157,317	\$ 260,895	\$ (103,578)
Public safety	239,799	245,904	(6,105)
Public works	109,435	229,503	(120,068)
Capital outlay	10,500	140,361	(129,861)
Debt service	7,444	27,902	(20,458)

Revenues, other financing sources and existing fund balance were sufficient to cover all expenditures in the General Fund.

The City's final amended budget for the Major Streets special revenue projected an overall deficit in the fund, which is a violation of the Uniform Budget Act. The Major Streets fund ended the year in a deficit position, which is also a violation of the Uniform Budget Act. The City will be required to file deficit elimination plans with the State for the Major Streets fund and the Hydroelectric and Sewer enterprise funds, which also ended the year in deficit positions.

**City of Beaverton**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

*June 30, 2019*

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Local Streets	Campground	Gravel Streets	Bike Path Trail Head Project	
<b>Assets</b>					
Cash and cash equivalents	\$ 113,663	\$ 20,937	\$ 426	\$ 14,152	\$ 149,178
Accounts receivable	-	-	-	20,000	20,000
Prepaid items	257	-	-	-	257
Due from other governmental units	19,524	-	-	-	19,524
<b>Total assets</b>	<b>\$ 133,444</b>	<b>\$ 20,937</b>	<b>\$ 426</b>	<b>\$ 34,152</b>	<b>\$ 188,959</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 3,987	\$ 867	\$ -	\$ -	\$ 4,854
Unearned revenue	-	-	-	20,000	20,000
<b>Total liabilities</b>	<b>3,987</b>	<b>867</b>	<b>-</b>	<b>20,000</b>	<b>24,854</b>
<b>Fund balances</b>					
Nonspendable:					
Prepaid items	257	-	-	-	257
Committed for:					
Capital projects	-	-	-	14,152	14,152
Restricted for:					
Streets and highways	129,200	-	-	-	129,200
Debt service	-	-	426	-	426
Unrestricted	-	20,070	-	-	20,070
<b>Total fund balances</b>	<b>129,457</b>	<b>20,070</b>	<b>426</b>	<b>14,152</b>	<b>164,105</b>
<b>Total liabilities and fund balances</b>	<b>\$ 133,444</b>	<b>\$ 20,937</b>	<b>\$ 426</b>	<b>\$ 34,152</b>	<b>\$ 188,959</b>

# City of Beaverton

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

### Nonmajor Governmental Funds

*For the Year Ended June 30, 2019*

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total
	Local Streets	Campground	Gravel Streets	Bike Path Trail Head Project	
Revenues					
Property taxes	\$ 3,740	\$ -	\$ -	\$ -	\$ 3,740
Gas and weight tax	114,076	-	-	-	114,076
Charges for services	-	35,790	-	-	35,790
Interest earned on deposits	-	5	-	14	19
<b>Total revenues</b>	<b>117,816</b>	<b>35,795</b>	<b>-</b>	<b>14</b>	<b>153,625</b>
Expenditures					
Public works	145,354	-	-	-	145,354
Recreation and culture	-	4,956	-	-	4,956
<b>Total expenditures</b>	<b>145,354</b>	<b>4,956</b>	<b>-</b>	<b>-</b>	<b>150,310</b>
Net change in fund balances	(27,538)	30,839	-	14	3,315
Fund balances (deficit)					
Beginning of year, as restated	156,995	(10,769)	426	14,138	160,790
End of year	\$ 129,457	\$ 20,070	\$ 426	\$ 14,152	\$ 164,105

# City of Beaverton

## Balance Sheet and Statement of Net Position

### Downtown Development Authority Component Unit

*June 30, 2019*

	Downtown Development Authority	Adjustments	Statement of Net Position
<b>Assets</b>			
Cash and cash equivalents	\$ 65,864	\$ -	\$ 65,864
Capital assets:			
Depreciable capital assets, net	-	389,495	389,495
<b>Total assets</b>	<b>\$ 65,864</b>	<b>389,495</b>	<b>455,359</b>
<b>Liabilities and fund balance</b>			
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 1,714	-	1,714
Noncurrent liabilities:			
Accrued compensated absences	-	1,872	1,872
Due within one year	-	5,271	5,271
Due in more than one year	-	269,729	269,729
<b>Total liabilities</b>	1,714	276,872	278,586
<b>Fund balance</b>			
Unassigned	64,150	(64,150)	-
<b>Total liabilities and fund balance</b>	<b>\$ 65,864</b>		
<b>Net position</b>			
Net investment in capital assets		114,495	114,495
Unrestricted		62,278	62,278
<b>Total net position</b>		<b>\$ 176,773</b>	<b>\$ 176,773</b>

# City of Beaverton

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

### Downtown Development Authority Component Unit

*For the Year Ended June 30, 2019*

	Downtown Development Authority	Adjustments	Statement of Activities
Revenues			
Property taxes	\$ 69,045	\$ -	\$ 69,045
State revenue - LCSA	22,430	-	22,430
Charges for services	800	-	800
Other revenue	8,506	-	8,506
Interest	132	-	132
Total revenues	100,913	-	100,913
Expenditures / expenses			
Community and economic development	144,663	1,872	146,535
Capital outlay	336,029	(336,029)	-
Depreciation	-	53,400	53,400
Total expenditures / expenses	480,692	(280,757)	199,935
Excess (deficiency) of revenues over (under) expenditures / expenses	(379,779)	280,757	(99,022)
Other financing sources (uses)			
Proceeds from debt issuance	275,000	(275,000)	-
Net change in fund balance / net position	(104,779)	5,757	(99,022)
Fund balance / net position:			
Beginning of year, as restated	168,929	106,866	275,795
End of year	\$ 64,150	\$ 112,623	\$ 176,773





SMITH & KLACZKIEWICZ, PC  
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A VETERAN OWNED BUSINESS

**Independent Auditor's 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***

To the Honorable Mayor and  
Members of the City Council  
City of Beaverton  
Beaverton, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the *City of Beaverton, Michigan*, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the *City of Beaverton, Michigan's* basic financial statements and have issued our report thereon dated December 30, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the *City of Beaverton, Michigan'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 *City of Beaverton, Michigan's* internal control. Accordingly, we do not express an opinion on the effectiveness of the *City of Beaverton, Michigan's* internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-01, 2019-02, 2019-03, 2019-04 and 2019-05 that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the *City of Beaverton, Michigan'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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2019-06.

**City of Beaverton, Michigan's Responses to the Findings**

*City of Beaverton, Michigan's* responses to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. *City of Beaverton, Michigan'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Smith + Klayhewitz PC*

*Saginaw, Michigan*  
December 30, 2019

## Schedule of Findings and Questioned Costs

### Finding 2019-01 - Material Audit Adjustments / Recording, Processing and Summarizing Certain Accounting Data

- Type:** Material weakness in internal control over financial reporting.
- Criteria:** The City is required to design, maintain and implement internal controls over the recording, processing and summarizing of accounting data to ensure accurate financial reporting (i.e., maintain accurate internal books and records). Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).
- Condition:** The City's controls over the recording, processing, and summarizing of certain financial activity and accounting data was not sufficient to prevent and detect material misstatements in the financial statements. As a result of our audit procedures, we identified and proposed several material adjustments to various asset, liability, equity, revenue and expenditure / expense accounts, impacting all opinion units (which were approved and posted by management) to adjust the balances in many of the City's accounts.
- Cause:** The City's internal controls were not sufficiently designed or implemented to detect adjustments that were necessary to report properly adjusted account balances.
- Effect:** Initially, many of the City's account balances that were offered for the audit were materially misstated. Appropriate adjustments were subsequently posted to reflect accurate account balances in the financial statements. Interim financial statements that were presented to management during the year contained account balances that were materially misstated.
- View of Responsible Officials:** The City continues to make significant adjustments to correct this deficiency. The City has hired new administrative staff, as well as accounting consultants to resolve the issue. The City is investing in training for employees to reinforce best practices.

**Item 2019-02 Reconciliations (repeated from prior year)**

- Type:** Material weakness in internal control over financial reporting.
- Criteria:** Timely account reconciliations represent an important control used to detect and prevent material misstatements. Industry standards suggest that significant account balances be reconciled on a monthly basis.
- Condition:** Several receivable, payable, capital asset and inter-fund accounts were not properly reconciled to their appropriate balance and supportive documentation.
- Cause:** The City's internal controls were not sufficiently designed or implemented to ensure that significant account balances were properly reconciled in a timely manner.
- Effect:** The City's internal accounting records did not properly reflect the financial position of the City's financial resources. This situation increases the risk that misstatements, whether caused by error or fraud could occur and not be detected in a timely manner.
- Response:** The City continues to make significant adjustments to correct this deficiency. The City has hired new administrative staff, as well as accounting consultants to resolve the issue. The City is investing in training for employees to reinforce best practices. In addition, the City is making adjustments in procedures and in the accounting software to be more efficient in the future. Adjustments include better reconciliation of accounts payables, accounts receivable, and other related due to/from accounts on the general ledger.

**Item 2019-03 Lack of Segregation of Duties (repeated from prior year)**

- Type:** Material weakness in internal control over financial reporting.
- Criteria:** The City's management is responsible for establishing and maintaining effective internal controls over financial reporting and for safeguarding the City's assets.
- Condition:** During the course of our audit, we noted instances where multiple key financial duties were being performed by the same individual and there were no mitigating controls in place to ensure effective internal controls.
- Cause:** Proper segregation of duties is intended to prevent an individual from committing an act of fraud or abuse and be able to conceal it. As is the case with many organizations of similar size, the City lacks a sufficient number of personnel in order to ensure a complete segregation of duties within its accounting function.
- Effect:** The City's current system of internal control does not appear to have sufficient safeguards in place to ensure that fraud or abuse is prevented or can be detected in a timely manner. Ideally, no single individual should ever be able to authorize a transaction, record the transaction in the accounting records and maintain custody of the assets resulting from the transaction.
- Response:** The City has made significant adjustments to correct this deficiency. The City has hired new administrative staff and segregated duties between City Manager, City Clerk and City Treasurer to correct this issue. As the Clerk and Treasurer receive more training and experience, the City will be in a stronger position to ensure controls.

