



**RECAUTHORITY**  
TRAVERSE CITY / GARFIELD TOWNSHIP

**Notice**  
**Recreational Authority Board of Directors**  
**Regular Meeting**

7:00 p.m.

Wednesday, February 2, 2022

Second Floor Main Meeting Hall, Garfield Township Hall  
3848 Veterans Drive  
Traverse City, MI 49684

Posted: 1-28-22

The Authority does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. Penny Hill, Assistant City Manager, 400 Boardman Avenue, Traverse City, Michigan 49684, 922-4440, TDD: 922-4412, has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the ADA Coordinator.

If you are planning to attend and you have a disability requiring any special assistance at the meeting and/or if you have any concerns, please immediately notify the ADA Coordinator.

Recreational Authority Board of Directors  
Matthew Cowall, Executive Director  
324 Munson Avenue  
Traverse City, MI 49686  
(231) 929-3696 TDD: (231) 922-4412  
<http://www.recauthority.org>  
[mcowall@liaa.org](mailto:mcowall@liaa.org)

## Agenda

### Roll Call.

1. Public comment.
2. Consent Calendar

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

- a) Consideration of approving the minutes of the regular meeting of January 5, 2022. (Approval recommended) (Matt Cowall)
- b) Report regarding payment of expenditures. (Receive and file) (Matt Cowall)
3. Any items removed from the Consent Calendar.
4. Consideration of updates to the rental procedures at Historic Barns Park. (Matt Cowall, Stephanie Wiitala)
5. Consideration of outdoor lighting at Historic Barns Park. (Matt Cowall)
6. Review of goals in the 5-Year Recreation Plan. (Matt Cowall)
7. Consideration of 2020-21 Audited Financial Statements. (Matt Cowall)
8. Reports. (Matt Cowall et al)
  - Grand Traverse Conservation District
  - Event Facility Management
  - Quarterly Report from SEEDS and other updates from the Management Entities at Historic Barns Park (Botanic Garden, TC Community Garden)
  - Any reports from Board members
  - Executive Director's report and possible verbal updates



- ~~Approved minutes from the meeting of the Hickory Meadows Advisory Committee~~ (Did not meet)

9. Public comment.

10. Adjournment.

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## Communication to the Recreational Authority

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FROM: MATT COWALL, EXECUTIVE DIRECTOR

SUBJECT: PROCESS STEPS FOR THE CONSENT CALENDAR

The following steps can be followed by the Chair to process the Consent Calendar agenda item at meetings of the Board of Directors.

1. Chair introduces the Consent Calendar agenda item and asks the Executive Director to read the calendar.
2. Chair asks if any member of the Board wants any items removed from the Consent Calendar.
3. Chair asks if staff (the Executive Director) wants any items removed from the Consent Calendar.
4. Chair asks if any member of the public wants any items removed from the Consent Calendar.
5. Executive Director records any removed items and places them in the next agenda item for discussion.
6. Items that remain on the Consent Calendar can be approved with the following motions:

*If no items are removed from the Consent Calendar:*

**That the Consent Calendar be approved.**

*If any items are removed from the Consent Calendar:*

**That the Consent Calendar be approved as amended.**

7. Any items that are removed from the Consent Calendar are then discussed and processed individually as part of the next agenda item.



**RECAUTHORITY**  
TRAVERSE CITY / GARFIELD TOWNSHIP

## Communication to the Recreational Authority

FOR THE MEETING OF FEBRUARY 2, 2022

DATE: FRIDAY, JANUARY 28, 2022

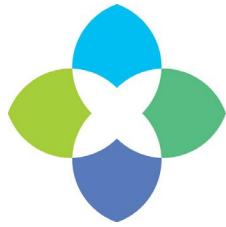
FROM: MATT COWALL, EXECUTIVE DIRECTOR

SUBJECT: MINUTES

Attached are the minutes of the regular meeting of January 5, 2022.

The following motion would be appropriate to approve the minutes:

**That the minutes of the regular meeting of January 5, 2022, be approved.**



# RECAUTHORITY

TRAVERSE CITY / GARFIELD TOWNSHIP

## Minutes

### **The City of Traverse City and Charter Township of Garfield Recreational Authority Board of Directors**

**January 5, 2022**

A regular meeting of the Recreational Authority Board of Directors was called to order in the Second Floor Training Room, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, at 7:00 p.m.

The following Directors were present, constituting a quorum: Laura Ness, Chair; Michael Groleau, Secretary; Tim Hughes, Treasurer; and Steve Duell.

The following Directors were absent (excused): Lindsay Erreca; Chris Sullivan; and Ashlea Walter.

Chair Ness presided at the meeting.

1.

The first item being “Public Comment,” Chair Ness introduced this matter. The following individuals addressed the Board:

None.

2.

The next item being “Election of officers for 2022,” Chair Ness introduced this matter. The following individual addressed the Board:

Matt Cowall, Executive Director

Chair Ness opened the floor for nominations.



Duell nominated Laura Ness as Chair, Michael Groleau as Secretary, and Tim Hughes as Treasurer.

Moved by Duell, seconded by Hughes, that nominations be closed and a unanimous ballot be cast for Laura Ness as Chair, Michael Groleau as Secretary, and Tim Hughes as Treasurer.

CARRIED.

3.

The next item being the “Consent Calendar,” Chair Ness introduced this matter. The following individual addressed the Board:

Matt Cowall, Executive Director

Moved by Hughes, seconded by Groleau, that the Consent Calendar be approved as presented:

- a) That the minutes of the regular meeting of December 1, 2021, be approved.
- b) That the report regarding payment of expenditures be received and filed.

CARRIED.

4.

The next item being “Items removed from the Consent Calendar,” Chair Ness introduced this matter.

None.

5.

The next item being “Discussion of a concert series with the Traverse



Symphony Orchestra at Historic Barns Park,” Chair Ness introduced this matter. The following individuals addressed the Board:

Matt Cowall, Executive Director  
Stephanie Wiitala, S2S Events  
Kedrik Merwin, Traverse Symphony Orchestra

No action was taken.

6.

The next item being “Consideration of updates to the rental contract at Historic Barns Park,” Chair Ness introduced this matter. The following individuals addressed the Board:

Matt Cowall, Executive Director  
Stephanie Wiitala, S2S Events

No action was taken.

7.

The next item being “Updates on recognition of service to the Board of Directors,” Chair Ness introduced this matter. The following individuals addressed the Board:

Matt Cowall, Executive Director

No action was taken.

8.

The next item being “Updates on storm damage and repairs,” Chair Ness introduced this matter. The following individual addressed the Board:

Matt Cowall, Executive Director





Moved by Groleau, seconded by Hughes, that competitive bidding be waived and the Board authorize the expenditure of \$3,000, more or less, for roofing repairs at Historic Barns Park; and that the Executive Director be authorized to file an insurance claim for said repairs.

CARRIED.

9.

The next item being “Review of goals in the 5-Year Recreation Plan,” Chair Ness introduced this matter. The following individual addressed the Board:

Matt Cowall, Executive Director

No action was taken.

