

**Forsyth Township Board
Regular Meeting
Emergency Services Building
June 27, 2013**

Supervisor Minelli called the meeting to order at 6:30 p.m. followed by the Pledge of Allegiance to the American Flag.

Board Members Present: Supervisor Minelli, Clerk Nordeen, and Trustee Adams.

Board Members Absent: Excused were Trustee Armatti and Trustee Roberts.

Also Present: Attorney Kevin Koch, Randy Buchler, Carl Bryzek, a number of township employees and concerned citizens.

Approval of Minutes: Motion by Nordeen, supported by Adams, to approve the minutes for May 23, 2013 Regular Board Meeting with the following correction: **amend the support for the department head purchase rescinding to read Nordeen in lieu Roberts**, and the minutes for the May 28, 2013 Special Board Meeting. Motion carried.

Public Comment: Mr. Bryzek addressed the board over taxable value calculations, which he believes are invalid per the State Constitution. He has discussed his concerns with the Assistant to the Attorney General. A resident supported Mr. Buchler's sign. She believes that her tax dollars would be better spent on miscellaneous debris issues rather than Mr. Buchler's sign violation. Mr. Buchler stated his sign is not in violation. Mr. Buchler believes sign falls under the ***Right to Farm Act***. Attorney Koch stated various reasons why the sign is in violation. Mr. Buchler stated his attorney will be contacting our attorney regarding the issue. Fire Chief Hutchens explained how the ISO rating works with Insurance. He will be doing Fire Inspections on businesses throughout the community, for the ISO rating. The inspections will be in all businesses with sprinkler systems. Mrs. Maki will do a broadcast through the Chamber of Commerce email system. A resident questioned if there was currently a Fire Truck at the Sawyer Fire Station. Per Chief Hutches, there is a truck and staff at that station.

Agenda: Motion by Adams, supported by Nordeen, to approve the agenda with the following additions: **10p. Hiawatha Radio Lease Agreement, 10q. Assessing Computer Update, 10r. Resolution for the Fire Truck**. Motion carried.

Department Reports: The following reports were accepted and placed on file: Assessing/Zoning, Senior Citizens Director/Clubhouse, Fire Department, Library, Police Department, Public Works, and Financial. Reports not filed: Ambulance and Parks Committee.

Attorney's Report: Attorney Koch stated that the Act 425 with Sands Township had to be modified. There were two pieces of property that needed to be added. He had called Lansing to verify, the best way to modify was to prepare an Affidavit. The Affidavit has been prepared and sent. He will proceed with the current zoning violations.

Approval of Bills & Vouchers: Motion by Nordeen, supported by Adams, to approve bills and vouchers totaling \$108,253.10, as presented. Motion carried.