**Item 2019-04 – Preparation of Financial Statements in Accordance with U.S. GAAP**  
(repeated from prior year)

- Type:** Material weakness in internal control over financial reporting.
- Criteria:** The City is required to prepare financial statements in accordance with accounting principles generally accepted in the United States (U.S. GAAP). This is a responsibility of the City's management. The preparation of financial statements in accordance with U.S. GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting government-wide and fund financial statements, including the related footnotes (i.e., external financial reporting.)
- Condition:** As is the case with many smaller and medium-sized entities, the City has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes as part of its external financial reporting process. Accordingly, the City's ability to prepare financial statements in accordance with U.S. GAAP is based, in part, on its reliance on its *external* auditors, who cannot by definition be considered a part of the government's *internal* controls.
- Cause:** This condition was caused by the City's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the government to perform this task internally.
- Effect:** As a result of this condition, the City lacks internal controls over the preparation of financial statements in accordance with U.S. GAAP, and instead relies, in part, on its external auditors for assistance with this task.
- Response:** The City has made significant adjustments to correct this deficiency. The City has hired accounting consultants to resolve this issue.

**Item 2019-05 – Manual Adjustments to the General Ledger Accounting System**

- Type:** Material weakness in internal control over financial reporting.
- Criteria:** A strong system of internal controls mandates that proper supportive documentation be maintained to provide sufficient evidence of a transaction. Adequate documentation should be maintained to identify the purpose and support for manual adjustments to the general ledger accounting system.
- Condition:** The City does not have policies and procedures in place to ensure that there is a meaningful and effective accumulation of adequate supportive documentation for manual adjustments to the general ledger accounting system.
- Cause:** An adequate framework of protocols related to manual adjustments to the general ledger accounting system has not been developed.
- Effect:** The information that was utilized to prepare and support manual adjustments to the general ledger accounting system cannot always be retrieved and / or do not provide reasonable explanation of the reason, purpose or support for the transaction.
- Response:** The City has made significant progress in addressing this issue. The average tenure of the administrative team is two (2) years. The City is providing resources in the form of training and use of outside of consultants, when needed to resolve the issue. As the tenure of the current administrative team increases, the deficiencies in policy & procedure will be resolved over time.

**Item 2019-06 – Violation of Reserve Requirements Related to Debt**

- Type:** Instance of noncompliance required to be reported under *Government Auditing Standards*.
- Criteria:** The City has revenue bonds outstanding in the Hydroelectric, Sewer and Water funds. The provisions of those debt agreements require the City to set aside assets in reserve accounts for debt service and repairs, replacement and improvements (RRI).
- Condition:** The City has not accumulated sufficient reserves to satisfy the requirements, as follows:
- 97-16 Dam bond reserve; \$5,340 required - \$0 in reserves
  - 97-17 Dam bond reserve; \$54,000 required - \$51,067 in reserves
  - 92-08, 09 Sewer bond reserve; \$77,500 required - \$922 in reserves
  - 91-11 Water Bond reserve; \$65,000 required - \$780 in reserves
  - 91-11 Water RRI reserve; \$34,450 required – \$9,990 in reserves
- Cause:** Inadequate financial resources have been available to satisfy the requirements.
- Effect:** The City is not in compliance with the reserve requirements imposed by the U.S. Department of Agriculture; Rural Development.
- Response:** The previous City Manager made unauthorized transfers out of the USDA Reserve Accounts to pay for capital improvements. The City has coordinated with the USDA to provide an explanation and solution to replenish the reserves. The City has adopted a five (5) year utility rate study that projects a 9.9% increase in rates over the next 5 years. Year 2 of the rate increase go into effect on January 1, 2020. The City plans to restrict funds to begin the process of replenishing these reserves.





THE CITY OF  
**BEAVERTON**  
M I C H I G A N

124 W. Brown Street • P.O. Box 477 • Beaverton, MI 48612-0477  
Office: 989.435.3511 • Fax: 989.435.3223

January 13, 2020

Michigan Economic Development Corporation  
300 N. Washington Sq.  
Lansing, MI 48913

To Whom It May Concern:

The City of Beaverton is applying for a community development block grant to support improvements at Ross Lake Park. These improvements are in conformity with the City's Park & Recreation Plan, Bicycle & Pedestrian Trails Master Plan and Master Plan. The City has already secured grant funding through USDA Rural Development for \$100,000 for a new Farmer's Market Pavilion and the City is dedicating \$127,000 as a match toward the project budget.

If you have any questions regarding our application, please feel free to contact me.

Sincerely,

Heath Kaplan  
City Manager  
City of Beaverton

The Public Works Department of Beaverton has devoted careful consideration to developing a plan for the ongoing care and protection of the substantial assets that are our parks and grounds. The progressive attitude prevalent in all endeavors undertaken within Beaverton will continue as we strive to adopt, implement, and expand upon this maintenance plan. For both Beaverton residents and visitors, the goal of Public Works is to present a positive image, safe and clean facilities, and well maintained properties.

Public Works is responsible for approximately 53 acres of park land and other public spaces and will outline a maintenance approach under the following:

- **Turfgrass**
- **Playfields**
- **Playgrounds**
- **Trees & Landscaped Areas**
- **Walking Trails**
- **Shoreline & WWI Memorial Monument**
- **Facilities & Splash Park**

### **Standards**

In establishing this maintenance plan we have used industry standards to guide us as we strive to provide Beaverton with world class park facilities. To achieve and maintain these standards we look to hire the right people for the right job and provide necessary training and professional development.

We have established a priority system (Green, Yellow, Red) that ranks our parks based on maintenance needs, amenities and current condition. We also use the color index to rate the condition of those amenities that are within the parks.

**Green** indicates that a particular part of the park is at our highest level of care and the amenities are in good to new condition. This facility will have certain features, amenities and care standards that are obvious to the trained and untrained eye. These facilities require more capital and human resources and will have amenities and a standard of care such as:

- Adequate to full irrigation.
- Trees are regularly pruned and maintained.
- Mowing occurs minimally every seven (7) days, when required.
- Maintenance of playground equipment and surroundings.
- Stabilized shorelines.
- Trails are navigable and safe with adequate signage.
- Natural areas are protected
- Splash Park water quality tested and equipment is in good condition.
- Adequate ADA Accessibility.

**Yellow** indicates the park may be in need of some aesthetic repairs on various items, however they are at an acceptable level and could be maintained at that level based on age and appearance of amenities and the level of care provided. It would require new amenities and an increase in the level of care by adding human and capital resources to move the park to a GREEN designation and maintain it at that level. Repairs are done as necessary and/or when resources are available. All urgent items are addressed immediately. A YELLOW designated park will:

- Have partial irrigation.
- Heat crack in green areas where visitors traverse.
- Older playground/splash equipment.
- Some ADA Accessibility
- Trees are removed or pruned base on code or safety violations.
- 24-hour response time to complaints
- Park and Rule Signage

**Red** indicates the park is in need of greater attention in specific areas and in need of major capital resources. Lakeside and boat launch are examples that have a RED designation and require major capital investment. The issues in these particular area of the park need to be addressed and have issues that have a level of liability exposure that needs to be addressed or will need to be addressed in the near future. A RED designation will:

- Not have no irrigation
- Have erosion degradation
- Have out of date playground/splash equipment
- Have no ADA Accessibility
- Be mowed every 14 to 21 days
- Be in need of new sidewalks or major sidewalk repairs
- Have liability exposures

The City of Beaverton employs five (5) full-time equivalent positions in the Department of Public Works. The Department is staffed by a Public Works Director and four (4) Maintenance Technicians who care for the City’s infrastructure. The total combined labor costs for the staff is approximately \$338K and is historically spread over the following funds:

GF	8%	\$27,071.83
Major St	9%	\$30,455.81
Local St	8%	\$27,071.83
DDA	10%	\$33,839.79
Hydro	9%	\$30,455.81
Sewer	24%	\$81,215.49
Water	27%	\$91,367.43
Equip	5%	\$16,919.89
Total	100%	\$338,397.88

The Gladwin Rotary Splash Park, which is located inside the City's Ross Lake Park, is supported by the Water, General Fund, DDA and Equipment funds from an Operation and Maintenance (O&M) perspective. Labor, which is the largest expense, is detailed above and in addition, each fund as an encumbrance for repair & maintenance, supplies, etc:

General Fund	\$41,300
Water Fund	\$71,041
DDA Fund	\$1,079
Equipment Fund	\$5,692