10.

The next item being “Consideration of 2022 Annual Goals from Management Entities at Historic Barns Park (Botanic Garden, SEEDS, TC Community Garden),” Chair Ness introduced this matter. The following individuals addressed the Board:

Matt Cowall, Executive Director

Moved by Hughes, seconded by Duell, that the 2022 annual goals and benchmarks for TC Community Garden, the Botanic Garden at Historic Barns Park and SEEDS be adopted.

CARRIED.

11.

The next item being “Reports,” Chair Ness introduced this matter. The following individuals addressed the Board:

Matt Cowall, Executive Director



Luke Kreykes, GTCD  
Stephanie Wiitala, S2S Events  
Zach Millican, TCCG  
Sarna Salzman, SEEDS

No action was taken.

**12.**

The next item being “Public comment,” Chair Ness introduced this matter.  
The following individuals addressed the Board:

None.

There being no objection, Chair Ness declared the meeting adjourned at 8:52  
p.m.

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Matt Cowall, Executive Director



## Communication to the Recreational Authority

FOR THE MEETING OF FEBRUARY 2, 2022

DATE: FRIDAY, JANUARY 28, 2022

FROM: MATT COWALL, EXECUTIVE DIRECTOR

SUBJECT: EXPENDITURES APPROVED BY EXECUTIVE DIRECTOR

### **General Operating Fund:**

City of Traverse City	December water/sewer (auto pay)	\$ 112.00
Consumers Energy	December electric (auto pay)	\$ 1,550.84
DTE	December gas service (auto pay)	\$ 49.83
Allen Supply	Repairs to front main entry doors	\$ 87.51
Mark Brederland	Security deposit refund net of furniture rental \$165	\$ 335.00
Ryan Black	Security deposit refund net of furniture rental \$256	\$ 244.00
Christopher Porter	Security deposit refund net of furniture rental \$265	\$ 235.00
City of Traverse City	Security service for Jan 5th board meeting	\$ 76.71
Charter Twp of Garfield	MTT/BOR - Personal property tax	\$ 15.59
Elmer's	Craning the barn door back into place	\$ 650.00
GFL	Trash and recycling for January	\$ 31.35
Grand Traverse Conservation District	Hickory Meadows quarterly fee	\$ 6,137.50
Grand Traverse Conservation District	Split rail fence damage by Popp, they will net against our next plow invoice	\$ 89.96
Grand Traverse Conservation District	November workplan - trash/vehicle/gravel/signs/labor	\$ 419.63
Jozwiak Consulting	Road project - final engineering closeout and sidewalk concepts	\$ 6,600.00
LIAA	Expenses - printing, postage, envelopes, masks	\$ 379.89
LIAA	December management services	\$ 6,392.50
Popp Excavating, Inc	Snowing plowing for December	\$ 1,440.00
Security Sanitation, Inc	Portajohn rental 12/4/2021 - 1/4/2022	\$ 170.00

(CONTINUED)



**General Operating Fund (continued):**

Sondee, Racine & Doren, PLC	Legal services December & TCRE public notice	\$ 248.50
S2S Events	Event management January	\$ 4,791.67
S2S Events	Cleaning for December - January	\$ 650.00
Unifirst	Rug cleaning	\$ 30.10
Vredeveld Haefner, LLC	Final billing on annual audit	\$ 1,150.00

**Debt Service Fund:**

Charter Twp of Garfield	MTT/BOR - Personal property tax	\$ 52.51
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Requested motion:

**That the report regarding payment of expenditures be received and filed.**

**City of Traverse City and Charter Twp of Garfield Recreational Authority**  
**Operating Fund**  
**Statement of Activities**

	<u>July - Jan 2022</u>	<u>Annual Budget</u>	<u>Budget Variance</u>
<b>Revenues</b>			
500 • Tax Revenue - Operating	\$ 162,983.36	\$ 305,000.00	\$ (142,016.64)
441 • PPT Reimbursement MCL 123.135	-	-	-
615.0 • Trust Fund Grant	-	467,600.00	
615.2 • GT Band Grant	14,482.56	35,040.00	(20,557.44)
615.10 • TCLP Hickory Meadows Grant	-	1,000.00	(1,000.00)
615.7 • Donations	-	9,060.00	(9,060.00)
615.8 • Barns Park Rentals	84,503.75	60,000.00	24,503.75
615.81 • Furniture Rentals	9,374.00	-	9,374.00
615.9 • Misc Income	-	-	-
664 • Interest Income	101.34	200.00	(98.66)
<b>Total Revenues</b>	<u>271,445.01</u>	<u>877,900.00</u>	<u>(606,454.99)</u>
<b>Expenditures</b>			
700 • Office Expense	773.46	2,000.00	(1,226.54)
805 • Professional Services			
Accounting	-	6,000.00	(6,000.00)
GTCD	18,412.50	24,550.00	(6,137.50)
Legal	809.50	5,000.00	(4,190.50)
Management	40,042.50	80,000.00	(39,957.50)
Other - Contingency	76.71	32,045.00	(31,968.29)
SEEDS - Action Plan	14,482.56	35,040.00	(20,557.44)
Audit	6,150.00	6,150.00	-
Roads project	5,000.00	28,615.00	(23,615.00)
Events Manager	33,541.69	57,500.00	(23,958.31)
<b>Total</b>	<u>118,515.46</u>	<u>274,900.00</u>	<u>(156,384.54)</u>
806 • Event Marketing & Supplies	9,653.53	10,000.00	(346.47)
862 • Transportation	123.05	500.00	(376.95)
912 • Insurance & Bonds	3,487.00	4,000.00	(513.00)
920 • Utilities & Maintenance	14,410.12	35,060.00	(20,649.88)
920.3 - Hickory Meadows Work Plan	1,997.75	25,340.00	(23,342.25)
970 • Capital Projects (Land Purchase)	-	668,200.00	(668,200.00)
<b>Total Expenditures</b>	<u>148,960.37</u>	<u>1,020,000.00</u>	<u>(871,039.63)</u>
<b>Net Change in Fund Balance</b>	<u><u>\$ 122,484.64</u></u>	<u><u>\$ (142,100.00)</u></u>	<u><u>\$ 264,584.64</u></u>

**Unaudited statement**

**City of Traverse City and Charter Twp of Garfield Recreational Authority**  
**Debt Fund**  
**Statement of Activities**

	<u>July 21 - Jan 22</u>	<u>Annual Budget</u>	<u>Budget Variance</u>
<b>Revenues</b>			
Current Property Taxes	\$ 378,687.48	\$ 700,000.00	\$ (321,312.52)
Interest Income	191.30	650.00	(458.70)
<b>Total Revenues</b>	<u>378,878.78</u>	<u>700,650.00</u>	<u>(321,771.22)</u>
<b>Expenditures</b>			
Debt Service - Fees	128.12	300.00	(171.88)
Debt Service - Interest	29,549.50	52,489.00	(22,939.50)
Debt Service - Principal	585,000.00	585,000.00	-
<b>Total Expenditures</b>	<u>614,677.62</u>	<u>637,789.00</u>	<u>(23,111.38)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (235,798.84)</u>	<u>\$ 62,861.00</u>	<u>\$ (298,659.84)</u>



# Communication to the Recreational Authority

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FOR THE MEETING OF FEBRUARY 2, 2022

DATE: FRIDAY, JANUARY 28, 2022

FROM: MATT COWALL, EXECUTIVE DIRECTOR

SUBJECT: CONSIDERATION OF UPDATES TO THE RENTAL  
PROCEDURES AT HISTORIC BARNS PARK

As discussed at the last few Board meetings, we are working to update language for the Cathedral Barn rental contract that pertains to parking and shuttling for events. Changes to that language may still be warranted as an interim step, though our continued work on this in January has only emphasized the need for greater coordination across the site on all things related to events and transportation.

