

**ANN ARBOR CHARTER TOWNSHIP
BOARD OF TRUSTEES MEETING MINUTES
FRIDAY, DECEMBER 19, 2008**

I. CALL TO ORDER

The regular monthly meeting of the Ann Arbor Charter Township Board of Trustees was called to order by Supervisor Moran at 2:01 p.m. at the Township Hall, 3792 Pontiac Trail, Ann Arbor, Michigan, 48105.

Present: Supervisor Michael Moran, Clerk Rena Basch, Treasurer Della DiPietro, Trustees John Allison, Randolph Perry, and Claudia Sedmak.

Absent: Trustee Richard Dieterle

Also Present: Township Comptroller Gerry Kruse.

II. CITIZEN PARTICIPATION

No citizen signed up for participation.

III. 2008 Budget Amendments

Gerry Kruse distributed new statement of activity sheets for the General Fund and the Farmland Preservation Fund; all other reports referenced were those distributed prior to the December 15th meeting. Gerry explained the reports contained additional columns of information, but what the Board needs to approve are the columns labeled "Total 2008 estimate" and "Adjustment required." He also included a balance sheet for each fund.

Gerry explained the General Fund Dept 499 Roads; there were no adjustments made. The only unusual item impacting the Roads department this year is a payment from the Foster Bridge Conservancy from previous work; the payment was previously not recorded as a receivable. A new receivable account has been established for the Joy Road work contract with Northfield Township; we are also awaiting the County Road Commission's final bill for Joy Road.

The Amended 2008 Budget results in a ~ \$79,000 reduction of previously expected surplus. This reduction is primarily due to higher legal costs; there was also a slight reduction in taxes, and other expenses were slightly higher. In spite of the higher than expected legal costs, the Township will still have a positive net.

The Comptroller answered several Board questions. The Public Safety Fund (205) covers both the Fire Department (Fund 206) and policing costs purchased from the Sheriff. The full amount of tax collected goes into Fund 205, and then an allocation for Fire Department operations goes into Fund 206. Gerry explained to the Board how some year-to-date expenses can be positive either through refunds, reimbursement by other entities, or allocation to other departments. Each department is basically a cost center, but not exactly on a line item by line item basis, e.g. postage.

The Board discussed the methods of managing capital purchases and depreciation. The budget is for operations; the only capital expenditure planning done as part of the budget is for the Capital Improvement Fund (402) and some for Utility. Accumulated depreciation is only done in the Utility Fund because it is a business operation. Depreciation is required for financial reporting, but is not a budget item for capital control on budgeting; it is not expenditure like the others. The Board discussed the modified accrual method and the GASBY requirements for end of year and audit. The Township does budgeting separately for operations and capital, except for Fund 402 and a few Utility items. It is not necessary to do a budget amendment for the Utility

Fund; all capital purchases were already approved as was the change to the WCC water loop. The Board thanked Gerry for his report.

Moran reminded the Board that the action required today was to approve the amended 2008 as presented in the column "Total 2008 Est." for each fund except Utilities. The reason for the new sheet distributed today for the General Fund is that there were a few minor corrections made to some formulas and hence the totals. Also, the expected 2008 PDR purchase has been removed as it appears to be delayed until 2009.

Allison moved to approve the amended 2008 budget as specified in the statements provided by the Comptroller for the funds 101, 205, 206, 211, 219, 402, 450 for the amounts listed in the columns "Total 2008 Est." Sedmak seconded the motion. Motion was adopted unanimously.

IV. Investment Policy

Treasurer Della DiPietro introduced a revised investment policy that incorporates the discussion from the December 15, 2008 Board meeting. A change to note in the resolution is on page 2, 1st paragraph – added Grand Haven Bank and Muskegon Commerce Bank. Both of these banks had attractive rates; the Township will stick to investing \$250,000 at a time. Another important addition is on page 4, item k – the addition of CDARS investment products. The Governor signed into law PA 307 and 308 which allows the use of CDARS for governments. CDARS products provide up to \$50M in FDIC insurance coverage for deposits at a single MI bank through a deposit exchange process among participating banks. The Township can get 3.0% for a 6 month CD. CDARS have been available to the public for private use, and are newly allowed for municipalities.

Basch moved that we adopt the resolution approving an investment and depository designation policy dated December 19, 2008. Perry seconded. The resolution was unanimously approved.

V. ADJOURNMENT

As there were no other agenda items, non agenda items, but there was a lot of snow, Moran moved to adjourn the meeting at 3:50 pm.