**Forsyth Township
Bills To Be Approved
27-June-13**

| Vendor | Description | Amount |
|--------------------------------------|--|-----------|
| A. Jacobson Landscaping | Fertilizing & Tourist Park Project | 21,625.00 |
| Ahern | Fire Extinguishers and supplies | 2,371.25 |
| Airgas | Supplies - Ambulance & PW | 104.35 |
| Anderson Communications | Radio Rebanding | 216.20 |
| Aramark | Uniform & Rug Services | 913.96 |
| Auto Value | Parts and Supplies | 3,239.10 |
| Beacon Athletics | Supplies Public Works | 478.74 |
| City of Marquette | Bacteriological Analysis | 80.00 |
| Compudyne | Computer Support | 165.00 |
| Dalco | Clubhouse Supplies | 121.72 |
| Froberg's Clothing | Boots-Hattimer, Peterson, R. Fowler | 300.00 |
| Galls | Police Supplies | 278.37 |
| Household Appliance | Refrigerator for Nordeen Park | 499.00 |
| Iron Bay Computer | Domain Renewal | 184.95 |
| Joe & Son's Service | Tire Repairs-Police | 78.25 |
| Kevin Koch | Attorney's Fees | 1,487.74 |
| Lammi Fire Protection | Fire Extinguisher Recharge-Police | 22.00 |
| Marquette County Fire Fighters Assoc | Fire Fighter Class Supplies & Dues | 1,146.00 |
| Menards | Cemetery Supplies | 142.13 |
| Midway Rentals | Ballfield Supplies | 111.11 |
| Mining Journal | Subscription Renewal and Notices | 338.60 |
| MTA | Annual Dues | 3,721.37 |
| National Assoc of Chief of Police | Subscription Magazine | 60.00 |
| Newman Traffic Signs | Fire Signs | 485.50 |
| North Country Septic | Portable Restroom June | 95.00 |
| Pomasl Fire Equipment | Fire Dept Equipment & Supplies | 1,217.22 |
| Postmaster | Post Office Box Rental - 1 year - Office | 104.00 |
| Quill | Office Supplies Various Depts | 1,468.05 |
| Range Telecommunications | Miss Dig Services | 18.50 |
| Standard Electric Company | Nordeen Park Lamp Globe | 147.45 |
| The Office Planning Group | Copier Maintenance | 1,389.62 |
| Ultimate Safety Concepts | Supplies Fire Dept | 88.34 |
| UPEA | Engineering-Lagoon, Cemetery, Water | 17,942.28 |

**Forsyth Township
Bills To Be Approved
Additions
27-June-13**

| Vendor | Purpose | Amount |
|------------------------------------|--|-------------------|
| Ace Hardware | Misc Parts/Supplies | 4,215.65 |
| Amcab | Food Service License Renewal-50% | 336.00 |
| Beauchamp Plumbing & Heating | Tourist Park Upgrades & Clubhouse Repair | 85.44 |
| CareerTrack | Training-Rector | 199.00 |
| Compudyne | Office Computers | 5,881.26 |
| CUPPAD | Annual Dues | 1,233.00 |
| Dalco | Building Supplies-Clubhouse | 346.83 |
| Froberg's Clothing | Boots-Nelson | 100.00 |
| Holiday 50 Cleaners | Dry Cleaning | 47.56 |
| M.J. Vandamme Trucking | Tourist Park Upgrades | 30,115.00 |
| Marquette County Health Department | Campground Inspection | 196.00 |
| Menards | Tourist Park Upgrades | 68.29 |
| Michigan Sales | John Deere Select Series X300R (Insurance Claim) | 3,380.00 |
| Wells Fargo Credit Card | Office Equipment-Police | 551.33 |
| | | 46,755.36 |
| | Original Bill Listing | 61,497.74 |
| | Total Accounts Payable | 108,253.10 |

Voucher Numbers for GO, Police, Clubhouse, Ambulance, Library, Water & Sewer: 63445-63660

ACTION ITEMS

Ambulance New Hire (10a.): Postponed, due to lack of information.

Increase Dust Control (10b.): Motion by Adams, supported by Nordeen, to approve an additional \$1,310.40 to Marquette County Road Commission for additional dust control. Motion carried.

Principles of Governance (10c.): Motion by Minelli, supported by Adams, to adopt the Principles of Governance as presented. Motion carried.

Clock Committee (10d.): Discussion ensued. The estimated cost of building the clock tower, with modifications, is \$45,000.00. The Historical Society will donate \$2,000.00 when building starts. The balance in the clock fund, as of May 31, 2013, is \$51,654.18. Motion by Adams, supported by Nordeen, to allow building of the clock tower with the donations received. Motion carried.

Cemetery/Perpetual Fees (10e.): Motion by Adams, supported by Nordeen, to postpone for clarification. Motion carried.

Fire Dept – Purchase Cascade System (10f.): Motion by Adams, supported by Nordeen, to approve purchase of Cascade System for the Fire Department totaling \$9,560.00. Motion carried.