The responsibility for securing shuttle transportation up to now has contractually resided with the rental client, which saves time and energy for the park but doesn't always produce the desired results as we've recently discussed. We've also learned through experience that the site can accommodate some low-impact, smaller events without resorting to shuttling, but as all uses of the park (event or otherwise) continue to grow, making those distinctions in a vacuum could prove problematic (for example, a few relatively small and manageable programs conducted at the same time could overwhelm available parking in the same fashion as a single larger event, without shuttling ever being considered, booked, or funded during the rental process).

So, for Wednesday, I'd like to focus specifically on transportation coordination across the site. I've captured some thoughts on the attached "Guiding Principles" sheet as a starting point for the conversation.

## **Guiding Principles for Parking and Shuttling at Historic Barns Park**

- Ensure public access to park at all times.
- Efficiently and conveniently transport guests to and from event parking off site.
- Maintain good reputation and positive impression of park and facilities.
- Others?

## **Challenges**

- Limited parking on site.
- Increasing usage of site (both renters and public users, all four seasons).
- Renters who fail to book or adequately manage shuttle.
- Parking enforcement.
- One size doesn't fit all.
- Need for coordination across the entire park.
- Others?

## **Desired Outcomes**

- Shuttle transportation is always booked when needed.
- Park staff have a direct line of communication with shuttle company.
- Costs for transportation services are covered by the event client.
- Management entities are always coordinated around transportation.
- Others?

## **Considerations**

- Who manages booking shuttle transportation – each guest, each venue, or single park contact?
  - Should be the same approach by all management entities.
  - If venue manages or a single contact manages the site, how are additional operating costs covered (e.g., the time to book, coordinating with transportation providers, etc.)?
- How is payment handled – separate payment, or built into rental fee?
  - Should be the same approach by all management entities.
  - If build into rental fee, how do we handle low-impact uses that don't need shuttle transport?





# Communication to the Recreational Authority

FOR THE MEETING OF FEBRUARY 2, 2022

DATE: FRIDAY, JANUARY 28, 2022

FROM: MATT COWALL, EXECUTIVE DIRECTOR

SUBJECT: CONSIDERATION OF OUTDOOR LIGHTING AT HISTORIC  
BARNES PARK

Many thanks to Jerry Dobek, the astronomy professor at NMC and an outdoor lighting expert, for taking the time this month to meet and discuss the outdoor lighting plans for Historic Barnes Park. As we had previously considered, he agrees that it's a good idea to order a single solar fixture for experimentation on the site, and rigging it to be somehow mobile/moveable (as we also discussed) would be ideal for such experimentation. Jerry has volunteered to take lighting measurements around the site and recommend permanent placements so that we could tally a total number of fixtures for future installation.

If it pleases the Board, I'd like to go ahead and get an order in the pipeline. A sample motion follows:

**That competitive bidding be waived and the Board authorize the expenditure of \$5,000, more or less, for the purchase of solar lighting for Historic Barnes Park.**

Quote

Quote # QT211009  
Date Entered 11-02-21  
Sales Person Hannah Percival  
Quote Validity 30 Days  
Entered By: HP



Business No: 84649 4466 RT0001

**Quote To:**  
Matt Cowall  
Land Information Access Association  
-  
-  
231-929-3696  
[mcowall@liaa.org](mailto:mcowall@liaa.org)  
Country USA  
Province/State -  
Payment Terms PrePay  
Customer Type End User  
Incoterms EXW

**Ship To:**  
-  
-  
-  
Traverse City, MI  
-  
-  
Ship Method FedEx Freight  
Account  
Reference Historic Barns Park

Prices in USD

Line	Part Number	Description	Est. Lead Time	Quantity	Price	Amount
1	SCL2-SPMU-BK-T3-WW-09	SCL2 Side Mount Unv Black Type 3 3000K Dark +3/30%/-1hr --	4-6 Weeks	5	\$2,995	\$14,975.00
2	SCL2-SPMU-BK-T5-WW-09	SCL2 Side Mount Unv Black Type 5 3000K Dark +3/30%/-1hr --	4-6 Weeks	1	\$2,995	\$2,995.00
3	SSA18B4-4-010-BA-	Square Straight Aluminum 18' 0.125" 4" No Taper Anchor Base, 4 Bolt Single No Arm Black Powder	6-8 Weeks	6	\$875	\$5,250.00
		Shipping - Does not include call ahead, residential or liftgate delivery - additional rates apply.				
Cost Savings: By choosing our solar lights you will save \$21750 by eliminating electrical design, trenching, conduit, and wiring. Based on 870 linear feet at an estimated cost of \$25 per foot.						
					Subtotal	\$23,220.00
					Shipping	\$1,564.00
					Tax	\$0.00
					Total	\$ 24,784.00

<b>How To Order</b> Reply with purchase order or email confirmation with: First Light Quote # Bill To & Ship To Details Contact Name Company Name Full Address Phone Number Email Address Federal Tax ID #	<b>What To Expect</b> Order confirmation: within 24 hrs Sales Order Acknowledgement (SOA): within 48 hrs  <b>How To Pay:</b> Invoice will be sent electronically We accept cheques, wire transfers* Visa*, Mastercard*, American Express* *additional fees may apply for use	<b>Need Help Ordering</b> Phone: 1-844-279-8754 Email: <a href="mailto:info@firstlighttechnologies.com">info@firstlighttechnologies.com</a>  <b>Estimated Lead Times</b> Lead times will be confirmed at time of order  <b>Validity:</b> Our quotes are only valid for the project or city referred to above.
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# Communication to the Recreational Authority

FOR THE MEETING OF FEBRUARY 2, 2022

DATE: FRIDAY, JANUARY 28, 2022

FROM: MATT COWALL, EXECUTIVE DIRECTOR

SUBJECT: REVIEW OF GOALS FROM THE 5-YEAR RECREATION PLAN

The Board is interested in regularly examining progress with the Authority's 5-Year Recreation Plan by revisiting the goals and objectives that are captured in the plan. This month, we are on Goal 2:

Goal 2: Complete all capital improvement projects outlined in the 2019 Public Visioning for Historic Barns Park and Hickory Meadows.

