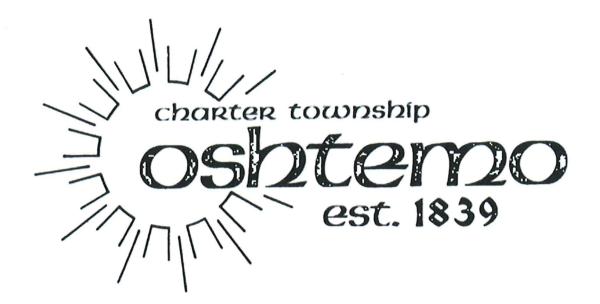
PRELIMINARY ENGINEERING REPORT NEIGHBORHOOD SANITARY SEWER EXTENSIONS PHASE I





USDA
RURAL DEVELOPMENT



Project No. 828340



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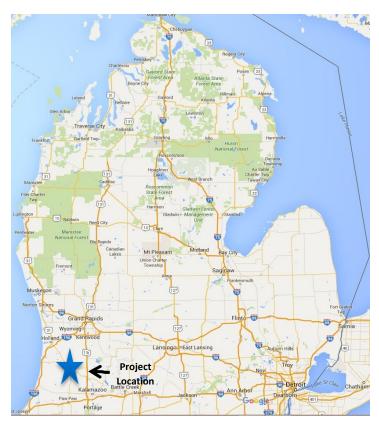
General Information

The Township of Oshtemo's Preliminary Engineering Report (PER) was prepared to fulfill the project planning requirements of the United States Department of Agriculture, Rural Development, Rural Utilities Service – Water and Wastewater Programs. This report provides the basis of evaluation of the Township's proposed construction of the wastewater system for funding from the Water and Wastewater Loan and Grant Program.

Project Narrative

The Township of Oshtemo is located in Southwest Michigan in Kalamazoo County. It is located half way between the cities of Chicago and Detroit, just north of Interstate 94 with US 131 bisecting the eastern end of the township north-to-south. The Township of Oshtemo was incorporated as a Township in 1839. Today the Township covers an area approximately 36.1 square miles, includes several parks and both commercial and industrial areas. According to the 2010 Census, the Township had a population of 21,705. A map showing the location of the Township of Oshtemo is shown below.

The Township of Oshtemo is planning to undertake a project to expand its wastewater collection system throughout several neighborhoods.



Map Source: Google Maps



Project Planning Area

The project planning area is located in select areas on the east side of the Township. The project planning area was developed based on the existing sanitary service area compared to unserved areas located within feasable distance for connection. The Township developed a multi-year plan to provide sanitary sewer to areas most prone to septic faillure.

Location Map

The map in Figure 1 shows the project planning area.

Environmental Resources Present

An environmental report which includes the State Historic Preservation application and USDA endangered species search has been completed. The project is a categorical exclusion with an environmental reort.

Population Trends

The projected 20 year water demand for the Township was estimated using historical and present population numbers obtained from the U.S. Census Bureau. The population has grown over the last 20 years and is expected to almost double in the next 20 years. The populations in the table below show the historical, and projected population.

OSHTEMO POPULATION TRENDS AND PROJECTIONS

Year	Population
1960¹	3,634
1970¹	6,237
1980¹	10,985
1990¹	13,401
2000¹	17,003
2010¹	21,705
2020 ² (estimate)	26,407
2030 ² (estimate)	35,811

¹Historical population data from U.S. Census ²Projected population data from Township Master Plan.



Community Engagement

The Township held numerous public meetings to discuss sanitary sewer extensions. The following list describes the public meetings where sanitary sewer was discussed.

Board Meetings Inclusive of Sanitary Sewer Capital Improvements Projects & Planning (CIP)

2017-06-27 Board Meeting with discussion on USDA Rural Development Loan Application

2017-06-13 Board Meeting with discussion on USDA Rural Development Loan Application

2017-05-16 Joint Board Meeting with discussion on USDA Rural Development Loan Application

2017-04-11 Board Meeting with authorization to conduct an Environmental Report for the USDA Rural Development Grant and Loan program full application.

2017-03-14 Board Meeting with authorization to bid the 2017 KL Ave Sanitary Sewer Extension Project

2017-02-21 Joint Boards Meeting with discussion on USDA Rural Development Loan Program

2017-02-14 Board Meeting with authorization to sign and submit the Sanitary Sewer USDA Rural Development Pre-Application

2017-01-24 Board Special Meeting with discussion on Rural Development Loan and Sewer Extensions

2016-11-15 Board Meeting with adoption of 6-year CIP and 2017 Capital Budget

2016-10-25 Board Meeting with review of revised CIP

2016-10-11 Board Meeting review of CIP

2016-09-13 Board Meeting with 2017 Budget Workshop (and proposed long-range CIP)

2016-08-25 Board CIP and Budget Workshop

2016-08-23 Board Meeting with Skyking Meadows III - public sewer extension as CIP component

2016-06-28 Board Meeting on USDA Rural Development grant/loan assistance for Sanitary Sewers

2016-03-15 Board Meeting to accept Contracts for 10th and Atlantic sewer extensions

2016-01-12 Board Meeting to Wastewater Ordinance (regarded as the critical step towards sewer system expansion)

2015-12-08 Board's first reading of Wastewater Ordinance

2015-11-10 Board work session on sanitary sewer system expansion (continued)

2015-10-27 Board work session on sanitary sewer system expansion (continued)

2015-10-13 Board work session on sanitary sewer system expansion

2015-10-13 Board Approval of 6-year sewer CIP (unfunded)

2015-02-17 Joint Boards' Meeting (Township, Planning, ZBA) to review CIP needs

2015-01-20 Board Meeting with agenda planning for February Joint Board's meeting on CIP needs

2014-02-11 Board Work Session on CIP planning for sanitary sewers

2013-04-16 Board Retreat – CIP focused and review of needed sewer extensions

Other Public Meetings (Sanitary Sewer CIP)

2016-05-25 Residents Meeting (Atlantic and 10th)

2016-05-17 Capital Improvements Committee with review of sewer CIP project financing options

2016-03-03 Public Bid Openings of Sewer Projects (Atlantic Avenue and North 10th St)

2016-01-19 Capital Improvements Committee Meeting with Mandatory Sewer Connection recommendation to board

2014-03-18 Capital Improvements Committee Meeting with CIC sewer projects planning

2014-02-18 Capital Improvements Committee Meeting with review of Board's direction from recent work session.



Newsletter Stories

2017-05 Oshtemo Township Sewer Update

2017-03 Brief Sewer Summary

2016-12 Board seeking grant or low interest loan for sewer

2016-09 Hired Fleis & VandenBrink to help with the Rural Development Loan

2016-03 Strategically installing sewer when rebuilding roads

Existing Facilities

Most of Oshtemo township is served by on-site septic systems. These systems were installed primarily by property owners at the time of construction. The Township has been proactive in providing sanitary service as the area contiues to grow in density. The sanitary sewer system has approximately 1,617 customers and discharges to the City of Kalamazoo wastewater system. The collection system is operated and maintained by the City of Kalamazoo per a Wastewater Agreement. Oshtemo Township soils are not favorable to on-site septic systems. The soil map on page 11 shows the limitations of absorption due to soil characteristics

History

Oshtemo Township's original wastewater system was expanded from Kalamazoo in the late 1960's. The system is comprised of sewer pipes ranging in size from 6-inch to 27-inch in diameter. The system was initially installed using federal funds. As the Township continued to grow, additional neighborhoods were built with onsite septic systems.

Oshtemo is currently operating under a 1984 Wastewater Agreement with the City of Kalamazoo. The Agreement specified it would remain in effect a minimum of 30 years, to continue indefinitely until terminated by one side.

A summary of the existing wastewater system is shown in the Summary Tables on page 12.

Condition of Facilities

The City of Kalamazoo provides routine cleaning, repair and replacement of the system as part of the Wastewater Agreement.

The existing septic systems in the project area are over 20 years old. Each homeowner is responsible to maintain and repair their septic system. These systems are in the first stages of needing repair and replacement. As these systems continue to age, property owners are faced with the burden to repair or replace. Small lot sizing prevents the home owner from meeting current septic replacement standards. The County Health Department calculated 59.1% of homes have systems which do not comply with current requirements.

The Township has eleven wastewater pump stations, ten with stand-by emergency generators. Each pumping station is operated and maintained by the City of Kalamazoo per the Wastewater Agreement.

The sanitary system is operated under the City of Kalamazoo NPDES permit.

Financial Status of Operating Public Facilities

Operations and Maintenance Costs

Operations and maintenance costs for the wastewater system are included in the rates set by the City. The City's rate structure establishes separate rates for residents inside and outside the City. Oshtemo Township pays the same rate as every municipality outside the Kalamazoo city limits.

2. Debts

Oshtemo Township has no debts on the system at the time of application.



Purpose & Need

The Township of Oshtemo has a Master Capital Plan to expand sanitary service to properties not currently serviced. A high proportion of the area is residential subdivisions located near existing service but currently using private, on-site septic systems. As these systems fail, an additional financial burden is placed on the residents to maintain them. Failed systems in highly populated areas have potential to create health hazards. The Township has delayed street reconstruction and repairs hoping to secure funding for the sanitary updates to include them in the street reconstruction and repairs.

System Operation & Maintenance

The system is currently operated and maintained by the City of Kalamazoo per the 1984 Wastewater Agreement. Operation and maintenance costs are included in the rate structure charged by the City for communities outside the city limits.

Alternatives Considered

Three alternatives were explored for this proposed project. Do nothing; install a vacuum/pressure sewer system; install a gravity system with mechanical pumping stations. Table 1 shows a comparison of the alternatives considered

Wastewater Collection Options

Most of the existing sanitary sewer collection system is believed to be adequate for the present and future conditions.

Table 1 - List of the Alternatives

Alternative	Estimated Costs	Beneficial Environmental Impacts	Potential Adverse Environmental Impacts
1 - No action	\$0.00	None	Some
2 – Vacuum/pressure Sewer Systems	Variable	Improved condition to some sewer sections	Increased energy usage
3 – Neighborhood Sanitary Sewer Expansion	\$25,182,000	Improved reliability of sewer system	None

Alternative 1: No Action

It is not feasible for the Township of Oshtemo to do nothing with regard to their sewer system. If no action is taken, it would leave the residents without connection to sanitary sewer. The current on-site septic tanks will continue to discharge raw effluant into the soil. Eventually these systems will reach the end of useful lives and the Township will be required to construct a sanitary expansion at a great expense to the community.



Alternative 2: Vacuum/Pressure Sewer Systems

The Township considered the option of installing pressure based sewer systems. This option was discussed with the City of Kalamazoo. The City of Kalamazoo determined it would not maintain a pressure/vacuum sewer system.

Administrative obstacles are also significant. The City of Kalamazoo currently provides sanitary sewer O&M services to 11 local jurisdictions outside the City boundary. By individual contract (with common language), O&M costs are proportioned among the local entities. The increased O&M required of a pressure-based sewer system unique to the Township of Oshtemo would disrupt the common, equity-based formula used for the distribution of O&M costs among customer communities.

The Township relies on the City of Kalamazoo for operation, maintenance, and fee collection. The Township does not possess the equipment or staff to operate, maintain, or collect fees for a vacuum/pressure system. Because the City of Kalamazoo indicates they will not maintain a pressure/vacuum system, this option is not feasable.

Alternative 3: Neighborhood Sanitary Sewer Expansion

Gravity sewers with mechanical pump stations are currently the only type of system the City of Kalamazoo is willing to mainitain per the Agreement. With no other feasable options, Alternative 3, expansion, is the default choice.

Design Criteria used for the Project

The design criteria to be used for this project will comply with USDA-RUS Design Policies (7 CFR 1780.57); the State of Michigan NREPA, Part 41 of Act 451,1994, as amended, and its administrative rules; EPA Guidelines and the Recommended Standards for Wastewater Facilities (Ten States Standards). Permits will be acquired per the MDEQ regulations for the improvements. Soil borings and a geotechnical analysis of the borings will be completed as part of the design process.

Land Requirements

The proposed sanitary sewer pipes will be located within the street/roadway right of ways. Additional land may be required for construction of the lift stations.

Construction Problems

There are no known high ground water, contaminated soils or other construction problems at this time.

Map

Figure 2 showing the limits of the wastewater system improvements can be found at the end of this report.



Project Cost Estimates

Total project cost is approximately \$25,182,000.

Project cost estimates for each alternative are as follows:

Alternative No. 1 - No Action:

Total Project Cost \$ 0

Alternative No. 2 - Vacuum Systems

Total Project Costs Variable

Alternative No. 3 - Neighborhood Sanitary Sewer Expansion

Construction Costs Total	\$ 20,527,000
Project Contingencies	\$ 2,053,000
Design & Construction Engineering	\$ 2,361,000
Administrative and Legal Expenses	\$ 241,000
Total Project Cost	\$ 25,182,000

Advantages/Disadvantages

Alternative No. 3, expansion, meets the Township's short and long-term objectives of providing existing users with reliable sanitary service and converting on-site septic properties to the sewer system. The Township is taking a proactive approach to providing reliable access to sanitary sewers. The Community will be better served by the opportunity to provide sanitary sewer connections before individual on-site septic systems fail, risking public health.

Selection of an Alternative

Three alternatives were considered for Oshtemo's Sanitary Sewer Project: No Action; Vacuum/Pressure Sewers; and sewer extensions. Taking no action and Vacuum/Pressure Sewers are not feasable.

Alternative three, expansion, is the only feasable alternative for this project.



Proposed Project

The recommended alternative for the wastewater collection system is the Neighborhood Sanitary Sewer Expansion. This work includes installing new sanitary sewer mains and sanitary laterals to the right-of-way. The locations of these improvements and the estimated costs are as follows:

Collection System Improvements:

- Extend approximately 5,330 feet of sanitary sewer and add 14 sanitary manholes to 5 residential units,
 1 Small Commercial, and 2 duplexes along 11th Street and provide each lot with a sanitary lateral.
 \$1.015.000
- Extend approximately 5,800 feet of sanitary sewer and add 14 sanitary manholes and one lift station to 28 residential and 1 small commercial, and 2 Governmental properties along 7th Street and West Main Street and provide each lot with a sanitary lateral.
 \$1,474,000
- Extend approximately 2000 feet of sanitary sewer and add 8 sanitary manholes to 26 residential units on Beech Street and provide each lot with a sanitary lateral.

 \$441,000
- Extend approximately 10,200 feet of sanitary sewer and add 45 sanitary manholes to 105 residential units in the Country Club Subdivision Plat and provide each lot with a sanitary lateral.
 \$2,132,000
- Extend approximately 4300 feet of sanitary sewer and add 17 sanitary manholes to 59 residential units in the Fairlane Subdivision Plat and provide each lot with a sanitary lateral.
 \$1,040,000
- Extend approximately 3200 feet of sanitary sewer and add 46 sanitary manholes to 22 residential units in the Frie and Gibbs Subdivision Plat and provide each lot with a sanitary lateral.
 \$1,146,000
- Extend approximately 4400 feet of sanitary intercepting sewer and add 9 sanitary manholes to 18 residential and 2 small commercial, 1 industrial, and 2 apartment properties along KL Ave and provide each lot with a sanitary lateral.
 \$1,144,000
- Extend approximately 1280 feet of sanitary sewer and add 8 sanitary manholes to 11 residential units in the Meridian Subdivision Plat and provide each lot with a sanitary lateral.
 \$282,000
- Extend approximately 6080 feet of sanitary sewer and add 25 sanitary manholes to 94 residential units in the Sky Ridge Subdivision Plat and provide each lot with a sanitary lateral.
 \$1,686,000
- Extend approximately 38,470 feet of sanitary sewer and add 230 sanitary manholes to
 464 residential units in the West Port and Meadowbrook Subdivision Plan and
 provide each lot with a sanitary lateral.
 \$9,096,000
- Extend approximately 4270 feet of sanitary sewer and add 46 sanitary manholes to 66 residential units in the Whitegate Farms Subdivision Plat and provide each lot with a sanitary lateral. **\$1,071,000**

RURAL DEVELOPMENT CONSTRUCTION COSTS TOTAL:	\$20,527,000
DESIGN AND CONSTRUCTION ENGINEERING:	\$2,361,000
CONTINGENCY	\$2,053,000
PROPERTY	\$100,000
TOWNSHIP ADMINISTRATION	\$10,000
LOCAL ATTORNEY	\$15,000
BOND COUNCEL	\$25,000
SPECIAL COUNCEL	\$15,000
MUNICIPAL ADVISOR	\$75,000
DEPARTMENT OF TREASURY	<u>\$1,000</u>
TOTAL PROJECT COST OF IMPROVEMENTS:	\$25,182,000



Conclusions and Recommendations

The proposed sewer system budget may be be greater than the funding available through the USDA Rural Development. The total project is proposed to be split into three phases with prices ajusted for inflation and economies of scale. The Preliminary Engineering Report and Environmental Report will be resubmitted with each new phase application and Engineering Agreement based on the proposed phases. The proposed project phases are:

PHASE #1

- Extend approximately 5,800 feet of sanitary sewer and add 14 sanitary manholes and one lift station to 28 residential and 1 small commercial, and 2 Governmental properties along 7th Street and West Main Street and provide each lot with a sanitary lateral.
 \$1,626,000
- Extend approximately 2000 feet of sanitary sewer and add 8 sanitary manholes to 26 residential units on Beech Street and provide each lot with a sanitary lateral.

 \$487,000
- Extend approximately 4300 feet of sanitary sewer and add 17 sanitary manholes to 59 residential units in the Fairlane Subdivision Plat and provide each lot with a sanitary lateral.
 \$1,147,000
- Extend approximately 1280 feet of sanitary sewer and add 8 sanitary manholes to 11 residential units in the Meridian Subdivision Plat and provide each lot with a sanitary lateral. \$311,000
- Extend approximately 6080 feet of sanitary sewer and add 25 sanitary manholes to 94 residential units in the Sky Ridge Subdivision Plat and provide each lot with a sanitary lateral.
 \$1,859,000
- Extend approximately 4270 feet of sanitary sewer and add 46 sanitary manholes to 66 residential units in the Whitegate Farms Subdivision Plat and provide each lot with a sanitary lateral. **\$1,181,000**

RURAL DEVELOPMENT CONSTRUCTION COSTS TOTAL:	\$6,611,000
ENGINEERING – BASIC SERVICES:	\$531,000
ENGINEERING – RESIDENT PROJECT REPRESENTATIVE	\$266,000
ENGINEERING – ADDITIONAL SERVICES	\$124,000
CONTINGENCY	\$662,000
PROPERTY	\$33,000
TOWNSHIP ADMINISTRATION	\$5,000
LOCAL ATTORNEY	\$8,000
BOND COUNCEL	\$30,000
MUNICIPAL ADVISOR	\$75,000
DEPARTMENT OF TREASURY	<u>\$1,000</u>
TOTAL PROJECT COST OF IMPROVEMENTS:	\$8,346,000

PHASE #2

- Extend approximately 10,200 feet of sanitary sewer and add 45 sanitary manholes to 105 residential units in the Country Club Subdivision Plat and provide each lot with a sanitary lateral.
 \$2,469,000
- Extend approximately 38,470 feet of sanitary sewer and add 230 sanitary manholes to
 464 residential units in the West Port and Meadowbrook Subdivision Plan and provide each lot with a sanitary lateral.
 \$11,133,000

RURAL DEVELOPMENT CONSTRUCTION COSTS TOTAL: \$13,602,000
DESIGN AND CONSTRUCTION ENGINEERING: \$2,041,000
CONTINGENCY \$1,361,000



TOWNSHIP ADMINISTRATION	\$5,000
LOCAL ATTORNEY	\$8,000
BOND COUNCEL	\$15,000
SPECIAL COUNCEL	\$10,000
MUNICIPAL ADVISOR	\$75,000
DEPARTMENT OF TREASURY	<u>\$1,000</u>
TOTAL PROJECT COST OF IMPROVEMENTS:	\$17,118,000

PHASE #3

- Extend approximately 5,330 feet of sanitary sewer and add 14 sanitary manholes to 5 residential units,
 1 Small Commercial, and 2 duplexes along 11th Street and provide each lot with a sanitary lateral.
 \$1,296,000
- Extend approximately 3200 feet of sanitary sewer and add 46 sanitary manholes to 22 residential units in the Frie and Gibbs Subdivision Plat and provide each lot with a sanitary lateral.
 \$1,463,000
- Extend approximately 4400 feet of sanitary intercepting sewer and add 9 sanitary manholes to 18 residential and 2 small commercial, 1 industrial, and 2 apartment properties along KL Ave and provide each lot with a sanitary lateral.
 \$2,924,000

RURAL DEVELOPMENT CONSTRUCTION COSTS TOTAL:	\$2,924,000
DESIGN AND CONSTRUCTION ENGINEERING:	\$439,000
CONTINGENCY	\$293,000
PROPERTY	\$33,000
TOWNSHIP ADMINISTRATION	\$5,000
LOCAL ATTORNEY	\$8,000
BOND COUNCEL	\$15,000
SPECIAL COUNCEL	\$10,000
MUNICIPAL ADVISOR	\$75,000
DEPARTMENT OF TREASURY	<u>\$1,000</u>
TOTAL PROJECT COST OF IMPROVEMENTS:	\$3,768,000

This project will take a proactive approach in providing a reliable sanitary sewer collection and treatment system to users. The existing on-site septic systems are aging and most will exceed useful life within the next 10 years.

It is recommended Oshtemo Township move forward with the proposed Neighborhood Sanitary Sewer system expansion project.



Figure 1 Project Planning Area

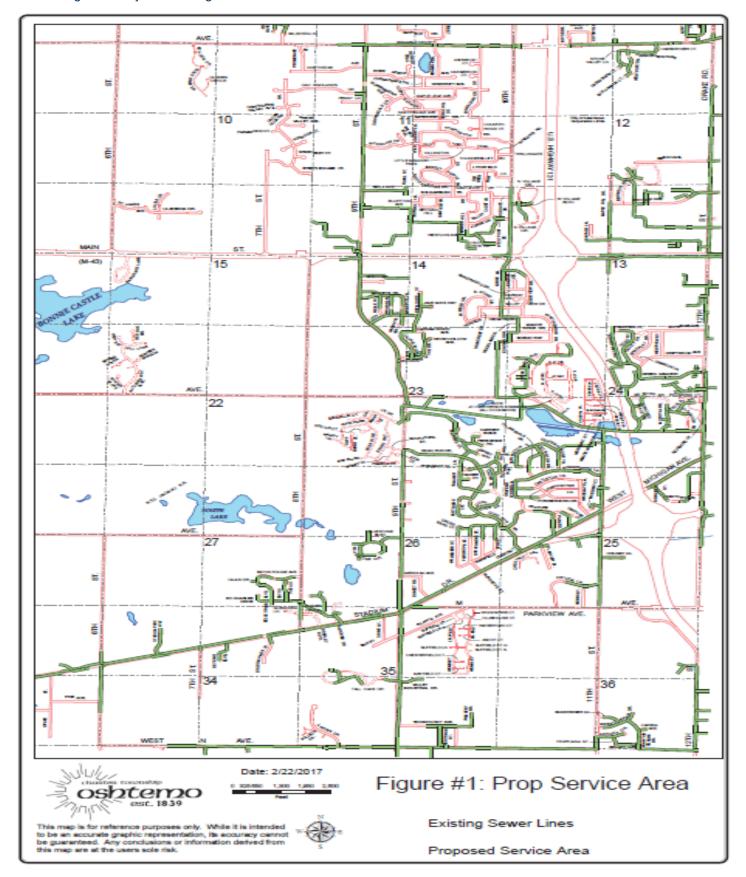
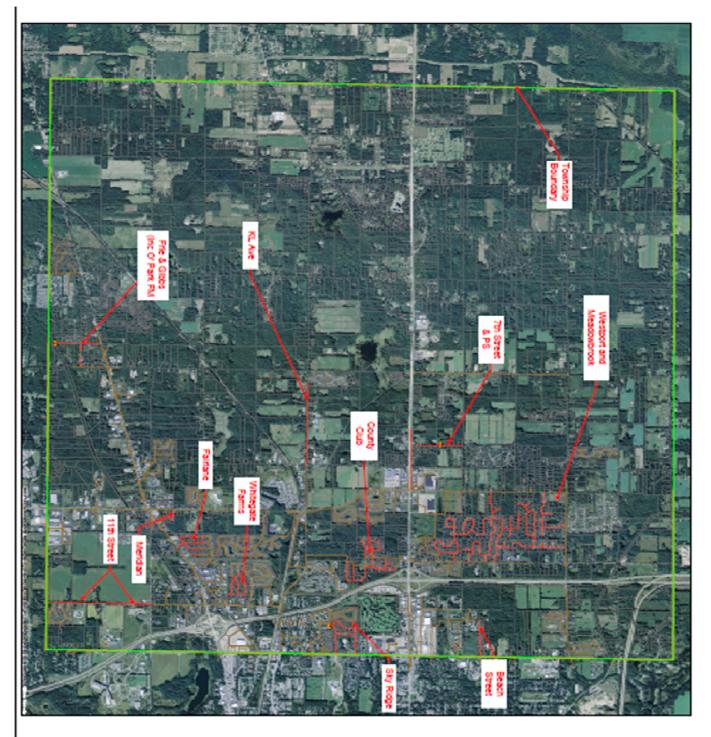




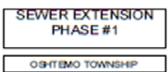
Figure 2 Limits of the Wastewater System Improvements

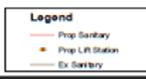










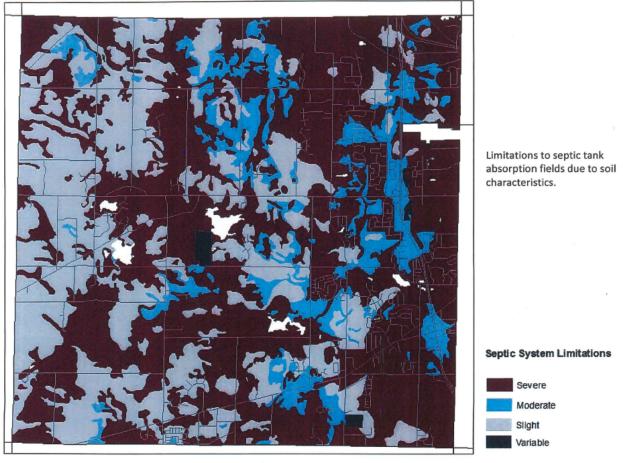






Township Soil Map

OSHTEMO TOWNSHIP



SoilErodibility



Table 2 – Existing System Sewer Summary

			Exi	isting System Sew	er Summary				
				add or delete rows or cells					
			Charter Townshi	ip of Oshtemo					
NPDES Dis	charge Permit No.		MI002399 (City	of Kalamazoo)					
Collection	Sewer:								
Type:	Gravity						-		
	F		A	0		No. of	Age	Condition	
	Footage	Material		Condition		Manholes	4 4- 50	F-:-	
6-inch			1-50 years	Good to Deteriorating		1120	1 to 50 years	Fair	
8-inch			1-50 years	Good to Deteriorating					
10-inch			1-50 years	Good to Deteriorating					
12-inch 15-inch			1-50 years	Good to Deteriorating					
15-inch			1-50 years	Good to Deteriorating Good to Deteriorating					
21-inch			1-50 years 1-50 years	Good to Deteriorating					
21-inch 24-inch			1-50 years 1-50 years	Good to Deteriorating					
27-inch			1-50 years	Good to Deteriorating					
Lift Station		i vo/ciay	1-50 years	Good to Deterior attrig					
LIII Station	Pumping								
L.S. No.	Capacity (gpm)		Condition						
1	180		Good						
2	80		Good						
3	465		Good						
4									
	1025		Good						
5	176		Good						
6	318		Good						
7	422		Good						
8	437		Good						
9	176		Good						
10	700		Good						
11	200		Good						
Treatment	Type and Description	on:		Wastewater flows to the Ci	ty of Kalamazoo WWTP.				
		No. of	Monthly		No. of Users	Projected			
			Usage		after	Total			
	.	Customer			Project	Usage			
Residential		940	5,809,848		1224	, .,			
Other Users		677	26,393,136		680	26,547,286			
Totals		1617	32,202,984		1904	33,777,134			
Cvieti:: C	to Characteria		City of Volom	no Potos		Avenous Marri	als r	7 10 002	ושכ
Existing Ra	te Structure:		City of Kalamazo	UU rales		Average Month		\$22.90 per F	ΚEU
Residential	?otomoro:	¢ 0.757	nor oubio m-+			Billing at Curre			
			per cubic meter			(all customers)		
Industrial C	Customers:		per cubic meter per cubic meter						
muusifiai Cl	JOIUTHETS.	φ U./5/	her canic meter						