# City of Beaverton

## Ross Lake Park Placemaking Initiative



### Pre-Engineering Estimate of Probable Costs for Splash Pad and Market Pavilion Improvements

Dec. 19, 2019

LME/BDR

Item No.	Item Description	Unit	Est. Qty.	Probable Cost	
				Unit Price	Amount
1	Mobilization, Bonds & Insurance (Max. 5%)	LSum	1	\$37,000	\$37,000
2	Site Demolition, Removals, Preparation	LSum	1	\$15,000	\$15,000
3	6" Sanitary Service	LFt	160	\$40	\$6,400
4	Water Service	LFt	70	\$30	\$2,100
5	Changing Room / Restroom building w/ foot wash	LSum	1	\$179,000	\$179,000
6	Splash Pad Apparatuses	Ea	3	\$10,000	\$30,000
7	Splash Pad Benches	Ea	8	\$1,500	\$12,000
8	4' High Decorative Fencing/railing	LFt	310	\$100	\$31,000
9	Stone Columns w/ archway	LSum	1	\$30,000	\$30,000
10	Concrete Sidewalk	SFt	11,100	\$7	\$77,700
11	8' wide HMA Pathway Grading	LFt	640	\$7	\$4,480
12	8' wide HMA Pathway - 6" Aggregate Base	SYd	570	\$11	\$6,270
13	8' wide HMA Pathway	Ton	95	\$110	\$10,450
14	Digital Sign	Ea	1	\$60,000	\$60,000
15	35'x90' Market Pavilion Structure	LSUM	1	\$75,000	\$75,000
16	Replace Existing Restroom Structure	Lsum	1	\$141,000	\$141,000
17	6" Aggregate - Parking	Syd	1,442	\$11	\$15,862
18	HMA Pavement - Parking	Ton	352	\$110	\$38,720
19	ADA signs and pavement makrings	Lsum	1	\$3,000	\$3,000
20	12" driveway culvert	LFt	50	\$35	\$1,750
21	Site Storm	LSum	1	\$2,000	\$2,000
22	Trash Bins	Ea	3	\$1,500	\$4,500
23	Lighting	EA	3	\$5,000	\$15,000
24	Site Benches (along pathway)	Each	6	\$1,500	\$9,000
25	HMA Patching	SYd	288	\$35	\$10,080
26	Landscaping Allowance	LSum	1	\$15,000	\$15,000
27	SESC	LSum	1	\$3,000	\$3,000
28	Turf Restoration	Syd	3,000	\$3	\$9,000

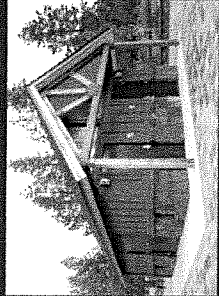
**TOTAL ESTIMATED CONSTRUCTION COST (ROUNDED): \$ 844,000**

Design and Construction Engineering \$ 127,000

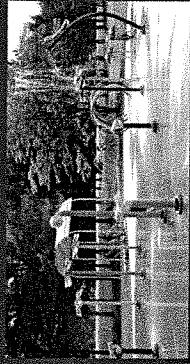
**TOTAL ESTIMATED COSTS (ROUNDED) \$ 971,000**

*The Design Professional has no control over costs or the price of labor, equipment or materials, or over the Contractor's method of pricing. Bid prices may vary significantly based on these factors and market*

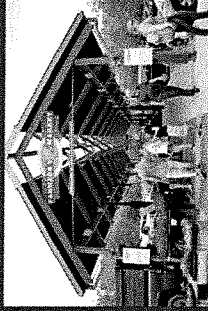
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CHANGING / RESTROOM BUILDING EXAMPLE



ENHANCE SPLASH PAD WITH ADDITIONAL SPRAY FEATURES, BENCHES, AND LANDSCAPING



LAKE SIDE MARKET PAVILION EXAMPLE



DIGITAL PARKING SIGN & WAY FINDING SYSTEM

# PROPOSED CITY OF BEAVERTON ROSS LAKE PARK IMPROVEMENTS

**BACKGROUND:** ROSS LAKE PARK IS A 77.2 ACRE PROPERTY LOCATED ALONG THE SHORES OF ROSS LAKE ON THE NORTH END OF THE CITY OF BEAVERTON. THE PROPERTY HAS ACCESS TO I-496 (I-496 CROSS STREET) WHICH IS THE MAIN STREET THROUGH TOWN CURRENTLY. THE PARK OFFERS 3 PICKNICK PAVILIONS, A PLAYSCAPE, A PLAYSET, A RESTROOM BUILDING, AND RESTROOM BUILDING. THE WEST SIDE FARMERS MARKET IN 2018 WITH LIMITED FIELDS. THE COMMUNITY INSTALLED THE FIRST SPLASH PAD TO NOT ONLY SERVE THE LOCAL COMMUNITY BUT THE CITY TO FURTHER EXPLORE WAYS TO IMPROVE AND BEST UTILIZE THIS BELIEVED COMMUNITY ASSET.

**PLACEMAKING:** PLACEMAKING IS AN OPPORTUNITY FOR COMMUNITIES TO EVOLVE WITH THE GOAL OF CREATING PUBLIC SPACE IMPROVEMENTS TO ENHANCE THE LIVING AND SOCIAL ENVIRONMENT. THE PLACEMAKING GOALS IDENTIFIED ON THIS PLAN IDENTIFY THE NEEDS OF THE COMMUNITY AND PLANNING BEGINS TO HELP EMPOWER PEOPLE OF LOW TO MODERATE INCOME AND STRENGTHEN ALL SECTIONS OF THE LOCAL AND COUNTY COMMUNITIES PHYSICALLY CONNECTED TO THE LARGEST AND MOST DIVERSE COMMUNITY. THIS PROJECT OF FIELDS OFFERED ELEMENTS TO ENRICH AND BRING TOGETHER THE LARGEST DEMOGRAPHIC OF PEOPLE IN URBAN AND CREATIVE SPACES.

**BEAVERTON'S PLACEMAKING GOALS**

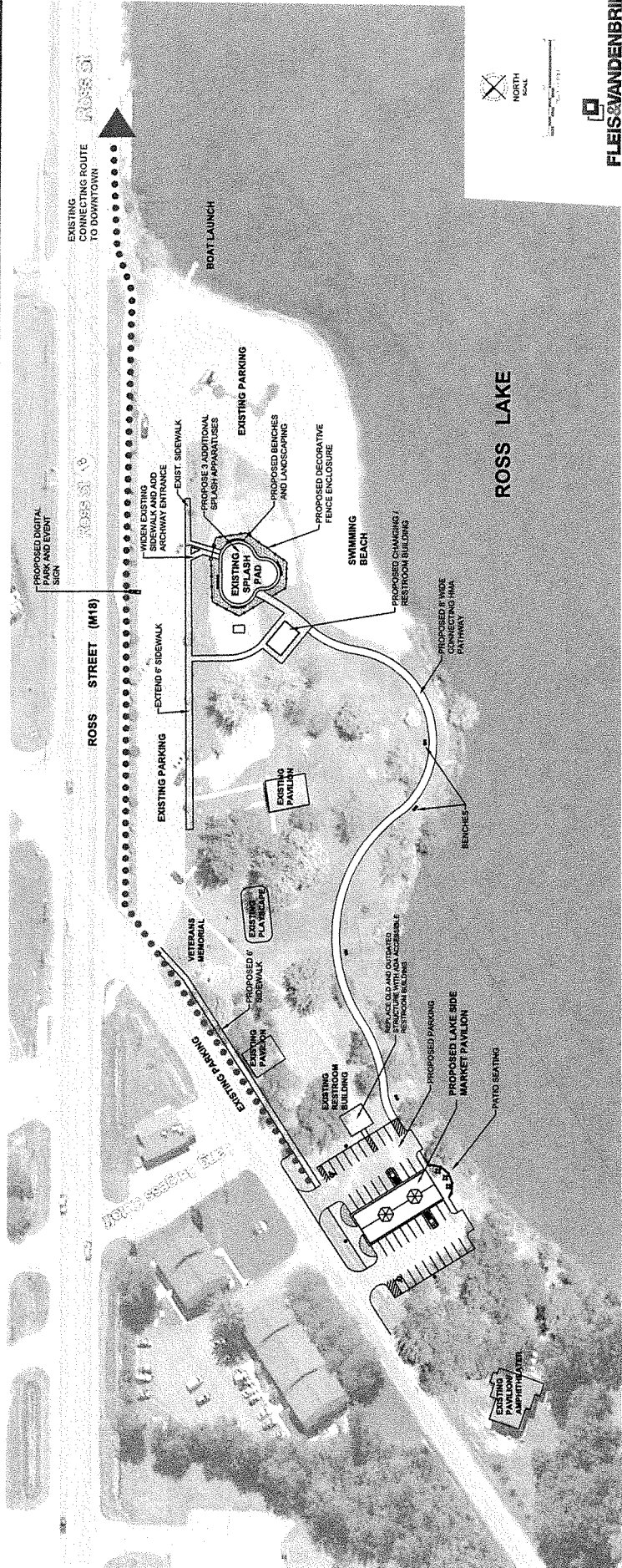
- MIX OF ACTIVE AND PASSIVE USES
- ALLOW UNIVERSAL ACCESS
- CREATE HUMAN SCALE SPACES AND OUTDOOR ROOMS
- TAKE ADVANTAGE OF ROSS LAKE VIEWS AND INTERACTION OPPORTUNITIES
- BE ABLE TO ALLOW FOR LOCAL COMMUNITY FACILITY
- INFORM AND EDUCATE THROUGH A BRANDED WAY FINDING AND STORAGE SYSTEM
- SUPPORT ECONOMIC GROWTH

**CURRENT PLACE MAKING ELEMENTS:**

- BOAT LAUNCH
- SPLASH PAD AND PLAYSCAPE
- PAVILIONS AND PICKNICK AREAS
- AMPHITHEATER
- MOST OF LAKESIDE FARMERS MARKET
- HOLIDAY EVENTS AND CONCERTS

**PROPOSED PLACEMAKING IMPROVEMENTS:**

- CHANGING / RESTROOM BUILDING
- DECORATIVE FENCE TO ENCLOSE SPLASH PAD
- ADDITIONAL SPRAY APPARATUS USES FOR SPLASH PAD
- LAKE SIDE MARKET AND LAKE OVERLOOK WITH PATIO SEATING AND LAKE OVERLOOK
- REPLACE OLD AND OUTDATED RESTROOM BUILDINGS WITH ADA ACCESSIBLE RESTROOM
- 8 WIDE PATHWAY WITH SEATING BENCHES AND SIDEWALKS TO IMPROVE CONNECTIVITY THROUGHOUT PARK
- STORAGE PARKING SIGN AND WAY FINDING
- ALL IMPROVEMENTS TO MEET ADA ACCESSIBILITY STANDARDS





**Philadelphia Indemnity Insurance Company**  
**Annually Renewable Performance Bond**

KNOW ALL MEN BY THESE PRESENTS: That \_\_\_\_\_ (hereinafter called the Principal), and Philadelphia Indemnity Insurance Company (hereinafter called the Surety), are held and firmly bound unto \_\_\_\_\_ (hereinafter called the Obligee), in the full and just sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, and each of their heirs, administrators, executors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has by written agreement dated the \_\_\_\_ day of \_\_\_\_\_, 2020 entered into a Contract with the Obligee for \_\_\_\_\_ which contract is hereby referred to and made a part hereof.