- Objective 2.1: Complete Phase II of the Cathedral Barn (install an entry vestibule, connect the two barns with elevators, install access to the mezzanine, renovate the first floor, and improve the amphitheater area).
- Objective 2.2: Pursue funds for the renovation and reuse of the Historic Barn adjacent to the Cathedral Barn.
- Objective 2.3: Continue to collaborate with the City of Traverse City to control stormwater at Hickory Hills and Hickory Meadows.
- Objective 2.4: Add clear and comprehensive signage at each of the parks that offer educational information (plant and wildlife, history); directions and mapping, safety warnings, and park rules and/or expectations.

The Action Plan section of the overall Recreation Plan includes a narrative that expands upon each goal. The Action Plan narrative for Goal 2 is attached for reference.

The full 5-Year Recreation Plan can always be accessed online at [www.recauthority.org](http://www.recauthority.org).

## **Goal 2: Complete all capital improvement projects outlined in the 2019 Public Visioning for Historic Barns Park and Hickory Meadows.**

While great strides have been made, the barns at Historic Barns Park remain in need of renovations to serve the public most effectively. The Rec Authority has estimated a cost of \$4,835,329.99 for capital improvement projects for the barns. These improvements include the following:

1. Constructing an entry vestibule for the Cathedral Barn
2. Developing the lower level of the Cathedral Barn to hold offices, storage and a green room/bride's room.
3. Constructing an elevator, stairs and renovated lobby to connect the two barns and make both levels of both barns universally accessible to the public.
4. Rehabilitating the upper and lower floors of the Historic Barn for modern reuse, consistent with the 2007 and 2019 Public Visioning and the master site plan.

Improvements 1-3 are of higher immediate priority for the Rec Authority to complete than improvement 4.

The Rec Authority, in meeting the objectives of Goal 2, will also seek further coordination with the City of Traverse City to address the stormwater runoff leaving Hickory Hills and impacting the infrastructure at Hickory Meadows. While the City has done well to respond when infrastructure is affected by runoff, a long-term solution should be identified. The Rec Authority is open to helping the City pursue funding from the State of Michigan and other sources to fund the enhancements.

Additionally, the Rec Authority will work to develop a coordinated signage plan for all three properties. Some signage planning has already been completed and implemented, such as an approved template for information signage deployed by the partner entities at Historic Barns Park. However, there still exists the need to display Rec Authority branded signage (particularly at park entrances) that creates a sense of place for park visitors. Therefore, while the Rec Authority will not seek to replace partner signage, it will work to inventory existing signage to see what is missing. Entrance signage is needed for Historic Barns Park and Hickory Meadows. Historic Barns Park would benefit from additional historical information signage. Hickory Meadows would benefit from signs that indicate directions, park rules and regulations, history, as well as plant and animal information. The West Bayfront site should have information signage that describes the dynamics of the Great Lakes shoreline. The Rec Authority will support this action item through its operating funds and/or grant funding.



**RECAUTHORITY**  
TRAVERSE CITY / GARFIELD TOWNSHIP

# Communication to the Recreational Authority

FOR THE MEETING OF FEBRUARY 2, 2022

DATE: FRIDAY, JANUARY 28, 2022

FROM: MATT COWALL, EXECUTIVE DIRECTOR

SUBJECT: CONSIDERATION OF 2020-21 AUDITED FINANCIAL  
STATEMENTS

Attached are the 2020-2021 Audited Financial Statements for the Authority. The required annual audit is presented to the Board for your review and acceptance. This year's audit is status quo and clean.

The following motion would be appropriate to accept the Audited Financial Statements:

**That the Audited Financial Statements for the fiscal year end June 30, 2021, be accepted.**

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**RECAUTHORITY**  
TRAVERSE CITY / GARFIELD TOWNSHIP

**CITY OF TRAVERSE CITY AND CHARTER  
TOWNSHIP OF GARFIELD  
RECREATIONAL AUTHORITY**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021



Vredeveld Haefner LLC  
CPAs and Consultants

# CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD RECREATIONAL AUTHORITY

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## Vredeveld Haefner LLC

CPAs and Consultants  
10302 20<sup>th</sup> Avenue  
Grand Rapids, MI 49534  
Fax (616) 828-0307

Douglas J. Vredeveld, CPA  
(616) 446-7474  
Peter S. Haefner, CPA  
(616) 460-9388

### INDEPENDENT AUDITOR'S REPORT

December 13, 2021

Members of the Board  
City of Traverse City and Charter Township of Garfield Recreational Authority

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Traverse City and Charter Township of Garfield Recreational Authority (the "Authority"), Grand Traverse County, Michigan, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Traverse City and Charter Township of Garfield Recreational Authority, as of June 30, 2021, and the respective changes in financial position 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 on pages 3 through 5 and the information on page 21 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.

*Uredaxeld Haefner LLC*

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

# City of Traverse City and Charter Township of Garfield Recreational Authority

## Management's Discussion and Analysis

Our discussion and analysis of the City of Traverse City and Charter Township of Garfield Recreational Authority's (the Authority) financial performance provides a narrative overview of the Authority's financial activities for the year ended June 30, 2021. Please read it in conjunction with the Authority's financial statements.

### Financial Highlights

- Put forth a ballot measure in the November 3, 2020, general election that was approved by voters in the city and township with 72% in favor. The measure extended the Authority's known operating window until 2039, and provided some extra operating support for the Authority to pursue the acquisition and public preservation of 76 more acres of land adjacent to existing parks (a beautiful, forested parcel we have tentatively dubbed "Hickory Forest").
- Following the passage of the new operating millage, the Authority prepared a 5-Year Rec Plan that was successfully accepted by the Michigan Department of Natural Resources (DNR) in February 2021. An approved Rec Plan makes the Authority an eligible applicant for DNR recreational grant programs.
- Submitted a grant application to the DNR Michigan Natural Resources Trust Fund in April 2021. The grant request of \$467,600 would fund 70% of the Hickory Forest property purchase, with a 30% local cash match (\$200,600) provided by the Rec Authority using receipts from the new operating millage. The total cost of the targeted acquisition is \$668,200. Awards are announced in December of 2021.
- Substantially completed the road, parking and stormwater project at Historic Barns Park, with formal project closeout expected in fall of 2021.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

#### Government-wide financial statements

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

The *statement of net position* presents information on all of the Authority'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 Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority'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 Authority that are principally supported by intergovernmental and fee 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 Authority currently has no business-type activities.

## 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 Authority, like other units of government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority utilizes two governmental funds.

### Governmental funds

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

### 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.

### Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This includes this discussion and analysis as well as a budgetary comparison schedule, which is provided for the general fund, to demonstrate compliance with the annual appropriated budget.

### Condensed Financial Information

The following table represents condensed information about the Authority's financial position for the past two fiscal years. Total net position includes the investment in capital assets which consists of the capital assets held by the Authority, net of related accumulated depreciation and outstanding debt.