Table 3 – Bond Schedule

Bond Schedule				Date:	08/28/17	
Borrower Name:	Oshtemo Town	shin	7	vne of Bond:	General Obligation	tion
nterest Rate:	3.000%		-	, po o: _o::a:	Conoral Conga	
Yrs Deferred Principle	0.00070					
Principal:	-	(round to nearest \$1000)				
Ammort. Factor	0.0433	(round to ricarest \$1000)				
Ammortized Payment:	\$361,068					
Ammoruzeu Fayment.	ψ301,000					
	1st	2nd	Principal	Total Year	Loan	
Year	Interest	Interest	Paid	Payment	Balance	
IGai	interest	interest	i alu	rayment	8,346,000	
1	125,190	125,190	111,000	361,380	8,235,000	
2	123,525	123,525	114,000	361,050	8,121,000	
3	123,323	121,815	117,000	360,630	8,004,000	
3	120,060	120,060	121,000	361,120	7,883,000	
	118,245	118,245	121,000	361,120	7,758,000	
6	116,370	116,370	125,000	361,490	7,758,000	
7	114,450	114,450	132,000	360,900	7,498,000	
8	112,470	112,470	136,000	360,940	7,362,000	
9	110,430	110,430	140,000	360,860	7,222,000	
10	108,330	108,330	144,000	360,660	7,078,000	
11	106,170	106,170	149,000	361,340	6,929,000	
12	103,935	103,935	153,000	360,870	6,776,000	
13	101,640	101,640	158,000	361,280	6,618,000	
14	99,270	99,270	163,000	361,540	6,455,000	
15		96,825	167,000	360,650	6,288,000	
16		94,320	172,000	360,640	6,116,000	
17	91,740	91,740	178,000	361,480	5,938,000	
17	91,740	91,740	178,000	361,480	5,938,000	
18	89,070	89,070	183,000	361,140	5,755,000	
19	86,325	86,325	188,000	360,650	5,567,000	
20	83,505	83,505	194,000	361,010	5,373,000	
21	80,595	80,595	200,000	361,190	5,173,000	
22	77,595	77,595	206,000	361,190	4,967,000	
23		74,505	212,000	361,010	4,755,000	
24	71,325	71,325	218,000	360,650	4,537,000	
25	68,055	68,055	225,000	361,110	4,312,000	
26	64,680	64,680	232,000	361,360	4,080,000	
27	61,200	61,200	239,000	361,400	3,841,000	
28	57,615	57,615	246,000	361,230	3,595,000	
29	53,925	53,925	253,000	360,850	3,342,000	
30	50,130	50,130	261,000	361,260	3,081,000	
31	46,215	46,215	269,000	361,430	2,812,000	
32	42,180	42,180	277,000	361,360	2,535,000	
33	38,025	38,025	285,000	361,050	2,250,000	
34	33,750	33,750	294,000	361,500	1,956,000	
35	29,340	29,340	302,000	360,680	1,654,000	
36	24,810	24,810	311,000	360,620	1,343,000	
37	20,145	20,145	321,000	361,290	1,022,000	
38		15,330 10,380	330,000 340,000	360,660	692,000 352,000	
30	10.380	10.380	.340 000	360,760	327 000	



Cost Estimate

Charter Township of Oshtemo

Neighboorhood Sanitary Sewer Extensions Phase #1

Engineer's Opinion of Probable Construction Cost



Project No.: 828340

By: MGJ

Date: 8/22/2017

Municipal Advisor

Dept of Treasury

\$

\$

75,000.00

1,000.00 8,346,000.00

Description: Sanitary sewer installation including roadway, curb and gutter, and sidewalk

Line	Item Description	Unit	Qty.		Unit Price	Amount
1	Mobilization	LS	1	\$	601,000.00	\$ 601,000.00
2	Traffic Control	LS	1	\$	100,000.00	\$ 100,000.00
3	Above Ground Video Survey	EA	6	\$	5,000.00	\$ 30,000.00
4	Surface Restoration	SYD	5,185	\$	7.00	\$ 37,000.00
5	Sand Subbase	CYD	30,000	\$	15.00	\$ 450,000.00
6	Aggregate Base	SYD	71,000	\$	10.00	\$ 710,000.00
7	Bituminous mix	TON	17,000	\$	65.00	\$ 1,105,000.00
8	Concrete Curb and Gutter	FT	3,400	\$	30.00	\$ 102,000.00
9	Concrete Sidewalk and Ramp	SFT	600	\$	6.00	\$ 4,000.00
10	Curb and Gutter Removal	FT	3,400	\$	6.00	\$ 21,000.00
11	Sidewalk Removal	SYD	200	\$	5.00	\$ 1,000.00
12	Pavt Removal	SYD	71,000	\$	1.00	\$ 71,000.00
13	Storm Pipe	FT	720	\$	50.00	\$ 36,000.00
14	Storm Manhole	EA	36	\$	2,500.00	\$ 90,000.00
15	Sanitary Sewer, 12 inch	FT	8,000	\$	65.00	\$ 520,000.00
16	Sanitary Sewer, 8 inch	FT	16,000	\$	55.00	\$ 880,000.00
17	Standard Sanitary Manhole	EA	140	\$	4,500.00	\$ 630,000.00
18	San Cleanouts, Wyes, and Tees	EA	500	\$	150.00	\$ 75,000.00
19	Sanitary service Lines	FT	9,500	\$	45.00	\$ 428,000.00
20	Connect to existing sanitary sewer	EA	2	\$	4,000.00	\$ 8,000.00
21	Connect to existing sanitary manhole	EA	4	\$	5,000.00	\$ 20,000.00
22	Force Main Pipe	FT	1,525	\$	80.00	\$ 122,000.00
23	Submersible Pump Station	EA	2	\$	255,000.00	\$ 510,000.00
24	Video Tape Sewer	FT	24,000	\$	2.50	\$ 60,000.00
	Project Cost					
The Design	Professional has no control over costs or the price of labor, equip	ment or mate	erials, or over	Sub	Total:	\$ 6,611,000.00
the Contrac	tor's method of pricing. Bid prices may vary significantly based or	n these facto	rs and market	Eng	ineering- Bsc Srvs	\$ 531,000.00
conditions a	t time of bid.			Eng	ineering- RPR	\$ 266,000.00
				Eng	ineering- Add Srvs	\$ 124,000.00
				Con	tingency	\$ 662,000.00
				Pro	perty	\$ 33,000.00
					nship Admin	\$ 5,000.00
				Loca	al Attorney	\$ 8,000.00
				Bon	d Councel	\$ 30,000.00



Environmental Report

Oshtemo Township Sanitary Sewer System: Kalamazoo County, Michigan

5/30/2017

Prepared by: Leo Dion, Michigan Rural Community Assistance Program. This report has been made possible as a result of funding as part of the RCAP/USDA Technitrain Program, an RCAP network project. WSOS is an equal opportunity employer and provider.

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1.0 Purpose and Need of Project

1.1 Project Description

Oshtemo Township is planning for the installation of a sanitary sewer system to provide municipal sanitary sewer service to 11 neighborhoods currently served by individual septic systems. The proposed system will connect to the existing Township collection system. The existing collection system conveys the sanitary wastewater from Oshtemo Township service area to intercepting sewers in the City of Kalamazoo leading to the City of Kalamazoo wastewater treatment plant.

A map showing the project limits can be found in Appendix A.

1.2 Purpose and Need of Project

The Township of Oshtemo has a Master Capital Plan to expand sanitary service to properties not currently serviced. A high proportion of the area is residential subdivisions located near existing service but currently using private, on-site septic systems. As these systems fail, an additional financial burden is placed on the residents to maintain them. Failed systems in highly populated areas have potential to create health hazards. The Township delayed street reconstruction and repairs hoping to secure funding for the sanitary updates to include them in the street reconstruction and repairs.

Many of the parcels in the project area are small and have already replaced the original septic system. Most of the parcels do not contain enough space to meet requirements for future septic system replacements.

2.0 Alternatives Evaluated Including the Proposed Action

Table 1. List of Alternatives

Alternative	Beneficial Environmental Impacts	Potential Adverse Environmental Impacts
No Action Alternative	None	On-site septic tanks will continue to discharge raw effluent in the soil.
Proposed Action: Provide gravity sanitary sewer service with mechanical pumping stations to residential areas with no current sanitary sewer.	Improve groundwater quality and alleviating owners of small parcels of the potential for excessive expense on septic system maintenance/ replacement.	None
Install a pressure/vacuum collection system	Improve groundwater quality and alleviating owners of small parcels of the potential for excessive expense.	None

2.1 Proposed Action

The proposed project will provide gravity sanitary sewer service with mechanical pumping stations to residential areas with no current sanitary sewer.

Installing a sanitary sewer system for the entire project area may provide widespread benefits for the project area by improving groundwater quality and alleviating owners of small parcels of the potential for excessive expense on septic system maintenance/replacement.

2.2 Other Alternatives Evaluated

Another alternative is to install a pressure/vacuum collection system.

This option was discussed with the City of Kalamazoo. The City of Kalamazoo currently has no pressure/vacuum sewers in the existing collection system.

Administrative obstacles are also significant. The City of Kalamazoo currently provides sanitary sewer O&M services to 11 local jurisdictions outside the City boundary. By individual contract (with common language), O&M costs are proportioned among the local entities. The increased O&M required of a vacuum-based sewer system unique to the Township of Oshtemo would disrupt the common, equity-based formula used for the distribution of O&M costs among customer communities. The use of vacuum based system by Oshtemo could potentially invalidate the basis for distributing O&M costs among each of the City's customer jurisdictions.

2.3 No Action Alternative

Alternatives to the proposed project have been considered in the feasibility study including doing nothing. Allowing continued use of existing systems does not address the stated need for the project. Further, it would leave the residents without connection to sanitary sewer. The current on-site septic tanks will continue to discharge raw effluent into the soil. Eventually these systems will reach the end of useful lives and the Township will be required to construct a sanitary expansion at a great expense to the community. This alternative was not further considered for these reasons.

The "No Action" alternative does not meet the project objectives and will not be evaluated further as a principle alternative.

3.0 Affected Environment and Environmental Consequences

3.1 Land Use/Important Farmland/Formally Classified Lands

3.1.1 Affected Environment

The project will have no environmental effect. Oshtemo Township Sanitary Sewer project will take place within existing Township right-of-way and limited property easements. The sanitary sewer pipe will be contained within previously disturbed right-of-way. The lift Stations will be placed within the existing right-of-way to the maximum extent possible.

A review of the proposed project for potential impacts on prime, unique, or locally important farmland by the U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS) was requested.

The NRCS Web Soil Survey was created for the extents of the project area. The soil survey confirmed that four of the projects are in areas with prime farmland. Three of the four projects have been redeveloped into residential areas and are no longer used as farmland. The remaining project is being coveted to residential and all the excavation will take place in an existing street right-of-way. We concluded the project has no adverse effect on prime farm land.

A soils report and map is included in Section 7.0 of this report.

3.1.2 Environmental Consequences

No environmental consequences will be experienced from the proposed project.

3.1.3 Mitigation

No mitigation is necessary as no direct impact is anticipated with regard to prime and important soils, or farmland preservation with the proposed project.

3.2 Floodplains

3.2.1 Affected Environment

The project area has been mapped for the FEMA National Flood Insurance Program. The FEMA National Flood Insurance Rate Map (FIRM) and the Flood Certificates are included in Section 7.0. There are no bodies of water mapped as flood plain in the project area.

3.2.2 Environmental Consequences

No environmental consequences associated with the floodplains are anticipated in association with the proposed project.

3.2.3 Mitigation

No mitigation measures are anticipated for floodplains for this project. The MDEQ will be consulted and if it is determined a floodplain does exist within the project area, a joint permit will be obtained.

3.3 Wetlands

3.3.1 Affected Environment

The U.S. Fish and Wildlife Service (USFWS) National Wetlands Inventory on-line database of wetlands was consulted to determine if wetlands are present within the project area. The MDEQ was also consulted to evaluate the impacts the project may have on wetlands. The USFWS Wetlands map shows that one wetland is located near one of the neighborhoods proposed for sewer. The project will not be constructed in any wetlands.

It is not anticipated that the proposed project will have impacts on wetlands, however, if it is found that there may be impacts, the MDEQ will be consulted and a permit will be obtained that will define

provisions to protect wetlands. The National Final Wetlands Inventory and project map is shown on the map in Section 7.0.

3.3.2 Environmental Consequences

There are no perceived environmental consequences with respect to wetlands as result of the project.

3.3.3 Mitigation

No mitigation will be required, as no significant adverse impacts exist. Any excavations will be below ground and the ground returned to its original condition.

3.4 Historic and Cultural Resources

3.4.1 Affected Environment

There are no historic properties located adjacent to the project area. The State Historic Preservation Office has reviewed the impact that the project may have on the adjacent historic properties, and has stated: "Based on the information provided for our review, it is the opinion of the State Historic Preservation Officer (SHPO) that proposed undertaking will have no adverse effect on the historic properties within the area of potential effects for the above-cited undertaking.

3.4.2 Environmental Consequences

The National Historic Preservation Act of 1966 requires a Section 106 review to determine any impacts upon historic properties. A Section 106 review was performed and found no historic properties effected. See State Historic Preservation Officer response in Sec 6.0.

3.4.3 Mitigation

No mitigation required.

3.5 Biological Resources

3.5.1 Affected Environment

No environmental consequences are anticipated to occur as a result of the proposed sanitary sewer extension. The proposed project will be constructed within easements and road rights-of-way. Within Kalamazoo County, there are known endangered and threatened species including: Indiana bat, Northern long-eared bat, Eastern massasauga, and Mitchell's satyr butterfly. The paved roadway and mowed rights-of-way are not biological habitat. None of the habitats for known listed threatened or endangered species is present on these properties. No known candidate, threatened or endangered species or critical habitat is in or near the proposed project area.

3.5.2 Environmental Consequences

USDA RD has checked the species listed by the U.S. Fish and Wildlife Service website and determined that the proposed project will have no effect with regard to candidate, threatened, or endangered species. See the attached correspondence in Section 6.0 of this report.

Michigan Act 451 of 1994, Section 365, Endangered Species Protection, affords protection of state threatened and endangered species. The Michigan Department of Natural Resources (MDNR) has

ceased to accept review requests to the Environmental Review Program after September 16, 2011. Project review requests have been referred to the Michigan Natural Resources Inventory (MNFI) a program of Michigan State University Extension.

The project is located along road and mowed rights-of-way. The project will not impact state threatened and endangered species.

3.5.3 Mitigation

No mitigation will be required, as no impacts are anticipated with regard to biological resources for the proposed construction project.

3.6 Water Resources

3.6.1 Affected Environment

The environment affected by the proposed project is within existing road rights-of-way, and mowed rights-of-way. There are no anticipated water quality issues with the proposed project. The additional sanitary sewer will be treated under the City of Kalamazoo NPDES permit #MI0023299.

3.6.2 Environmental Consequences

This project should not have any negative impact on surface or ground water quality in the area as a result of the proposed actions. Installing a sanitary sewer system for the entire project area may provide widespread benefits for the project area by improving groundwater quality. These proposed improvements will provide the opportunity for the elimination of associated public health and environmental issues.

3.6.3 Mitigation

No mitigation measures are necessary with regard to water quality as no negative impacts are anticipated to result from the proposed project.

3.7 Coastal Resources

3.7.1 Affected Environment

The project is not located in a Coastal Zone Management (CZM) Area.

3.7.2 Environmental Consequences

No environmental consequences are anticipated with respect to coastal resources associated with this project.

3.7.3 Mitigation

No mitigation will be required, as there are no environmental impacts are anticipated with regard to coastal resources.

3.8 Socio-Economic Impact Assessment/Environmental Justice

3.8.1 Affected Environment

As of the census of 2010, there were 21,705 people living in the Oshtemo Township, 9,708 households, and 4,787 families residing in the Township. The racial makeup of the township was 82.9% White, 14.2% African American, 1.3% Native American, 3.5% Asian, and 1.8% from other races. Hispanic or Latino of any race made up 4.0% of the population.

There were 9,708 households out of which 20.7% had children under the age of 18 living with them, 36.9% were married couples living together, 9.4% had a female householder with no husband present, and 50.7% were non-families. Of all households, 24.3% had someone living alone who was 65 years of age or older. The average household size was 2.21 and the average family size was 2.85. The Township has a population range that consists of 18.4% under the age of 18, and 15.2% who were 65 years of age or older. The median age was 32.0 years.

According to the American Community Survey 2015, the median income for a household in Oshtemo Township was \$42,627, and the median family income was \$62,129. The per capita income for Oshtemo Township was \$27,954. Individuals and families below the poverty line made up 20.7% and 14.0%, of the population, respectively. Out of the total people living in poverty, 18.6% are under the age of 18 and 8.2% are 65 or older.

The sewer extension project for the Oshtemo Township will serve all of the residents within the area. The customers are to be charged fairly and equitably according to their usage of the system. The planned improvements in association with this project will benefit all residents within the area equally. The cost of the project will be distributed across all users, through user rates. No segment of the population will be treated differently than any other, and discrimination within the Township is prohibited.

3.8.2 Environmental Consequences

No environmental consequences are anticipated with regard to socio- economic/ environmental justice issues relating to this project. All residents and users of the system will be treated equally and all will share equally in the benefits and cost of the improvements proposed.

3.8.3 Mitigation

No mitigation measures are necessary as no socio-economic/environmental justice impacts are anticipated in relation to this project.

3.9 Air Quality

3.9.1 Affected Environment

Air quality in the area of the Oshtemo Township is generally good. According to EPA's list of Current Noattainment Counties for All Criteria Pollutants, Kalamazoo County (where Oshtemo Township is located) is meeting the attainment levels. The proposed project is not anticipated to increase in any emissions in the long term.

3.9.2 Environmental Consequences

During construction, there will be short term air quality impacts from fugitive dust as is common with any construction project; however, the use of best management practices during construction, such as dampening of the soil to limit dust and use of diesel powered equipment that will be fueled with low sulfur diesel oil will reduce these short term air quality impacts. Additionally, contractors will be encouraged to limit idling time during operation of heavy equipment to reduce air quality impacts from exhaust.

3.9.3 Mitigation

No mitigation measures are necessary with regard to impacts to air quality as there will be no long lasting impacts to the air quality in the area resulting from this project.

3.10 Noise

3.10.1 Affected Environment

The Oshtemo Township is a community with a mix of commercial, residential and industrial in the area of the proposed project. The major sources of noise are traffic related, and local commercial activities.

3.10.2 Environmental Consequences

No new sound generating equipment is anticipated in the proposed project. However, during construction, noise levels will increase due to the construction activities and heavy equipment use. The use of best management practices should limit the unnecessary noise from construction by limiting idling time of heavy equipment, and unnecessary noise from construction workers during construction. The proposed improvements location away from residential areas should provide a buffer which will diffuse the noise generated during construction. Construction will be limited to normal daylight hours as well, which will limit the disruption of the normal quiet nature of the community.

3.10.3 Mitigation

No mitigation measures are necessary in association with noise control related to this project as no long term impacts are anticipated.

3.11 Transportation

3.11.1 Affected Environment

The Oshtemo Township has US-131 (Oshtemo Township Ave) running through the east portion of the Township and providing north and south passage. Michigan M-43 runs through the heart of the Township providing east and west passage. The areas of construction in this project are within a residential area and are outside of heavily trafficked areas. Local transportation may be temporarily be affected by construction, employee, and equipment traffic.

3.11.2 Environmental Consequences

The project will have a temporary effect on local transportation due to construction in the road rightsof-ways and construction equipment using these roads to gain access to the constructions sites, which is expected to disrupt normal traffic flow. This project is not anticipated to have any lasting impacts on transportation patterns. If street closures or detours are necessary, these will be coordinated with the Michigan Department of Transportation, the local street department and/or the County Road Commission. These should be highly publicized and well-marked during construction.

3.11.3 Mitigation

No mitigation measures are necessary in relation to the proposed project with regard to transportation, as no long term impacts are anticipated.

3.12 Aesthetics

3.12.1 Affected Environment

The proposed project will be constructed within publicly owned property, easements and road rights-of-way. There are no visually sensitive areas or landscape features within the area of the proposed project. All areas have been previously developed.

3.12.2 Environmental Consequences

The construction may have a temporary impact on the aesthetics of the area; however, any excavations will be below ground and the ground returned to its original condition including restored topsoil, grass, and paving, etc.

3.12.3 Mitigation

No mitigation is required with respect to aesthetics.

3.13 Health and Human Safety

3.13.1 Electromagnetic Fields and Interference

AFFECTED ENVIRONMENT

The project does not include will not produce any significant electromagnetic fields.

ENVIRONMENTAL CONSEQUENCES

No environmental consequences are anticipated with regard to electronic fields.

MITIGATION

No mitigation measures are necessary as no impacts are anticipated to result from the proposed project.

3.13.2 Environmental Risk Management

AFFECTED ENVIRONMENT

MDEQ STD (Storage Tank Division) enforces state and federal laws regarding pollution from storage tank leaks or releases, and maintains a listing of all known releases of hazardous materials from any registered underground or above ground storage tanks. There are no known releases in the proposed construction area.

ENVIRONMENTAL CONSEQUENCES

A search of the MDEQ/STD website showed no open or closed underground storage tank locations, or sites of environmental contamination within the proposed project site. See section 7.9 for a map of known active and closed storage tanks in the vicinity of the project.

Part 213 of the Natural Resources Environmental Protection Act (NREPA) prohibits any exacerbation of any polluted areas (e.g. through excavation and/or dewatering activities). The consultants and contractors will take all necessary precautions when working in potentially contaminated areas.

If, during construction, the contractor encounters any contaminated soil which appears to be the result of an unreported release of hazardous material, the contractor will immediately cease construction and notify the municipal entity, who in turn will notify the MDEQ STD of a suspected release. According to law, a discovery of a suspected release of hazardous materials must be reported to MDEQ STD within 24 hours. This begins a series of mitigation efforts and/or enforcement actions. These measures are designed to protect the public from any environmental consequences from hazardous spills.

MITIGATION

No mitigation measures are necessary as no impacts are anticipated to result from the proposed project.

3.14 Corridor Analysis

AFFECTED ENVIRONMENT

The proposed project will be constructed within publicly owned property, easements and road rights-of-way. There are no visually sensitive areas or landscape features within the area of the proposed project. All areas have been previously developed

4.0 Cumulative Effects

No negative long term environmental impacts are anticipated with regard to the sewer extension project.

5.0 Summary of Mitigation

No mitigation measures are necessary in relation to this project as no long term negative impacts are anticipated to result from the proposed actions.

- 6.0 Coordination, Consultation, and Correspondence
- 6.1 Fish and Wildlife Service Review
- **6.2 Section 7 Endangered Species Act Consultation**

May 5, 2017

Scott Hicks, Field Supervisor United States Dept. of the Interior Fish and Wildlife Service East Lansing Field Office 2651 Coolidge Rd East Lansing, MI 48823

RE: Oshtemo Township Neighborhood Sewer Extension

Dear Mr. Hicks,

The above-mentioned applicant has applied to USDA Rural Development for funding assistance to construct the referenced project to serve their residents in Kalamazoo County.

USDA is making a finding of no effect for both of the above- mentioned projects with respect to the threatened and endangered species identified. Our review of the endangered species list and summary of findings are attached, as well as a map of the project locations.

Sincerely,

Joshua Church

Assistant State Environmental Coordinator

Attachment

MEMORANDUM

TO: USDA Rural Development Environmental File

FROM: Joshua Church; RD Assistant State Environmental Coordinator

DATE: May 5, 2017

RE: Section 7 Endangered Species Act Consultation – Oshtemo Township

Neighborhood Sewer Extension

The above applicant has applied for USDA Rural Development for funding to construct and expand the township sewer system and is completing a NEPA review for the project. The project schedule is yet to be determined. A project map is attached.

USDA Rural Development reviewed the US Fish & Wildlife technical assistance website on the above-mentioned date for federally listed threatened and endangered species. The species list is provided as a screen print attached to this memo. There are no known hibernaculum within 0.25 miles of the project. This project will take place in areas that have been previously used as well developed and mowed right-of-ways.

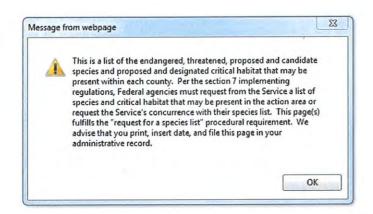
For these reasons, we conclude that the above-mentioned project will have "no effect" on listed species, their habitats, or proposed or designated critical habitat.

Screen prints, of the species list are attached.

Michigan Endangered Species List - By County

Will this list be used for a Section 7 project review?

YES NO



Kalamazoo	Indiana bat (Myotis sodalis)	Endangered	Summer habitat includes small to medium river and stream corridors with well developed riparian woods; woodlots within 1 to 3 miles of small to medium rivers and streams; and upland forests. Caves and mines as hibernacula.
	Northern long-eared bat Myotis septentrionalis	Threatened	Hibernates in caves and mines - swarming in surrounding wooded areas in autumn. Roosts and forages in upland forests during spring and summer.
	Eastern massasauga (Sistrurus catenatus)	Threatened	
	Mitchell's satyr butterfly (Neonympha mitchellii mitchellii)	Endangered	Fens; wetlands characterized by calcareous soils which are fed by carbonate- rich water from seeps and springs

STATE HISTORIC PRESERVATION OFFICE Application for Section 106 Review

must be complete for review to begin. Incomplete applications will be sent back to the applicant without comment. Se Only the information and attachments requested on this application. Materials submitted for review cannot be returned
Submit one copy for each project for which review is requested. This application is required. Please type. Application must be complete for review to begin. Incomplete applications will be sent back to the applicant without comment. See the information and attachments requested on this application. Materials submitted for review cannot be returned by the limited resources we are unable to accept this application electronically. 1. GENERAL INFORMATION
Submit one copy for each project for which review is requested. This application is required. Please type. Application must be complete for review to begin. Incomplete applications will be sent back to the applicant without comment. Seconly the information and attachments requested on this application. Materials submitted for review cannot be returned Due to limited resources we are unable to accept this application electronically. 1. GENERAL INFORMATION
Submit one copy for each project for which review is requested. This application is required. Please type. Application must be complete for review to begin. Incomplete applications will be sent back to the applicant without comment. Seconly the information and attachments requested on this application. Materials submitted for review cannot be returned Due to limited resources we are unable to accept this application electronically. 1. GENERAL INFORMATION
must be complete for review to begin. Incomplete applications will be sent back to the applicant without comment. Seconly the information and attachments requested on this application. Materials submitted for review cannot be returned Due to limited resources we are unable to accept this application electronically. I. GENERAL INFORMATION
I. GENERAL INFORMATION
 ``
 ``
a. Project Name: Neighboorhood Sewer Extension
b. Project Address (if available):
 Municipal Unit: Charter Township of Oshtemo County: Kalamazoo Federal Agency, Contact Name and Mailing Address (If you do not know the federal agency involved in you
project please contact the party requiring you to apply for Section 106 review, not the SHPO, for this
information.): USDA Rural Development, Andrew Granskog P.E., 3001 Coolidge Rd, Suite 200, East Lans
MI 48823 Phone: (517) 324-5209
e. State Agency (if applicable), Contact Name and Mailing Address: f. Consultant or Applicant Contact Information (if applicable) <i>including mailing address</i> : Matt Johnson, P.E. I
f. Consultant or Applicant Contact Information (if applicable) <i>including mailing address</i> : Matt Johnson, P.E. i & VandenBrink Engineering, Inc., 4798 Campus Drive, Kalamazoo MI 49008
The principle of the pr
II. GROUND DISTURBING ACTIVITY (INCLUDING EXCAVATION, GRADING, TREE REMOVA
UTILITY INSTALLATION, ETC.)
DOES THIS PROJECT INVOLVE GROUND-DISTURBING ACTIVITY? X YES NO (If no, proceed to section
Exact project location must be submitted on a USGS Quad map (portions, photocopies of portions, and electronic
USGS maps are acceptable as long as the location is clearly marked).
- USOS Ound Man Name: Ophtoma
a. USGS Quad Map Name: Oshtemo b. Township: T12S Range: R12W Section: 10-36
c. Description of width, length and depth of proposed ground disturbing activity: Sanitary sewer trenches my
up to 25' wide and 25' deep and it is estimated that there may be up to 82,350 feet of sewer gravity pipe
installed. Three Sanitary sewer lift stations and 2,880 feet of sanitary sewer force main will also be
constructed
d Previous land use and disturbances: The sanitary system will be constructed in aleas that have been
 d. Previous land use and disturbances: The sanitary system will be constructed in areas that have been previously used as municipal street right-of-ways.
previously used as municipal street right-of-ways. e. Current land use and conditions: The sanitary collection system will be constructed in areas that are current.
previously used as municipal street right-of-ways. e. Current land use and conditions: The sanitary collection system will be constructed in areas that are curre being used as municipal street right-of-ways.
previously used as municipal street right-of-ways. e. Current land use and conditions: The sanitary collection system will be constructed in areas that are current.