WHEREAS, the Obligee has agreed to accept a bond guaranteeing the performance of said contract for a period of one year.

NOW, THEREFORE, THE CONDITIONS OF THE ABOVE OBLIGATION IS SUCH, that if the Principal shall well and truly perform each and every obligation in said Contract at the time and in the manner specified during the term of this bond, and shall reimburse said Obligee for any loss which said Obligee may sustain by reason of failure or default on the part of said Principal, than this obligation shall be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, That this bond is subject to the following conditions:

1. This bond is for the term beginning \_\_\_\_\_ and ending \_\_\_\_\_. The bond may be extended for additional terms at the option of the surety, by continuation certificate executed by the Surety. Neither non-renewal by the surety, nor failure, nor inability of the Principal to file a replacement bond shall constitute a loss to the Obligee recoverable under this bond.
2. In the event of default by the Principal, Obligee shall deliver to Surety by certified mail, a written statement of the facts of such default, within thirty (30) days of the occurrence. In the event of default, the Surety will have the right and opportunity, at its sole discretion, to: a) cure the default; b) assume the remainder of the Contract and to perform or sublet same; c) or to tender to the Obligee funds sufficient to pay the cost of completion less the balance of the Contract price up to an amount not to exceed the penal sum of the bond. In no event shall the Surety be liable for fines, penalties, liquidated damages, or forfeitures assessed against the Principal.
3. No claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this instrument unless same be brought or instituted upon the Surety within one year from termination or expiration of the bond term.
4. No right of action shall accrue on this bond to or for the use of any person or corporation other than the Obligee named herein or the heirs, executors, administrator or successors of Obligee.
5. The aggregate liability of the surety is limited to the penal sum stated herein regardless of the number or amount of claims brought against this bond and regardless of the number of years this bond remains in force.
6. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this bond and as described in the underlying document, then the terms of this bond shall prevail.
7. This bond shall not bind the Surety unless the bond is accepted by the Obligee. The acknowledgement and acceptance of this bond is demonstrated by signing where indicated below. If this obligation is not accepted by way of signature of the Obligee below, this bond shall be deemed null and void.

Signed and sealed this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

PRINCIPAL:

\_\_\_\_\_ (seal)

(name & title)

SURETY:

Philadelphia Indemnity Insurance Company (seal) \_\_\_\_\_

Attorney-in-Fact

THE ABOVE TERMS AND CONDITIONS OF THIS BOND HAVE BEEN REVIEWED AND ACCEPTED BY THE (OBLIGEE).

ACKNOWLEDGED AND ACCEPTED BY OBLIGEE:

BY:

PRINTED NAME/TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

PLEASE RETURN A COPY OF ACCEPTED BOND TO:

Philadelphia Insurance Companies, 2300 Clayton Road, Suite 1330, Concord, CA 94520



### GENERAL INDEMNITY AGREEMENT

Principal and Indemnitors (hereinafter, "We" or "Our") request that PHILADELPHIA INDEMNITY INSURANCE COMPANY, hereinafter known as Surety, execute a bond and consider executing future bonds. We authorize Surety or its agents to investigate our personal credit, now and at any time in the future, with any creditor, supplier, customer, financial institution, or other person or entity. We make the following promises so that Surety will execute a Bond and consider executing future bonds:

1. We agree that the following definitions apply:

(a) **Bond:** Any and all surety bonds, undertakings, recognizances, instruments of guarantee or other surety obligations and any renewals, modifications or extensions thereof issued on behalf of any Principal by Surety, or any other party at the request of Surety; and, as to all of the foregoing, whether issued before or after execution of this Agreement. The term Bond also includes any electronic processes in lieu of the issuance of paper bonds, whether in the contract bidding process or otherwise.

(b) **Loss:** Any payment, loss, cost, or expense either incurred or anticipated by Surety in connection with any Bond or this agreement including but not limited to: (i) payment of Bond premium and/or proceeds or any other expense in connection with claims, potential claims, demands, claim fees, penalties, interest, court costs, collection agency fees; (ii) costs related to taking, protecting, administering, realizing upon, or releasing collateral; and (iii) attorneys' and consultants' fees, including but not limited to, those incurred in defense of Bond claims or pursuing any rights of indemnification or subrogation and in obtaining and enforcing any judgment arising from those rights.

(c) **Indemnitors:** Any signatory to this Agreement, including those added via rider; and any present or future, direct or indirect, subsidiary, successor, affiliate, or parent of any Indemnitor or Principal.

(d) **Principal:** Any individual or corporate legal entity for whom Bond(s) are issued by Surety, whether by such Principal's own request or at the request of any Indemnitor, including, without limitation, any present or future, direct or indirect, subsidiary, successor, affiliate, or parent of any indemnitor or Principal, or any other entity or person for whom Bond(s) are issued by Surety in response to a request from any Indemnitor or Principal named herein; and, as to all of the foregoing, whether they act alone or in joint venture with others, whether or not said others are named herein.

2. We jointly and severally agree to hold Surety harmless from all Loss and to reimburse Surety for all Loss.

3. We agree to pay Surety each annual premium due according to the rates in effect when each payment is due. We agree that premium for a Bond is fully earned upon execution of a Bond and is not refundable.

4. We agree that a facsimile copy of this agreement shall be considered an original and shall be admissible in a court of law to the same extent as the original agreement.

5. We agree that Surety may obtain a release from its obligations as surety on a Bond whenever any such release is authorized by law.

6. We agree that Surety shall have the exclusive right in its sole discretion to decide and determine whether any claim, liability, suit or judgment brought against the Surety on any Bond shall or shall not be paid, compromised, defended, tried or appealed.

7. We agree that we cannot terminate liability to Surety created by this agreement except by sending written notice of intent to terminate to Surety. Written notice to terminate shall be sent to Surety at its home office, One Bala Plaza, Bala Cynwyd, PA 19004, Attn: Surety Division. We agree that the termination will be effective thirty (30) working days after actual receipt of such notice by Surety, but only for Bonds signed or committed to by Surety after the effective date, thus remaining liable to Surety for Loss on Bonds signed or committed to by Surety prior to the effective date of termination.

8. We consent to the jurisdiction of any court of competent jurisdiction, including the jurisdiction of any state or federal court where the Surety, Principal, or one or more of any of the Indemnitors is domiciled or doing business, at the sole discretion of the Surety. We waive any right to trial by a jury for any tort or contract claims related to this Agreement and waive any claim or defense in any such action based on alleged lack of personal jurisdiction, improper venue, forum non conveniens or any similar basis.

9. We agree that with the signature(s) below, we are representing ourselves as both a Principal and an Indemnitor, as referenced herein.

10. We hereby consent and agree that Surety may access personal credit reports from time to time for the purposes of (including, but not limited to): (a) evaluating and monitoring credit worthiness for the extension of surety credit; (b) verifying information provided by Principal and Indemnitors; and (c) aiding in the collection of any Loss.

11. Indemnitors agree to promptly deposit with Surety, on Surety's demand, an amount of money that Surety determines is sufficient to fund any liability or Loss. Alternatively, Indemnitors shall promptly, on Surety's written demand, procure the





full and complete discharge of Surety from this Bond demanded by Surety and all liability in connection with such Bond. If Indemnitors are unable to obtain such discharge within the time demanded, Indemnitors shall promptly deposit with Surety an amount of money that Surety determines is sufficient to collateralize or pay any outstanding bonded obligations, or otherwise make provisions acceptable to Surety for the funding of the bonded obligations. Any remaining funds or other collateral held by Surety after payment of all sums due to Surety under this Agreement shall be returned upon the complete release and/or discharge of Surety's liability under the Bond.

**ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT WHICH IS CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.**

Signed and dated this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

*By signing below each individual executing this Agreement on behalf of a business, and each business entity executing this Agreement on behalf of another business entity represents and warrants that he, she or it is duly authorized by Indemnitor to all of the terms and conditions of this Agreement.*

**WITNESS/ATTEST**

\_\_\_\_\_  
(Sign and Print Name of Witness)

Principal/Indemnitor:  
By: \_\_\_\_\_  
Print Name:  
Its:  
SSN/Tax ID No:  
Address:  
  
Email Address: \_\_\_\_\_

(seal)

**WITNESS/ATTEST**

\_\_\_\_\_  
(Sign and Print Name of Witness)

Principal/Indemnitor:  
By: \_\_\_\_\_  
Print Name:  
Its:  
SSN/Tax ID No:  
Address:  
  
Email Address: \_\_\_\_\_

(seal)

**WITNESS/ATTEST**

\_\_\_\_\_  
(Sign and Print Name of Witness)

Principal/Indemnitor:  
By: \_\_\_\_\_  
Print Name:  
Its:  
SSN/Tax ID No:



**PHILADELPHIA**  
INSURANCE COMPANIES

A Member of the Fidelity Group

Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

(seal)

**WITNESS/ATTEST**

\_\_\_\_\_  
(Sign and Print Name of Witness)

Principal/Indemnitor:

By: \_\_\_\_\_

Print Name:

Its:

SSN/Tax ID No:

Address:

Email Address: \_\_\_\_\_

(seal)

**ACKNOWLEDGMENTS**

**Corporate Acknowledgment(s)**

STATE OF \_\_\_\_\_

ss: \_\_\_\_\_ }  
\_\_\_\_\_ }

COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, the undersigned, a Notary Public in and for the said State, personally appeared \_\_\_\_\_, known to me (or proved to me on the basis of satisfactory evidence) to be the \_\_\_\_\_, of the \_\_\_\_\_, the corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

\_\_\_\_\_  
(seal)

Notary Public

My commission expires \_\_\_\_\_



PHILADELPHIA  
INSURANCE COMPANIES

A Member of the Fidelity Mutual Group

Faint, illegible text in the top right corner, possibly bleed-through from the reverse side of the page.