	<u>2021</u>	<u>2020</u>
Current and other assets	\$1,229,127	\$1,573,735
Capital assets	7,839,747	7,324,479
<b>Total assets</b>	<b>9,068,874</b>	<b>8,898,214</b>
<b>Deferred outflows of resources</b>	<b>71,050</b>	<b>93,486</b>
Current and other liabilities	704,357	863,657
Long-term liabilities	2,030,000	2,615,000
<b>Total liabilities</b>	<b>2,734,357</b>	<b>3,478,657</b>
Net position		
Investment in capital assets	5,295,797	4,267,965
Restricted	759,628	686,880
Unrestricted	350,142	558,198
<b>Total net position</b>	<b>\$6,405,567</b>	<b>\$5,513,043</b>

## Revenue and Expenses

The Authority's net position increased \$892,524 during the year ended June 30, 2021. A summary of revenues and expenses for the past two fiscal years is presented below.

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 58,584	\$ 106,674
Grants and contributions	273,991	16,990
General revenues		
Property taxes	963,985	830,522
Other	1,193	2,854
<b>Total revenues</b>	<b>1,297,753</b>	<b>957,040</b>
<b>Expenses</b>		
Recreation	320,480	292,952
Interest on long-term debt	84,749	96,630
<b>Total expenses</b>	<b>405,229</b>	<b>389,582</b>
<b>Change in net position</b>	<b>892,524</b>	<b>567,458</b>
Net position, beginning of year	5,513,043	4,945,585
<b>Net position, end of year</b>	<b>\$6,405,567</b>	<b>\$5,513,043</b>

## General Fund Budgetary Highlights

There were no budget amendments to the general fund during the year.

## Capital Asset and Long-Term Debt Activities

The Authority did major road construction during the year, and made their scheduled bond payment during the year.

Additional information on capital assets and debt can be found in the footnotes to the financial statements.

## Future Projections

The fiscal position of the Authority improved, with property tax rates of 0.1500 mill for the operating millage (up from 0.0968 mill thanks to the new extra-voted millage) and 0.3300 mill for the debt service millage. The following items were considered in preparing the 2021-2022 budget:

- Completion of the road construction project at Historic Barns Park.
- The public purchase and preservation of Hickory Forest pending a grant from the Michigan Natural Resources Trust Fund.
- Ongoing operations, maintenance and improvement of all Rec Authority properties as the economy and community adapt to and emerge from conditions of the coronavirus pandemic.

## Contacting Recreational Authority Management

This management discussion and analysis provides an overview of the current and prospective financial condition of the Authority's operations and financial position. If there are questions concerning this report or if additional information is desired, please contact the executive director at 231-929-3696 or e-mail [mcowall@liaa.org](mailto:mcowall@liaa.org).

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## **BASIC FINANCIAL STATEMENTS**

**CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD  
RECREATIONAL AUTHORITY**

**STATEMENT OF NET POSITION**

**JUNE 30, 2021**

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	<b>Primary Government Governmental Activities</b>
<b>Assets</b>	
Current assets	
Cash	\$ 1,195,386
Prepaid items	<u>33,741</u>
Total current assets	<u>1,229,127</u>
Noncurrent assets	
Capital assets, net of accumulated depreciation	
Land	5,567,462
Buildings and equipment	<u>2,272,285</u>
Total noncurrent assets	<u>7,839,747</u>
<b>Total assets</b>	<u>9,068,874</u>
<b>Deferred outflows of resources</b>	
Deferred loss on refunding	<u>71,050</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable and accrued expenses	71,753
Unearned revenue	47,604
Debt due within one year	<u>585,000</u>
Total current liabilities	704,357
Noncurrent liabilities	
Debt due in more than one year	<u>2,030,000</u>
<b>Total liabilities</b>	<u>2,734,357</u>
<b>Net Position</b>	
Net investment in capital assets	5,295,797
Restricted for debt service	759,628
Unrestricted	<u>350,142</u>
<b>Total net position</b>	<u>\$ 6,405,567</u>

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



**CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD  
RECREATIONAL AUTHORITY**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary government</b>					
Governmental activities					
Recreation	\$ 320,480	\$ 58,584	\$ 9,872	\$ 264,119	\$ 12,095
Interest on long-term debt	84,749	-	-	-	(84,749)
<b>Total primary government</b>	<b>\$ 405,229</b>	<b>\$ 58,584</b>	<b>\$ 9,872</b>	<b>\$ 264,119</b>	<b>(72,654)</b>
General revenues					
Property taxes					
General operating					294,565
Debt service					669,420
Other revenues					330
Interest earnings					863
Total general revenues					965,178
Change in net position					892,524
Net position, beginning of year					5,513,043
<b>Net position, end of year</b>					<b>\$ 6,405,567</b>

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

**CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD  
RECREATIONAL AUTHORITY**

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

**JUNE 30, 2021**

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	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 420,983	\$ 774,403	\$ 1,195,386
Prepaid items	<u>33,741</u>	<u>-</u>	<u>33,741</u>
<b>Total assets</b>	<u>\$ 454,724</u>	<u>\$ 774,403</u>	<u>\$ 1,229,127</u>
 <b>Liabilities and fund balance</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 56,978	\$ -	\$ 56,978
Unearned revenue	<u>47,604</u>	<u>-</u>	<u>47,604</u>
<b>Total liabilities</b>	<u>104,582</u>	<u>-</u>	<u>104,582</u>
 <b>Fund balances</b>			
Nonspendable	33,741		33,741
Restricted			
Debt service	-	774,403	774,403
Assigned			
Subsequent year expenditures	142,100	-	142,100
Unassigned	<u>174,301</u>	<u>-</u>	<u>174,301</u>
<b>Total fund balances</b>	<u>350,142</u>	<u>774,403</u>	<u>1,124,545</u>
 <b>Total liabilities and fund balance</b>	<u>\$ 454,724</u>	<u>\$ 774,403</u>	<u>\$ 1,229,127</u>

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

**CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD  
RECREATIONAL AUTHORITY**

***RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET  
FOR GOVERNMENTAL FUNDS TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION***

***JUNE 30, 2021***

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<b>Fund balances - total governmental funds</b>	<b>\$ 1,124,545</b>
Amounts reported for <i>governmental activities</i> in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Add - land	5,567,462
Add - capital assets (net)	2,272,285
Deferred outflows of resources are not current financial resources and therefore are not reported as an assets in the governmental funds	
Add - deferred outflows from bond refunding	71,050
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Deduct - bonds payable	(2,615,000)
Deduct - accrued interest on bonds payable	<u>(14,775)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 6,405,567</u></b>