III. PROJECT WORK DESCRIPTION AND AREA OF POTENTIAL EFFECTS (APE) Note: Every project has an APE.

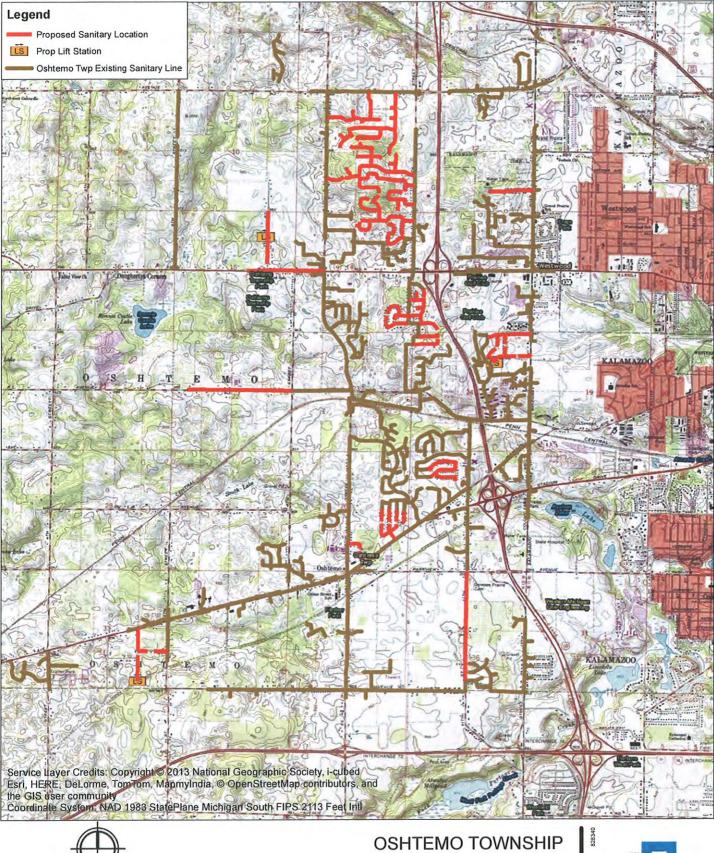
a. Provide a detailed written description of the project (plans, specifications, Environmental Impact Statements (EIS), Environmental Assessments (EA), etc. <u>cannot</u> be substituted for the written description): The project will involve the installation of a sanitary sewer system for the Township of Oshtemo. The sanitary collection system will involve the installation of approximately 85,320 feet of sewer pipe, 460 sanitary sewer manholes,

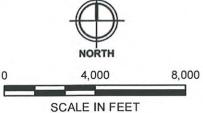
- and 26,710 feet of sanitary sewer laterals.s. Included in the sanitary sewer collection system construction will be the installation of a sanitary pump station.
- b. Provide a localized map indicating the location of the project; road names must be included and legible.
- c. On the above-mentioned map, identify the APE.
 d. Provide a written description of the APE (physical, visual, auditory, and sociocultural), the steps taken to identify the APE, and the justification for the boundaries chosen. The APE consists of the areas where the sanitary sewer system will be installed. The sanitary sewer system will have very few visible facilities which may consist of the pump station control panels, and pump station and manholes that will not extend higher than 1 foot above the ground surface. The APE for the sanitary sewer collection system will involve the municipal street right-of-ways where the sewer pipe, manholes and valve chambers will be buried.

IV. IDENTIFICATION OF HISTORIC PROPERTIES

a.	List and date <u>all</u> properties 50 years of age or older located in the APE. If the property is located within a National Register eligible, listed or local district it is only necessary to identify the district: A review of the National Register of historic Places was conducted for the project area and no historic porperties within the project area were found. There are no other properties known to be 50 years old or older.	
b.	Describe the steps taken to identify whether or not any <u>historic</u> properties exist in the APE and include the level of effort made to carry out such steps: This project engineer examined the entire length of the proposed project and observed no historic properties that will be affected. The michigan Historic Sites Online was consulted and no historic properties were found within the APE.	
c.	Based on the information contained in "b", please choose one: Historic Properties Present in the APE No Historic Properties Present in the APE	
d.	Describe the condition, previous disturbance to, and history of any historic properties located in the APE:	
V. PHOTOGRAPHS Note: All photographs must be keyed to a localized map.		
a. b.	Provide photographs of the site itself. Provide photographs of all properties 50 years of age or older located in the APE (faxed or photocopied photographs are not acceptable).	
VI. DETERMINATION OF EFFECT		
\boxtimes	No historic properties affected based on [36 CFR § 800.4(d)(1)], please provide the basis for this determination.	
	No Adverse Effect [36 CFR § 800.5(b)] on historic properties, explain why the criteria of adverse effect, 36 CFR Part 800.5(a)(1), were found not applicable.	
	Adverse Effect [36 CFR § 800.5(d)(2)] on historic properties, explain why the criteria of adverse effect, [36 CFR Part 800.5(a)(1)], were found applicable.	

Please print and mail completed form and required information to: State Historic Preservation Office, Environmental Review Office, Michigan Historical Center, 702 W. Kalamazoo Street, P.O. Box 30740, Lansing, MI 48909-8240



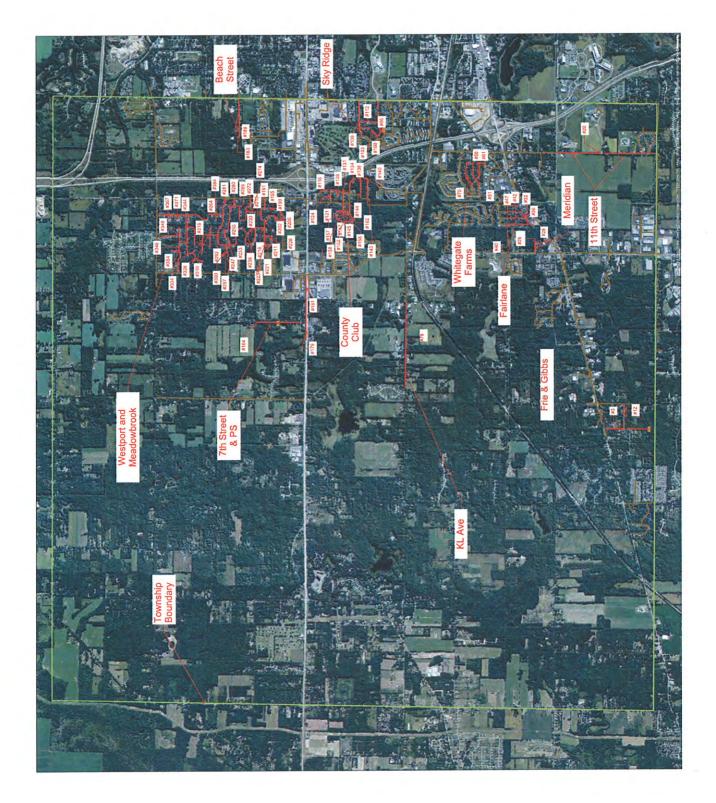


KALAMAZOO COUNTY, MICHIGAN

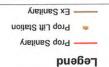
OSHTEMO FULL RD APPLICATION

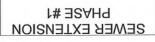
QUAD MAP











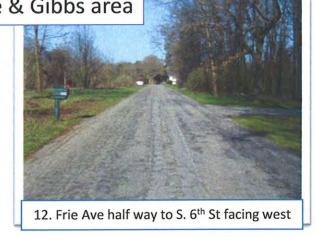
OSHTEMO TOWNSHIP









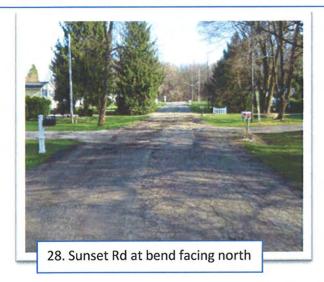






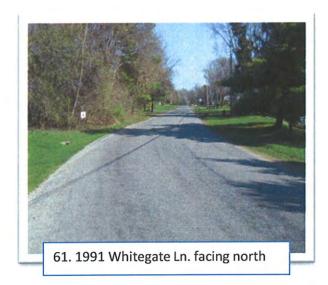


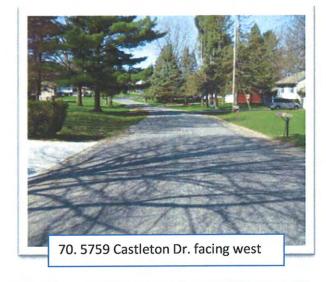
26. Meridian Ave at Sunset Rd. facing west.



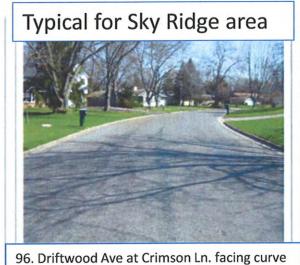


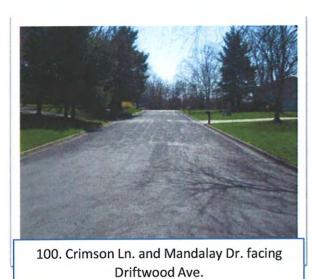
32. Fairgrove St. at Mansfield St. facing south

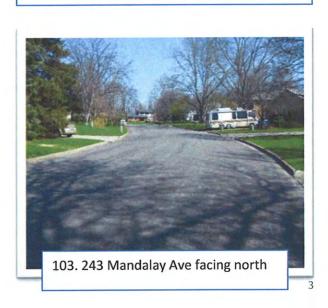






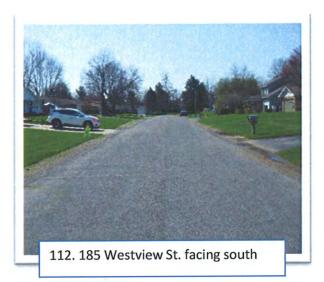




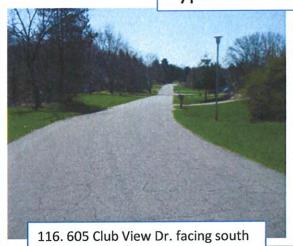




109. Skyridge Ave at Westview St. facing east



Typical for Country Club area





121. Shadywood Dr. at Sunrise Cir. Facing west



124. Sunrise Cir. cul de sac facing south



128. Fairway Cir. cul de sac facing east

- **6.3 State Historic Preservation Office**
- 6.3.1 Application for Section 106 Review

STATE HISTORIC PRESERVATION OFFICE Application for Section 106 Review

SHPO Use (
IN	Received Date / / Log In Date / /
OUT	Response Date / Log Out Date / /
	Sent Date / /
must be co only the inf	e copy for each project for which review is requested. This application is required. Please type. Applications implete for review to begin. Incomplete applications will be sent back to the applicant without comment. Send formation and attachments requested on this application. Materials submitted for review cannot be returned. The resources we are unable to accept this application electronically.
	I. GENERAL INFORMATION
⊠ TH	IS IS A NEW SUBMITTAL THIS IS MORE INFORMATION RELATING TO ER#
a.	Project Name: Neighboorhood Sewer Extension
	Project Address (if available):
	Municipal Unit: Charter Township of Oshtemo County: Kalamazoo
d.	Federal Agency, Contact Name and Mailing Address (If you do not know the federal agency involved in your
	project please contact the party requiring you to apply for Section 106 review, not the SHPO, for this information.): USDA Rural Development, Andrew Granskog P.E., 3001 Coolidge Rd, Suite 200, East Lansing,
	MI 48823 Phone: (517) 324-5209
e.	State Agency (if applicable), Contact Name and Mailing Address:
f.	Consultant or Applicant Contact Information (if applicable) including mailing address: Matt Johnson, P.E. Fleis
	& VandenBrink Engineering, Inc., 4798 Campus Drive, Kalamazoo MI 49008
DOES Exact p USGS a.	IND DISTURBING ACTIVITY (INCLUDING EXCAVATION, GRADING, TREE REMOVALS, UTILITY INSTALLATION, ETC.) THIS PROJECT INVOLVE GROUND-DISTURBING ACTIVITY? YES NO (If no, proceed to section III.) project location must be submitted on a USGS Quad map (portions, photocopies of portions, and electronic maps are acceptable as long as the location is clearly marked). USGS Quad Map Name: Oshtemo Township: T12S Range: R12W Section: 10-36
	Description of width, length and depth of proposed ground disturbing activity: Sanitary sewer trenches my be
	up to 25' wide and 25' deep and it is estimated that there may be up to 82,350 feet of sewer gravity pipe installed. Three Sanitary sewer lift stations and 2,880 feet of sanitary sewer force main will also be constructed.
d.	Previous land use and disturbances: The sanitary system will be constructed in areas that have been
	previously used as municipal street right-of-ways.
e.	Current land use and conditions: The sanitary collection system will be constructed in areas that are currently being used as municipal street right-of-ways.
f.	Does the landowner know of any archaeological resources found on the property? YES NO Please describe:

III. PROJECT WORK DESCRIPTION AND AREA OF POTENTIAL EFFECTS (APE) Note: Every project has an APE.

a. Provide a detailed written description of the project (plans, specifications, Environmental Impact Statements (EIS), Environmental Assessments (EA), etc. <u>cannot</u> be substituted for the written description): The project will involve the installation of a sanitary sewer system for the Township of Oshtemo. The sanitary collection system will involve the installation of approximately 85,320 feet of sewer pipe, 460 sanitary sewer manholes,

- and 26,710 feet of sanitary sewer laterals.s. Included in the sanitary sewer collection system construction will be the installation of a sanitary pump station.
- b. Provide a localized map indicating the location of the project; road names must be included and legible.
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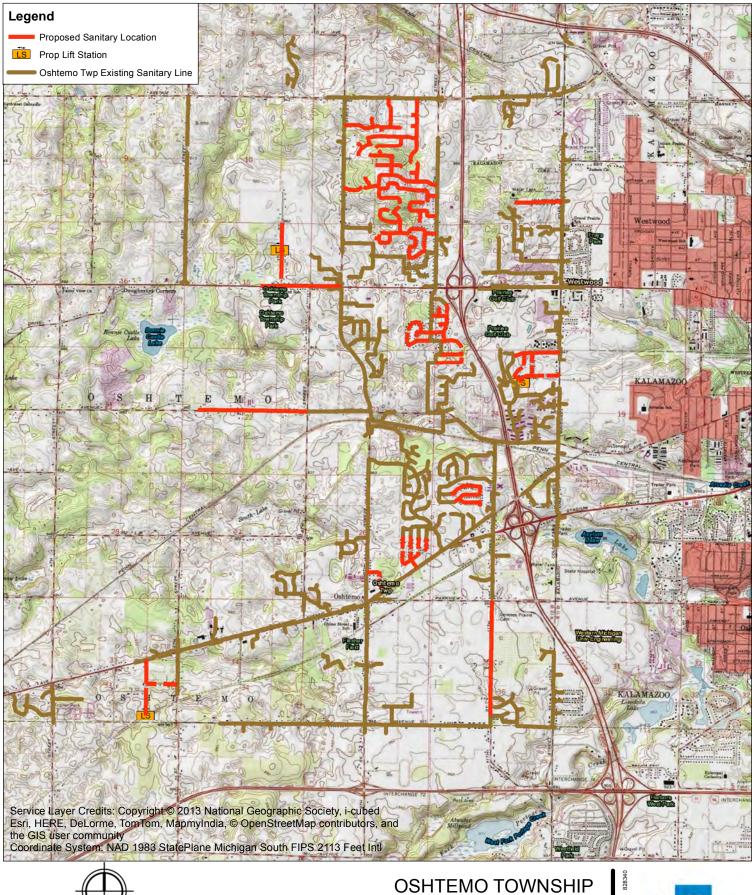
IV. IDENTIFICATION OF HISTORIC PROPERTIES

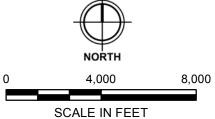
a.	List and date <u>all</u> properties 50 years of age or older located in the APE. If the property is located within a National Register eligible, listed or local district it is only necessary to identify the district: A review of the National Register of historic Places was conducted for the project area and no historic porperties within the project area were found. There are no other properties known to be 50 years old or older.	
b.	Describe the steps taken to identify whether or not any <u>historic</u> properties exist in the APE and include the level of effort made to carry out such steps: This project engineer examined the entire length of the proposed project and observed no historic properties that will be affected. The michigan Historic Sites Online was consulted and no historic properties were found within the APE.	
C.	Based on the information contained in "b", please choose one:	
	Historic Properties Present in the APE	
	☑ No Historic Properties Present in the APE	
d.	Describe the condition, previous disturbance to, and history of any historic properties located in the APE:	
V. PHOTOGRAPHS Note: All photographs must be keyed to a localized map.		
	Provide photographs of the site itself. Provide photographs of all properties 50 years of age or older located in the APE (faxed or photocopied photographs are not acceptable).	
VI. DETERMINATION OF EFFECT		
\boxtimes	No historic properties affected based on [36 CFR § 800.4(d)(1)], please provide the basis for this determination.	
	No Adverse Effect [36 CFR § 800.5(b)] on historic properties, explain why the criteria of adverse effect, 36 CFR Part 800.5(a)(1), were found not applicable.	
	Adverse Effect [36 CFR § 800.5(d)(2)] on historic properties, explain why the criteria of adverse effect, [36 CFR	

Please print and mail completed form and required information to: State Historic Preservation Office, Environmental Review Office, Michigan Historical Center, 702

W. Kalamazoo Street, P.O. Box 30740, Lansing, MI 48909-8240

Part 800.5(a)(1)], were found applicable.

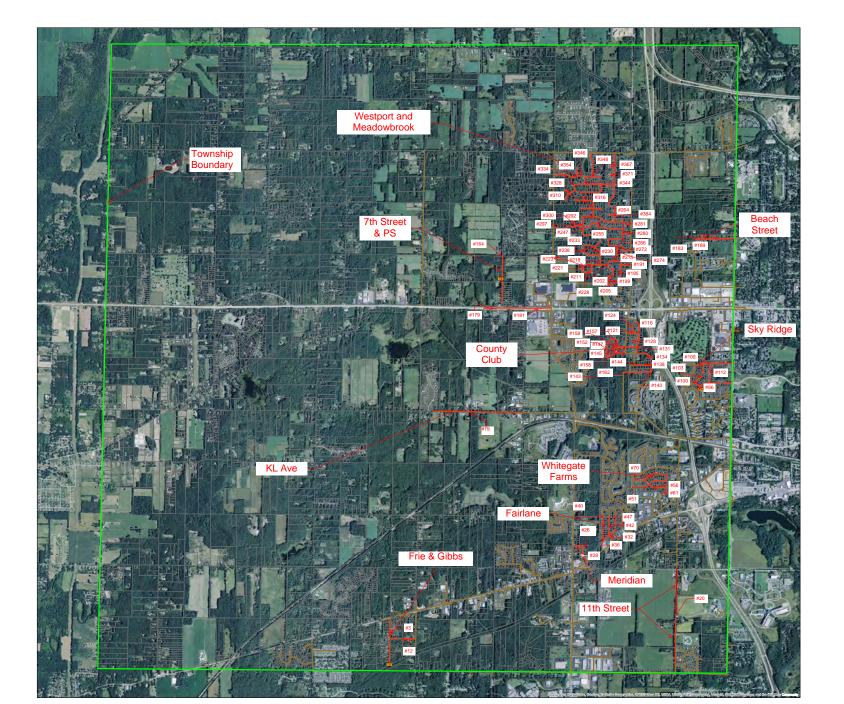




OSHTEMO TOWNSHIP
KALAMAZOO COUNTY, MICHIGAN
OSHTEMO FULL RD APPLICATION

QUAD MAP







SEWER EXTENSION PHASE #1

Legend

| DRAWN BY | DATE | | MGJ | 10/14/2016 | | FROJECT NO. | SCALE | 828340 | 1:17,838 | | FILE LOCATION |

OSHTEMO TOWNSHIP



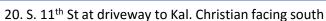
SOURCES

MAP #1















32. Fairgrove St. at Mansfield St. facing south



36. Mansfield St. turns into Windermere St. facing east

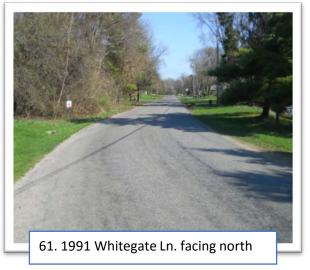


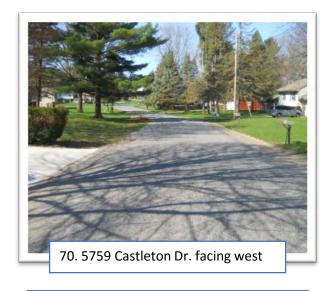
















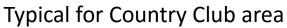




Driftwood Ave.











121. Shadywood Dr. at Sunrise Cir. Facing west





128. Fairway Cir. cul de sac facing east

4



131. Valley View Dr. at Club View Dr. facing west





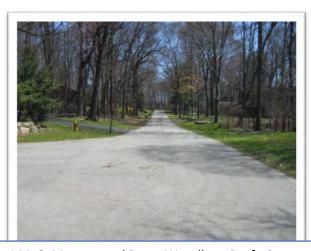
138. S. Manorwood Dr. at Windingwood Dr. facing west



140. Scenic Way Dr. at Windingway Dr. facing west



143. Scenic Way Dr. at Echo Hills Dr. facing east



144. S. Manorwood Dr. at Woodlane Dr. facing east



145. Horizon Hts. Dr. at Lodge Ln. facing west

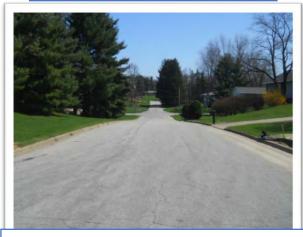


147. Horizon Hts. Dr. at Highcrest Dr. facing west





157. E. Ridge Cir. at Valley View Dr. facing north

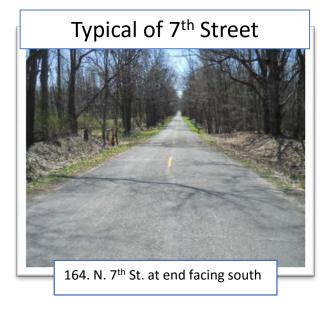


158. Valley View Dr. at E. Ridge Cir. facing east

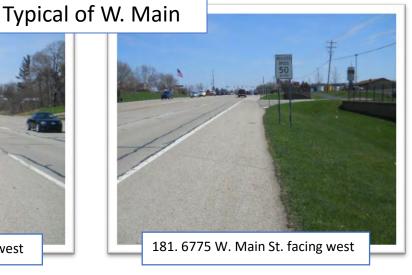


161. Valley View Dr. at Highcrest Dr. facing south



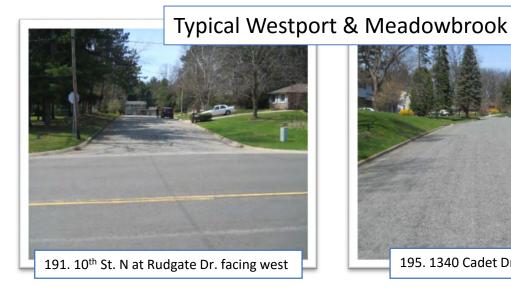


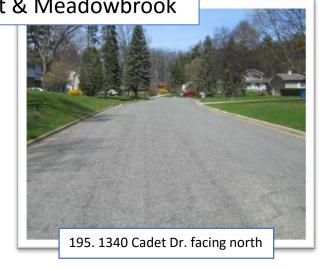










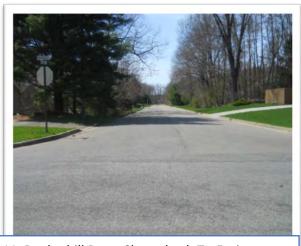






202. Bunkerhill Dr. at Valley Forge Dr. facing north





211. Bunkerhill Dr. at Shugarbush Tr. Facing west



215. Nantucket Ln. at Old Deer Run facing east



218. Shugarbush Tr. At Breezy Pt. Ln. facing north



221. Shugarbush Tr. At Sanfield Ln. facing south



223. Shugarbush Tr. At Tundel Ln. facing south



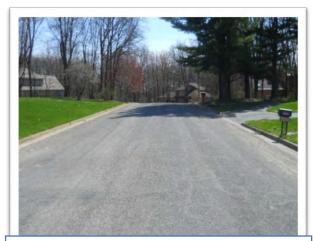
228. Brogan Hill at Sanfield Ln. facing north





233. Breezy Pt. Ln. at Killington Dr. facing west





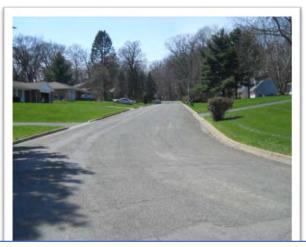
247. Wild Cherry Ln. at Old Log Tr. Facing south



255. Northeast curve in Old Log Tr. Facing south



264. Wingate Rd. at Twilingate Ln. facing east



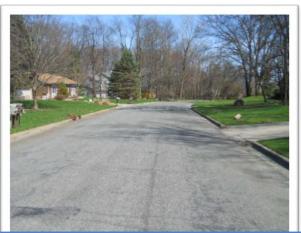
266. Wingate Rd. at Thunder Bluff Rd. facing east



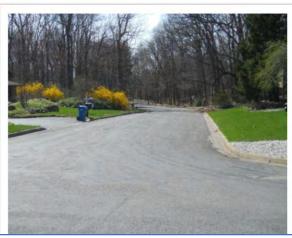
274. 1660 Old Deer Run facing north











297. Wild Cherry Ln. at Wyndham Dr. facing west



300. Wyndham Dr. at Walker Tr. Facing north



310. Signal Hill Dr. at Saybrook Dr. facing east



316. Nightingale Ave at Cutty Sark Dr. facing west

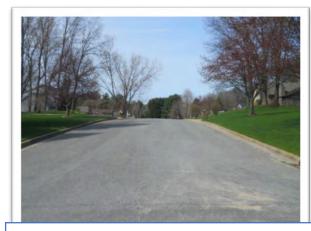


328. Morning Star Way at Chippendale facing north









348. Bramble Dr. at Rose Arbour facing north



354. Redbud Tr. At Rose Arbour Facing north



367. Ashwood Ct at Ramblewood Dr. facing west



371. Karabrook Ct. at Ramblewood Dr. facing west



384. Countrywood Ct. at Ramblewood Dr. facing west



United States Department of Agriculture

May 16, 2017

SUBJECT: SHPO ER17-264 Oshtemo Township Neighborhood Sewer Extension; Kalamazoo County Section 106 Historic Review & Tribal Consultation

TO: David B. Jones, Huron Potawatomi, Inc.