Fire Dept – Purchase Bunker Gear, New Hires, SCBA bags, Marching Fees (10g-10j.): Motion by Nordeen, supported by Adams, to purchase 5 sets of Bunker Gear for \$10,000.00, move Dave Sherwin from Reserve to Active Status, hire Ryan Setter, Leah Owens, and Steve Tighe, purchase 6 SCBA mask bags for \$150.00, and Marching Fees for upcoming tournaments for \$2,000.00, for a total of \$12,150.00. Motion carried.

Investment Policy Amendment (10k.): Motion by Nordeen, supported by Adams, to approve the Investment Policy Amendment, replacing Citizens Bank with First Merit Bank as presented. Motion carried.

Policy No. ____1____

FORSYTH TOWNSHIP BOARD

SUBJECT: INVESTMENTS

ADOPTED BY THE FORSYTH TOWNSHIP BOARD ON: October 26, 2006.

AMENDED BY THE FORSYTH TOWNSHIP BOARD ON: June 27, 2013

Purpose

It is the policy of the Forsyth Township Board to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of Forsyth Township and complying with all state statutes governing the investment of public funds.

Scope

This investment policy applies to all financial assets of Forsyth Township. These assets are accounted for in the various funds of Forsyth Township and include the general fund, revolving fund, library fund, clubhouse/recreation fund, sewer fund, water fund, perpetual care fund, and any other funds established by the Forsyth Township Board through the Township Treasurer.

Objectives

The primary objectives, in priority order, of Forsyth Township's investment activities shall be:

Deposits and Investment Risk – deposits and investments shall have sufficient safety and diversity to assure that Forsyth Township's exposure to credit risk is low.

Deposit and investment risk definitions are included later in this policy.

Safety – safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Diversification – the investments will be diversified by security type and institution in order that potential losses in individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity – the investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment – the investment portfolio shall be designated with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Delegation

The Treasurer is designated as the investment officer of Forsyth Township and is responsible for carrying out investment decisions and activities as well as instructing the Township Deputy Treasurer to invest excess Forsyth Township funds.

Authorized Investments

The investment of surplus funds shall be as follows:

In bonds, securities, and other obligations of the United States or any agency or instrumentality of the United States.

In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution.

In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase.

In United States government for federal agency obligation repurchase agreements consisting of bonds, securities, and other obligations of the United States.

In bankers' acceptances of United States banks.

In obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than 1 standard rating service.

The Board approves the following financial institutions as depositories of Forsyth Township funds:

First Merit Bank

Wells Fargo

Superior Iron Range Federal Community Credit Union

M Bank

River Valley Bank

Northern Michigan Bank

Peninsula Bank

Range Bank

Safekeeping, Custody, and Prudence

The investment officer shall recommend financial institutions for approval for the safekeeping of Forsyth Township funds based on an evaluation and solvency of the institution, as well as past performance in exercising due care & prudence in managing the custody of township funds held in trust, if applicable.

The investment officer shall periodically evaluate approved and potential financial depositories and shall make recommendations as to appropriate changes in approved depositories when warranted.

In determining safekeeping and custody qualifications, financial institutions document a minimum capital requirements of at least \$10,000,000 and at least five years of operation. All financial institutions and broker/dealers shall be pre-qualified by supplying the following:

Audited financial statements

Proof of NASD certification or FDIC insurance

Proof of state registration

Certification of having read, understood and agreement to comply with the Forsyth Township investment policy.

“Financial institution” means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of

the United States government and that maintains a principal office or branch office located in this state under the laws of this state (Michigan) or the United States.

The investment officer shall annually examine the financial condition and registrations of qualified financial institutions and brokers/dealers by obtaining annual updates of the information listed above.

The investment officer shall make such investments and only such investments as a prudent person would make in dealing with the property of another, having in view the preservation of the principal and the amount and regularity of the income to be derived. The standard of prudence to be used shall be the "fiduciary" standard and shall be applied in context of managing an overall portfolio.