**Limited Liability Company Acknowledgment**

STATE OF \_\_\_\_\_

ss:

COUNTY OF \_\_\_\_\_

}

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me personally

appeared \_\_\_\_\_, known by me to be the person who is identified in and who executed the foregoing General Agreement of Indemnity, and who being by me duly sworn, deposes and says that (s)he is the Manager of \_\_\_\_\_, a limited liability company, that (s)he is duly authorized to execute said Agreement as the act and deed of said limited liability company.

\_\_\_\_\_  
(seal)

Notary Public  
My commission expires \_\_\_\_\_

**Partner(s) Acknowledgment**

STATE OF \_\_\_\_\_

ss:

COUNTY OF \_\_\_\_\_

}

On this \_\_\_\_ day of \_\_\_\_\_, before me, the undersigned, a Notary Public in and for the said State, personally appeared \_\_\_\_\_, known to me (or proved to me on the basis of satisfactory evidence) to be one of the partners of the partnership that executed the within instrument and acknowledged to me that such partnership executed the same.

\_\_\_\_\_  
(seal)

Notary Public  
My commission expires \_\_\_\_\_

**Individual Acknowledgment**



**PHILADELPHIA**  
INSURANCE COMPANIES

A Member of the Fidelity Group

STATE OF \_\_\_\_\_

ss: \_\_\_\_\_ }

COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, before me, the undersigned, a Notary Public in and for the said State, personally appeared \_\_\_\_\_, known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same.

\_\_\_\_\_  
(seal)

Notary Public  
My commission expires \_\_\_\_\_

00074



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of \_\_\_\_\_



ss.

On \_\_ before me, \_\_\_\_\_

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared \_\_\_\_\_

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document:

Title or Type of Document:

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

Capacity(ies) Claimed by Signer(s) Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer  
Title \_\_\_\_\_
- Partner --  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



## City of Beaverton

P.O. Box 477  
Beaverton, MI 48612

Phone: 989-435-7073

Fax: 989-435-3223

Email: rsabisch@beavertonmi.org

---

### Capital Improvements

Bucket Truck (\$20,000.00)  
Hydro Dam South Wall Bank Repair (Gerace Construction  
Tail Race Water Level Repaired (Axiom Wiring - \$4900.00)  
Small Honda Generator (\$1000.00)  
Electric Waste pump USABlue Book #75634 \$500.00  
Used Landscape Trailer available \$1900.00

### Truck Repairs

# 10 Belly Blade Upgrade \$12,000.00  
# 11 Vactor Truck (replace jetter hose, replace accumulator, engine running  
rough, transmission not shifting properly, hydraulic cylinder leak  
500' 1" jetter hose \$1750.00

### Shop Improvements

Forklift and pallet jack  
Cordless Tool Set (\$1000.00)

### Sewer

Lift Station upgrades with Scada  
Irrigation Pump in Process  
Blower Hose 125'

### Water

Fire Hydrants \$1850.00 / \$5550.00 for 3  
Money Started for Tower Painting  
Iron Removal Plant with upgraded Scada

CITY OF BEAVERTON  
**DPW REPORT**

Work Task To Be Performed, Purchases, and Notes  
1/14/2020

- ❖ With Snow Falling Please Let Others Know Do Not Park In the Road Overnight
- ❖ DPW Is Fully Staffed and Running Smooth
  - Thank You City Manager and City Council Members
- ❖ Safety Training Program being scheduled
- ❖ Lock out Tag out Box being built for hydro dam
- ❖ Guards on blowers at Sewer Plant
- ❖ New Signs In Place at Dam and Sewer Plant
  - Do Not Remove Guards While Machine Is Running
- ❖ New Handles for tools at the Hydro Plant
- ❖ Blake and Pat are attending Electrical training 1/16/20
- ❖ Vac Truck is running rough and needs some repairs
- ❖ New Signs are going up around town
  - No Hand Held Electronics Use While Driving
- ❖ Teodor Strat during his Hydro Plant Ferc Inspection 9/17/19 stresses we should be working on getting the downstream trailer moved off the property.
  - Owners Kevin and Kristine Delisle
- ❖ South bank of Spillway is bulging in and needs to be on a list of repairs
  - Contacted Gerace Construction and waiting for quote
- ❖ Water Meter for the trailer park needs to be upgraded
  - Its a 3 inch turbine meter which allows low flows to pass and not be billed

Council and City Manager,

I am requesting that Matthew Pumford's pay scale to be raised to \$13/hr from minimum wage, retroactive to January 1, 2020. He has completed the academy and is now a certified officer.

Comparable cities and part time officer's pay,

Coleman \$15/hr

Gladwin \$18/hr

The reason I am asking for less wages than above is because Pumford is in field training stage, he is not ready to patrol by himself. I will be asking for a raise once he is done with field training.

Thank you for the consideration.



Chief Brad Davis

00078



Council and City Manager,

It has been brought to my attention that two of our three computers have Windows 7. Windows 7 is no longer supported by Windows as of January 14, 2020.

I need approval to purchase two new computers as this expense is not in my current budget.

The cost of the new computers through CMS in Mt. Pleasant MI is 2,839.94. See attached quote for breakdown. The quote also includes them making sure everything works here at the department.

For a comparable computer through Dell was \$29.01 more expensive.

All of our current computers are CMS computers and I have been very happy.

Thanks for your consideration.



Chief Brad Davis

00079



**Quote**  
Quote Number: 2634

Payment Terms: DUE ON COMPLETION  
Expiration Date: 01/17/2020  
Quote Name: 2 Workstations / Police Dept.

**Quote Prepared For**

**Quote Prepared By**

**Brad Davis**  
**City of Beaverton**  
124 W. Brown St.  
PO Box 477  
Beaverton, MI 48612  
Phone:989-435-3511  
bdavis@beavertonmi.org

**Brandon Mills**  
**CMS Internet LLC**  
131 South Main Street  
Mt. Pleasant, MI 48858  
United States  
Phone:989-817-4041  
Fax:989-779-2300  
[brandon@cmsinter.net](mailto:brandon@cmsinter.net)

Item#	Quantity	Item	Unit Price	Adjusted Unit Price	Extended Price
<b>One-Time Items</b>					
1)	2	CMS Pro Desktop CMS Professional Desktop Series - MATX Case, 400-watt PSU, ASUS Motherboard, Intel Core i3 Processor, 250GB M.2 SSD HD, 16GB DDR4 Memory, DVDRW, Windows 10 Pro 64-bit	\$799.00	\$799.00	\$1,598.00
2)	2	22IN LED 22" LED Monitor	\$149.99	\$149.99	\$299.98
3)	1	Speaker 2 Piece 2 Piece Multimedia Speakers	\$21.99	\$21.99	\$21.99
4)	1	Wireless Key/Mouse MicroSoft Wireless Optical Desktop Keyboard & Mouse	\$49.99	\$49.99	\$49.99
5)	2	Office 2019 Home & Student Microsoft Office 2019 Home & Studen - Includes Word, Excel, PowerPoint, OneNote	\$149.99	\$149.99	\$299.98
6)	6	Tech Labor Estimated Tech Labor for Onsite setup & data transfer. Actual time will be invoiced upon completion.	\$95.00	\$95.00	\$570.00
				<b>One-Time Total</b>	<b>\$2,839.94</b>
				<b>Subtotal</b>	<b>\$2,839.94</b>
				<b>Total Taxes</b>	<b>\$136.20</b>
				<b>Total</b>	<b>\$2,976.14</b>

Authorizing Signature \_\_\_\_\_

Date \_\_\_\_\_

Interest Charges on Past Due Accounts and Collection Costs Overdue amounts shall be subject to a monthly finance charge. In addition, customer shall reimburse all costs and expenses for attorney's fees incurred in collecting any amounts past due. Additional training or Professional Services can be provided at our standard rates.