Kelli Mosteller, Citizen Potawatomi Nation

Rhonda Hayworth, Ottawa Tribe of Oklahoma

Earl Meshiguad & Kenneth Meshigaud, Hannahville Indian Community

Giiwegiizhigookway Martin, Lac Vieux Desert Band of

the Lake Superior Chippewa Indians

Kade Ferris, Red Lake Band of Chippewa Indians

Jonnie Sam, Little River Band of Ottawa Indians

William Johnson & Steven Pego, Saginaw Chippewa Indian Tribe

Paula Carrick, Bay Mills Indian Community

Gary F. Loonsfoot, Keweenaw Bay Indian Community

Aaron Payment, Sault Ste. Marie Tribe of Chippewa Indians

Alvin Pedwaydon & Derek Bailey, Grand Traverse Band of Ottawa/Chippewa Indians

Wesley L. Andrews, Little Traverse Bay Bands of Ottawa Indians

Sharon Detz, Grand River Band of Ottawa Indians

Dan Green & Homer Mandoka, Nottawaseppi Huron Band of Potawatomi

Marcus Winchester & Jason Wesaw, Pokagon Band of Potawatomi Indians

Jill Hoppe, Fond du Lac Band Reservation

Amy Burnette, Leech Lake Band of Chippewa

Edith Leoso, Bad River Band of Lake Superior Chippewa

Rosemary Berens, Bois Forte Band of Chippewa

Harold Frank, Forest County Potawatomi

Norman DesChamps & Maryann Gagnon, Grant Portage Band of the Minnesota Chippewa Tribe

William Quackerbush, Ho-Chunk Nation of Wisconsin

Louis Taylor, Lac Courte Oreilles Band of Lak Superior Chippewa Indians of Wisconsin

Melinda Young, Lac Du Flambeau Band of Lake Superior Chippewa

Edmond Pigeon, Match-e-be-nash-she-wish Band of Potawatomi Indians

Dan Shepherd, Little River Band of Ottawa Indians

Hattie Mitchell, Prairie Band of Potawatomi Nation

Ronald Johnson, Prairie Island Indian Community

Paul Barton, Seneca-Cayuga Nation

Larry Balber, Red Cliff Band

Chris McGeshick, Sokaogon Chippewa (Mole Lake) Community of Wisconsin

Wanda McFaggen, St. Croix Chippewa Indians of Wisconsin

Cayla Olson, White Earth Band of the Minnesota Chippewa Tribe

Diane Hunter, Miami Tribe of Oklahoma

Natalie Weyaus, Mille Lacs Band of Ojibwe

David Grignon, Menominee Indian Tribe of Wisconsin

Under the authority of Section 106 of the National Historic Preservation Act of 1966, as amended, the State Historic Preservation Office (SHPO) has reviewed the above-mentioned project and concluded that:

- X No historic properties are affected by the project (36 CFR § 800.4 (d) (1)), or
- ☐ The project will have no adverse effect on historic properties (36 CFR § 800.5).

Part of the SHPO review of this project included a review by the Office of the State Archaeologist (OSA). The OSA review process includes looking at the presence and/or proximity of known archaeological sites near to and within the project area. To do this, they consider a variety of information, including the distribution of archaeological sites in the surrounding region, the amount of previous archaeological surveys in the vicinity and the results of that survey work, topography, surface water, soil



United States Department of Agriculture

types, the presence of old transportation features such as railroad grades and road beds, as well as other factors which may inform on the potential presence or absence of archaeological sites.

As a standard requirement of all USDA Rural Development contracts, in the event that historic or archaeological resources are uncovered during excavation, the project engineer and USDA Rural Development will be immediately notified. Construction shall be temporarily halted pending the notification process and further directions issued by USDA Rural Development after consultation with the SHPO and interested tribes.

Based on the SHPO review and opinion, USDA Rural Development is issuing a finding as noted above for the above-mentioned project. If you have site specific information that causes your tribe to disagree with this opinion, please contact our office at (517) 324-5209 within thirty days.

Sincerely.

Joshua Church

Assistant State Environmental Coordinator

cc: USDA-RD Area Office; Martha MacFarlane-Faes--SHPO Environmental Review Coordinator

6.4 State Historic Preservation Officer Response



RICK SNYDER GOVERNOR

STATE OF MICHIGAN MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY STATE HISTORIC PRESERVATION OFFICE

EARL J. POLESKI EXECUTIVE DIRECTOR

May 8, 2017

ANDREW GRANSKOG ENVIRONMENTAL COORDINATOR USDA RURAL DEVELOPMENT OFFICE 3001 COOLIDGE ROAD SUITE 200 EAST LANSING MI 48823

RE: ER17-264 Oshtemo Township Neighborhood Sewer Extension, Sec. 10-36, T2S, R12W,

Oshtemo Township, Kalamazoo County (USDA/RD)

Dear Mr. Granskog:

Under the authority of Section 106 of the National Historic Preservation Act of 1966, as amended, we have reviewed the above-cited undertaking at the location noted above. Based on the information provided for our review, the State Historic Preservation Officer (SHPO) concurs with the determination of the USDA/RD that no historic properties are affected within the area of potential effects of this undertaking.

This letter evidences the USDA/RD's compliance with 36 CFR § 800.4 "Identification of historic properties," and the fulfillment of the USDA/RD's responsibility to notify the SHPO, as a consulting party in the Section 106 process, under 36 CFR § 800.4(d)(1) "No historic properties affected." If the scope of work changes in any way, or if artifacts or bones are discovered, please notify this office immediately.

We remind you that federal agency officials or their delegated authorities are required to involve the public in a manner that reflects the nature and complexity of the undertaking and its effects on historic properties per 36 CFR § 800.2(d). The National Historic Preservation Act also requires that federal agencies consult with any Indian tribe and/or Tribal Historic Preservation Officer (THPO) that attach religious and cultural significance to historic properties that may be affected by the agency's undertakings per 36 CFR § 800.2(c)(2)(ii).

The State Historic Preservation Office is not the office of record for this undertaking. You are therefore asked to maintain a copy of this letter with your environmental review record for this undertaking.

If you have any questions, please contact Brian Grennell, Cultural Resource Management Specialist, at 517-335-2721 or by email at GrennellB@michigan.gov. Please reference our project number in all communication with this office regarding this undertaking. Thank you for this opportunity to review and comment, and for your cooperation.

Sincerely,

Brian G. Grennell

Cultural Resource Management Specialist

for Brian D. Conway

State Historic Preservation Officer

DLA:BGG



7.0 References

7.1 Project Narrative

Project Narrative

Project Description

Oshtemo Township is planning for the installation of a sanitary sewer system to provide municipal sanitary sewer service to 11 neighborhoods currently served by individual septic systems. The proposed system will connect to the existing Township collection system. The existing collection system conveys the sanitary wastewater from Oshtemo Township service area to intercepting sewers in the City of Kalamazoo leading to the City of Kalamazoo wastewater treatment plant.

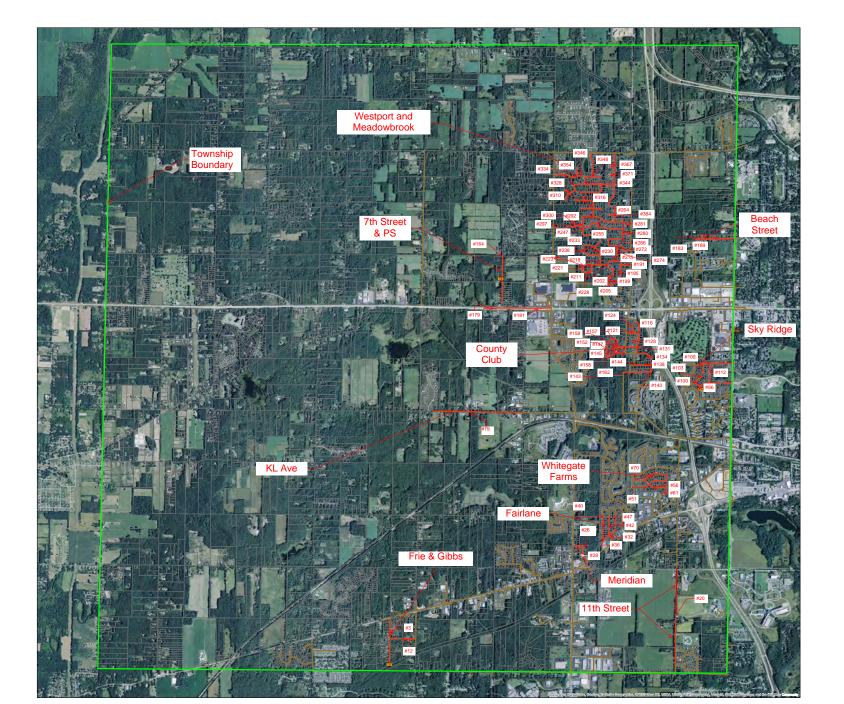
A map showing the project limits can be found in Appendix A.

Purpose and Need of Project

The Township of Oshtemo has a Master Capital Plan to expand sanitary service to properties not currently serviced. A high proportion of the area is residential subdivisions located near existing service but currently using private, on-site septic systems. As these systems fail, an additional financial burden is placed on the residents to maintain them. Failed systems in highly populated areas have potential to create health hazards. The Township delayed street reconstruction and repairs hoping to secure funding for the sanitary updates to include them in the street reconstruction and repairs.

Many of the parcels in the project area are small and have already replaced the original septic system. Most of the parcels do not contain enough space to meet requirements for future septic system replacements.

- 7.2 Street Map with Project Locations
- 7.3 Topographical Map
- 7.4 Aerial Map
- 7.5 Flood Insurance Rate Maps
- 7.6 Flood Certificates
- 7.7 Wetlands Map





SEWER EXTENSION PHASE #1

Legend

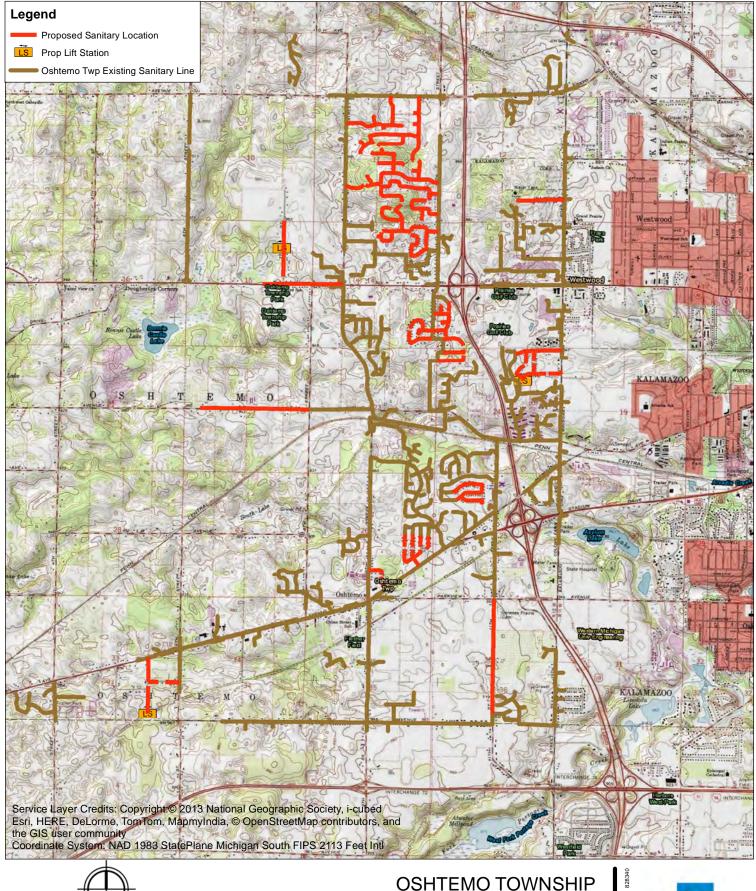
| DRAWN BY | DATE | | MGJ | 10/14/2016 | | FROJECT NO. | SCALE | 828340 | 1:17,838 | | FILE LOCATION |

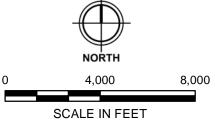
OSHTEMO TOWNSHIP



SOURCES

MAP #1





OSHTEMO TOWNSHIP KALAMAZOO COUNTY, MICHIGAN OSHTEMO FULL RD APPLICATION

TOPOGRAPHIC MAP



NOTES TO USERS

This map is for use in administering the National Flood Insurance Program. It does not necessarily identify all areas subject to flooding, particularly from local delange sources of small size. The community map repository should be consulted for possible updated or additional flood hazard information.

To obtain more detailed information in areas where Base Flood Elevation To obtain more detailed information in areas where Base Flood Elevations (RFEs) and/or floodways have been determined, users are encouraged to consult the Flood Profiles and Floodway Data and/or Summany of Stillwater Elevations stated contained within the Flood Insurance Study (FIS) report that accompanies this FIRM. Users should be aware that BFEs shown on the FIRM represent rounded whole-floot elevations. These BFEs are intended for flood insurance stating purposes only and should not be used as officed in the FIS report should be utilized in conjunction with the FIRM for purposes of construction and/or flood/plain management.

Coastal Base Flood Elevations shown on this map apply only landward of 0.0' North. American Vertical Datum of 1988 (INAVD 88). Users of this FIRM should be aware that coastal flood elevations are also provided in the Summary of Stillwater Elevations table in the Flood Insurance Study report for this jurisdiction. Elevations shown in the Summary of Stillwater Elevations table should be used for construction and/or floodplain management purposes when they are higher than the elevations shown on this FIRM.

Boundaries of the floodways were computed at cross sections and interpolated between cross sections. The floodways were based on hydraulic considerations with regard to requirements of the National Flood insurance Program. Floodway widths and other perinent floodway data are

Certain areas not in Special Flood Hazard Areas may be protected by flood control structures. Refer to Section 2.4 "Flood Protection Measures" of the Flood Insurance Study report for information on flood control structures for interioristic and the state of the sta

The projection used in the preparation of this map was Michigan State Plane South zone 6401 (FIPSZONE 2113). The horizontal datum was NADS3, Differences in datum, spheroid, projection or state plane zones used in the production of FIRMs for adjacent jurisdictions may result in slight positional differences in map features across jurisdiction boundaries. nces do not affect the accuracy of this FIRM.

Rood elevations on this map are referenced to the North American Vertical Datum of 1988. These food elevations must be compared to structure and ground elevations selevations selevation selevations selevation selevation selevation of 1989. The North American Vertical Datum of 1999 and the North American Vertical Datum of 1998, what the National Geodetic Survey website at http://www.mags.nosa.gov/ or contact the National Geodetic Survey website at http://www.mags.nosa.gov/ or contact the National Geodetic Survey at the following address:

NGS Information Services NOAA, N/NGS12 National Geodetic Survey SSMC-3, #9202 1315 East-West Highway Salver Spring, Maryland 20910-3282 (301) 713-3242

Base Map information shown on this FIRM was derived from the City of Kalamazoo, City of Portage, and Kalamazoo County GIS Departments from photography dailed 2004 or later.

This map reflects more detailed and up-to-date stream channel configurations than those shown on the previous FIRM for this jurisdiction. The floodplains and floodways that were transferred from the previous FIRM may have been adjusted to conform to these new stream channel configurations. As a result, the Flood Priorities and Prioodway Data tables in the Flood Insurince Study report (which contains authentiave Inprinatio daily) may reflect stream channel distances that office from what is shown on this map.

Corporate limits shown on this map are based on the best data available at the time of publication. Because changes due to annexations or de-annexations may have occurred after this map was published, map users should contact appropriate community officials to verify current corporate limit locations.

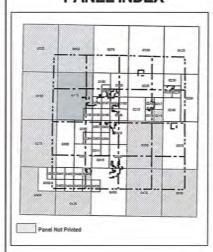
dates for each community as well as a listing of the panels on which each community is located.

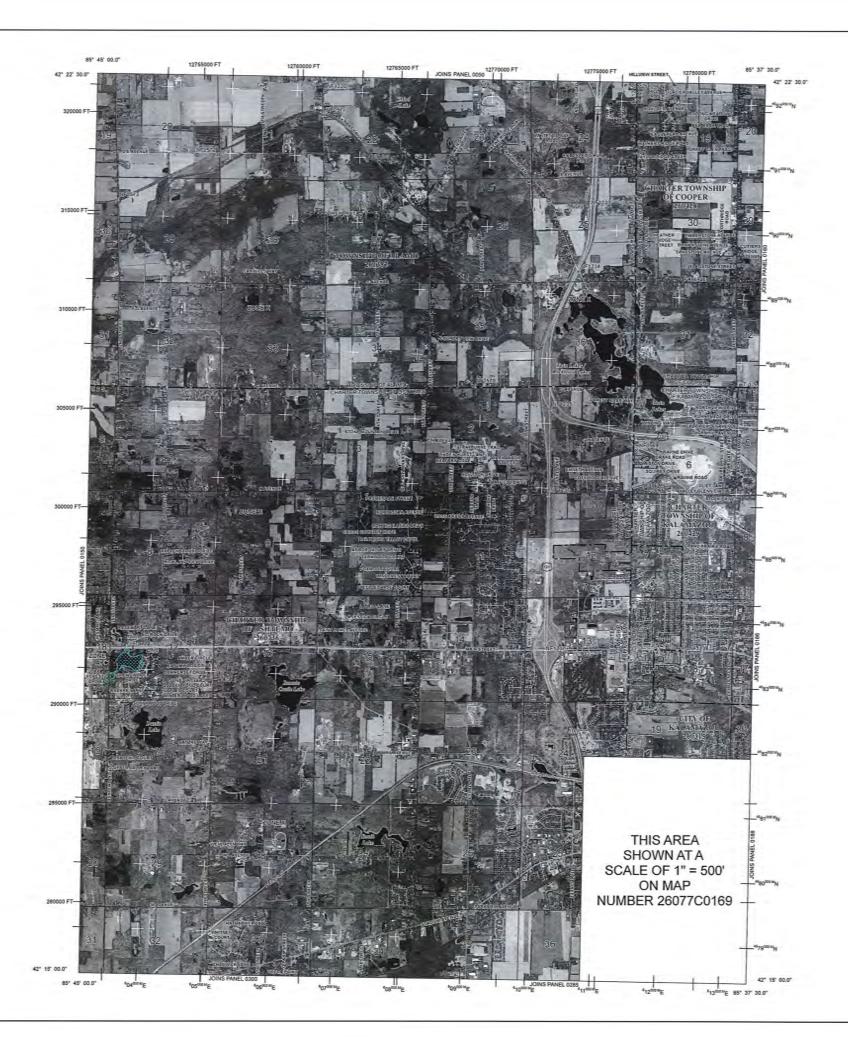
Contact the FERM Map Service Center at 1-800-358-9616 for information in available products associated with this FIRM. Available products may include previously issued Letters of Map Change, a Flood Insurance Study report, and/or rightal versions of this map. The FERM Map Service Center may also be reached by Fax at 1-800-358-9620 and its website at http://linsc.ferma.gov/.

If you have questions about this map or questions concerning the National Flood Insurance Program in general, please call 1-877-FBMA MAP (1-877-336-2627) or visit the FEMA website at http://www.fema.gov/business/nfp/.

The profile base lines depicted on this map represent the hydraulic modeling baselines that match the flood profiles in the FIS report. As a result of improved topographic data, the profile base line, in some cases, may deviate significantly from the channel centerine or appear outside the SFHA.

PANEL INDEX





LEGEND

SPECIAL FLOOD HAZARD AREAS SUBJECT TO INUNDATION BY THE 1% ANNUAL CHANCE FLOOD

nual chance food (300 year food), also known as the base flood, is the fix chance of being equilled or exceeded in any given year. The Area is the error subject to flooding by the 1% annual chance flood. of Reserved may include Zhore A, AZ, AR, AD, AR, ARD, AY, and VE. The Combination of the UN annual chance chance flood in the three subject extension of the UN annual chance

ZONEA No Sase Rood Elevations determined ZONE AH Food depths of 1 to 3 feet (usually areas of ponding); Sase Flood ZONE AD

ZONE ASS

FLOCOWAY AREAS IN ZONE AE

The floodway is the channel of a stream plus any adjacent floodpain areas that must be kept free of encoachment so that the 1% annual chance flood can be carried without substantial increases in flood heights.

OTHER FLOOD AREAS

OTHER AREAS

Areas determined to be outside of the 0.2% annual chance flootplain. ZONE D

COASTAL BARRIER RESOURCES SYSTEM (CBRS) AREAS

OTHERWISE PROTECTED AREAS (OPAs)

CBRS areas and CRAs are normally located within or adjacent to Special Flood Hazard Area

1% annual chance floodplain boundary 0.2% annual chance floodplain boundary Roodiusy boundary

Zone D boundary CBRS and OFA boundary

Boundary dividing Special Flood Hazard Areas of different Sese Flood Elevations, flood depths or flood velocities.

---- 513-----Base Flood Bevation line and value; elevation in feet* IEL 101

Referenced to the North. an Vertical Datum of 1966 Cross section line

Transect line

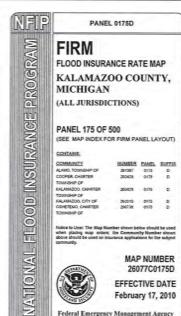
85° 80° 45.0°, 41° 24° 22.5° 4187000 N 1000-meter Othersal Transverse Recutor grid values, zone 16 2250000 FT

KA0015 X

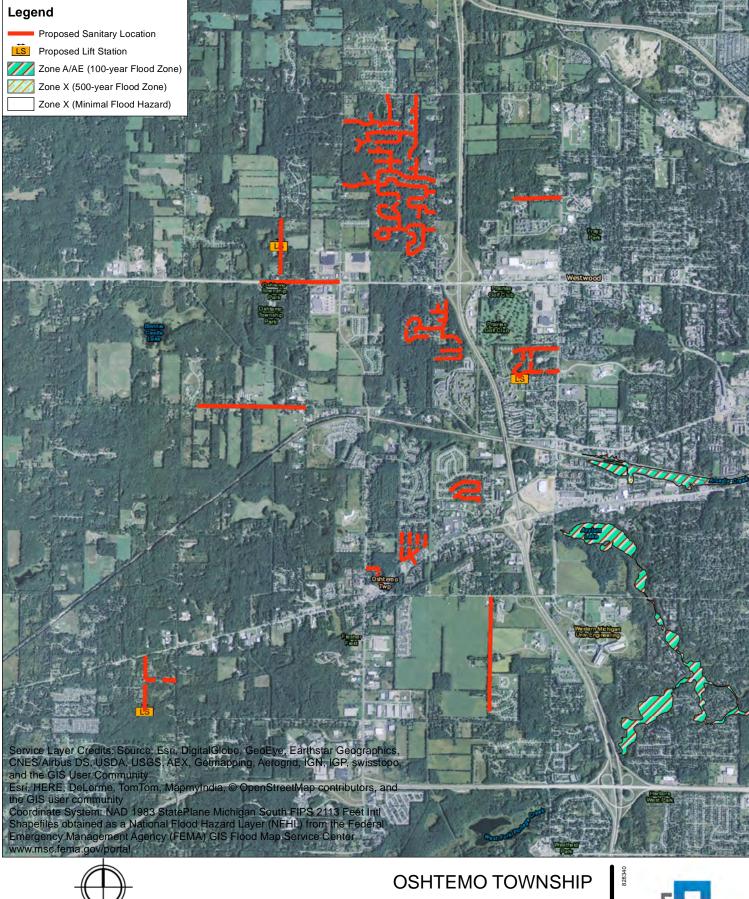
EFFECTIVE DATE(S) OF REVISION(S) TO THIS PANEL

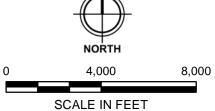
For community map resiston history prior to county-lide mapping, refer to the Community Map History table located in the Flood Insurance Study report for this jurisdiction. To determine if flood insurance is available in this community, contact your insurance prior at cell the National Flood Insurance Program at 1-50-618-6629.





Federal Emergency Management Agency





OSHTEMO TOWNSHIP

KALAMAZOO COUNTY, MICHIGAN

OSHTEMO FULL RD APPLICATION

FLOODPLAINS MAP



SECTION I - LOAN INFORMATION						
1. LENDER/SERVICER NAME AND ADDRESS 2. COLLATERAL DESCRIPTION (Building/Mobile Home/Property) (See instructions for						
USDA Rural Development 4300 Goodfellow Blvd		more information.) 1796 N 10TH ST		00		
FC-231 Bldg 105 St. Louis, MO 63120		KALAMAZOO, MI	490	09		
Requested By: Josh Church						
3. LENDER/SERVICER ID # CF	4. LOAN	N IDENTIFIER		5. AMOUNT OF FLOO	DD INSURANCE REQUIRED	
		SECTION II				
A. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) C	OMMUNITY JURISDICTI	ON			
1. NFIP Community Name	2. (County(ies)		3. State	4. NFIP Community Number	
OSHTEMO, CHARTER TOWNSHIP OF		ALAMAZOO		MI	260736	
B. NATIONAL FLOOD INSURANCE PROGRAM			_			
NFIP Map Number or Community-Panel Numb (Community name, if not the same as "A")		NFIP Map Panel ective/Revised Date	3. l	s there a Letter of Map C	Change (LOMC)?	
26077C 0175D		02/17/10	X	NO YES (if yes, and LOM date and case no. belo	C date/no. is available, enter ow).	
4. Flood Zone	5. I	No NFIP Map				
X			Da	te Ca	ase No.	
C. FEDERAL FLOOD INSURANCE AVAILABILI	TY (Chec	k all that apply.)				
 Tederal Flood Insurance is available (community participates in the NFIP). Regular Program						
not be available. CBRA/OPA Designation Date:						
D. DETERMINATION						
IS BUILDING/MOBILE HOME IN SPECIAL FLO	OD HAZA	ARD AREA (ZONES CON	TAIN	ING THE LETTERS "A"	OR "V")? ☐ YES ☒ NO	
If yes, flood insurance is required by the Flood Di If no, flood insurance is not required by the Flood removed.			ease	note, the risk of flooding	in this area is only reduced, not	
This determination is based on examining the NF other information needed to locate the building/m			anage	ement Agency revisions t	to it, and any	
E. COMMENTS (Optional)						
THIS FLOOD DETERMINATION IS POSSIBLE PROTECTION ACT. IT		ED TO THE LENDER O NOT BE USED FO				
		UNDOO CERTIFICATION	\			
F. PREPARER'S INFORMATION	hand. •		. \	DATE O	E DETERMINATION	
NAME, ADDRESS, TELEPHONE NUMBER (If of CoreLogic Flood Servi 11902 Burnet Road Austin, TX 78758 1-800-447-1772		CoreLogic The final state deformation was such to gent little with the fillingum and makelet and recribing on extension or dark by the first flower production. And of Fig. And of Fig. The final disparant Production.		DATE O 05/25/17 at 09 FloodCert #: 1 *** LIFE-OF-LO	1705B41457	
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SECTION I - LOAN INFORMATION						
1. LENDER/SERVICER NAME AND ADDRESS 2. COLLATERAL DESCRIPTION (Building/Mobile Home/Property) (See instructions for						
USDA Rural Development 4300 Goodfellow Blvd		more information.) 2401 BLUESTONE KALAMAZOO, MI				
FC-231 Bldg 105 St. Louis, MO 63120		KADAMAZOO, MI	1 00			
Requested By: Josh Church						
3. LENDER/SERVICER ID # CF	4. LOAN	I IDENTIFIER		5. AMOUNT OF FLOO	DD INSURANCE REQUIRED	
		SECTION II				
A. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) C	OMMUNITY JURISDICTI	ON			
1. NFIP Community Name	2. (County(ies)		3. State	4. NFIP Community Number	
OSHTEMO, CHARTER TOWNSHIP OF		LAMAZOO		MI	260736	
B. NATIONAL FLOOD INSURANCE PROGRAM						
NFIP Map Number or Community-Panel Numb (Community name, if not the same as "A")		NFIP Map Panel ective/Revised Date	3. l	s there a Letter of Map C	Change (LOMC)?	
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4. Flood Zone	5. 1	No NFIP Map				
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3. Building/Mobile Home is in a Coastal Barr not be available.	ier Resou	rces Area (CBRA) or Othe	erwise	e Protected Area (OPA).	Federal Flood Insurance may	
CBRA/OPA Designation Date:						
D. DETERMINATION						
IS BUILDING/MOBILE HOME IN SPECIAL FLO	OD HAZA	ARD AREA (ZONES CON	TAIN	ING THE LETTERS "A"	OR "V")? YES X NO	
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This determination is based on examining the NF other information needed to locate the building/me			anage	ement Agency revisions t	to it, and any	
E. COMMENTS (Optional)						
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F. PREPARER'S INFORMATION	han the state of		. \	DATE O	E DETERMINATION	
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Austin, TX 78758 1-800-447-1772		all caroline-due requirements set dorth lie ske Flood filoamer Production Act of 1675	/	FloodCert #: 3		
1-800-44/-1//2		SEAL		*** LIFE-OF-LO		