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

**CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD  
RECREATIONAL AUTHORITY**

**GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>Revenues</b>			
Taxes	\$ 294,565	\$ 669,420	\$ 963,985
Intergovernmental			
Grants	34,872	-	34,872
Foundation grant	239,119	-	239,119
Rental	58,584	-	58,584
Interest	222	641	863
Other income	330	-	330
	<u>627,692</u>	<u>670,061</u>	<u>1,297,753</u>
<b>Total revenues</b>			
	<u>627,692</u>	<u>670,061</u>	<u>1,297,753</u>
<b>Expenditures</b>			
Current			
Recreation			
Professional and contractual	780,614	-	780,614
Office expenses	1,172	-	1,172
Insurance and bonds	3,420	-	3,420
Facility and property	50,542	-	50,542
Debt service			
Principal	-	535,000	535,000
Interest and fees	-	65,336	65,336
	<u>835,748</u>	<u>600,336</u>	<u>1,436,084</u>
<b>Total expenditures</b>			
	<u>835,748</u>	<u>600,336</u>	<u>1,436,084</u>
Net changes in fund balances	(208,056)	69,725	(138,331)
<b>Fund balances, beginning of year</b>	<u>558,198</u>	<u>704,678</u>	<u>1,262,876</u>
<b>Fund balances, end of year</b>	<u>\$ 350,142</u>	<u>\$ 774,403</u>	<u>\$ 1,124,545</u>

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

**CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD  
RECREATIONAL AUTHORITY**

***RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES***

***FOR THE YEAR ENDED JUNE 30, 2021***

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<b>Net changes in fund balances - total governmental funds</b>	\$ (138,331)
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Amounts reported for *governmental activities* in the statement of activities are different because

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

Add - capital outlay	582,095
Deduct - depreciation expense	(66,827)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Add - payment of bond principal	535,000
---------------------------------	---------

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.

Deduct - amortization of deferred loss on refunding	(22,436)
Add - decrease in accrued interest	<u>3,023</u>

<b>Change in net position of governmental activities</b>	<b>\$ <u>892,524</u></b>
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The accompanying notes are an integral part of these financial statements.

# CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD RECREATIONAL AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Traverse City and Charter Township of Garfield Recreational Authority (the "Authority") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies.

#### ***Reporting Entity***

The Authority serves the City of Traverse City and the Charter Township of Garfield located within Grand Traverse County. The Authority was established under the Recreational Authorities Act of 2000 for the purpose of planning and administering park and recreational programs and services for the citizens of the member units.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Authority. There are no component units to be included. The criteria for including a component unit include significant operational or financial relationships with the Authority.

#### ***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 activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues are reported in total. The Authority has no business-type or fiduciary activities.

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. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

#### ***Measurement Focus and Basis of Accounting***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

# CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD RECREATIONAL AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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Governmental funds are accounted for using the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants and interest which use a one-year collection period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures are recorded only when payment is due.

Governmental funds are accounted for on a spending or “flow of financial resources” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of “available, spendable resources”.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available, spendable resources” during a period.

The Authority maintains two governmental funds; the general fund and the debt service fund, which are reported as major governmental funds. The general fund accounts for all financial resources of the Authority except for those required to be accounted for in another fund and the debt service fund accounts for financial resources that are restricted to expenditure for principal and interest on long-term debt. The Authority does not utilize any proprietary or fiduciary funds.

### ***Budgets and Budgetary Accounting***

Comparisons to budget are presented for the General Fund. The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Director submits to the Authority a proposed operating budget for the fiscal year commencing the following July 1.
2. Prior to July 1, the budget is legally enacted through a Board motion.
3. Formal budgetary integration is employed as a management control device during the year for the general fund.
4. The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Adoption and amendment of the budget used by the Authority are governed by Michigan Law. The appropriations are based on the projected expenditures budget of the various functions of the Authority. Any amendment to the original budget must meet the requirements of Michigan Law. The Authority amended its budget during the year. Any revisions that alter the expenditures at the object level within the general fund must be approved by the Board.

### ***Deposits and Investments***

State statutes and Board policy authorize the Authority to invest in:

- a. Bond, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Bankers acceptances of United States banks.

# CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD RECREATIONAL AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended.

### **Prepaid Items**

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The Authority follows the consumption method of accounting for prepaid items.

### **Capital Assets**

Capital assets are reported in the government-wide financial statements.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value (the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction) on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Furniture and equipment	10
Land improvements	10

### **Unearned Revenue**

Funds report *unearned revenue* in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned revenue* reported in the funds were as follows:

<b>Governmental funds</b>	
Friends of Public Lands	\$ 9,064
GTB Grant SEEDS Action Plan	35,040
Hickory Meadows- TCLP Invasive Species	<u>3,500</u>
<b>Total governmental funds</b>	<u><u>\$47,604</u></u>



# **CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD RECREATIONAL AUTHORITY**

## ***NOTES TO THE FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED JUNE 30, 2021***

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### ***Long-Term Obligations***

In the government-wide financial statements the long-term debt is reported as a liability in the governmental activities statement of net position. Deferred loss on refunding bonds is recorded as a deferred outflow of resources and amortized over the life of the bond using the effective interest method. In the fund financial statements, governmental fund types recognize bond issuance costs during the period in which they are incurred. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### ***Fund Equity***

Restricted fund equity represents those portions of fund equity not available for expenditure or legally segregated for a specific future use.

Governmental funds report fund balance in the following five categories:

1. Non-spendable - the related asset's form does not allow expenditure of the balance. The assets are either (a) not in a spendable form or (b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, non-current financial assets, and the nonspendable portion of endowments. Non-spendable fund balance related to prepaid items is shown net of related deferred revenue in the financial statements.
2. Restricted – the related assets can only be spent for the specific purposes stipulated by constitution, external resource providers, or as identified in enabling legislation.
3. Committed – the related assets can only be spent for a specific purpose identified by formal action of the entities governing board.
4. Assigned – the related assets can only be spent for a specific purpose identified by management as authorized by the governing board.
5. Unassigned - is the residual classification and includes all spendable amounts not contained in the other classifications.

### ***Net Position and Fund Balance Flow Assumptions***

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position/fund balance and unrestricted – net position/fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to use restricted resources first, then unrestricted resource as they are needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### ***Risk Management***

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance to cover risks of losses. The Authority has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

# CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD RECREATIONAL AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2021**

### 2. APPROPRIATIONS IN BUDGETARY FUNDS

Michigan law provides that a local unit shall not incur expenditures in excess of the amount appropriated.

Budgets for expenditures are adopted on the object level.

During the year ended June 30, 2021, the Authority incurred no costs in excess of the amounts appropriated.

### 3. DEPOSITS AND INVESTMENTS

The Authority's cash balances were in financial institutions located in Michigan as required by State law. All accounts are in the name of the Authority. They are recorded in Authority records at fair value.

#### ***Deposit risk***

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. As of year-end, \$946,008 of the Authority's bank balance of \$1,196,008 was exposed to custodial credit risk because the balance was uninsured and uncollateralized.