00080

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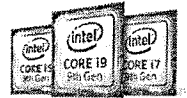
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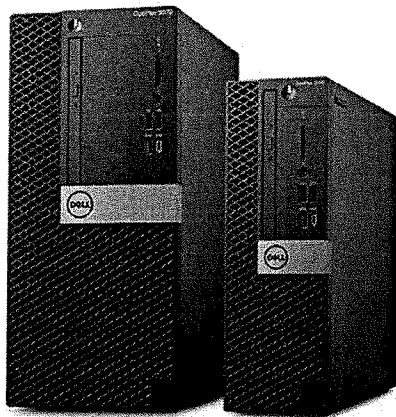
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- Intel® Core™ i3-9100 (4 Cores/6MB/4T/3.6GHz to 4.2GHz/65W); supports Windows 10/Linux
- Windows 10 Pro 64bit English, French, Spanish
- Intel® Integrated Graphics
- 4GB 1X4GB DDR4 2666MHz UDIMM Non-ECC
- M.2 256GB PCIe NVMe Class 35 Solid State Drive

List Price \$1,174.36

**\$829.00**

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**Processor** Help Me Choose

9th Generation Intel Processors (65W CPU)

Intel® Pentium G5420 (2 Cores/4MB/4T/3.8GHz/65W); supports Windows 10/Linux	- \$76.64
Intel® Core™ i3-9100 (4 Cores/6MB/4T/3.6GHz to 4.2GHz/65W); supports Windows /Linux	Included in price
Intel® Core™ i5-9500 (6 Cores/9MB/6T/3.0GHz to 4.4GHz/65W); supports Windows 10/Linux	+ \$97.31
Intel® Core™ i5-9600 (6 Cores/9MB/6T/3.1GHz to 4.6GHz/65W); supports Windows 10/Linux	+ \$125.55

30081

BEAVERTON CITY POLICE DEPARTMENT  
SCHOOL RESOURCE OFFICER

December 2019 Report

Calls for Service – 25

Criminal Calls for Service – 14

Civil Calls for Service – 11

Non Traffic Citations – 0

Misdemeanor Arrests – 0

Disruptive Student Calls – 21

Fights/Physical Contact – 4

Traffic Complaints – 0

Accidents – 1

# BEAVERTON POLICE DEPARTMENT

December 2019 Report

Calls for service-114	Misdemeanor Arrests- 25
Criminal Calls for Service-52	Felony Arrests-16
Civil Calls for Service-62	Alarms- 0
Non Traffic Citations-4	Calls to School- 2
Traffic Stops- 44	EMS assists- 0
Verbal Warnings- 36	Assist other police agencies- 17
Citations Issued- 8	Trailer Park-7

00083

# BEAVERTON POLICE DEPARTMENT

DECEMBER 2018 Report

Calls for service-111

Misdemeanor Arrests- 9

Criminal Calls for Service-37

Felony Arrests- 0

Civil Calls for Service-74

Alarms- 3

Non Traffic Citations-0

Calls to School- 3

Traffic Stops- 64

EMS assists- 9

Verbal Warnings- 38

Assist other police agencies- 8

Citations Issued- 26

Trailer Park-6



# *City of* **BEAVERTON**

## **PROJECT STATUS UPDATE**

**Project:** Saginaw Street Paving and Utilities

**Reporting Period:** 12-15-19 to 1-12-20

**Work Completed Last Week:**

Working with the local USDA representative on the Preliminary Engineering Reports and the applications.

**Work Expected this Week:**

Finalize and comments from USDA and prepare bidding documents.

The goal is to put this project out to bid at the end of January. Anticipated start of construction June/July 2020.

**Information Needed:**

None at this time.

**Change in Scope:**

None



# *City of* **BEAVERTON**

## **PROJECT STATUS UPDATE**

**Project:** Industrial Park Improvements

**Reporting Period:** 12-14-19 to 01-12-20

**Funding Sources:**

MDOT Category A Grant: Terry Dianne Street - \$218,060, Glidden Rd. - \$266,896

EDA: \$1,455,720

MI Legislative Grant: \$360,000

**Work Completed Last Week:**

Construction documents are progressing on Terry Dianne Street and the water treatment facility.

Anticipate put to bid middle of February.

**Work Expected this Week:**

Continue work on construction documents.

**Information Needed:**

None at this time.

**Change in Scope:**

None

**Previous Status:**

Topographic survey work has been completed. Plans for Glidden are 80% complete and the work on the iron removal for the water system has begun.

00086





# *City of* **BEAVERTON**

## **PROJECT STATUS UPDATE**

**Project:** Pump Station Replacements

**Reporting Period:** 12-14-19 to 01-12-20

**Funding Sources:**

USDA Rural Development RUS

**Work Completed Last Week:**

Approval from EGLE for State Sanitary sewer Part 41 permit.

**Work Expected this Week:**

Finalize construction and prepare to put the project out to bid at the end of January, pending signed easement. Anticipated start of construction June/July 2020

**Information Needed:**

Additional easement from property owner at Ross Street pump station.

**Change in Scope:**

None

**Previous Status:**

Construction plans and specifications have been completed. Part 301 permit from EGLE for boring the force main under the lake has been submitted and received. Part 41 Sanitary Sewer permit was submitted to EGLE. Two additional easements were needed. One has been received, the other is being discussed with the property owner. Funding has been secured through USDA Rural Development RUS program.

December Usage Statistics 2019									
Door Count	Programs	Program Attendance							
Gladwin Statistics									
Children	702	7	203					Library Programs Booked For Lunch Ric Miller 37	
Adults	1446	3	34					Story Time Beaveron: 89 Gladwin: 67	
TOTAL	2148	10	237						
Beaveron Statistics									
	1853	19	203					School Visits Beaveron: 75 Gladwin: 0	
GGDL TOTAL	4001	29	440					After School Program Beaveron Total 44 Gladwin Total 66	
Circulation Statistics									
Gladwin	31	4075	544	841	471	2037			
Beaveron	11	2142	287	596	770	1049		Santa Claus: Gladwin: 51 Beaveron: 67	
GGDL TOTAL	42	6217	831	1437	1241	3086		Santa Paws Gladwin: 32	
Overdrive									
	Audiobooks	309	Book Sale						
	E-Book	516	Beaveron - 45						
	Checkouts	10	Gladwin Downstairs - 104						
	Checkouts	86	Gladwin Upstairs - 43						
	Checkouts	17							
Web Site Visits	1464								

88000 -

INVOICE REGISTER REPORT FOR CITY OF BEAVERTON  
 INVOICE ENTRY DATES 12/01/2019 - 12/31/2019  
 BOTH JOURNALIZED AND UNJOURNALIZED  
 BOTH OPEN AND PAID

Inv Ref#	Vendor	Inv Date	Due Date	Inv Amt	Amt Due	Status	Jrnalized
1216209	CITY OF BEAVERTON	12/02/2019	12/09/2019	10.12	0.00	Paid	Y
1216210	WEX BANK	11/30/2019	12/20/2019	347.90	0.00	Paid	Y
1216211	CHARTER COMMUNICATIONS	11/19/2019	12/06/2019	209.63	0.00	Paid	Y
1216212	CHARTER COMMUNICATIONS	11/25/2019	12/12/2019	146.58	0.00	Paid	Y
1216213	CHARTER COMMUNICATIONS	11/24/2019	12/11/2019	169.95	0.00	Paid	Y
1216214	BLUE CROSS BLUE SHEILD OF MI	11/08/2019	11/28/2019	8,845.21	0.00	Paid	Y
1216215	BLUE CROSS BLUE SHEILD OF MI	11/08/2019	11/28/2019	672.14	0.00	Paid	Y
1216216	VARNUM LAW	11/19/2019	11/19/2019	80.85	0.00	Paid	Y
1216217	MIDLAND CHEMICAL CO., INC	11/21/2019	12/21/2019	118.80	0.00	Paid	Y
1216218	FERGUSON	11/14/2019	12/14/2019	2,816.31	0.00	Paid	Y
1216219	HENRY TREE SERVICES LLC	11/14/2019	12/14/2019	1,175.00	0.00	Paid	Y
1216220	City of Beaverton	11/04/2019	12/21/2019	103.85	0.00	Paid	Y
1216221	City of Beaverton	11/04/2019	12/21/2019	103.85	0.00	Paid	Y
1216222	City of Beaverton	11/04/2019	12/21/2019	116.35	0.00	Paid	Y
1216223	City of Beaverton	11/04/2019	12/21/2019	141.35	0.00	Paid	Y
1216224	City of Beaverton	11/04/2019	12/21/2019	107.51	0.00	Paid	Y
1216225	City of Beaverton	11/04/2019	12/21/2019	223.70	0.00	Paid	Y
1216226	GLADWIN COUNTY	11/18/2019	12/04/2019	1,884.09	0.00	Paid	Y
1216227	PACE ANALYTICAL SERVICES, LLC	11/13/2019	12/04/2019	120.00	0.00	Paid	Y
1216228	LIL' WILLIES, INC	11/18/2019	12/04/2019	85.00	0.00	Paid	Y
1216229	BRADLEY LEASING	11/21/2019	12/04/2019	325.00	0.00	Paid	Y
1216230	COUNTY WIDE SEPTIC LLC	11/09/2019	12/04/2019	560.00	0.00	Paid	Y
1216231	CONSUMERS ENERGY	11/11/2019	12/13/2019	83.88	0.00	Paid	Y
1216232	CONSUMERS ENERGY	11/11/2019	12/13/2019	392.32	0.00	Paid	Y
1216233	CONSUMERS ENERGY	11/11/2019	12/13/2019	2,295.84	0.00	Paid	Y
1216234	AT&T	11/19/2019	12/12/2019	104.85	0.00	Paid	Y
1216235	AT&T	11/19/2019	12/12/2019	86.17	0.00	Paid	Y
1216236	AT&T	11/19/2019	12/12/2019	117.05	0.00	Paid	Y
1216237	AT&T	11/19/2019	12/12/2019	112.45	0.00	Paid	Y
1216238	AT&T	11/19/2019	12/12/2019	50.00	0.00	Paid	Y
1216239	AT&T	11/19/2019	12/12/2019	86.17	0.00	Paid	Y
1216240	AT&T	11/19/2019	12/12/2019	112.64	0.00	Paid	Y
1216241	FIRST BANKCARD	11/18/2019	12/14/2019	209.14	0.00	Paid	Y
1216242	FIRST BANKCARD	11/18/2019	12/14/2019	2,306.73	0.00	Paid	Y
1216243	FIRST BANKCARD	11/18/2019	12/12/2019	20.22	0.00	Paid	Y
1216244	ROSE PEST SOLUTIONS	11/19/2019	12/11/2019	2,583.66	0.00	Paid	Y
1216245	C M RUBBER	11/22/2019	12/23/2019	131.00	0.00	Paid	Y
1216246	MIDMICHIGAN HEALTH	10/03/2019	12/04/2019	150.00	0.00	Paid	Y
1216247	REPUBLIC SERVICES	11/20/2019	12/10/2019	4,987.50	0.00	Paid	Y
1216248	STEVE CINGANO	12/02/2019	12/04/2019	557.66	0.00	Paid	Y
1216249	BRAD DAVIS	12/02/2019	12/04/2019	39.33	0.00	Paid	Y
1216250	ALERUS FINANCIAL	11/30/2019	12/12/2019	3,664.35	0.00	Paid	Y
1216251	ALERUS FINANCIAL	12/12/2019	12/12/2019	216.54	0.00	Paid	Y
1216252	UNITED STEELWORKERS	12/12/2019	12/12/2019	24.55	0.00	Paid	Y
1216253	UNITED STEELWORKERS	12/12/2019	12/12/2019	220.91	0.00	Paid	Y
1216254	UNITED STEELWORKERS	12/12/2019	12/12/2019	159.46	0.00	Paid	Y
1216255	UNITED STEELWORKERS	12/12/2019	12/12/2019	17.72	0.00	Paid	Y