	51	ECTION I - LOAN INFORM	MAII	ON			
2. COLLATERAL DESCRIPTION (Building/Mobile Home/Property) (See instruction more information.) 3700 OLD SAVANNAH DR KALAMAZOO, MI 49009 3700 OLD SAVANNAH DR KALAMAZOO, MI 49009				ome/Property) (See instructions for			
Requested By: Josh Church							
Requested by . John Sharen							
3. LENDER/SERVICER ID # CF	4. LOAN	N IDENTIFIER		5. AMOUNT OF FLOC	DD INSURANCE REQUIRED		
		SECTION II					
A. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) C	OMMUNITY JURISDICTION	ON				
1. NFIP Community Name	2. (County(ies)		3. State	4. NFIP Community Number		
OSHTEMO, CHARTER TOWNSHIP OF		ALAMAZOO		MI	260736		
B. NATIONAL FLOOD INSURANCE PROGRAM	<u> </u>		1				
NFIP Map Number or Community-Panel Numb (Community name, if not the same as "A")	er 2.1	NFIP Map Panel fective/Revised Date		s there a Letter of Map C	Change (LOMC)?		
26077C 0175D		02/17/10	X	NO YES (if yes, and LOM date and case no. bel	C date/no. is available, enter ow).		
4. Flood Zone	5.	No NFIP Map					
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C. FEDERAL FLOOD INSURANCE AVAILABIL	TY (Chec	k all that apply.)					
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D. DETERMINATION							
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This determination is based on examining the NF other information needed to locate the building/m			anage	ement Agency revisions t	to it, and any		
E. COMMENTS (Optional)							
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F. PREPARER'S INFORMATION		AND CERTIFICATION	\				
NAME, ADDRESS, TELEPHONE NUMBER (If of	her than l	Ander)	: 1	DATE O	OF DETERMINATION		
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	S	ECTION I - LOAN INFOR	MATI	ON			
1. LENDER/SERVICER NAME AND ADDRESS USDA Rural Development 4300 Goodfellow Blvd FC-231 Bldg 105 St. Louis, MO 63120 2. COLLATERAL DESCRIPTION (Building/Mobile Home/Property) (See instruction more information.) 4690 OLDE FOREST DR KALAMAZOO, MI 49009				ome/Property) (See instructions for			
Requested By: Josh Church							
3. LENDER/SERVICER ID # CF	4. LOAN	N IDENTIFIER		5. AMOUNT OF FLOC	DD INSURANCE REQUIRED		
		SECTION II					
A. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) C	OMMUNITY JURISDICTI	ON				
1. NFIP Community Name	2.	County(ies)		3. State	4. NFIP Community Number		
OSHTEMO, CHARTER TOWNSHIP OF		ALAMAZOO		MI	260736		
B. NATIONAL FLOOD INSURANCE PROGRAM	` , 		r				
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26077C 0300D		02/17/10	<u> x</u>	NO YES (if yes, and LOM date and case no. bel	C date/no. is available, enter ow).		
4. Flood Zone	5.	No NFIP Map	Da	te Ca	ase No.		
C. FEDERAL FLOOD INSURANCE AVAILABILIT	Y (Chec	ck all that apply.)					
 Tederal Flood Insurance is available (community participates in the NFIP). Regular Program Emergency Program of NFIP Federal Flood Insurance is not available (community does not participate in the NFIP). Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA). Federal Flood Insurance may not be available. CBRA/OPA Designation Date: 							
D. DETERMINATION							
IS BUILDING/MOBILE HOME IN SPECIAL FLOO If yes, flood insurance is required by the Flood Dis If no, flood insurance is not required by the Flood removed.	aster Pro	otection Act of 1973.					
This determination is based on examining the NFI other information needed to locate the building/mo			anage	ement Agency revisions t	to it, and any		
E. COMMENTS (Optional) THIS FLOOD DETERMINATION IS PROJECTION ACT. IT S		ED TO THE LENDER O NOT BE USED FO					
F. PREPARER'S INFORMATION			\				
NAME, ADDRESS, TELEPHONE NUMBER (If oth	er than I	ender)	: 1	DATE O	F DETERMINATION		
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SECTION I - LOAN INFORMATION							
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USDA Rural Development 4300 Goodfellow Blvd FC-231 Bldg 105		more information.) 5514 W H AVE KALAMAZOO, MI 49009					
St. Louis, MO 63120							
Requested By: Josh Church							
3. LENDER/SERVICER ID # CF	4. LOAN	N IDENTIFIER		5. AMOUNT OF FLOO	D INSURANCE REQUIRED		
		SECTION II					
A. NATIONAL FLOOD INSURANCE PROGRAM	` ' ' '		ON				
NFIP Community Name	2. (County(ies)		3. State	4. NFIP Community Number		
OSHTEMO, CHARTER TOWNSHIP OF	KA	ALAMAZOO		MI	260736		
B. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) D	ATA AFFECTING BUILD	ING/I	MOBILE HOME			
1. NFIP Map Number or Community-Panel Numb (Community name, if not the same as "A")		NFIP Map Panel fective/Revised Date	3. l	s there a Letter of Map C	Change (LOMC)?		
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4. Flood Zone	5.	No NFIP Map					
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D. DETERMINATION							
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E. COMMENTS (Optional)							
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F. PREPARER'S INFORMATION			: \				
NAME, ADDRESS, TELEPHONE NUMBER (If ot		_ender)	_		F DETERMINATION		
CoreLogic Flood Servi 11902 Burnet Road	ces	CoreLogic*	7	05/25/17 at 09			
Austin, TX 78758		great hills with the diligence and contains all carelle-rices requirements set took by the French Steamer Protection Art of 1975	/	FloodCert #: 3	1705B41781		
1-800-447-1772		SEAL		*** LIFE-OF-LO *** SPECIAL PI			

	51	ECTION I - LOAN INFORM	MAII	ON				
1. LENDER/SERVICER NAME AND ADDRESS USDA Rural Development 4300 Goodfellow Blvd FC-231 Bldg 105	more information.)							
St. Louis, MO 63120								
Requested By: Josh Church								
3. LENDER/SERVICER ID # CF	4. LOAN	N IDENTIFIER		5. AMOUNT OF FLOC	D INSURANCE REQUIRED			
		SECTION II						
A. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) C	OMMUNITY JURISDICTION	ON					
1. NFIP Community Name	2. (County(ies)		3. State	4. NFIP Community Number			
OSHTEMO, CHARTER TOWNSHIP OF	KA	ALAMAZOO		MI	260736			
B. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) D	ATA AFFECTING BUILD	ING/I	MOBILE HOME				
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F. PREPARER'S INFORMATION			: \					
NAME, ADDRESS, TELEPHONE NUMBER (If ot	her than l		_	DATE O	F DETERMINATION			
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Austin, TX 78758		all carellinesis experiments and contains all carellinesis experiments at forth let the Fined Beamer Perturbation Art of 1975.	/	FloodCert #: 3	1705B41841			
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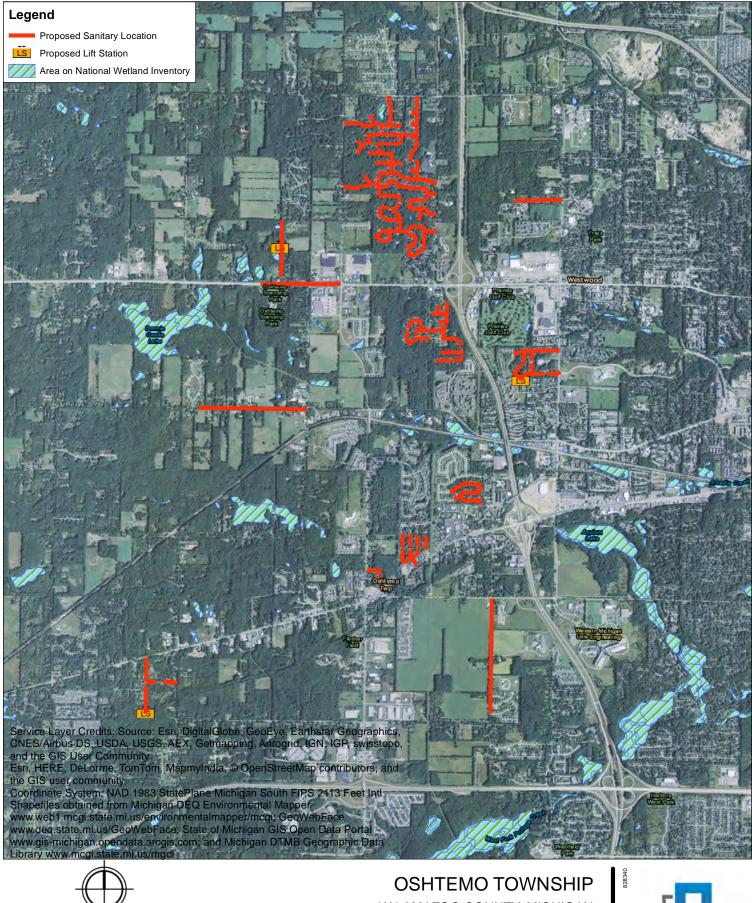
	51	ECTION I - LOAN INFORM	MAII	ON			
1. LENDER/SERVICER NAME AND ADDRESS USDA Rural Development 4300 Goodfellow Blvd FC-231 Bldg 105 St. Louis, MO 63120	COLLATERAL DESCRIPTION (Building/Mobile Home/Property) (See instructions for more information.) 6375 BUCKHAM WOOD DR KALAMAZOO, MI 49009				ome/Property) (See instructions for		
Requested By: Josh Church							
3. LENDER/SERVICER ID # CF	4. LOAN	N IDENTIFIER		5. AMOUNT OF FLOC	DD INSURANCE REQUIRED		
		SECTION II					
A. NATIONAL FLOOD INSURANCE PROGRAM	· -		ON				
1. NFIP Community Name	2. (County(ies)		3. State	4. NFIP Community Number		
OSHTEMO, CHARTER TOWNSHIP OF		ALAMAZOO		MI	260736		
B. NATIONAL FLOOD INSURANCE PROGRAM	<u> </u>						
NFIP Map Number or Community-Panel Numb (Community name, if not the same as "A")	er 2.1	NFIP Map Panel fective/Revised Date		s there a Letter of Map C	Change (LOMC)?		
26077C 0175D		02/17/10	х	NO YES (if yes, and LOM date and case no. bel	C date/no. is available, enter ow).		
4. Flood Zone	5.	No NFIP Map					
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E. COMMENTS (Optional)							
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1-000-44/-1//2		SEAL		*** LIFE-OF-LO *** SPECIAL PI			

	SI	ECTION I - LOAN INFOR	MATI	ON		
1. LENDER/SERVICER NAME AND ADDRESS 2. COLLATERAL DESCRIPTION (Building/Mobile Home/Property) (See instructions for						
USDA Rural Development 4300 Goodfellow Blvd KALAMAZOO, MI 49009						
FC-231 Bldg 105 St. Louis, MO 63120		RALAMAZOO, MI 49009				
Requested By: Josh Church						
3. LENDER/SERVICER ID # CF	4. LOAN	N IDENTIFIER		5. AMOUNT OF FLOC	DD INSURANCE REQUIRED	
		SECTION II				
A. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) C	OMMUNITY JURISDICTI	ON			
1. NFIP Community Name	2. (County(ies)		3. State	4. NFIP Community Number	
OSHTEMO, CHARTER TOWNSHIP OF	KA	ALAMAZOO		MI	260736	
B. NATIONAL FLOOD INSURANCE PROGRAM	` , ´		_			
NFIP Map Number or Community-Panel Numb (Community name, if not the same as "A")		NFIP Map Panel fective/Revised Date		s there a Letter of Map C	Change (LOMC)?	
26077C 0175D		02/17/10	X	NO YES (if yes, and LOM date and case no. belo	C date/no. is available, enter ow).	
4. Flood Zone	5.	No NFIP Map				
X			Da	te Ca	ase No.	
C. FEDERAL FLOOD INSURANCE AVAILABILIT	TY (Chec	k all that apply.)				
 Tederal Flood Insurance is available (com Federal Flood Insurance is not available (com Building/Mobile Home is in a Coastal Barr not be available. CBRA/OPA Designation Date: 	communit	ty does not participate in the	he NF	TIP).	Emergency Program of NFIP Federal Flood Insurance may	
D. DETERMINATION						
IS BUILDING/MOBILE HOME IN SPECIAL FLO	OD HAZA	ARD AREA (ZONES CON	TAIN	ING THE LETTERS "A"	OR "V")? ☐ YES ☒ NO	
If yes, flood insurance is required by the Flood Dis If no, flood insurance is not required by the Flood removed.			ease	note, the risk of flooding	in this area is only reduced, not	
This determination is based on examining the NF other information needed to locate the building/me	P map, a obile hom	any Federal Emergency Ma ne on the NFIP map.	anage	ement Agency revisions t	to it, and any	
E. COMMENTS (Optional)						
THIS FLOOD DETERMINATION IS POSITION ACT. IT		ED TO THE LENDER O NOT BE USED FO				
		ELOGO CERTIFICATION	\			
F. PREPARER'S INFORMATION			٠,	DATE 0	E DETERMINATION	
NAME, ADDRESS, TELEPHONE NUMBER (If of		CoreLogic			F DETERMINATION	
CoreLogic Flood Servi 11902 Burnet Road	ces	This found man deformation was made in a good faith with who diligeness and contains all confidences on superiors are not back a	7	05/25/17 at 09 FloodCert #: 3		
Austin, TX 78758 1-800-447-1772		le the Final Dispute Probation Act of 1975	/			
1-000-44/-1//2		SEAL		*** LIFE-OF-LO		

	SI	ECTION I - LOAN INFOR	MATI	ON	
1. LENDER/SERVICER NAME AND ADDRESS 2. COLLATERAL DESCRIPTION (Building/Mobile Home/Property) (See instructions for					
USDA Rural Development		more information.) 6744 ANDOVER D	ıΒ		
4300 Goodfellow Blvd		KALAMAZOO, MI 49009			
FC-231 Bldg 105 St. Louis, MO 63120					
Requested By: Josh Church					
3. LENDER/SERVICER ID #	4. LOAN	N IDENTIFIER		5. AMOUNT OF FLOC	D INSURANCE REQUIRED
CF		SECTION II			
A. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) C		ON		
NFIP Community Name	` ' ' '	County(ies)		3. State	4. NFIP Community Number
OSHTEMO, CHARTER TOWNSHIP OF		ALAMAZOO		MI	260736
-			1110/		200730
B. NATIONAL FLOOD INSURANCE PROGRAM	` , ´		_		// OMOVO
 NFIP Map Number or Community-Panel Numb (Community name, if not the same as "A") 		NFIP Map Panel ective/Revised Date	3. 1	s there a Letter of Map C	Change (LOMC)?
			Х	NO	
26077C 0175D		02/17/10		\ , ,	C date/no. is available, enter
4. Flood Zone	5	No NFIP Map		date and case no. bel	ow).
X	0.	no map	Da	te Ca	ase No.
C. FEDERAL FLOOD INSURANCE AVAILABILI	TY (Chec	k all that apply.)			
	(0	и ирргугу			
1. X Federal Flood Insurance is available (com	munity pa	articipates in the NFIP).	Re	gular Program	Emergency Program of NFIP
2. Federal Flood Insurance is not available (communit	y does not participate in the	ne NF	TP).	
3. Building/Mobile Home is in a Coastal Barr not be available.	ier Resou	irces Area (CBRA) or Othe	erwise	e Protected Area (OPA).	Federal Flood Insurance may
CBRA/OPA Designation Date:					
D. DETERMINATION					
IS BUILDING/MOBILE HOME IN SPECIAL FLO	OD HAZA	ARD AREA (ZONES CON	TAIN	ING THE LETTERS "A"	OR "V")? YES X NO
If yes, flood insurance is required by the Flood Dia	saster Pro	otection Act of 1973.			, <u> </u>
If no, flood insurance is not required by the Flood removed.					•
This determination is based on examining the NF other information needed to locate the building/me	IP map, a obile hom	ny Federal Emergency Ma e on the NFIP map.	anage	ement Agency revisions t	to it, and any
E. COMMENTS (Optional)					
THIS FLOOD DETERMINATION IS PROJECTION ACT. IT		D TO THE LENDER NOT BE USED FO			
		COO CERTIFICATION	\		
F. PREPARER'S INFORMATION			: \		
NAME, ADDRESS, TELEPHONE NUMBER (If ot	her than L		\Box	DATE O	F DETERMINATION
CoreLogic Flood Servi	ces	CoreLogic	Ç	05/25/17 at 0	9:22 AM CDT
11902 Burnet Road Austin, TX 78758		This found man delicentication was made in great hills with ther diligence and contains all armillousion requirements and dorth by the Fand Steamer Portaction		FloodCert #: 3	1705B42033
1-800-447-1772		SEAL	/	*** LIFE-OF-LO	
		SEAL		*** SPECTAL PI	ROPERTY ***

	<u> </u>	ECTION I - LOAN INFORM	VIA I I	ON			
1. LENDER/SERVICER NAME AND ADDRESS USDA Rural Development 4300 Goodfellow Blvd FC-231 Bldg 105 St. Louis, MO 63120	A Rural Development 0 Goodfellow Blvd 231 Bldg 105 more information.) 6751 TALL OAKS DR KALAMAZOO, MI 49009				ome/Property) (See instructions for		
Requested By: Josh Church							
NEQUESCE DY. COST CITAL CIT							
3. LENDER/SERVICER ID # CF	4. LOAN	N IDENTIFIER		5. AMOUNT OF FLOO	DD INSURANCE REQUIRED		
		SECTION II					
A. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) C	OMMUNITY JURISDICTION	ON				
1. NFIP Community Name	2. (County(ies)		3. State	4. NFIP Community Number		
OSHTEMO, CHARTER TOWNSHIP OF		ALAMAZOO		MI	260736		
B. NATIONAL FLOOD INSURANCE PROGRAM	` , '						
NFIP Map Number or Community-Panel Numb (Community name, if not the same as "A")	er 2.1 Eff	NFIP Map Panel fective/Revised Date		s there a Letter of Map C	Change (LOMC)?		
26077C 0175D		02/17/10	X	NO YES (if yes, and LOM date and case no. belo	C date/no. is available, enter ow).		
4. Flood Zone	5. !	No NFIP Map					
X			Dat	te Ca	ase No.		
C. FEDERAL FLOOD INSURANCE AVAILABILI	TY (Chec	k all that apply.)					
 X Federal Flood Insurance is available (community participates in the NFIP). X Regular Program							
D. DETERMINATION							
IS BUILDING/MOBILE HOME IN SPECIAL FLO If yes, flood insurance is required by the Flood Di If no, flood insurance is not required by the Flood removed.	saster Pro	otection Act of 1973.					
This determination is based on examining the NF other information needed to locate the building/m			anage	ement Agency revisions t	to it, and any		
E. COMMENTS (Optional)							
THIS FLOOD DETERMINATION IS POSSIBLE PROTECTION ACT. IT		ED TO THE LENDER O NOT BE USED FOI					
F. PREPARER'S INFORMATION		OO CERTIFICATION	\				
NAME, ADDRESS, TELEPHONE NUMBER (If ot	her than I	Ander)	: \	DATE C	OF DETERMINATION		
CoreLogic Flood Servi 11902 Burnet Road Austin, TX 78758 1-800-447-1772		CoreLogic The final one determination we sade is good table both the diligeness and metable at particular size of the first statement and interest in the first statement and interest in the first statement and interest in the first statement in the first statement and interest in the first statement and interest in the first statement in the		05/25/17 at 09 FloodCert #: 3	9:23 AM CDT 1705B42083		
1-000-447-1772		SEAL		*** LIFE-OF-LO *** SPECIAL PI			

	SI	ECTION I - LOAN INFOR	MATI	ON		
1. LENDER/SERVICER NAME AND ADDRESS USDA Rural Development 4300 Goodfellow Blvd FC-231 Bldg 105 St. Louis, MO 63120		COLLATERAL DESCRIPTION (Building/Mobile Home/Property) (See instructions for more information.) 7690 STADIUM DR KALAMAZOO, MI 49009				
Requested By: Josh Church						
3. LENDER/SERVICER ID # CF	4. LOAN	N IDENTIFIER		5. AMOUNT OF FLOC	D INSURANCE REQUIRED	
		SECTION II				
A. NATIONAL FLOOD INSURANCE PROGRAM	` 		ON			
NFIP Community Name	2. 0	County(ies)		3. State	4. NFIP Community Number	
OSHTEMO, CHARTER TOWNSHIP OF	KA	ALAMAZOO		MI	260736	
B. NATIONAL FLOOD INSURANCE PROGRAM	(NFIP) D	ATA AFFECTING BUILD	ING/I	MOBILE HOME		
1. NFIP Map Number or Community-Panel Numb (Community name, if not the same as "A")		NFIP Map Panel	3. I	s there a Letter of Map C	Change (LOMC)?	
26077C 0175D		ective/Revised Date	x	NO YES (if yes, and LOM date and case no. bel	C date/no. is available, enter ow).	
4. Flood Zone	5. I	No NFIP Map				
х			Da	te Ca	ase No.	
C. FEDERAL FLOOD INSURANCE AVAILABILI	TY (Chec	k all that apply.)				
 X Federal Flood Insurance is available (com Federal Flood Insurance is not available (com Building/Mobile Home is in a Coastal Barranot be available. CBRA/OPA Designation Date: 	communit	ty does not participate in th	ne NF	TIP).	Emergency Program of NFIP Federal Flood Insurance may	
D. DETERMINATION						
IS BUILDING/MOBILE HOME IN SPECIAL FLOW If yes, flood insurance is required by the Flood Distriction of the Flood removed.	saster Pro	otection Act of 1973.			,	
This determination is based on examining the NF other information needed to locate the building/me			anage	ement Agency revisions t	to it, and any	
E. COMMENTS (Optional)						
		ED TO THE LENDER O NOT BE USED FO				
F. PREPARER'S INFORMATION			. \		E DETERMINATION	
NAME, ADDRESS, TELEPHONE NUMBER (If ot CoreLogic Flood Servi 11902 Burnet Road Austin, TX 78758 1-800-447-1772		CoreLogic To feed on a direction of the resident of the resid		DATE O 05/25/17 at 0: FloodCert #:: *** LIFE-OF-L *** SPECIAL PI	1705B42135 OAN ***	





OSHTEMO TOWNSHIP

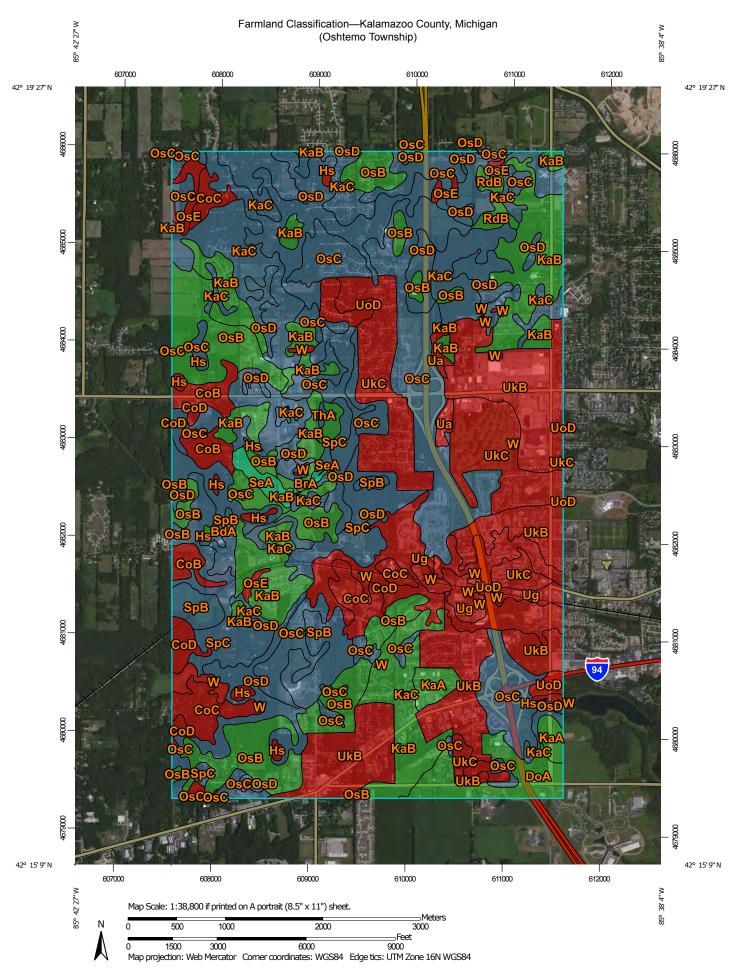
KALAMAZOO COUNTY, MICHIGAN
OSHTEMO FULL RD APPLICATION

NATIONAL WETLANDS INVENTORY MAP



8,000

- 7.8 Soils Map
- 7.9 Prime and Other Important Farmlands



		MAP LEGEND		
Area of Interest (AOI) Area of Interest (AOI) Soils Soil Rating Polygons Not prime farmland All areas are prime farmland Prime farmland if drained Prime farmland if protected from flooding or not frequently flooded during the growing season Prime farmland if irrigated Prime farmland if drained and either protected from flooding or not frequently flooded during the growing season Prime farmland if irrigated and drained Prime farmland if irrigated and either protected from flooding or not frequently flooded during the growing season	Prime farmland if subsoiled, completely removing the root inhibiting soil layer Prime farmland if irrigated and the product of I (soil erodibility) x C (climate factor) does not exceed 60 Prime farmland if irrigated and reclaimed of excess salts and sodium Farmland of statewide importance Farmland of local importance Farmland of unique importance Not rated or not available Soil Rating Lines Not prime farmland All areas are prime farmland Prime farmland if drained	Prime farmland if protected from flooding or not frequently flooded during the growing season Prime farmland if irrigated Prime farmland if drained and either protected from flooding or not frequently flooded during the growing season Prime farmland if irrigated and drained Prime farmland if irrigated and either protected from flooding or not frequently flooded during the growing season Prime farmland if subsoiled, completely removing the root inhibiting soil layer Prime farmland if irrigated and the product of I (soil erodibility) x C (climate factor) does not exceed 60	Prime farmland if irrigated and reclaimed of excess salts and sodium Farmland of statewide importance Farmland of local importance Farmland of unique importance Not rated or not available Soil Rating Points Not prime farmland All areas are prime farmland Prime farmland if drained Prime farmland if protected from flooding or not frequently flooded during the growing season Prime farmland if irrigated Prime farmland if drained and either protected from flooding or not frequently flooded during the growing season	Prime farmland if irrigated and drained Prime farmland if irrigated and either protected from flooding or not frequently floode during the growing season Prime farmland if subsoiled, completely removing the root inhibiting soil layer Prime farmland if irrigated and the produ of I (soil erodibility) x O (climate factor) does not exceed 60 Prime farmland if irrigated and reclaimed of excess salts and sodium Farmland of statewide importance Farmland of local importance Farmland of unique importance Not rated or not available Water Features

MAP INFORMATION

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Streams and Canals

Transportation

Rails

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Interstate Highways

US Routes

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Major Roads

~

Local Roads

Background

90

Aerial Photography

The soil surveys that comprise your AOI were mapped at 1:15.800.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service Web Soil Survey URL:

Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Kalamazoo County, Michigan Survey Area Data: Version 11, Sep 21, 2016

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Jul 13, 2011—Oct 3, 2011

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Farmland Classification

Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
BdA	Brady sandy loam, 0 to 3 percent slopes	All areas are prime farmland	4.6	0.1%
BrA	Bronson sandy loam, 0 to 3 percent slopes	All areas are prime farmland	8.1	0.1%
СоВ	Coloma loamy sand, 0 to 6 percent slopes	Not prime farmland	113.3	1.7%
CoC	Coloma loamy sand, 6 to 12 percent slopes	Not prime farmland	169.7	2.6%
CoD	Coloma loamy sand, 12 to 18 percent slopes	Not prime farmland	196.6	3.0%
DoA	Dowagiac loam, 0 to 3 percent slopes	All areas are prime farmland	128.4	1.9%
Hs	Houghton and Sebewa soils, ponded	Not prime farmland	38.9	0.6%
KaA	Kalamazoo loam, 0 to 2 percent slopes	All areas are prime farmland	62.1	0.9%
КаВ	Kalamazoo loam, 2 to 6 percent slopes	All areas are prime farmland	754.7	11.4%
KaC	Kalamazoo loam, 6 to 12 percent slopes	Farmland of local importance	708.1	10.7%
OsB	Oshtemo sandy loam, 0 to 6 percent slopes	All areas are prime farmland	561.6	8.5%
OsC	Oshtemo sandy loam, 6 to 12 percent slopes	Farmland of local importance	954.7	14.4%
OsD	Oshtemo sandy loam, 12 to 18 percent slopes	Farmland of local importance	686.4	10.4%
OsE	Oshtemo sandy loam, 18 to 35 percent slopes	Not prime farmland	43.5	0.7%
RdB	Riddles loam, 2 to 6 percent slopes	All areas are prime farmland	31.1	0.5%
SeA	Sleeth loam, 0 to 3 percent slopes	Prime farmland if drained	35.2	0.5%
SpB	Spinks loamy sand, 0 to 6 percent slopes	Farmland of local importance	185.3	2.8%
SpC	Spinks loamy sand, 6 to 12 percent slopes	Farmland of local importance	310.5	4.7%
SpD	Spinks loamy sand, 12 to 18 percent slopes	Not prime farmland	1.4	0.0%
ThA	Thetford loamy sand, 0 to 2 percent slopes	Farmland of local importance	4.9	0.1%

Farmland Classification— Summary by Map Unit — Kalamazoo County, Michigan (MI077)						
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI		
Ua	Udipsamments, level to steep	Not prime farmland	27.0	0.4%		
Ug	Urban land-Glendora complex	Not prime farmland	65.4	1.0%		
UkB	Urban land-Kalamazoo complex, 0 to 6 percent slopes	Not prime farmland	776.0	11.7%		
UkC	Urban land-Kalamazoo complex, 6 to 12 percent slopes	Not prime farmland	487.4	7.4%		
UoD	Urban land-Oshtemo complex, 12 to 25 percent slopes	Not prime farmland	200.0	3.0%		
W	Water	Not prime farmland	61.7	0.9%		
Totals for Area of Intere	est	6,616.3	100.0%			

Description

Farmland classification identifies map units as prime farmland, farmland of statewide importance, farmland of local importance, or unique farmland. It identifies the location and extent of the soils that are best suited to food, feed, fiber, forage, and oilseed crops. NRCS policy and procedures on prime and unique farmlands are published in the "Federal Register," Vol. 43, No. 21, January 31, 1978.