### 4. CAPITAL ASSETS

Capital asset activity for the year was as follows:

	<b>Balance July 1, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2021</b>
<b>Governmental activities</b>				
Capital Assets, not being depreciated				
Land	\$5,567,462	\$ -	\$ -	\$5,567,462
Total capital Assets, not being depreciated				
Capital assets, being depreciated				
Land improvements	36,865	-	-	36,865
Buildings	2,222,351	582,095	-	2,804,446
Equipment and furniture	11,699	-	-	11,699
Total capital assets, being depreciated	2,270,915	582,095	-	2,853,010
Less accumulated depreciation for				
Land improvements	13,950	3,000	-	16,950
Buildings	494,779	62,835	-	557,614
Equipment and furniture	5,169	992	-	6,161
Total accumulated depreciation	513,898	66,827	-	580,725
Net capital assets, being depreciated	1,757,017	515,268	-	2,272,285
<b>Governmental activities capital assets, net</b>	<b>\$7,324,479</b>	<b>\$515,268</b>	<b>\$ -</b>	<b>\$7,839,747</b>

# CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD RECREATIONAL AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2021**

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

**Governmental activities**

Recreation	<u>\$66,827</u>
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### 5. LONG-TERM DEBT

The following is a summary of the long-term debt transactions of the Authority for the year ended June 30, 2021:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2021</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
<b>Private placement bond</b>					
\$5,335,000 2013 unlimited tax general obligation bond; due in annual installments of \$50,000 to \$725,000 plus interest at 2.26% through October 2024	\$3,150,000	\$ -	\$535,000	\$2,615,000	\$585,000

The annual requirements to amortize all debt outstanding as of year-end are as follows:

	<u>Governmental Activities</u>	
<u>Year Ending June, 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 585,000	\$ 52,489
2023	630,000	38,759
2024	675,000	24,013
2025	725,000	8,192
2026	-	-
<b>Total</b>	<u><b>\$2,615,000</b></u>	<u><b>\$123,453</b></u>

### 6. RELATED PARTY TRANSACTIONS

During the current year, the Authority utilized Garfield Charter Township for services including general management and accounting services in exchange for payments of approximately \$5,900.

### 7. AUTHORITY MANAGEMENT

The Authority contracts with the Land Information Access Association ("LIAA") for general management and financial reporting services in exchange for payments of approximately \$76,100 during the year ended June 30, 2021.

# **CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD RECREATIONAL AUTHORITY**

## ***NOTES TO THE FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED JUNE 30, 2021***

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### **8. TAX ABATEMENTS**

The Authority receives reduced property tax revenues as a result of Industrial Facilities Tax (IFT) exemptions granted by the City of Traverse City. IFT exemptions entered into under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. An IFT certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government and is computed at half the local property tax millage rate, amounting to a reduction in property taxes of approximately 50%.

For the year ended June 30, 2021, the Authority's property tax revenues were reduced by \$490 as a result of Industrial Facilities Tax exemptions.

The Authority receives reduced property tax revenues as a result of Brownfield Redevelopment Authorities created by the City of Traverse City. Public Act 381 of 1996, the Brownfield Redevelopment Financing Act, was adopted in the State of Michigan as a means to authorize municipalities to create a brownfield redevelopment authority to facilitate the implementation of brownfield plans; to create brownfield redevelopment zones; to promote the revitalization, redevelopment, and reuse of certain property, including, but not limited to, tax reverted, blighted, or functionally obsolete property; to prescribe the powers and duties of brownfield redevelopment authorities; to permit the issuance of bonds and other evidences of indebtedness by an authority; to authorize the acquisition and disposal of certain property; to authorize certain funds; to prescribe certain powers and duties of certain state officers and agencies; and to authorize and permit the use of certain tax increment financing.

For the year ended June 30, 2021 the Authority's property tax revenues were reduced by \$8,129 as a result of the Brownfield Redevelopment Authorities.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF TRAVERSE CITY AND CHARTER TOWNSHIP OF GARFIELD  
RECREATIONAL AUTHORITY**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Amount</u></b>	<b><u>Positive (Negative)</u></b>
<b>Revenues</b>				
Taxes	\$ 185,000	\$ 185,000	\$ 294,565	\$ 109,565
Intergovernmental				
Grants	21,000	21,000	34,872	13,872
Foundation grant	239,119	239,119	239,119	-
Rental	90,000	90,000	58,584	(31,416)
Interest	1,000	1,000	222	(778)
Other income	-	-	330	330
<b>Total revenues</b>	<u>536,119</u>	<u>536,119</u>	<u>627,692</u>	<u>91,573</u>
<b>Expenditures</b>				
Current				
Recreation				
Professional and contractual	846,500	846,500	780,614	65,886
Office expenses	2,000	2,000	1,172	828
Insurance and bonds	4,000	4,000	3,420	580
Facility and property	70,200	70,200	50,542	19,658
Transportation	500	500	-	500
<b>Total expenditures</b>	<u>923,200</u>	<u>923,200</u>	<u>835,748</u>	<u>87,452</u>
Net changes in fund balance	(387,081)	(387,081)	(208,056)	179,025
<b>Fund balance, beginning of year</b>	<u>558,198</u>	<u>558,198</u>	<u>558,198</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 171,117</u>	<u>\$ 171,117</u>	<u>\$ 350,142</u>	<u>\$ 179,025</u>



# Communication to the Recreational Authority

FOR THE MEETING OF FEBRUARY 2, 2022

DATE: FRIDAY, JANUARY 28, 2022

FROM: MATT COWALL, EXECUTIVE DIRECTOR

SUBJECT: REPORTS

Expected reports include:

- Grand Traverse Conservation District (verbal)
- Event Facility Management (written)
- Quarterly Report from SEEDS (written) and other updates from Management Entities at Historic Barns Park (verbal, Botanic Garden and TC Community Garden)
- Any reports from Board members (verbal)
- Executive Director's report and updates (verbal); expected updates include:
  - Recognition of service to the Board of Directors
  - Banking
  - Updates on storm damage and repairs
  - State Historic Preservation Office
  - Hickory collaboration/coordination with City Parks
  - Planning for Hickory Forest
- ~~Approved minutes from the meeting of the Hickory Meadows Advisory Committee~~ (did not meet)





**RECAUTHORITY**  
TRAVERSE CITY / GARFIELD TOWNSHIP

## Recreational Authority Board Report

Wednesday February 2nd, 2022

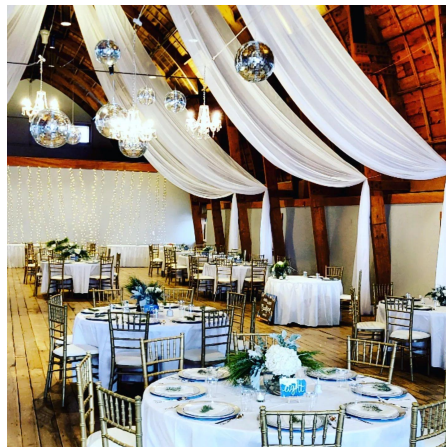
Venue manager - Stephanie Lee Wiitala/Sunrise 2 Sunset Events