All security transactions shall be held by the Forsyth Township Treasurer and evidenced by a safekeeping receipt.

The investment officer shall produce quarterly reports for the Forsyth Township Board, listing by fund each investment within the fund.

The report should disclose the amount of investment, the institution, maturity date, and interest rate.

A summary of all investments shall be shown at the end of each report, listed by institution and type of investment.

A yearly report for the fiscal year will be provided to the Board and will disclose the following:

Investment disclosures should be organized by investment type such as U.S. Treasuries, bonds, or commercial paper. Dissimilar investments, such as U.S. Treasury bills and U.S. Treasury strips, should not be aggregated into a single investment type.

The report should disclose information about the **credit risk** associated with investments by disclosing the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations.

The report should disclose the credit quality ratings of external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. If the investment is unrated, the report should indicate that fact. (Exclude U.S. government obligations or those explicitly guaranteed by the U.S. government).

The report should disclose information about the **concentration of credit risk** associated with investments by illustrating, by amount and issuer, investments in any one issuer that represents 5 percent or more of total investments. (Exclude investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

The report should disclose information about the **interest rate risk** of debt investments by one of the following methods:

- Segmented time distribution
- Specific identification
- Weighted average maturity
- Duration
- Simulation model

The report should also disclose the terms of investments with fair values that are highly sensitive to changes in interest rates.

If Forsyth Township has deposits at the end of the year that are exposed to custodial credit risk, the report should disclose the amount of those bank balances, the fact that the balances are uninsured, and whether the balances are exposed because they are

- a) Uncollectible, or
- b) Collateralized with securities held by the pledging financial institution, or
- c) Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's (Forsyth Township) name.

The investment officer should select the disclosure method that is most consistent with the method used to identify and manage interest rate risk.

Deposit and Investment Risk Definitions:

Credit Risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligations. In addition to the credit quality of the issuer of debt securities, credit risk includes concentrations of credit risk and custodial credit risk, as follows:

Concentration of credit risk. The risk of loss attributed to the magnitude of a government's investment in a single issuer.

Custodial credit risk. For deposits, the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For investments, the risks that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Interest Rate Risk. The risk that changes in interest rates will adversely affect the fair value of an investment.

Segmented time distributions group investment cash flows into sequential time periods in tabular form.

Specific identification does not compute a disclosure measure but presents a list of each investment, its amount, its maturity date, and any call options.

Weighted average maturity measure expresses investment time horizons – time when investments become due and payable – in years or months, weighted to reflect the dollar size of individual investments within an investment type.

Duration – a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price.

Simulation models estimate changes in an investment's or a portfolio's fair value, given hypothetical changes in interest rates. Various models or techniques may be used, such as "shock test" or value-at-risk.

Forsyth Township Supervisor

Forsyth Township Clerk

Rental Agreement Amendments (10l.): Motion by Adams, supported by Minelli, to approve the Rental Agreement as presented, with the following corrections. Discussion ensued. Adams rescinded his motion, Minelli rescinded his support. Item postponed pending further information. Stacy to request agreements from other townships.

Committee to review proposed EMS contract (10m.): Discussion ensued. It was the consensus of the Board to appoint Jane Nordeen, Judy Roberts, Lynn Rodgers and Peter Ghirengelli to review the EMS contract. If Judy Roberts declines, then Chris Adams will replace her.

Police Dept – Purchase Taser (10n.): Motion by Minelli, supported by Adams, to approve the purchase of a Taser for the Police Department totaling \$850.00. Motion carried.

Police Dept – Purchase Copier (10o.): Motion by Adams, supported by Nordeen, to purchase a copier/scanner from OPG for \$1,195.00. Motion carried.

Lease Agreement (10p.): Motion by Adams, supported by Nordeen, to approve the Lease Agreement with Hiawatha Amateur Radio, as presented. Motion carried.