Rating Options

Aggregation Method: No Aggregation Necessary

Aggregation is the process by which a set of component attribute values is reduced to a single value that represents the map unit as a whole.

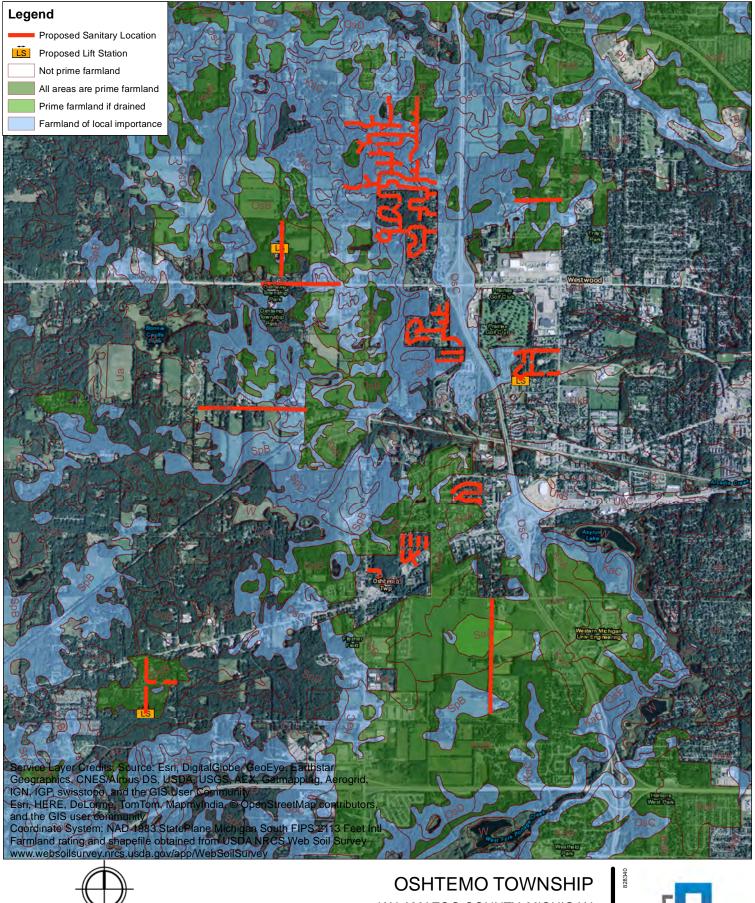
A map unit is typically composed of one or more "components". A component is either some type of soil or some nonsoil entity, e.g., rock outcrop. For the attribute being aggregated, the first step of the aggregation process is to derive one attribute value for each of a map unit's components. From this set of component attributes, the next step of the aggregation process derives a single value that represents the map unit as a whole. Once a single value for each map unit is derived, a thematic map for soil map units can be rendered. Aggregation must be done because, on any soil map, map units are delineated but components are not.

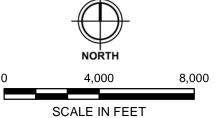
For each of a map unit's components, a corresponding percent composition is recorded. A percent composition of 60 indicates that the corresponding component typically makes up approximately 60% of the map unit. Percent composition is a critical factor in some, but not all, aggregation methods.

The majority of soil attributes are associated with a component of a map unit, and such an attribute has to be aggregated to the map unit level before a thematic map can be rendered. Map units, however, also have their own attributes. An attribute of a map unit does not have to be aggregated in order to render a corresponding thematic map. Therefore, the "aggregation method" for any attribute of a map unit is referred to as "No Aggregation Necessary".

Tie-break Rule: Lower

The tie-break rule indicates which value should be selected from a set of multiple candidate values, or which value should be selected in the event of a percent composition tie.





OSHTEMO TOWNSHIP

KALAMAZOO COUNTY, MICHIGAN
OSHTEMO FULL RD APPLICATION

SOIL SERIES/PRIME FARMLAND MAP



7.10 Storage Tanks and Sites of Environmental Contamination

7.10.1 Storage Tank and Sites of Environmental Contamination Map

Environmental Mapper



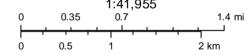


Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community + Active Tanks Open

Environmental Mapper







Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

8.0 List of Preparers

Leo Dion, M.S. Sr. Rural Development Specialist, Michigan Rural Community Assistance Program (RCAP)

Interview Questions

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Question	Answer
Which Rural Utilities Service (RUS), Rural Development (RD) Program Area are you requesting funds from?	Water And Environmental
Please validate the Legal Name is correct for the application you are creating.	Charter Township of Oshtemo
Is this your entity's first application with Rural Utilities Service (RUS), Rural Development (RD)?	Yes
Please validate the State and County are correct for the application you are creating.	Kalamazoo, Michigan
What type of loan/grant are you applying for?	Sewer
Do you have a current loan with Rural Utilities Service (RUS), Rural Development (RD)?	No
Will these funds be used for Construction?	Yes
Are you requesting funds under the Emergency and Imminent Community Water Assistance Grants (ECWAG) Program in conjunction with an emergency event such as, but not limited to, drought, earthquake, flood, tornado, hurricane, disease breakout, chemical spill, leakage, or seepage?	No
Will project enlarge, extend or otherwise modify existing facilities?	Yes
Will project serve additional rural residents?	Yes
Is project necessary to alleviate a health or sanitary issue?	Yes
Select the one that best describes your organization:	Public Body

Customer Screen

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

General Information

Legal Name: Charter Township of

Oshtemo

Organizational

Description:

Township located in south central Michigan

west of the City of Kalamazoo

Type of

Applicant:

Township

Civil Rights:

NA

Fiscal Year End Date:

12/31

Entity Type:

Public Body

Ν

No

Faith Based:

Is the applicant delinquent on any Federal Debt?: Primary Borrower

63933694

ID:

DUNS #:

019369933

7JD12

CAGE Code:

Regular Board

Tuesday

Meeting (Held On):

SAM-CCR Expiration Date: 01/06/2018

Address

Address Type Street 1 Street 2 City State Zipcode County Congressional District Headquarters 7275 West Main Kalamazoo MI 49009 Kalamazoo 6 Street

Key Con	tact	ts						
Туре	Pre	First Name	Last Name	Org.	Phone #	Cell #	Fax#	Email Address
Customer Contact	Mr	Marc	Elliott	Oshtemo Townshi p	269-216-5236	269-389-9626	269-375-7180	melliott@oshtemo.o rg
Supervisor	Ms	Libby	Heiny-C ogswell	Oshtemo Townshi p	269-375-7180		269-375-7180	libbyhc@oshtemo.or g
Bond Counsel	Mr	Mark	Nettlet on	Mika Myers	616-632-8000		616-632-8002	mnettleton@mikamye rs.com
Financial Advisor	Mr	Bobby	Bendzin ski	Bendzin ski & Co	313-961-8222			rjb@bendzinski.com
Engineer	Mr	Matt	Johnson	Fleis & Vandenb rink	269-531-7396	269-743-9079	269-382-6972	mjohnson@fveng.org
Other	Ms	Dusty	Farmer	Oshtemo Townshi p Clerk	269-216-5224		269-375-7180	dfarmer@oshtemo.or g
Treasurer	Ms	Nancy	Culp	Oshtemo Townshi p	269-216-5221		269-375-7180	ncoshtwp@oshtemo.o rg
Legal Representative	Mr	James	Porter	Oshtemo Townshi p	269-375-4260			jposhtwp@oshtemo.o rg

Facilities - Facilities Details

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Facility Details

Describe the Current Facility before Improvement

The current sanitary sewer system has 286,208 feet of gravity sanitary sewer main, 1220 sanitary sewer manholes, and 10 lift stations.

Describe the Current Facility after Improvement

The proposed system will have 309,938 feet of gravity sanitary sewer main, 1,258 sanitary sewer manholes, and 12 lift stations

Facilities - Sewer

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Sewer Details	
National Pollutant Discharge Elimination System (NPDES Permit #)	MI002399
Wastewater Collection Type	Pump Station/Forcemain
	Conventional Gravity
Water Treatment Types:	Description:
Physical Unit Operations	Septic Tanks
Chemical Unit Processes	
Suspended Growth Biological Treatment	
Attached Growth Biological Treatment	
Anaerobic Treatment	
Advanced Wastewater Treatment	
Disinfection	
Biosolids	
If Wastewater Treatment is by Contract - cost per 1,000 gallons or per 100 Cubic Feet	\$2.87
	Per 1,000 Gallon
Wastewater Discharge Type	River/Stream

Facility Sites

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Facilities Sites								
Facility Type	Description	Street 1	Street 2	City	State	Zip Code	County	Congre- ssional District
Discharge Point	Kalamazoo Water Reclamation Plant	1415 Harrison Street		Kalamazoo	MI	49007	Kalamazoo	o 6th
Primary Facility	Township Hall	7275 West Main Street		Kalamazoo	MI	49009	Kalamazoo	o 6th

Facilities - Land Rights

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Land Rights

Number of Acres To be Acquired - Fee Simple .0

Number of Acres To be Acquired - Lease

Acres To be Acquired - Purchase Price

Acres To be Acquired - Value

Number of Acres Now Owned - Fee Simple 265.7

Number of Acres now Owned - Lease

Acres now Owned - Purchase Price \$1,021,033.85

Acres now Owned - Value \$6,599,607.00

Describe Other Rights (such as water rights or

rights-of-way)*

Existing Sanitary Sewer Easements:

85.18 acres obtained for

\$86,328 Proposed Sanitary Sewer Easements: 0.11 acres obtained for

est. \$33,000

Volume/Flow - Connections Information

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Unless retail sewer collection is metered, water usage numbers will be used to determine sewer volumes.

Connections Information

Do you sell water (or provide waste disposal service) to residential, industrial, or business users?				
Total gallons sold to residential and other customers (do not include wholesale)	32,202,984			
Of the Total Annual Gallons Sold, how many Gallons were Sold to Single Family Dwellings?	5,809,848			
What are the Total Number of Connections on the System?	1,617			
Of the total Number of Connections, how many are Single Family Dwellings?	940			
What is the total annual revenue from residential and other customers (do not include wholesale)?	\$187,607			
Will you be adding new connections with this project?				
How many new connections will be added to the system?	287			
What is the connection tap fees?	\$11,000			
How many new connections will be single family dwellings?	284			

Volume/Flow - Wholesale

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Do you provide contracted bulk sewer treatment?

No

Request Info./Project Cost

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Request Information

Proposed Start Date 2017-11-06 Proposed End Date 2020-01-06

Date Application made available to the Intergovernmental Review Process 2017-03-22 State Clearinghouse ID

Number

170180

Project Costs

Cost Classification	Description		Cost
Development	Engineers Estimate of Cost		\$6,611,000.00
Engineering - Design	Basic Services		\$531,000.00
Engineering - Inspections	Resident Project Representative		\$266,000.00
Engineering - Additional Services			\$124,000.00
Contingencies	10%		\$662,000.00
Land & Rights	Property Easements		\$33,000.00
Other	Township Administration		\$5,000.00
Legal Services	Local Attorney		\$8,000.00
Bond Counsel	Bond Counsel		\$30,000.00
Legal Services	Municipal Advisor		\$75,000.00
Other	MI Dept of Treasury		\$1,000.00
		Total Project Costs	\$8,346,000.00

Balance Sheet

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Enter	prise -	Current	Assets

Date of Financial Information: 2016-12-31

What is the total cash that the facility has in its bank account(s)? \$245,089.00

Do you have any Certificate of Deposits or other term certificates in addition to the cash listed

above?

If yes, please list individually:

Certificate Holder	Certificate Amount	Reason for Certificate

No

Does your facility require customer deposits as a part of receiving services from the facility?

If Yes, what is the amount of customer deposits that the facility currently has on its financial records.

Name of Institute	Deposit Amount	Type of Account Holding Deposits

Does your facility have any other accounts that are considered as restricted cash per other covenants or agreements that has been entered into?

Name of Institute Deposit Amount Type of Account Holding Deposits

What is the amount of your accounts receivables? \$187,607.00

What is the history of your accounts receivables, such as they are increasing, decreasing, or remaining the same year after year.

What collection policies do you have in place to reduce your accounts receivables?

Guaranteed tax lien on properties

Enterprise - Current Liabilities

What current bills do you have as of the date you are completing this information. This would include accounts payables, current portion of long term debt.

Current Bill	Payment Amount	Payment Due Date

Financials - Other Income

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Other Income

Type of Income	Description	Yearly Income
Not Applicable		
	Total:	\$.00

Financials - Reserves & Short-Lived Assets

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Does the applicant have any Short Lived Assets to report?

Nic

Comments

Financials - Proposed Funding

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Proposed	d Funding
----------	-----------

RD Amount \$8,346,000.00

Applicant

Federal

State

Local

Other

Total Proposed Funding \$8,346,000.00

Financials - Debt

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Does the applicant have any Existing Debt with Terms or Other Funding sources with Terms to report?

No

Financials - Proposed O&M

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

What do you anticipate your annual Operation and Maintenance Expenses to be for your facility in the first year of operation once the proposed project has been completed?

Using the information from the Preliminary Engineering Report, enter the data below:

Proposed O&M		
Expense Item	Description	Annual Amount
Other	O/M included in rates and paid directly to City of Kalamazoo	\$.00
Total		\$0.00

Service Area: Main Screen

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Service Area

Service Area Name	Population	Square Miles	% of Rural vs. Urban
Existing Service Area	4292	5.93	100%
Existing Service Area Alternate	0	0.0	0%

Service Area - Edit/View Data

Service Area

* Program Type

Water And Environmental

* Area Name

Explanation for Changes in Detail

Existing Service Area

Existing Service Area	Existing	Alternate
Total Population	4292	0
Total Square Miles	5.93	0.0
Percent of Rural vs. Urban	100%	0%

RD Home (http://www.rd.usda.gov/)

Newsroom (http://www.rd.usda.gov/newsroom)

Contact Us (/Intake/spring/ContactusFlow?)

Help (/Intake/help/Help.html)



United States Department of Agriculture Rural Development

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

You are logged in as: Baker, James | Logout (/Intake/sessioncleanup)

Interview (/Intake/spring/AppTabFlow?activeTabId=23)

Customer (/Intake/spring/AppTabFlow?activeTabId=24)

Facilities (/Intake/spring/AppTabFlow?activeTabId=25)

Volume/Flow (/Intake/spring/AppTabFlow?activeTabId=26)

Project Cost (/Intake/spring/AppTabFlow?activeTabId=28)

Financial (/Intake/spring/AppTabFlow?activeTabId=29)

Service Area(s) (/Intake/spring/AppTabFlow?activeTabId=30)

Documents (/Intake/spring/AppTabFlow?activeTabId=31)

Summary/Submit (/Intake/spring/AppTabFlow?activeTabId=32)

Each section of the application is presented with a status of \checkmark when the data has passed validation edits and a status of X when the data has failed validation edits. If the status is X, a row for each validation issue appears under the section header. The first column has the name of the data that has the issue and the second column describes the issue. Customers may press the hyperlink related to the page name to correct the issue. Once each section has a \checkmark status, the application may be submitted to the USDA for review by a person in your organization with the authority to submit.

- ✓ INTERVIEW
- ✓ CUSTOMER
- **●** ✓ FACILITIES
 - ✓ Facility Details
 - ✓ Sewer
 - ✓ Facility Sites
 - ✓ Land Rights
- - Connections Information
 - ✓ Wholesale
 - ✓ PROJECT COST

•	•	FINANCIAL		
	•	Balance Sheet		
	•	Other Income		
	•	Short Lived Asset		
	•	Proposed Funding		
	•	Debt		
	•	Proposed O&M		
	•	SERVICE AREA(S)		
•	•	DOCUMENTS		
	•	Attachments		
	•	Certifications		

View Submitted Application

USDA.gov (http://www.usda.gov/wps/portal/usda/usdahome) Site Map (http://www.usda.gov/wps/portal/usda/usdahome? navtype=FT&navid=SITE MAP) Policies and Links (http://www.usda.gov/wps/portal/usda/usdahome? navtype=FT&navid=POLICY_LINK) Our Performance (http://www.usda.gov//wps/portal/usda/usdahome? navid=PERFORMANCE_IMP) Report Fraud on USDA Contracts (http://www.usda.gov/oig/contractorform.htm) Visit OIG (http://www.usda.gov/oig/index.htm) **FOIA** (http://www.dm.usda.gov/foia) Accessibility Statement (http://rd.usda.gov/RDAccessibilityStatement.html#) Privacy Policy (http://www.usda.gov/wps/portal/usda/usdahome? navtype=FT&navid=PRIVACY_POLICY) Non-Discrimination Statement (http://www.usda.gov/wps/portal/usda/usdahome? navtype=FT&navid=NON_DISCRIMINATION) Information Quality (http://www.ocio.usda.gov/policy-directives-records-forms/information-quality-White House activities) USA.gov (http://www.usa.gov/) (http://www.whitehouse.gov/)

STATE OF MICHIGAN

County of Kalamazoo

Maun Suttorp

Being duly sworn deposes and say he/she is Principal Clerk of



THE KALAMAZOO GAZETTE **DAILY EDITION**

Supreme Co	r published and circulated in the County of Kalama purt Rule; and that the annexed notice, taken from said paint day(days)	zoo and otherwise qualified according to paper, has been duly published in said paper
	February 2le A.D. 20 /7	
Sworn to an	d subscribed before me this 13th day of	March 20/7
	CHARTER TOWNSHIP OF OSHTEMO KALAMAZOO COUNTY MICHIGAN NOTICE OF INTENT TO APPLY TO USDA RURAL UTILITIES' SERVICE (RUS) TO: THE RESIDENTS AND PROPERTY OWNERS OF THE CHARTER TOWNSHIP OF OSHTEMO, KALAMAZOO COUNTY, MICHIGAN, AND ANY OTHER INTERESTED PERSONS: The Charter Township of Oshtema, Michigan will submit an Application for financial assistance to USDARural Development for needed improvements to line Township sanitary sewer system. Funds that are being applied for will be used to finance the proposed sanitary sewer system improvements that include Sanitary Sewer Collection System extensions at the following locations: 11th Street from W N Ave to Partwiew Ave. 7th Street from W N Ave to Partwiew Ave. 7th Street from W N Ave to Partwiew Ave. 7th Street from W N Ave to Partwiew Ave. 1th Fairlens Subdivision Plat 1the Fairlens Subdivision Plat 1the Fairlens Subdivision Plat 1the Fairlens Subdivision Plat 1the Meadowbrook Subdivision Plat 1the West Part Subdivision Plat 1the Meadowbrook Subdivision Plat 2the Meadowbrook Subdivision Plat 2the Meadowbrook Subdivision Plat 3the Meadowbrook Subdivision Plat 4the Meadowbrook Subdivision Plat 4the Meadowbrook Subdivision Plat 5the Meadowbrook Subdivision Plat 5the Meadowbrook	JANICE M. DEGRAAF NOTARY PUBLIC, STATE OF MI COUNTY OF HENT MY COMMISSION EXPIRES ON 3, 2020 ACTING IN COUNTY OF CALL ACTING ACTI



KALAMAZOO COUNTY HEALTH AND COMMUNITY SERVICES DEPARTMENT

Promoting Health For All

James Rutherford, MPA Director/Health Officer

Environmental Health

June 22, 2017

Marc Elliott P.E. Director of Public Works Charter Township of Oshtemo 7275 W. Main Street Kalamazoo, MI 49009

Re: Proposed Sewer Project

Dear Mr. Elliott:

This letter is in response to your request for support of providing municipal sewer to Beech Ave, Westport, Skyridge, Country Club Village, North 7th Street, Main Street, KL Avenue, 11th Street, Whitegate Farms, Fairlane, Meridian Ave, and Frie Ave. Our department is in support of municipal sewer serving properties in these areas. We are in support of this for several reasons. Due to the generally small size of parcels in aging plats, it is becoming increasingly difficult to locate replacement water wells and sewage treatment systems. Also, many of the older systems within the proposed sewer extension project areas do not meet current design standards. Specifically, 59.1% of homes in the neighborhoods above, have sewage treatment systems that do not comply with current sewage treatment system design standards. Additionally, due to lot size and existing system locations, it may be necessary to remove old failed systems to install a sewage treatment system that meets today's design standards. This leads to an increased cost to the homeowner for a replacement system that has a limited lifespan.

In order to install on-site sewage treatment systems, several items are required to ensure compliance with the Kalamazoo County Sanitary Code. These items include maintaining four feet above signs of a high water table for the sewage treatment system (STS), maintaining 50 feet from an STS to a water well (including maintaining these distances from neighboring parcels), and maintaining 50 feet from an STS to surface water.

Also, the Kalamazoo County Sanitary Code requires a suitable area for new and replacement sewage treatment systems for new construction. Current code also requires that new and replacement sewage treatment systems consist of a septic tank



or tanks and a drainfield rather than drywells. Currently a variance is required for drywells to be installed for a replacement sewage treatment system. Drywells are not allowed to service new construction for a parcel. Although not indicative of every lot in your proposed sewer extension areas, some of these lots may be too small to meet code requirements for new construction.

Municipal sewer would provide protection of the groundwater in these areas and improve water quality. Protecting groundwater and increasing water quality can help protect the health of the citizens living in these communities

We are pleased to lend our support of this project and appreciate the opportunity to comment on this issue. If you have any further questions please contact me at (269) 373-5356.

Sincerely:

Vern Johnson, REHS, Environmental Health Director

HEALTH & COMMUNITY SERVICES DEPARTMENT WEBSITE: www.kalcounty.com

EMAIL: vljohn@kalcounty.com

PHONE: 269-373-5356 FAX: 269-373-5333

Cc: Lucus Pols, R.E.H.S.

DEPARTMENT OF PUBLIC SERVICES



Director's Office 415 Stockbridge Avenue Kalamazoo, MI 49001 Phone: (269) 337-8660 Fax: (269) 337-8533 www.kalamazoocity.org

July 19, 2017

James W. Porter, Township Attorney Oshtemo Charter Township 7275 West Main Street Kalamazoo, MI 49009

Re: Oshtemo Charter Township's Sanitary Sewer Extension – Pressurized Systems

Dear Mr. Porter,

It is understood that Oshtemo Charter Township is planning to extend sanitary sewer into additional service areas and that a pressurized system is being evaluated as an alternative. The City of Kalamazoo provides for operation and maintenance of the Oshtemo Charter Township owned sanitary sewer collection system as well as disposal by contract. In accordance with the 1984 contract any Oshtemo Charter Township collection system construction shall be designed by a Registered Professional Engineer and the design, plans and specifications therefor shall be subject to prior review and approval by the City of Kalamazoo acting through its Director of Public Utilities.

Having reviewed the construction means and methods, operational characteristics, maintenance requirements, reliability, electric, communication and control requirements of a pressurized system the City of Kalamazoo will not consider such a system approvable. Additionally, The City of Kalamazoo currently employs two (2) Full Time Employees (FTE) assigned to lift stations. These FTE(s) are responsible for the operation and maintenance and 24 hour emergency response of 64 lift stations within the collection system which are either owned by or contractually operated and maintained by the City of Kalamazoo. We would not be able to support the operations and maintenance needs of the pressurized system with the staffing levels currently allocated.

Due to the reasons cited the City of Kalamazoo will not approve a pressurized collection system.

Respectfully,

James J. Baker, PE

City of Kalamazoo Public Services Director & City Engineer

Paris / Baker

C/c:

James Ritsema

City Manager

Jeff Chamberlain

Deputy City Manager

Clyde Robinson

City Attorney

Jim Cornell

Wastewater Division Manager



Southcentral Michigan Planning Council

300 South Westnedge Avenue · Kalamazoo, Michigan 49007 Phone: (269) 385-0409 · Fax: (269) 343-3308 · Email: info@smpcregion3.org

TO:

Libby Heiny-Cogswell, Supervisor Charter Township of Oshtemo 7275 West Main Street Kalamazoo, MI 49009

FROM:

Lee Adams, Director Southcentral Michigan Planning Council 300 South Westnedge Avenue Kalamazoo, MI 49007

DATE: March 21, 2017

RE: Oshtemo Township Sewer System Expansion Letter of Support

The Southcentral Michigan Planning Council supports the development of sewer systems in densely populated or environmentally sensitive areas of the region. The development of sewer facilities in densely populated areas and areas around lakes can serve as an economic development drivers and help to alleviate environmental concerns. This project will expand the sewer service to a relatively densely populated area of the region.

This project coincides with the only comprehensive plan for the region, the Comprehensive Economic Development Strategy (CEDS). One of the five goals of the CEDS is to improve the infrastructure in the region. One of the objectives that supports that goal is: "help to make funding/resources available to jurisdictions to bolster their capacity for water, sewer, air, roads, transit, and rail."

As a regional planning agency that supports environmental sustainability and economic development, we support the proper maintenance and thoughtful expansion of sewer systems in the region. We are pleased to support this project and the benefits it would bring to Oshtemo Township and the greater region.

Best regards,

Lee Adams SMPC Director

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB 0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

1. * Type of Federal Action:	2. * Status of Fede	ral Action:	3. * Report Type:
a. contract	a. bid/offer/applica	ition	a. initial filing
X b. grant	b. initial award		b. material change
c. cooperative agreement	c. post-award		
d. loan			
e. loan guarantee			
f. loan insurance			
4. Name and Address of Reporting I	Entity:		
	(-		
*Name	n tour of our	1	
OSHIEMO CHARLE		- Mariana	
*Street 1 7279 W MAINST	Si	reet 2	
*City KALAMAZOO	State MICHLE	SAN	zip 49009
Congressional District, if known: 6TH			
5. If Reporting Entity in No.4 is Subaw	ardee, Enter Name	and Address of Prin	ne:
6. * Federal Department/Agency:		7 * Fodoral Progr	am Name/Description:
IGDA - R.D.			
VSUT TO	AND RANGE OF THE PARTY OF THE P		IVIPONUENTAL/SEWER
		CFDA Number, if applicable	1-110
8. Federal Action Number, if known:		9. Award Amount	, if known:
		\$	
40 a Name and Address of Labbring	Danietrant:		
10. a. Name and Address of Lobbying	Registrant:		
Prefix * First Name		Middle Name	
* Last Name		Suffix	
* Street 1	Si	reet 2	
* City	State		Zip [
	Jointo		
b. Individual Performing Services (include	ding address if different from No.	10a)	
Prefix * First Name		Middle Name	
		<u> </u>	
* Last Name		Suffix	
* Street 1	S	treet 2	
* City	State		Zip
11. Information requested through this form is authorized by	ov title 31 U.S.C. section, 1352	This disclosure of lobbying activ	vities is a material representation of fact, upon which
reliance was placed by the tier above when the transaction	ction was made or entered into.	This disclosure is required purs	uant to 31 U.S.C. 1352. This information will be reported to
the Congress semi-annually and will be available for p \$10,000 and not more than \$100,000 for each such fai		talls to file the required disclos	sure shall be subject to a civil penalty of not less than
* Signature: Completed on submission to Grant	re gov		
*Name: Prefix *First Name	.5.90	Middle Nan	ne Canada Nim
	ELIZABET	H Middle Nan	ANNE
*Last Name HEINY -	COGSWELL	Suffix	
Title: TOWNSHIP SUPERVIS	Telephone No.:	269-216-522	Date: Completed on submission to Grants.gov
Federal Control of the Control of th			Authorized for Local Reproduction
			Standard Form - LLL (Rev. 7-97)

LEGAL SERVICES AGREEMENT

This Agreement made this day of between	, 20
hereinafter referred to as "Owners," and	
attorney at law, ofhereinafter referred to as "Attorney":	
WHEREAS, the Attorney agrees to perform all 1 necessary to the organization, financing, construc operation of a	

WITNESSETH:

That for and in consideration of the mutual covenants and promises between the parties hereto, it is hereby agreed:

SECTION A - LEGAL SERVICES

That the attorney will perform such services as are necessary to accomplish the above recited objectives including, but not limited to, the following:

- 1. Preparation and filing of petition for incorporation and supervision and assistance in the taking of such other actions as may be necessary or incidental to cause the Owners to become duly organized and incorporated and to be authorized to undertake the proposed system.
- 2. Furnish advice and assistance to the governing body of the duly incorporated association in connection with (a) the notice for and conduct of meetings; (b) the preparation of minutes of meetings; (c) the preparation and enactment of such resolutions as may be necessary in connection with the authorization, financing, construction and initial operation of the system; (d) the preparation of such affidavits, publication notices, ballots, reports, certifications, and other instruments and advice as may be needed in the conduct of such bond elections as may be necessary; (e) the preparation and completion of such bonds or other obligations as may be necessary to finance the system; (f) the completion and execution of documents for obtaining a loan made or insured or a grant made by the United States of America, U. S. Department of Agriculture (USDA), (g) entering into construction contracts; (h) preparation and adoption of by-laws, rules and regulations, and the rate schedules; (i) such other corporate action as may be necessary in connection with the financing, construction, and initial operation of the system.
- 3. Review of construction contracts, bid-letting procedure, and surety and contractual bonds in connection therewith.