### Current business and updates:

- January has been one of the best January's in the History of The Cathedral Barn Venue Rentals. Yen Yoga has been in the venue about everyday during the week and some weekends. We had a few more winter weddings including one on New Year's Day to kick off the year, and helping host another successful TSO concert weekend too. 2022 is off to a fantastic start!
- I am working on getting a new cleaning company bids for the larger cleanings at the barn this coming summer/fall. My business will continue to handle routine cleaning, and large event cleanings for the winter and spring until further notice.
- Working with Advantage Electric to fix lighting issues that came after a recent power outage with our can lights in the main venue space. We have one light burnt out and one flickering. We have other issues with the dimmers too. I will be working with Advantage over the next month to get costs to fix these before event season takes off.
- Floor repairs may be coming up again soon. With how busy the barn is it will be difficult to get someone in here for any extensive work like we did in 2019. I will start to reach out to the group we worked with before to see about a quote for repairs and timing. It may not be as extensive since the fixes are smaller, though they could become larger issues as wear and tear continues.
- Rentals for this current fiscal year are looking the best yet and a great comeback after a tough year in 2020/2021. I am preparing a report to share at the March meeting to show you an analysis of how we are doing, some of the recovery from the pandemic issues, and make projections for the next couple of years to come.

### Scheduled Upcoming Events for 2022:

- Yen yoga classes have been booked at the barns for the months of January now through the end of April 2022. We have been taking a two month out approach that seems to work well. They are a true joy to have in the space and their students appreciate it very much. They sell out many of their classes with wait lists to get in.
- TSO summer events are locked in and we are beginning the preparations. After this past weekend's concert we had such positive feedback about the park that one of their attendees decided to sponsor one of the summer concerts- believing that this is truly a special place for them to be holding their events.
  - 2022 bookings are going really well- and still booking for all months a variety of events from meetings, to weddings, to dance recitals.



Disco Balls and Chandeliers to start the year 2022!



seeds  
Ecology & Education Centers

## SEEDS Center at Historic Barns Park 2022 Q1 Report on Goals

### Regenerative Food Systems and Carbon Rich Soils

1. Soil Health & Food Access
  - a. The Farmer Residency RFP is being broadcast.
  - b. Father Fred will be renewing their residency and Giving Garden, donating all produce to their guests.
  - c. We sold out again the available quantity of SEEDS Garlic withholding bulbs that were planted in fall of 2021. They will be among the first green things popping up this spring!
2. Feeding Soil, Cleaning Water, Sequestering Carbon
  - a. Agricultural growing practice standards are clearly outlined in RFP.
  - b. Planning for the 1000 tree installation with Conservation Resource Alliance is underway.
  - c. Preliminary analysis of SEEDS composting capacity at HBP indicates that we can build-out systems to handle roughly 15 tons of material per year. Our build-out goals include utilizing a variety of composting systems, including tumblers, 3-bin systems, vermiculture (use of worms), and bokashi (fermentation based system) as demonstrations to inspire and coach new backyard composters across the region.

### Showcasing Carbon Prevention and Drawdown Technologies

1. Enhancing the Built Environment
  - a. Using HBP as a demonstration and training center to inspire new composters across the region, preliminary analyses suggest that, in the 10-county region, it will be feasible to scale small-to-medium, decentralized management systems to handle more than 1500 tons of material diverted from landfills, thereby preventing close to 2000 metric tons of CO<sub>2</sub>equivalents annually.
  - b. Again, related to regional composting, some of the most intriguing value-added products are designed for erosion controls. Compost “blankets” can protect bare ground, permeable berms and “socks” also prevent erosion and runoff and can also be planted to enhance a site long term. We have joined a statewide campaign with the Michigan Organics Council known as *Landscape for the Lakes* to expand access to information and resources related to utilization of composted products to enhance water quality.
  - c. The bathroom in Workshop 223 has passed its final inspections and is fully operational using water efficient plumbing fixtures, a historic mop sink, and one small mini-split is conditioning the space.



- d. Sarna volunteered to join Matt's huddle working on campus-wide planning efforts inclusive of pedestrian access as well as waste management.
  - e. During December the solar panels generated 55 kwhs of power which was all put into the grid, offsetting kwhs used by the Cathedral Barns. For 2021 (noting that the panels were operational only July through December) the panels generated a total of 1219kwhs of solar power preventing 0.86 metric tons of CO2equivalents.
  - f. Our wood reclamation activities have continued over the winter including network engagement, planning and fundraising. Our 10-county assessment of organic waste recovery opportunities, while largely food-scrap centric, does include some information about regional wood reclamation capacity and will be published as a white paper in early spring of this year.
2. Enhancing Environmental Education and Eco-Tourism
- a. Our much anticipated *Wetlands & Watersheds Exhibit* was recently installed and includes informational signage, a brochure about indigenous and non-native aggressive plants, and



a QR code linking to an animation video (produced in-house!) about the role of wetlands in the water cycle.

b. Planning and scheduling is underway with numerous education partners for opportunities to engage in and on Historic Barns Park.

c. Peer learning network activity related to clean energy, water quality, regenerative agricultural practices, organic waste reclamation, and reforestation included

working with

- The City of Traverse City's *Green Team*
- The *Urban Wood Network*
- Michigan Recycling Coalition & Michigan Organics Council
- Nextcycle Michigan inaugural *FLOWS Cohort*
- Rotary Charity's *Systems Change Community of Practice*
- *Landscape for the Lakes* campaign
- RMI and State of MI's municipal clean energy for rental housing workgroup
- UofM's *Catalyst Communities* for municipal green challengers

## Inspirational Ecological Learning for All Ages, Emphasizing Youth Engagement

1. Cultivating Healthy Collaborations and Partnerships
  - a. It's been a quiet couple of months between the MOU partner entities
  - b. See our HBP partners committed to activities during 2022 below.
  - c. Mentorship and hosting opportunities have been in hibernation in the last 2 months.
2. Providing Practical Education about Food Resilience and Carbon Drawdown
  - a. Specific workshop topics and dates are currently being finalized with NMC and Crosshatch among others.
  - b. EcoCorps crews have gotten smaller, but have continued work through the winter (a big goal of ours!). Activities include buildout finishes for the Workshop 223 bathroom and hall, building projects for our friends at Cognition, and preparing our space and tools for the coming season, all while learning valuable carpentry skills.
  - c. Our teaching staff are hoping to take advantage of opportunities to take field trips to Traverse City and to Historic Barns Park in particular. It has been an odd couple of years and planning ahead continues to be difficult and subject to change. Nevertheless, we are scanning our students to discern what resources, opportunities, and experiences would be the biggest draws, from their perspective, for HBP.
3. Creating Safe, Inviting Spaces for Learning
  - a. We maintained licensure for all hosted youth programming, as did HumanNature School.
  - b. No professional trainers were engaged with ecoCorps members in the last 2 months.
  - c. Having a nearby bathroom under our own management will open additional opportunities to host teaching and learning activities.
  - d. We are actively fundraising throughout the year, but especially during the winter season.



### SEEDS Park Partners 2022 YTD