INVOICE REGISTER REPORT FOR CITY OF BEAVERTON  
 INVOICE ENTRY DATES 12/01/2019 - 12/31/2019  
 BOTH JOURNALIZED AND UNJOURNALIZED  
 BOTH OPEN AND PAID

Inv Ref#	Vendor	Inv Date	Due Date	Inv Amt	Amt Due	Status	Jrnalized
1216256	MICHIGAN MUNICIPAL TREASURERS ASS	12/11/2019	01/09/2020	550.00	0.00	Paid	Y
1216257	VERIZON WIRELESS-VSAT	11/25/2019	12/17/2019	505.64	0.00	Paid	Y
1216258	PURITY CYLINDER GASES INC	11/20/2019	12/12/2019	464.15	0.00	Paid	Y
1216259	ADAMS ELECTRIC	12/04/2019	12/12/2019	3,673.67	0.00	Paid	Y
1216260	ADAMS ELECTRIC	12/04/2019	12/12/2019	211.56	0.00	Paid	Y
1216261	BEAVERTON SENIOR HIGH SCHOOL	12/05/2019	12/31/2019	100.00	0.00	Paid	Y
1216262	CHRIS MUMA FOREST PRODUCTS	09/25/2019	12/12/2019	141.00	0.00	Paid	Y
1216263	AUTO-WARES GROUP	11/25/2019	12/12/2019	516.99	0.00	Paid	Y
1216264	FAMILY, FARM & HOME	11/05/2019	12/12/2019	182.90	0.00	Paid	Y
1216265	MICHIGAN ASSOC. OF CHIEFS OF POLI	12/03/2019	12/12/2019	255.00	0.00	Paid	Y
1216266	CHARTER COMMUNICATIONS	11/27/2019	12/12/2019	254.65	0.00	Paid	Y
1216267	Beaverton Security Exc., Inc.	11/26/2019	12/12/2019	125.00	0.00	Paid	Y
1216268	ECONO SIGNS, LLC	11/21/2019	12/12/2019	452.08	0.00	Paid	Y
1216269	GENE'S TRUCK SALES	12/04/2019	12/12/2019	31.41	0.00	Paid	Y
1216270	BEAVERTON HARDWARE & SPORTS	11/30/2019	12/12/2019	476.69	0.00	Paid	Y
1216271	BEAVERTON HARDWARE & SPORTS	11/30/2019	12/12/2019	34.19	0.00	Paid	Y
1216272	CULLIGAN	11/25/2019	12/12/2019	21.00	0.00	Paid	Y
1216273	Gladwin Co. Road Commission	12/02/2019	12/12/2019	1,019.35	0.00	Paid	Y
1216274	CONSUMERS ENERGY	11/30/2019	12/12/2019	108.72	0.00	Paid	Y
1216275	CONSUMERS ENERGY	11/30/2019	12/12/2019	232.29	0.00	Paid	Y
1216276	CONSUMERS ENERGY	11/30/2019	12/12/2019	136.12	0.00	Paid	Y
1216277	CONSUMERS ENERGY	11/30/2019	12/12/2019	29.38	0.00	Paid	Y
1216278	JESSICA DION	12/09/2019	12/12/2019	425.00	0.00	Paid	Y
1216279	PACE ANALYTICAL SERVICES, LLC	12/06/2019	12/12/2019	1,560.00	0.00	Paid	Y
1216280	STEVE CINGANO	12/02/2019	12/12/2019	190.40	0.00	Paid	Y
1216281	PITNEY BOWES	11/29/2019	12/29/2019	144.93	0.00	Paid	Y
1216282	US BANK EQUIPMENT CO.	11/18/2019	12/12/2019	204.48	0.00	Paid	Y
1216283	CRYSTAL FLASH	11/30/2019	12/12/2019	306.96	0.00	Paid	Y
1216284	CINTAS	11/21/2019	12/12/2019	421.62	0.00	Paid	Y
1216285	CINTAS	11/21/2019	12/12/2019	46.85	0.00	Paid	Y
1216286	FREEMAN NURSERY	11/25/2019	12/12/2019	1,293.75	0.00	Paid	Y
1216287	FREEMAN NURSERY	11/25/2019	12/12/2019	14,380.00	0.00	Paid	Y
1216288	FREEMAN NURSERY	11/25/2019	12/12/2019	1,293.75	0.00	Paid	Y
1216289	City of Beaverton	12/16/2019	12/23/2019	766.49	0.00	Paid	Y
1216290	City of Beaverton	12/16/2019	12/23/2019	25.65	0.00	Paid	Y
1216291	City of Beaverton	12/16/2019	12/23/2019	349.65	0.00	Paid	Y
1216292	City of Beaverton	12/16/2019	12/23/2019	6.93	0.00	Paid	Y
1216293	City of Beaverton	12/16/2019	12/23/2019	15.18	0.00	Paid	Y
1216294	City of Beaverton	12/16/2019	12/23/2019	369.31	0.00	Paid	Y
1216295	PRESCOTT ALICIA LYNNE	12/16/2019	12/23/2019	213.50	0.00	Paid	Y
1216296	City of Beaverton	12/04/2019	12/16/2019	1,067.50	0.00	Paid	Y
1216297	GLADWIN COUNTY TREASURER	12/04/2019	12/16/2019	10.56	0.00	Paid	Y
1216298	City of Beaverton	12/01/2019	12/16/2019	865.88	0.00	Paid	Y
1216299	City of Beaverton	12/01/2019	12/16/2019	867.31	0.00	Paid	Y
1216300	GLADWIN COUNTY TREASURER	12/01/2019	12/16/2019	222.37	0.00	Paid	Y
1216301	BEAVERTON SCHOOLS	12/01/2019	12/16/2019	7,500.00	0.00	Paid	Y
1216302	MILLER, CANFIELD, PADDOCK & STONE	12/13/2019	12/17/2019			Paid	Y

INVOICE REGISTER REPORT FOR CITY OF BEAVERTON  
 INVOICE ENTRY DATES 12/01/2019 - 12/31/2019  
 BOTH JOURNALIZED AND UNJOURNALIZED  
 BOTH OPEN AND PAID