Michigan Guide 4 Page 2

4. Preparation, negotiation, or review of contract with a city or other source of water supply, when necessary.

- 5. Preparation, where necessary, and review of deeds, easements and other rights-of-way documents, and other instruments for sites for source of water supply pumping stations, treatment plants, and other facilities necessary to the system and to provide continuous rights-of-way therefor; rendering title opinions with reference thereto; and providing for the recording thereof.
- 6. Obtain necessary permits and certificates from county and municipal bodies, from state regulatory agencies, and from other public or private sources with respect to the approval of the system, the construction and operation thereof, pipeline crossings, and the like.
- 7. Cooperate with the engineer employed by Owners in connection with preparation of tract sheets, easements, and other necessary title documents, construction contracts, water supply contracts, health permits, crossing permits, and other instruments.
- 8. Preparation and approval of those documents pertaining to the issuance of the Owner's obligations. Preparation of opinions of counsel as required by Owners or the USDA. When applicable, secure assistance of and cooperate with recognized bond counsel in the preparation of the documents necessary for the financing aspects of the system. Where bond counsel is retained, the Attorney will not be responsible for the preparation and approval of those documents pertaining to the issuance of the Owner's obligations.

(Please refer to Michigan Guide 4, Attachment 1 "Legal Requirements Guide" when preparing the required legal documents)

SECTION B - COMPENSATION

1.	Owners w	ill	pay	to	the	Attorney	for	profe	essional	services
	rendered	in	acco	rda	nce	herewith,	fee	es as	follows	•

Hourly	rate	οf	\$ plus	expenses;	not	to	exceed
\$;						

2. Additional compensation, in excess of the maximum agreed on above, may be increased by amendment to this agreement only when there is sufficient documentation for the increase and approved by USDA Rural Development.

Said fees to be payable in the following manner and at the following times:

Michigan Guide 4 Page 3

SECTION C - OTHER PROVISIONS

1.	That upon organization and incorporation the association shall
	by appropriate resolution adopt and ratify this Agreement, that
	the association shall be substituted for the individual Owners
	as a party to this Agreement, and that the Owners as individuals
	shall thereupon be relieved of all personal liability existing
	or arising from this Agreement.

2.	That upon organization and incorporation should the association
	fail or refuse to adopt and ratify this Agreement by appropriate
	resolution within days from the date of the commencement
	of its legal existence, this Agreement shall terminate and

Owners shall be liable to the Attorney for Payment of \$______, which sum represents payment in full for the organization and incorporation of the association for all other legal services rendered to Owners under the terms of this Agreement to the date of said termination.

Attorney:(signature)
Firm Name:
Address:
Phone:
Fax:
Email:
Owners: (appropriate signature)
(appropriate signature)
USDA, Rural Development Concurrence
Ву:
(signature) Name, title:



4/26/17

Oshtemo Township

Attention: Nancy Culp, Treasurer

7275 West Main

Kalamazoo, MI 49009

Dear Nancy:

Thank you for the opportunity to bid on the 25.5 million dollar loan for the Oshtemo Township sewer project. This amount is above our legal lending limit so we will not be able to provide financing.

We appreciate your business and wish you success on your project.

Sincerely,

Martha Betke

Senior Vice President and Branch Administrator

5313 West Main Street Kalamazoo, MI 49009

Phone 269.488.8871

NMLS#442166

269.250.8861 Fax

616.242.7708 Fax



April 28, 2017

To Whom It May Concern:

Pursuant to the request of Nancy Culp, Treasurer of Oshtemo Township, relating to the \$25.5 million loan request for the upcoming sewer project – Mercantile Bank is unable to provide a loan at this time. The size of the loan is outside of our capabilities for this type of loan.

We appreciate the existing business with Oshtemo Township and would certainly like to be considered for anything that comes up in the future.

Please feel free to reach out to me with any questions, thank you.

Mr & Burner

Marcus J. Brussee

Vice President

269-373-3426

Mercantile Bank of Michigan

107 W Michigan Ave

Kalamazoo, MI 49007

AGREEMENT BETWEEN OWNER AND ENGINEER FOR PROFESSIONAL SERVICES 833250

THIS IS AN AGREEMENT effective as of	("Effective Date") between		
Charter Township of Oshtemo	 ("Owner") and		
Fleis & VandenBrink Engineering, Inc.	("Engineer").		
Owner's Project, of which Engineer's services under this Agreement are a part, is Neighborhood Sewer Extensions Phase 1	s generally identified as follows: ("Project").		
Other terms used in this Agreement are defined in Article 7.			
Engineer's services under this Agreement are generally identified as follows: engineering for a wastewater system extension.	Perform design and construction		

Owner and Engineer further agree as follows:

ARTICLE 1 - SERVICES OF ENGINEER

- 1.01 Scope
 - A. Engineer shall provide, or cause to be provided, the services set forth herein and in Exhibit A.

ARTICLE 2 - OWNER'S RESPONSIBILITIES

- 2.01 General
 - A. Owner shall have the responsibilities set forth herein and in Exhibit B.
 - B. Owner shall pay Engineer as set forth in Article 4 and Exhibit C.
 - C. Owner shall be responsible for all requirements and instructions that it furnishes to Engineer pursuant to this Agreement, and for the accuracy and completeness of all programs, reports, data, and other information furnished by Owner to Engineer pursuant to this Agreement. Engineer may use and rely upon such requirements, programs, instructions, reports, data, and information in performing or furnishing services under this Agreement, subject to any express limitations or reservations applicable to the furnished items.
 - D. Owner shall give prompt written notice to Engineer whenever Owner observes or otherwise becomes aware of:
 - 1. any development that affects the scope or time of performance of Engineer's services;

- 2. the presence at the Site of any Constituent of Concern; or
- 3. any relevant, material defect or nonconformance in: (a) Engineer's services, (b) the Work, (c) the performance of any Constructor, or (d) Owner's performance of its responsibilities under this Agreement.

ARTICLE 3 – SCHEDULE FOR RENDERING SERVICES

3.01 *Commencement*

A. Engineer is authorized to begin rendering services as of the Effective Date.

3.02 Time for Completion

- A. Engineer shall complete its obligations within a reasonable time. Specific periods of time for rendering services, or specific dates by which services are to be completed, are provided in Exhibit A, and are hereby agreed to be reasonable.
- B. If, through no fault of Engineer, such periods of time or dates are changed, or the orderly and continuous progress of Engineer's services is impaired, or Engineer's services are delayed or suspended, then the time for completion of Engineer's services, and the rates and amounts of Engineer's compensation, shall be adjusted equitably.
- C. If Owner authorizes changes in the scope, extent, or character of the Project or Engineer's services, then the time for completion of Engineer's services, and the rates and amounts of Engineer's compensation, shall be adjusted equitably.
- D. Owner shall make decisions and carry out its other responsibilities in a timely manner so as not to delay the Engineer's performance of its services.
- E. If Engineer fails, through its own fault, to complete the performance required in this Agreement within the time set forth, as duly adjusted, then Owner shall be entitled, as its sole remedy, to the recovery of direct damages, if any, resulting from such failure.

ARTICLE 4 – INVOICES AND PAYMENTS

4.01 Invoices

A. Preparation and Submittal of Invoices: Engineer shall prepare invoices in accordance with its standard invoicing practices and the terms of Exhibit C. Invoices must include a breakdown of services provided. Engineer shall submit its invoices to Owner on a monthly basis. Invoices are due and payable within 30 days of receipt.

4.02 Payments

- A. *Application to Interest and Principal:* Payment will be credited first to any interest owed to Engineer and then to principal.
- B. Failure to Pay: If Owner fails to make any payment due Engineer for services and expenses within 30 days after receipt of Engineer's invoice, then:

- amounts due Engineer will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day; and
- Engineer may, after giving seven days written notice to Owner, suspend services under this Agreement until Owner has paid in full all amounts due for services, expenses, and other related charges. Owner waives any and all claims against Engineer for any such suspension.
- C. Disputed Invoices: If Owner disputes an invoice, either as to amount or entitlement, then Owner shall promptly advise Engineer in writing of the specific basis for doing so, may withhold only that portion so disputed, and must pay the undisputed portion subject to the terms of Paragraph 4.01.
- D. Sales or Use Taxes: If after the Effective Date any governmental entity takes a legislative action that imposes additional sales or use taxes on Engineer's services or compensation under this Agreement, then Engineer may invoice such additional sales or use taxes for reimbursement by Owner. Owner shall reimburse Engineer for the cost of such invoiced additional sales or use taxes; such reimbursement shall be in addition to the compensation to which Engineer is entitled under the terms of Exhibit C.

ARTICLE 5 - OPINIONS OF COST

5.01 Opinions of Probable Construction Cost

A. Engineer's opinions (if any) of probable Construction Cost are to be made on the basis of Engineer's experience, qualifications, and general familiarity with the construction industry. However, because Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over contractors' methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that proposals, bids, or actual Construction Cost will not vary from opinions of probable Construction Cost prepared by Engineer. If Owner requires greater assurance as to probable Construction Cost, then Owner agrees to obtain an independent cost estimate.

5.02 Designing to Construction Cost Limit

A. If a Construction Cost limit is established between Owner and Engineer, such Construction Cost limit and a statement of Engineer's rights and responsibilities with respect thereto will be specifically set forth in Exhibit F to this Agreement.

5.03 Opinions of Total Project Costs

A. The services, if any, of Engineer with respect to Total Project Costs shall be limited to assisting the Owner in tabulating the various categories that comprise Total Project Costs. Engineer assumes no responsibility for the accuracy of any opinions of Total Project Costs.

ARTICLE 6 - GENERAL CONSIDERATIONS

6.01 Standards of Performance

- A. Standard of Care: The standard of care for all professional engineering and related services performed or furnished by Engineer under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with any services performed or furnished by Engineer.
- B. *Technical Accuracy:* Owner shall not be responsible for discovering deficiencies in the technical accuracy of Engineer's services. Engineer shall correct deficiencies in technical accuracy without additional compensation, unless such corrective action is directly attributable to deficiencies in Owner-furnished information.
- C. Consultants: Engineer may retain such Consultants as Engineer deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by Owner.
- D. Reliance on Others: Subject to the standard of care set forth in Paragraph 6.01.A, Engineer and its Consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.
- E. Compliance with Laws and Regulations, and Policies and Procedures:
 - 1. Engineer and Owner shall comply with applicable Laws and Regulations.
 - 2. Engineer shall comply with any and all policies, procedures, and instructions of Owner that are applicable to Engineer's performance of services under this Agreement and that Owner provides to Engineer in writing, subject to the standard of care set forth in Paragraph 6.01.A, and to the extent compliance is not inconsistent with professional practice requirements.
 - 3. This Agreement is based on Laws and Regulations and Owner-provided written policies and procedures as of the Effective Date. The following may be the basis for modifications to Owner's responsibilities or to Engineer's scope of services, times of performance, or compensation:
 - a. changes after the Effective Date to Laws and Regulations;
 - b. the receipt by Engineer after the Effective Date of Owner-provided written policies and procedures;
 - c. changes after the Effective Date to Owner-provided written policies or procedures.
- F. Engineer shall not be required to sign any document, no matter by whom requested, that would result in the Engineer having to certify, guarantee, or warrant the existence of conditions whose existence the Engineer cannot ascertain. Owner agrees not to make

- resolution of any dispute with the Engineer or payment of any amount due to the Engineer in any way contingent upon the Engineer signing any such document.
- G. The general conditions for any construction contract documents prepared hereunder are to be EJCDC® C-700 "Standard General Conditions of the Construction Contract" (2013 Edition), prepared by the Engineers Joint Contract Documents Committee, unless expressly indicated otherwise in Exhibit J or elsewhere in this Agreement.
- H. Engineer shall not at any time supervise, direct, control, or have authority over any Constructor's work, nor shall Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, or the safety precautions and programs incident thereto, for security or safety at the Site, nor for any failure of a Constructor to comply with Laws and Regulations applicable to that Constructor's furnishing and performing of its work. Engineer shall not be responsible for the acts or omissions of any Constructor.
- I. Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's, failure to furnish and perform the Work in accordance with the Construction Contract Documents.
- J. Engineer shall not be responsible for any decision made regarding the Construction Contract Documents, or any application, interpretation, clarification, or modification of the Construction Contract Documents, other than those made by Engineer or its Consultants.
- K. Engineer is not required to provide and does not have any responsibility for surety bonding or insurance-related advice, recommendations, counseling, or research, or enforcement of construction insurance or surety bonding requirements.
- L. Engineer's services do not include providing legal advice or representation.
- M. Engineer's services do not include (1) serving as a "municipal advisor" for purposes of the registration requirements of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission, or (2) advising Owner, or any municipal entity or other person or entity, regarding municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, or other similar matters concerning such products or issuances.
- N. While at the Site, Engineer, its Consultants, and their employees and representatives shall comply with the applicable requirements of Contractor's and Owner's safety programs of which Engineer has been informed in writing.

6.02 Design Without Construction Phase Services

A. Engineer shall be responsible only for those Construction Phase services expressly required of Engineer in Exhibit A, Paragraph A1.05. With the exception of such expressly required services, Engineer shall have no design, Shop Drawing review, or other obligations during construction, and Owner assumes all responsibility for the application and interpretation of the Construction Contract Documents, review and response to

Contractor claims, Construction Contract administration, processing of Change Orders and submittals, revisions to the Construction Contract Documents during construction, construction observation and review, review of Contractor's payment applications, and all other necessary Construction Phase administrative, engineering, and professional services. Owner waives all claims against the Engineer that may be connected in any way to Construction Phase administrative, engineering, or professional services except for those services that are expressly required of Engineer in Exhibit A.

6.03 Use of Documents

- A. All Documents are instruments of service, and Engineer shall retain an ownership and property interest therein (including the copyright and the right of reuse at the discretion of the Engineer) whether or not the Project is completed.
- B. If Engineer is required to prepare or furnish Drawings or Specifications under this Agreement, Engineer shall deliver to Owner at least one original printed record version of such Drawings and Specifications, signed and sealed according to applicable Laws and Regulations.
- Owner may make and retain copies of Documents for information and reference in connection with the use of the Documents on the Project. Engineer grants Owner a limited license to use the Documents on the Project, extensions of the Project, and for related uses of the Owner, subject to receipt by Engineer of full payment due and owing for all services relating to preparation of the Documents, and subject to the following limitations: (1) Owner acknowledges that such Documents are not intended or represented to be suitable for use on the Project unless completed by Engineer, or for use or reuse by Owner or others on extensions of the Project, on any other project, or for any other use or purpose, without written verification or adaptation by Engineer; (2) any such use or reuse, or any modification of the Documents, without written verification, completion, or adaptation by Engineer, as appropriate for the specific purpose intended, will be at Owner's sole risk and without liability or legal exposure to Engineer or to its officers, directors, members, partners, agents, employees, and Consultants; (3) Owner shall indemnify and hold harmless Engineer and its officers, directors, members, partners, agents, employees, and Consultants from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from any use, reuse, or modification of the Documents without written verification, completion, or adaptation by Engineer; and (4) such limited license to Owner shall not create any rights in third parties.
- D. If Engineer at Owner's request verifies the suitability of the Documents, completes them, or adapts them for extensions of the Project or for any other purpose, then Owner shall compensate Engineer at rates or in an amount to be agreed upon by Owner and Engineer.

6.04 Electronic Transmittals

A. Owner and Engineer may transmit, and shall accept, Project-related correspondence, Documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website, in accordance with a mutually agreeable protocol.

- B. If this Agreement does not establish protocols for electronic or digital transmittals, then Owner and Engineer **may** jointly develop such protocols.
- C. When transmitting items in electronic media or digital format, the transmitting party makes no representations as to long term compatibility, usability, or readability of the items resulting from the recipient's use of software application packages, operating systems, or computer hardware differing from those used in the drafting or transmittal of the items, or from those established in applicable transmittal protocols.

6.05 Insurance

- A. Engineer shall procure and maintain insurance as set forth in Exhibit G. Engineer shall cause Owner to be listed as an additional insured on any applicable general liability insurance policy carried by Engineer.
- B. Owner shall procure and maintain insurance as set forth in Exhibit G. Owner shall cause Engineer and its Consultants to be listed as additional insureds on any general liability policies carried by Owner, which are applicable to the Project.
- C. Owner shall require Contractor to purchase and maintain policies of insurance covering workers' compensation, general liability, motor vehicle damage and injuries, and other insurance necessary to protect Owner's and Engineer's interests in the Project. Owner shall require Contractor to cause Engineer and its Consultants to be listed as additional insureds with respect to such liability insurance purchased and maintained by Contractor for the Project.
- D. Owner and Engineer shall each deliver to the other certificates of insurance evidencing the coverages indicated in Exhibit G. Such certificates shall be furnished prior to commencement of Engineer's services and at renewals thereafter during the life of the Agreement.
- E. All policies of property insurance relating to the Project, including but not limited to any builder's risk policy, shall allow for waiver of subrogation rights and contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any insured thereunder or against Engineer or its Consultants. Owner and Engineer waive all rights against each other, Contractor, the Consultants, and the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, or resulting from any of the perils or causes of loss covered by any builder's risk policy and any other property insurance relating to the Project. Owner and Engineer shall take appropriate measures in other Project-related contracts to secure waivers of rights consistent with those set forth in this paragraph.
- F. All policies of insurance shall contain a provision or endorsement that the coverage afforded will not be canceled or reduced in limits by endorsement, and that renewal will not be refused, until at least 10 days prior written notice has been given to the primary insured. Upon receipt of such notice, the receiving party shall promptly forward a copy of the notice to the other party to this Agreement.

G. At any time, Owner may request that Engineer or its Consultants, at Owner's sole expense, provide additional insurance coverage, increased limits, or revised deductibles that are more protective than those specified in Exhibit G. If so requested by Owner, and if commercially available, Engineer shall obtain and shall require its Consultants to obtain such additional insurance coverage, different limits, or revised deductibles for such periods of time as requested by Owner, and Exhibit G will be supplemented to incorporate these requirements.

6.06 Suspension and Termination

A. Suspension:

- 1. By Owner: Owner may suspend the Project for up to 90 days upon seven days written notice to Engineer.
- 2. By Engineer: Engineer may, after giving seven days written notice to Owner, suspend services under this Agreement if Owner has failed to pay Engineer for invoiced services and expenses, as set forth in Paragraph 4.02.B, or in response to the presence of Constituents of Concern at the Site, as set forth in Paragraph 6.10.D.
- B. *Termination*: The obligation to provide further services under this Agreement may be terminated:

1. For cause,

 by either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

b. by Engineer:

- upon seven days written notice if Owner demands that Engineer furnish or perform services contrary to Engineer's responsibilities as a licensed professional; or
- 2) upon seven days written notice if the Engineer's services for the Project are delayed or suspended for more than 90 days for reasons beyond Engineer's control, or as the result of the presence at the Site of undisclosed Constituents of Concern, as set forth in Paragraph 6.10.D.
- 3) Engineer shall have no liability to Owner on account of such termination.
- c. Notwithstanding the foregoing, this Agreement will not terminate under Paragraph 6.06.B.1.a if the party receiving such notice begins, within seven days of receipt of such notice, to correct its substantial failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt thereof; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same,

then the cure period provided for herein shall extend up to, but in no case more than, 60 days after the date of receipt of the notice.

- 2. For convenience, by Owner effective upon Engineer's receipt of notice from Owner.
- C. Effective Date of Termination: The terminating party under Paragraph 6.06.B may set the effective date of termination at a time up to 30 days later than otherwise provided to allow Engineer to demobilize personnel and equipment from the Site, to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble Project materials in orderly files.

D. Payments Upon Termination:

- In the event of any termination under Paragraph 6.06, Engineer will be entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all Reimbursable Expenses incurred through the effective date of termination. Upon making such payment, Owner shall have the limited right to the use of Documents, at Owner's sole risk, subject to the provisions of Paragraph 6.03.
- In the event of termination by Owner for convenience or by Engineer for cause, Engineer shall be entitled, in addition to invoicing for those items identified in Paragraph 6.06.D.1, to invoice Owner and receive payment of a reasonable amount for services and expenses directly attributable to termination, both before and after the effective date of termination, such as reassignment of personnel, costs of terminating contracts with Engineer's Consultants, and other related close-out costs, using methods and rates for Additional Services as set forth in Exhibit C.

6.07 *Controlling Law*

A. This Agreement is to be governed by the Laws and Regulations of the state in which the Project is located.

6.08 Successors, Assigns, and Beneficiaries

- A. Owner and Engineer are hereby bound and the successors, executors, administrators, and legal representatives of Owner and Engineer (and to the extent permitted by Paragraph 6.08.B the assigns of Owner and Engineer) are hereby bound to the other party to this Agreement and to the successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.
- B. Neither Owner nor Engineer may assign, sublet, or transfer any rights under or interest (including, but without limitation, money that is due or may become due) in this Agreement without the written consent of the other party, except to the extent that any assignment, subletting, or transfer is mandated by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

- C. Unless expressly provided otherwise in this Agreement:
 - Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by Owner or Engineer to any Constructor, other third-party individual or entity, or to any surety for or employee of any of them.
 - All duties and responsibilities undertaken pursuant to this Agreement will be for the sole
 and exclusive benefit of Owner and Engineer and not for the benefit of any other party.
 - 3. Owner agrees that the substance of the provisions of this Paragraph 6.08.C shall appear in the Construction Contract Documents.

6.09 Dispute Resolution

- A. Owner and Engineer agree to negotiate all disputes between them in good faith for a period of 30 days from the date of notice prior to invoking the procedures of Exhibit H or other provisions of this Agreement, or exercising their rights at law.
- B. If the parties fail to resolve a dispute through negotiation under Paragraph 6.09.A, then either or both may invoke the procedures of Exhibit H. If Exhibit H is not included, or if no dispute resolution method is specified in Exhibit H, then the parties may exercise their rights at law.

6.10 Environmental Condition of Site

- A. Owner represents to Engineer that as of the Effective Date to the best of Owner's knowledge no Constituents of Concern, other than those disclosed in writing to Engineer, exist at or adjacent to the Site.
- B. If Engineer encounters or learns of an undisclosed Constituent of Concern at the Site, then Engineer shall notify (1) Owner and (2) appropriate governmental officials if Engineer reasonably concludes that doing so is required by applicable Laws or Regulations.
- C. It is acknowledged by both parties that Engineer's scope of services does not include any services related to unknown or undisclosed Constituents of Concern. If Engineer or any other party encounters, uncovers, or reveals an undisclosed Constituent of Concern, then Owner shall promptly determine whether to retain a qualified expert to evaluate such condition or take any necessary corrective action.
- D. If investigative or remedial action, or other professional services, are necessary with respect to undisclosed Constituents of Concern, or if investigative or remedial action beyond that reasonably contemplated is needed to address a disclosed or known Constituent of Concern, then Engineer may, at its option and without liability for consequential or any other damages, suspend performance of services on the portion of the Project affected thereby until such portion of the Project is no longer affected.
- E. If the presence at the Site of undisclosed Constituents of Concern adversely affects the performance of Engineer's services under this Agreement, then the Engineer shall have the option of (1) accepting an equitable adjustment in its compensation or in the time of completion, or both; or (2) terminating this Agreement for cause on seven days notice.

F. Owner acknowledges that Engineer is performing professional services for Owner and that Engineer is not and shall not be required to become an "owner," "arranger," "operator," "generator," or "transporter" of hazardous substances, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended, which are or may be encountered at or near the Site in connection with Engineer's activities under this Agreement.

6.11 Indemnification and Mutual Waiver

- A. Indemnification by Engineer: To the fullest extent permitted by Laws and Regulations, Engineer shall indemnify and hold harmless Owner, and Owner's officers, directors, members, partners, agents, consultants, and employees, from losses, damages, and judgments (including reasonable consultants' and attorneys' fees and expenses) arising from third-party claims or actions relating to the Project, provided that any such claim, action, loss, damages, or judgment is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom, but only to the extent caused by any negligent act or omission of Engineer or Engineer's officers, directors, members, partners, agents, employees, or Consultants.
- B. *Indemnification by Owner:* Owner shall indemnify and hold harmless Engineer and its officers, directors, members, partners, agents, employees, and Consultants as required by Laws and Regulations.
- C. Environmental Indemnification: To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Engineer and its officers, directors, members, partners, agents, employees, and Consultants from all claims, costs, losses, damages, actions, and judgments (including reasonable consultants' and attorneys fees and expenses) caused by, arising out of, relating to, or resulting from a Constituent of Concern at, on, or under the Site, provided that (1) any such claim, cost, loss, damages, action, or judgment is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom, and (2) nothing in this paragraph shall obligate Owner to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence or willful misconduct.
- D. *No Defense Obligation:* The indemnification commitments in this Agreement do not include a defense obligation by the indemnitor unless such obligation is expressly stated.
- E. Percentage Share of Negligence: To the fullest extent permitted by Laws and Regulations, a party's total liability to the other party and anyone claiming by, through, or under the other party for any cost, loss, or damages caused in part by the negligence of the party and in part by the negligence of the other party or any other negligent entity or individual, shall not exceed the percentage share that the party's negligence bears to the total negligence of Owner, Engineer, and all other negligent entities and individuals.
- F. *Mutual Waiver:* To the fullest extent permitted by Laws and Regulations, Owner and Engineer waive against each other, and the other's employees, officers, directors, members, agents, insurers, partners, and consultants, any and all claims for or entitlement

to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to this Agreement or the Project, from any cause or causes.

6.12 Records Retention

A. Engineer shall maintain on file in legible form, for a period of five years following completion or termination of its services, all Documents, records (including cost records), and design calculations related to Engineer's services or pertinent to Engineer's performance under this Agreement. Upon Owner's request, Engineer shall provide a copy of any such item to Owner at cost.

6.13 Miscellaneous Provisions

- A. *Notices:* Any notice required under this Agreement will be in writing, addressed to the appropriate party at its address on the signature page and given personally, by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.
- B. *Survival:* All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.
- C. Severability: Any provision or part of the Agreement held to be void or unenforceable under any Laws or Regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Engineer, which agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- D. Waiver: A party's non-enforcement of any provision shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.
- E. Accrual of Claims: To the fullest extent permitted by Laws and Regulations, all causes of action arising under this Agreement shall be deemed to have accrued, and all statutory periods of limitation shall commence, no later than the date of Substantial Completion.

ARTICLE 7 - DEFINITIONS

7.01 Defined Terms

- A. Wherever used in this Agreement (including the Exhibits hereto) terms (including the singular and plural forms) printed with initial capital letters have the meanings indicated in the text above, in the exhibits, or in the following definitions:
 - 1. Addenda—Written or graphic instruments issued prior to the opening of bids which clarify, correct, or change the bidding requirements or the proposed Construction Contract Documents.
 - 2. *Additional Services*—The services to be performed for or furnished to Owner by Engineer in accordance with Part 2 of Exhibit A of this Agreement.