Assessors Computer Update (10q.): Motion by Adams, supported by Nordeen, to approve purchase of 3 new computers, 4 Microsoft Office 2013 programs, 1 monitor, setup and installation from Compudyne for \$3,426.70. Motion carried.

Resolution for Fire Truck (10r.): Motion by Nordeen, supported by Adams, to adopt the Obligor Resolution as presented. Roll call vote: Nordeen – aye, Adams – aye, Minelli – aye, Roberts – absent, Armatti – absent. Motion carried.

**Schedule No. 01
EXHIBIT D**

OBLIGOR RESOLUTION

RE: Government Obligation Contract dated as of July 8, 2013, between Tax-Exempt Leasing Corp. (Obligee) and Township of Forsyth (Obligor) and Schedule No. 01.

At a duly called meeting of the Governing Body of the Obligor (as defined in the Contract) held on June 27, 2013, the following resolution was introduced and adopted:

BE IT ROESOLVED by the Governing Body of Obligor as follows:

1. **Determination of Need.** The Governing Body of Obligor has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of Schedule No. 01 to the Government Obligation Contract dated as of July 8, 2013, between **Township of Forsyth (Obligor)** and **Tax-Exempt Leasing Corp. (Obligee)**.
2. **Approval and Authorization.** The Governing Body of Obligor has determined that the Contract, substantially in the form presented to this meeting, is in the best interest of the Obligor for the

acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the following person(s) to execute and deliver the Contract on Obligor's behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Contract, necessary to the consummation of the transaction contemplated by the Contract.

Authorized Individual(s): _____
(Printed or Typed Name and Title of Individual(s) authorized to execute the Contract)

3. **Adoption of Resolution.** The signatures below from the designated individuals from the Governing Body of the Obligor evidence the adoption by the Governing Body of this Resolution.

By: _____
(Signature of Secretary, Board Chairman or other member of the Governing Body)

Typed Name: _____ **Title:** _____
(Typed name of individual who signed directly above) (Title of individual who signed directly above)

Attested By: _____
(Signature of one additional person who can witness the passage of this Resolution)

Typed Name: _____ **Title:** _____
(Typed name of individual who signed directly above) (Title of individual who signed directly above)

DISCUSSION ITEMS:

Time Clocks (11a): The board discussed the difference between the time sheets the Forsyth Township employees currently use, versus the possible use of time clocks. Supervisor Minelli stated a policy regarding the use of the time clocks would need to be in place prior to using time clocks.

Motion by Adams, supported by Minelli, to purchase time clocks for next month. Motion carried.

OLD BUSINESS:

Salvation Army Lease (12a.): Attorney Koch has not heard from The Salvation Army, regarding the lease that was sent to them. He reminded the Board that they were currently a "hold-over" tenant, and that the old lease is still in effect. He will try to contact them again.

Tilden Township Fire Agreement (12b.): Attorney Koch has been in contact with the Tilden Township Supervisor. They are not comfortable with the charges on the proposed lease. They would be more comfortable with a flat monthly charge. It was the consensus of the Board for Attorney Koch to propose a monthly charge of \$2,000.00.

425 Agreement with Sands Township (12c.): Addressed in Attorney's Report.

Zoning Violation (12d.): Addressed in Attorney's Report.

CORRESPONDENCE: None.

PUBLIC COMMENT:

Mr. Bryzek suggested that the old Assessing and Zoning office computers go over to the Library with the software so people could study the assessing information. A resident suggested putting signs up for dangers associated with rental facilities, such as a sign by the river for people that rent the park, therefore the township would not be responsible for such liabilities. Mrs. Maki, from the Gwinn Chamber of Commerce, announced that there is now a Public Announcement system in the park. The microphones can be checked out of the township office.

BOARD MEMBER COMMENT:

Thanked the public for a good meeting, and encouraged future public comments.

Adjournment: Supervisor Minelli adjourned the meeting at 8:03 p.m.

Respectfully submitted,

Stacy Filizetti
Clerk/Secretary