Inv Ref#	Vendor	Inv Date	Due Date	Inv Amt	Amt Due	Status	Jrnalized
1216303	City of Beaverton	12/17/2019	12/17/2019	0.00	0.00	Void	N
1216304	City of Beaverton	12/17/2019	12/17/2019	0.00	0.00	Void	N
1216305	HEATH KAPLAN	12/17/2019	12/17/2019	38.98	0.00	Paid	Y
1216306	STATE OF MICHIGAN	12/04/2019	12/17/2019	33.00	0.00	Paid	Y
1216307	TOBACCO RIVER MUZZLE LOADERS	12/17/2019	12/17/2019	45.00	0.00	Paid	Y
1216308	STATE OF MICHIGAN	12/10/2019	12/17/2019	600.00	0.00	Paid	Y
1216309	Beaverton Security Exc., Inc.	12/03/2019	12/17/2019	3,450.00	0.00	Paid	Y
1216310	GILBERT SALES & SERVICE	12/09/2019	12/17/2019	191.00	0.00	Paid	Y
1216311	MICHIGAN PIPE & VALVE	12/06/2019	12/17/2019	1,150.00	0.00	Paid	Y
1216312	ADAMS ELECTRIC	12/04/2019	12/17/2019	534.30	0.00	Paid	Y
1216313	BADER & SONS, CO.	12/11/2019	12/17/2019	482.41	0.00	Paid	Y
1216314	QUALITY TRUCK AND TIRE SERVICE	12/05/2019	12/17/2019	616.43	0.00	Paid	Y
1216315	BLUE FLAME PROPANE, INC	11/26/2019	12/17/2019	1,079.07	0.00	Paid	Y
1216316	COUNTY WIDE SEPTIC LLC	12/15/2019	12/17/2019	700.00	0.00	Paid	Y
1216317	CONSUMERS ENERGY	12/12/2019	01/06/2020	35.59	0.00	Paid	Y
1216318	CONSUMERS ENERGY	12/12/2019	01/06/2020	33.91	0.00	Paid	Y
1216319	CONSUMERS ENERGY	12/12/2019	01/06/2020	33.63	0.00	Paid	Y
1216320	CONSUMERS ENERGY	12/12/2019	01/06/2020	28.89	0.00	Paid	Y
1216321	CONSUMERS ENERGY	12/12/2019	01/06/2020	100.88	0.00	Paid	Y
1216322	CONSUMERS ENERGY	12/12/2019	01/06/2020	147.27	0.00	Paid	Y
1216323	CONSUMERS ENERGY	12/12/2019	01/06/2020	224.20	0.00	Paid	Y
1216324	CONSUMERS ENERGY	12/12/2019	01/06/2020	37.96	0.00	Paid	Y
1216325	CONSUMERS ENERGY	12/12/2019	01/06/2020	276.63	0.00	Paid	Y
1216326	CONSUMERS ENERGY	12/12/2019	01/06/2020	140.29	0.00	Paid	Y
1216327	CONSUMERS ENERGY	12/12/2019	01/06/2020	61.77	0.00	Paid	Y
1216328	CONSUMERS ENERGY	12/12/2019	01/06/2020	97.01	0.00	Paid	Y
1216329	CONSUMERS ENERGY	12/12/2019	01/06/2020	27.44	0.00	Paid	Y
1216330	CONSUMERS ENERGY	12/12/2019	01/06/2020	408.32	0.00	Paid	Y
1216331	CONSUMERS ENERGY	12/12/2019	01/06/2020	565.48	0.00	Paid	Y
1216332	CONSUMERS ENERGY	12/12/2019	01/06/2020	162.25	0.00	Paid	Y
1216333	CONSUMERS ENERGY	12/12/2019	01/06/2020	32.38	0.00	Paid	Y
1216334	CONSUMERS ENERGY	12/12/2019	01/06/2020	37.11	0.00	Paid	Y
1216335	DREYER & HOVEY & POST, LLP	11/06/2019	12/19/2019	845.50	0.00	Paid	Y
1216336	DREYER & HOVEY & POST, LLP	11/13/2019	12/19/2019	222.00	0.00	Paid	Y
1216337	DREYER & HOVEY & POST, LLP	11/14/2019	12/19/2019	92.50	0.00	Paid	Y
1216338	DREYER & HOVEY & POST, LLP	11/14/2019	12/19/2019	388.50	0.00	Paid	Y
1216339	DREYER & HOVEY & POST, LLP	11/14/2019	12/19/2019	1,794.50	0.00	Paid	Y
1216340	DREYER & HOVEY & POST, LLP	11/07/2019	12/19/2019	74.00	0.00	Paid	Y
1216341	DREYER & HOVEY & POST, LLP	11/07/2019	12/19/2019	104.00	0.00	Paid	Y
1216342	DREYER & HOVEY & POST, LLP	11/07/2019	12/19/2019	259.00	0.00	Paid	Y
1216343	DREYER & HOVEY & POST, LLP	11/12/2019	12/19/2019	222.00	0.00	Paid	Y
1216344	DREYER & HOVEY & POST, LLP	11/25/2019	12/19/2019	670.80	0.00	Paid	Y
1216345	DDA BEAVERTON	12/20/2019	12/20/2019	12,524.56	0.00	Open	Y
1216346	City of Beaverton	12/20/2019	12/20/2019	28,325.73	28,325.73	Open	Y

INVOICE REGISTER REPORT FOR CITY OF BEAVERTON  
 INVOICE ENTRY DATES 12/01/2019 - 12/31/2019  
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Inv Ref#	Vendor	Inv Date	Due Date	Inv Amt	Amt Due	Status	Jrnalized
# of Invoices:	138	# Due:	2	137,352.69	40,850.29		
# of Credit Memos:	0	# Due:	0	0.00	0.00		
Net of Invoices and Credit Memos:							
				137,352.69	40,850.29		
---- TOTALS BY FUND ----							
101 - GENERAL OPERATING FUND				38,617.59	0.00		
202 - MAJOR STREET FUND				3,348.45	0.00		
203 - LOCAL STREET FUND				4,714.30	0.00		
208 - CALHOUN CAMPGROUND FUND DET				86.27	0.00		
248 - DOWNTOWN DEVELOPMENT AUTHOR				18,365.80	0.00		
582 - HYDRO FUND				1,543.19	0.00		
590 - SEWER FUND				8,406.12	0.00		
591 - WATER FUND				8,775.23	0.00		
596 - RUBBISH AND RECYCLING FUND				5,059.68	0.00		
638 - DPW EQUIPMENT REVOLVING FUN				2,781.11	0.00		
703 - CURRENT TAX COLLECTION FUND				45,654.95	40,850.29		
---- TOTALS BY DEPT/ACTIVITY ----							
000 - RESERVE				68,990.74	40,850.29		
101 - CITY COUNCIL				4,110.56	0.00		
172 - CITY MANAGER				965.25	0.00		
201 - FINANCE AND ADMINISTRATION				19,196.32	0.00		
215 - CLERK				714.96	0.00		
253 - TREASURER				545.54	0.00		
262 - ELECTIONS				1,931.23	0.00		
265 - BUILDING AND GROUNDS				1,130.08	0.00		
301 - POLICE				5,632.10	0.00		
441 - D.P.W.				29,645.36	0.00		
450 - STREET LIGHTS				312.18	0.00		
751 - RECREATION/PARKS DEPARTMENT				4,178.37	0.00		

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# **PARKS AND RECREATION**

**January 6, 2020**

Members present: Rev. Karen Blatt, Nila Frei, Angela Price, Jim Tkaczyk, Colleen Reader, Janet Whitmer, Roberta Badgley, Gene Badgley,

## **Calhoun Park:**

Rules and By-Laws update: Colleen, Angela, Nila, and Sharon met once. It was determined they did not have all the documentation needed at that time. Since then, they have obtained it. Idea is to keep this sub-committee small and refer to larger parks committee as they are finishing sections. What is the most sensible way to revise rules and by-laws without affecting the city charter? (Refer to City Manager Kaplan).

Campspot reservation system is now active and able to accept online reservations and payments. City staff and the Campspot representative met Tuesday afternoon, January 7. On Monday, Jan. 6, the committee advised Angela to take reservations as she had done the previous year. Some fees may need to be adjusted for this year. Cancellation rules will be addressed with city staff, Campspot, and managers.

Communication device was checked with Kaplan by Frei. The ipad is too expensive. We will have to go with something else. (Frei meeting with Kaplan to discuss.)

Campground swag should start simple with limited basic colors. People can order other styles and colors at Create-It. Angela is planning to organize many more tournaments, crafting times, and possible a farmers' market for the campers. The committee decided to let Angela what to do and sell at the camp store. (In a conversation with Kaplan, it was determined that Angela should contact him to determine a way to account for the material and costs of extended items in the camp store.)

Member Blatt wishes to have communication advertising local businesses, Chamber of Commerce, Small Shop Trail, local businesses, ORV map etc. Blatt will check with Chamber Office for a display rack.

The idea of vending machines was proposed. After a lengthy discussion which involved potential vandalism, cost of electricity, and the need to support local businesses which are close, a motion was made by Whitmer second by R. Badgley to table the discussion. All in favor.

## **Master Gardeners:**

There was another discussion about the flower beds along M 18, need to removing the salty, gravelly, oily dirt from the flower beds, and the need cut maintenance costs and time. Roberta B. was tasked to get Terry a plan for what we can do in our Nov. meeting. Her response to fill in the sidewalk level gardens with cement and pavers, bring in some more large pots like those downtown, and plant those instead. This would eliminate the need for all the deep

bending and knee work. It would also eliminate the weed choked/ignored flower beds along the M-18 corridor. (Frei referred to city manager since it is more of a DDA/citywide concern).

RLP: Master Gardeners will maintain the clock flower beds if the flowers are provided. They are requesting red, white, and blue petunias and salvia. Laundry mat flower bed will also be maintained by Master Gardeners. They would like petunias there. Also, they will take care of the front of the Helping Hands Mission flower bed too. They are requesting that the city please water those flower beds. They can no longer carry water in gallon containers because it is too heavy for them. (I believe this was settled last year. The city did pick up watering those sites.) The Master Gardeners will also take care of the flower beds by the WWI memorial, City please water that too.

Leo Ross Park: Flowers on corner of Brown Street and Third. Beds are a mess. Issue with boulder in the park.

#### **Ross Lake Park:**

Benches are still needed at the WWII Memorial. Discussion about the wooden backless benches located along the M 18 sidewalk and how to improve them or replace. It was noted the benches were an Eagle Scout project but now are in disrepair and have many splinters. McCartney gave Frei a catalogue with some suitable replacements marked for consideration.

#### **Leo Ross Memorial Park**

Community garden is still on our radar with iron removal system construction may hinder it. Our goal is to have a Community Picnic in the late spring with the Leo Ross Park neighbors for input is still on the radar.

#### **Log Cabin Idea**

Janet Whitmer presented a proposal to the committee regarding a log cabin which could be donated for use at Calhoun Campground. The structure would have to be torn down, moved, and reassembled at CCG. Bldg is approx. 18' by 20'. Whitmer suggested approaching the Gladwin Community Foundation for a grant to pay the Amish to disassemble and reconstruct. Motion by R. Badgley to table the discussion. Second by Whitmer. Some members felt it was not time for that structure since our parks master plan indicates that playground equipment is needed.

#### **Flower Fund Idea**

Member Blatt proposed an idea to solicit donations from the public to support city beautification endeavors. The idea is to use ones' time, talent, and treasure. Blatt is volunteering to write letters in local newspapers and in the city newsletters. Frei will check with City Manager Kaplan for an okay of this project.

**Questions abounded concerning when the Community Day for planting was planned.** It is normally mid-May to first week in June depending upon weather conditions.

Nila Frei, Beaverton City Council

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