- 3. Agreement—This written contract for professional services between Owner and Engineer, including all exhibits identified in Paragraph 8.01 and any duly executed amendments.
- 4. Application for Payment—The form acceptable to Engineer which is to be used by Contractor during the course of the Work in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Construction Contract.
- 5. *Basic Services*—The services to be performed for or furnished to Owner by Engineer in accordance with Part 1 of Exhibit A of this Agreement.
- 6. Change Order—A document which is signed by Contractor and Owner and authorizes an addition, deletion, or revision in the Work or an adjustment in the Construction Contract Price or the Construction Contract Times, or other revision to the Construction Contract, issued on or after the effective date of the Construction Contract.
- 7. Change Proposal—A written request by Contractor, duly submitted in compliance with the procedural requirements set forth in the Construction Contract, seeking an adjustment in Construction Contract Price or Construction Contract Times, or both; contesting an initial decision by Engineer concerning the requirements of the Construction Contract Documents or the acceptability of Work under the Construction Contract Documents; challenging a set-off against payments due; or seeking other relief with respect to the terms of the Construction Contract.
- 8. Constituent of Concern—Asbestos, petroleum, radioactive material, polychlorinated biphenyls (PCBs), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. ("CERCLA"); (b) the Hazardous Materials Transportation Act, 49 U.S.C. §§5501 et seq.; (c) the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. ("RCRA"); (d) the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; (e) the Clean Water Act, 33 U.S.C. §§1251 et seq.; (f) the Clean Air Act, 42 U.S.C. §§7401 et seq.; or (g) any other federal, State, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.
- 9. *Construction Contract*—The entire and integrated written contract between the Owner and Contractor concerning the Work.
- 10. *Construction Contract Documents*—Those items designated as "Contract Documents" in the Construction Contract, and which together comprise the Construction Contract.
- 11. *Construction Contract Price*—The money that Owner has agreed to pay Contractor for completion of the Work in accordance with the Construction Contract Documents.
- 12. Construction Contract Times—The number of days or the dates by which Contractor shall: (a) achieve milestones, if any, in the Construction Contract; (b) achieve Substantial Completion; and (c) complete the Work.

- 13. Construction Cost—The cost to Owner of the construction of those portions of the entire Project designed or specified by or for Engineer under this Agreement, including construction labor, services, materials, equipment, insurance, and bonding costs, and allowances for contingencies. Construction Cost does not include costs of services of Engineer or other design professionals and consultants; cost of land or rights-of-way, or compensation for damages to property; Owner's costs for legal, accounting, insurance counseling, or auditing services; interest or financing charges incurred in connection with the Project; or the cost of other services to be provided by others to Owner. Construction Cost is one of the items comprising Total Project Costs.
- 14. Constructor—Any person or entity (not including the Engineer, its employees, agents, representatives, and Consultants), performing or supporting construction activities relating to the Project, including but not limited to Contractors, Subcontractors, Suppliers, Owner's work forces, utility companies, other contractors, construction managers, testing firms, shippers, and truckers, and the employees, agents, and representatives of any or all of them.
- 15. Consultants—Individuals or entities having a contract with Engineer to furnish services with respect to this Project as Engineer's independent professional associates and consultants; subcontractors; or vendors.
- 16. *Contractor*—The entity or individual with which Owner enters into a Construction Contract.
- 17. *Documents*—Data, reports, Drawings, Specifications, Record Drawings, building information models, civil integrated management models, and other deliverables, whether in printed or electronic format, provided or furnished in appropriate phases by Engineer to Owner pursuant to this Agreement.
- 18. *Drawings*—That part of the Construction Contract Documents that graphically shows the scope, extent, and character of the Work to be performed by Contractor.
- 19. Effective Date—The date indicated in this Agreement on which it becomes effective, but if no such date is indicated, the date on which this Agreement is signed and delivered by the last of the parties to sign and deliver.
- 20. Engineer—The individual or entity named as such in this Agreement.
- 21. Field Order—A written order issued by Engineer which requires minor changes in the Work but does not change the Construction Contract Price or the Construction Contract Times.
- 22. Laws and Regulations; Laws or Regulations—Any and all applicable laws, statutes, rules, regulations, ordinances, codes, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.
- 23. Owner—The individual or entity named as such in this Agreement and for which Engineer's services are to be performed. Unless indicated otherwise, this is the same individual or entity that will enter into any Construction Contracts concerning the Project.

- 24. *Project*—The total undertaking to be accomplished for Owner by engineers, contractors, and others, including planning, study, design, construction, testing, commissioning, and start-up, and of which the services to be performed or furnished by Engineer under this Agreement are a part.
- 25. Record Drawings—Drawings depicting the completed Project, or a specific portion of the completed Project, prepared by Engineer as an Additional Service and based on Contractor's record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, and written interpretations and clarifications, as delivered to Engineer and annotated by Contractor to show changes made during construction.
- 26. Reimbursable Expenses—The expenses incurred directly by Engineer in connection with the performing or furnishing of Basic Services and Additional Services for the Project.
- 27. Resident Project Representative—The authorized representative of Engineer assigned to assist Engineer at the Site during the Construction Phase. As used herein, the term Resident Project Representative or "RPR" includes any assistants or field staff of Resident Project Representative. The duties and responsibilities of the Resident Project Representative, if any, are as set forth in Exhibit D.
- 28. Samples—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and that establish the standards by which such portion of the Work will be judged.
- 29. Shop Drawings—All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work. Shop Drawings, whether approved or not, are not Drawings and are not Construction Contract Documents.
- 30. Site—Lands or areas to be indicated in the Construction Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements, and such other lands furnished by Owner which are designated for the use of Contractor.
- 31. *Specifications*—The part of the Construction Contract Documents that consists of written requirements for materials, equipment, systems, standards, and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable to the Work.
- 32. *Subcontractor*—An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work.
- 33. Substantial Completion—The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Construction Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms "substantially complete" and "substantially completed" as applied to all or part of the Work refer to Substantial Completion thereof.

- 34. *Supplier*—A manufacturer, fabricator, supplier, distributor, materialman, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or a Subcontractor.
- 35. Total Project Costs—The total cost of planning, studying, designing, constructing, testing, commissioning, and start-up of the Project, including Construction Cost and all other Project labor, services, materials, equipment, insurance, and bonding costs, allowances for contingencies, and the total costs of services of Engineer or other design professionals and consultants, together with such other Project-related costs that Owner furnishes for inclusion, including but not limited to cost of land, rights-of-way, compensation for damages to properties, Owner's costs for legal, accounting, insurance counseling, and auditing services, interest and financing charges incurred in connection with the Project, and the cost of other services to be provided by others to Owner.
- 36. Work—The entire construction or the various separately identifiable parts thereof required to be provided under the Construction Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment into such construction; and may include related services such as testing, start-up, and commissioning, all as required by the Construction Contract Documents.
- 37. Work Change Directive—A written directive to Contractor issued on or after the effective date of the Construction Contract, signed by Owner and recommended by Engineer, ordering an addition, deletion, or revision in the Work.
- 38. Agency The Rural Utilities Service or any designated representative of Rural Utilities Service, including USDA, Rural Development.
- B. Day:
 - 1. The word "day" means a calendar day of 24 hours measured from midnight to the next midnight.

ARTICLE 8 – EXHIBITS AND SPECIAL PROVISIONS

- 8.01 Exhibits Included:
 - A. Exhibit A, Engineer's Services.
 - B. Exhibit B, Owner's Responsibilities.
 - C. Exhibit C, Payments to Engineer for Services and Reimbursable Expenses.
 - D. Exhibit D, Duties, Responsibilities and Limitations of Authority of Resident Project Representative.
 - E. Exhibit E, Notice of Acceptability of Work.
 - F. Exhibit F, Construction Cost Limit. (NOT USED)

- G. Exhibit G, Insurance.
- H. Exhibit H, Dispute Resolution.
- I. Exhibit I, Limitations of Liability. (NOT USED)
- J. Exhibit J, Special Provisions. (NOT USED)
- K. Exhibit K, Amendment to Owner-Engineer Agreement.
- L. RUS Bulletin 1780-26 Exhibit C, RUS Certificate Page

8.02 Total Agreement

A. This Agreement, (together with the exhibits included above) constitutes the entire agreement between Owner and Engineer and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a written instrument duly executed by both parties. Amendments should be based whenever possible on the format of Exhibit K to this Agreement.

8.03 Designated Representatives

A. With the execution of this Agreement, Engineer and Owner shall designate specific individuals to act as Engineer's and Owner's representatives with respect to the services to be performed or furnished by Engineer and responsibilities of Owner under this Agreement. Such an individual shall have authority to transmit instructions, receive information, and render decisions relative to this Agreement on behalf of the respective party whom the individual represents.

8.04 Engineer's Certifications

- A. Engineer certifies that it has not engaged in corrupt, fraudulent, or coercive practices in competing for or in executing the Agreement. For the purposes of this Paragraph 8.04:
 - "corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value likely to influence the action of a public official in the selection process or in the Agreement execution;
 - 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the selection process or the execution of the Agreement to the detriment of Owner, or (b) to deprive Owner of the benefits of free and open competition;
 - "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the selection process or affect the execution of the Agreement.

8.05 Federal Requirements

A. Agency Concurrence. Signature of a duly authorized representative of the Agency in the space provided on the signature page of EJCDC form E-500 hereof does not constitute a commitment to provide financial assistance or payments hereunder but does signify

that this Agreement conforms to Agency's applicable requirements. This Agreement shall not be effective unless the Funding Agency's designated representative concurs. No amendment to this Agreement shall be effective unless the Funding Agency's designated representative concurs.

- B. Audit and Access to Records. Owner, Agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Engineer which are pertinent to the Agreement, for the purpose of making audits, examinations, excerpts, and transcriptions. Engineer shall maintain all required records for three years after final payment is made and all other pending matters are closed.
- C. Restrictions on Lobbying. Engineer and each Consultant shall comply with "Restrictions on Lobbying" if they are recipients of engineering services contracts and subcontracts that exceed \$100,000 at any tier. If applicable, Engineer must complete a certification form on lobbying activities related to a specific Federal loan or grant that is a funding source for this Agreement. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other applicable award. Each tier shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Certifications and disclosures are forwarded from tier to tier up to the Owner. Necessary certification and disclosure forms shall be provided by Owner.
- D. Suspension and Debarment. Engineer certifies, by signing this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department or agency. Engineer will not contract with any Consultant for this project if it or its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. Necessary certification forms shall be provided by the Owner. The Engineer will complete and submit a form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion lower tier transactions," to the Owner who will forward it the USDA, Rural Development processing office.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

Owner: Charter Township of Oshtemo	Engineer: Fleis & VandenBrink Engineering, Inc.
Dig	Dvg.
By:	Ву:
Print name: Libby Heiny-Cogswell	Print name: Craig Shumaker
Title: Superviso r	Title: Vice President, Principal
Date Signed:	Date Signed:
	Engineer License or Firm's Certificate No. (if required):
	N/A
	State of: Michigan
Address for Owner's receipt of notices:	Address for Engineer's receipt of notices:
7275 W. Main St.	2960 Lucerne Drive, SE
Kalamazoo, MI 49009	Grand Rapids, MI 49546
Designated Representative (Paragraph 8.03.A):	Designated Representative (Paragraph 8.03.A):
Marc Elliott	Matthew Johnson
Title: Director of Public Works	Title: Project Manager
Phone Number: 269-375-4260	Phone Number: 269- 532-7396
E-Mail Address: melliott@oshtemo.org	E-Mail Address: mjohnson@fveng.com

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Engineer's Services

Article 1 of the Agreement is supplemented to include the following agreement of the parties.

Engineer shall provide Basic and Additional Services as set forth below.

PART 1 - BASIC SERVICES

A1.01 Study and Report Phase

A. Engineer shall:

- Consult with Owner to define and clarify Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility, and expandability, and any budgetary limitations, and identify available data, information, reports, facilities plans, and site evaluations.
 - a. If Owner has already identified one or more potential solutions to meet its Project requirements, then proceed with the study and evaluation of such potential solutions: **N/A**
 - b. In addition, Engineer must identify, study, and evaluate multiple potential alternative solutions potentially available to Owner, unless Owner and Engineer mutually agree with Agency concurrence that only one feasible solution exists. The number of alternative solutions should be appropriate to the specific project as concurred in by the Agency.
 - c. If it is necessary for Engineer to identify, study, and evaluate multiple potential solutions, then identify [] [insert specific number] alternative solutions potentially available to Owner, unless Owner and Engineer mutually agree that some other specific number of alternatives should be identified, studied, and evaluated.
- 2. Identify potential solution(s) to meet Owner's Project requirements, as needed.
- 3. Study and evaluate the potential solution(s) to meet Owner's Project requirements.
- 4. Visit the Site, or potential Project sites, to review existing conditions and facilities, unless such visits are not necessary or applicable to meeting the objectives of the Study and Report Phase.
- 5. Advise Owner of any need for Owner to obtain, furnish, or otherwise make available to Engineer additional Project-related data and information, for Engineer's use in the study and evaluation of potential solution(s) to Owner's Project requirements, and preparation of a related report.

- After consultation with Owner, recommend to Owner the solution(s) which in Engineer's judgment meet Owner's requirements for the Project.
- 7. Identify, consult with, and analyze requirements of governmental authorities having jurisdiction to approve the portions of the Project to be designed or specified by Engineer, including but not limited to mitigating measures identified in an environmental assessment for the Project.
- 8. Prepare a report (the "Report") which will, as appropriate, contain schematic layouts, sketches, and conceptual design criteria with appropriate exhibits to indicate the agreed-to requirements, considerations involved, and Engineer's recommended solution(s). For each recommended solution Engineer will provide the following, which will be separately itemized: opinion of probable Construction Cost; proposed allowances for contingencies; the estimated total costs of design, professional, and related services to be provided by Engineer and its Consultants; and, on the basis of information furnished by Owner, a tabulation of other items and services included within the definition of Total Project Costs. The Report mentioned in paragraph 1.01.A.8 of Exhibit A to the Agreement is the Preliminary Engineering Report as defined in RUS Bulletin 1780-2. This document must meet customary professional standards as required by CFR 1780.55. The Report must be concurred in by the Agency.
- Advise Owner of any need for Owner to provide data or services of the types described in Exhibit B, for use in Project design, or in preparation for Contractor selection and construction.
- 10. When mutually agreed and approved by the Agency, assist Owner in evaluating the possible use of building information modeling; civil integrated management; geotechnical baselining of subsurface site conditions; innovative design, contracting, or procurement strategies; or other strategies, technologies, or techniques for assisting in the design, construction, and operation of Owner's facilities. The subject matter of this paragraph shall be referred to in Exhibit A and B as "Project Strategies, Technologies, and Techniques."
- 11. If requested to do so by Owner, assist Owner in identifying opportunities for enhancing the sustainability of the Project, and pursuant to Owner's instructions plan for the inclusion of sustainable features in the design.
- 12. Use ASCE 38, "Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data" **Level D** as a means to advise the Owner on a recommended scope of work and procedure for the identification and mapping of existing utilities.
- 13. Develop a scope of work and survey limits for any topographic and other surveys necessary for design.
- 14. Perform or provide the following other Study and Report Phase tasks or deliverables: Provide an Environmental Report as defined at 7 CFR 1794 and RUS Bulletin 1794A-602 or other Agency approved format. The Environmental Report must be concurred in by the Agency.

- 15. Furnish three review copies of the Report and any other Study and Report Phase deliverables to Owner within 7 days of the Effective Date and review it with Owner. Within 14 days of receipt, Owner shall submit to Engineer any comments regarding the furnished items.
- 16. Revise the Report and any other Study and Report Phase deliverables in response to Owner's and Agency's comments, as appropriate, and furnish three (3) written copies and one (1) electronic copy of the revised Report and any other Study and Report Phase deliverables to the Owner within days of receipt of Owner's and Agency's comments.

Revise the Report and any other Study and Report Phase deliverables in response to Owner's and Agency's comments, as appropriate, and furnish three (3) written copies and one (1) electronic copy of the revised Report and any other Study and Report Phase deliverables to the Owner within 30 days of receipt of Owner's and Agency's comments.

B. Engineer's services under the Study and Report Phase will be considered complete on the date when Engineer has delivered to Owner the revised Report and any other Study and Report Phase deliverables.

A1.02 Preliminary Design Phase

- A. After acceptance by Owner and concurrence by Agency of the Report and any other Study and Report Phase deliverables; selection by Owner of a recommended solution; issuance by Owner of any instructions of for use of Project Strategies, Technologies, and Techniques, or for inclusion of sustainable features in the design; and indication by Owner of any specific modifications or changes in the scope, extent, character, or design requirements of the Project desired by Owner, (1) Engineer and Owner shall discuss and resolve any necessary revisions to Engineer's compensation (through application of the provisions regarding Additional Services, or otherwise), or the time for completion of Engineer's services, resulting from the selected solution, related Project Strategies, Technologies, or Techniques, sustainable design instructions, or specific modifications to the Project, and (2) upon written authorization from Owner, Engineer shall:
 - 1. Prepare Preliminary Design Phase documents consisting of final design criteria, preliminary drawings, outline specifications, and written descriptions of the Project.
 - In preparing the Preliminary Design Phase documents, use any specific applicable Project Strategies, Technologies, and Techniques authorized by Owner and Agency during or following the Study and Report Phase, and include sustainable features, as appropriate, pursuant to Owner's instructions.
 - 3. Provide necessary field surveys and topographic and utility mapping for Engineer's design purposes. Comply with the scope of work and procedure for the identification and mapping of existing utilities selected and authorized by Owner pursuant to advice from Engineer based on ASCE 38, "Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data," as set forth in Paragraph A1.01.A.12 above. If no such scope of work and procedure for utility mapping has been selected and authorized,

then at a minimum the utility mapping will include Engineer contacting utility owners and obtaining available information.

- 4. Visit the Site as needed to prepare the Preliminary Design Phase documents.
- 5. Advise Owner if additional reports, data, information, or services of the types described in Exhibit B are necessary and assist Owner in obtaining such reports, data, information, or services.
- 6. Continue to assist Owner with Project Strategies, Technologies, and Techniques that Owner has chosen to implement.
- 7. Based on the information contained in the Preliminary Design Phase documents, prepare a revised opinion of probable Construction Cost, and assist Owner in tabulating the various cost categories which comprise Total Project Costs.
- 8. Obtain and review Owner's instructions regarding Owner's procurement of construction services (including instructions regarding advertisements for bids, instructions to bidders, and requests for proposals, as applicable), Owner's construction contract practices and requirements, insurance and bonding requirements, electronic transmittals during construction, and other information necessary for the finalization of Owner's bidding-related documents (or requests for proposals or other construction procurement documents), and Construction Contract Documents. Also obtain and review copies of Owner's design and construction standards, Owner's standard forms, general conditions (if other than EJCDC® C-700, Standard General Conditions of the Construction Contract, 2013 Edition), supplementary conditions, text, and related documents or content for Engineer to include in the draft bidding-related documents (or requests for proposals or other construction procurement documents), and in the draft Construction Contract Documents, when applicable. Engineer must also incorporate all Agency regulations, forms, and design and construction standards applicable to the project in development of the documents indicated in this Article.
- 9. Perform or provide the following other Preliminary Design Phase tasks or deliverables: Develop basis of design information for neighborhood sewers.
- 10. Furnish three review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables to Owner within 100 days of authorization to proceed with this phase, and review them with Owner. Within 14 days of receipt, Owner shall submit to Engineer any comments regarding the furnished items.
- 11. Revise the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables in response to Owner's comments, as appropriate, and furnish to Owner three copies of the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and any other deliverables within 14 days after receipt of Owner's comments.
- B. Engineer's services under the Preliminary Design Phase will be considered complete on the date when Engineer has delivered to Owner the revised Preliminary Design Phase documents,

revised opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables.

A1.03 Final Design Phase

- A. After acceptance by Owner of the Preliminary Design Phase documents, revised opinion of probable Construction Cost as determined in the Preliminary Design Phase, and any other Preliminary Design Phase deliverables, subject to any Owner-directed modifications or changes in the scope, extent, character, or design requirements of or for the Project, and upon written authorization from Owner, Engineer shall:
 - 1. Prepare final Drawings and Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.
 - 2. Visit the Site as needed to assist in preparing the final Drawings and Specifications.
 - 3. Provide technical criteria, written descriptions, and design data for Owner's use in filing applications for permits from or approvals of governmental authorities having jurisdiction to review or approve the final design; assist Owner in consultations with such authorities; and revise the Drawings and Specifications in response to directives from such authorities, as appropriate.
 - Advise Owner of any recommended adjustments to the opinion of probable Construction Cost.
 - 5. After consultation with Owner, include in the Construction Contract Documents any specific protocols for the transmittal of Project-related correspondence, documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website. Any such protocols shall be applicable to transmittals between and among Owner, Engineer, and Contractor during the Construction Phase and Post-Construction Phase, and unless agreed otherwise shall supersede any conflicting protocols previously established for transmittals between Owner and Engineer.
 - Assist Owner in assembling known reports and drawings of Site conditions, and in identifying the technical data contained in such reports and drawings upon which bidders or other prospective contractors may rely.
 - In addition to preparing the final Drawings and Specifications, assemble drafts of other Construction Contract Documents based on specific instructions and contract forms, text, or content received from Owner.
 - Prepare or assemble draft bidding-related documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurementrelated instructions and forms, text, or content received from Owner.
 - 9. Perform or provide the following other Final Design Phase tasks or deliverables: The Engineer shall identify the building codes and accessibility standards used in the design and indicate them on the drawings and specifications and certify that the final drawings and specifications comply with those standards.

- 10. Furnish for review by Owner, its legal counsel, and Agency and other advisors, three copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, within 175 days of authorization to proceed with the Final Design Phase, and review them with Owner. Within 28 days of receipt, Owner shall submit to Engineer any comments regarding the furnished items, and any instructions for revisions.
- 11. Revise the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables in accordance with comments and instructions from the Owner, as appropriate, and submit three final copies of such documents to Owner within 21 days after receipt of Owner's comments and instructions.
- 12. Provide the Owner and Agency with a written certification that the final Drawings and Specifications, other assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables comply with all requirements of Agency. Use the Engineer's Certification of Final Plans and Specifications (Attachment GC-B) for this purpose.
- B. Engineer's services under the Final Design Phase will be considered complete on the date when Engineer has delivered to Owner the final Drawings and Specifications, other assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables and all final design phase deliverables have been accepted by Owner.
- C. In the event that the Work designed or specified by Engineer is to be performed or furnished under more than one prime contract, or if Engineer's services are to be separately sequenced with the work of one or more prime Contractors (such as in the case of fast-tracking), Owner and Engineer shall, prior to commencement of the Final Design Phase, develop a schedule for performance of Engineer's services during the Final Design, Bidding or Negotiating, Construction, and Post-Construction Phases in order to sequence and coordinate properly such services as are applicable to the work under such separate prime contracts. This schedule is to be prepared and included in or become an amendment to Exhibit A whether or not the work under such contracts is to proceed concurrently.
- D. The number of prime contracts for Work designed or specified by Engineer upon which the Engineer's compensation has been established under this Agreement is two (2)). If more prime contracts are awarded, Engineer shall be entitled to an equitable increase in its compensation under this Agreement.

A1.04 Bidding or Negotiating Phase

A. After acceptance by Owner of the final Drawings and Specifications, other Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and the most recent opinion of probable Construction Cost as determined in the Final Design Phase, and upon written authorization by Owner to proceed, Engineer shall:

- Assist Owner in advertising for and obtaining bids or proposals for the Work, assist
 Owner in issuing assembled design, contract, and bidding-related documents (or
 requests for proposals or other construction procurement documents) to prospective
 contractors, and, where applicable, maintain a record of prospective contractors to
 which documents have been issued, attend pre-bid conferences, if any, and receive and
 process contractor deposits or charges for the issued documents.
- Prepare and issue Addenda as appropriate to clarify, correct, or change the issued documents. Obtain Agency concurrence on any addenda that modify the bidding documents. Obtain prior concurrence where possible.
- 3. Provide information or assistance needed by Owner in the course of any review of proposals or negotiations with prospective contractors.
- 4. Consult with Owner as to the qualifications of prospective contractors.
- 5. Consult with Owner as to the qualifications of ubcontractors, suppliers, and other individuals and entities proposed by prospective contractors, for those portions of the Work as to which review of qualifications is required by the issued documents.
- 6. The Engineer shall evaluate and determine the acceptability of "or equals" and substitute materials and equipment proposed by prospective contractors prior to award of contracts for the Work. Engineer shall issue a bid addendum for any and all approved "or equals" and substitutes. Review of substitutes and "or equals" shall be in accordance with the General Conditions of the Construction Contract and applicable Agency regulations. Services under this paragraph are subject to the provisions of Paragraph A2.02.A.2 of this Exhibit A.
- Attend the bid opening, prepare bid tabulation sheets to meet Owner's schedule, and assist Owner in evaluating bids or proposals, assembling final contracts for the Work for execution by Owner and Contractor, and in issuing notices of award of such contracts.
- 8. If Owner engages in negotiations with bidders or proposers, assist Owner with respect to technical and engineering issues that arise during the negotiations.
- Perform or provide the following other Bidding or Negotiating Phase tasks or deliverables: Upon award of the Construction Contract, the Engineer shall furnish to Owner five executed copies of the Contract Documents and one electronic copy of the signed documents, including Drawings and Specifications.
- B. The Bidding or Negotiating Phase will be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with prospective contractors (except as may be required if Exhibit F is a part of this Agreement).

A1.05 Construction Phase

A. Upon successful completion of the Bidding and Negotiating Phase, and upon written authorization from Owner, Engineer shall:

- 1. General Administration of Construction Contract: Consult with Owner and act as Owner's representative as provided in the Construction Contract. The extent and limitations of the duties, responsibilities, and authority of Engineer shall be as assigned in EJCDC® C-700, Standard General Conditions of the Construction Contract (2013 Edition), prepared by the Engineers Joint Contract Documents Committee, or other construction general conditions specified in this Agreement. If Owner, or Owner and Contractor, modify the duties, responsibilities, and authority of Engineer in the Construction Contract, or modify other terms of the Construction Contract having a direct bearing on Engineer, then Owner shall compensate Engineer for any related increases in the cost to provide Construction Phase services. Engineer shall not be required to furnish or perform services contrary to Engineer's responsibilities as a licensed professional. All of Owner's instructions to Contractor will be issued through Engineer, which shall have authority to act on behalf of Owner in dealings with Contractor to the extent provided in this Agreement and the Construction Contract except as otherwise provided in writing.
- Resident Project Representative (RPR): Provide the services of an RPR at the Site to assist
 the Engineer and to provide more extensive observation of Contractor's work. Duties,
 responsibilities, and authority of the RPR are as set forth in Exhibit D. The furnishing of
 such RPR's services will not limit, extend, or modify Engineer's responsibilities or
 authority except as expressly set forth in Exhibit D
- 3. Selection of Independent Testing Laboratory: Assist Owner in the selection of an independent testing laboratory to perform the services identified in Exhibit B, Paragraph B2.01.
- 4. *Pre-Construction Conference:* Participate in **and chair** a pre-construction conference prior to commencement of Work at the Site.
- 5. Electronic Transmittal Protocols: If the Construction Contract Documents do not specify protocols for the transmittal of Project-related correspondence, documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website, then together with Owner and Contractor jointly develop such protocols for transmittals between and among Owner, Contractor, and Engineer during the Construction Phase and Post-Construction Phase.
- 6. Original Documents: If requested by Owner to do so, Maintain and safeguard during the Construction Phase at least one original printed record version of the Construction Contract Documents, including Drawings and Specifications signed and sealed by Engineer and other design professionals in accordance with applicable Laws and Regulations. Throughout the Construction Phase, make such original printed record version of the Construction Contract Documents available to Contractor and Owner for review.
- 7. Schedules: Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.

- 8. Baselines and Benchmarks: As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.
- 9. *Visits to Site and Observation of Construction:* In connection with observations of Contractor's Work while it is in progress:
 - a. Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress of Contractor's executed Work. Such visits and observations by Engineer, and the Resident Project Representative, if any, are not intended to be exhaustive or to extend to every aspect of the Work or to involve detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in this Agreement and the Construction Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the Work based on Engineer's exercise of professional judgment, as assisted by the Resident Project Representative, if any. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Construction Contract Documents, and Engineer shall keep Owner informed of the progress of the Work.
 - The purpose of Engineer's visits to the Site, and representation by the Resident Project Representative, if any, at the Site, will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for Owner a greater degree of confidence that the completed Work will conform in general to the Construction Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Construction Contract Documents. Engineer shall not, during such visits or as a result of such observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to any Constructor's work in progress, for the coordination of the Constructors' work or schedules, nor for any failure of any Constructor to comply with Laws and Regulations applicable to furnishing and performing of its work. Accordingly, Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish or perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents.
 - c. The visits described in Article A1.05.A.9.a shall be at least monthly and the Engineer shall document all visits to the project with copies furnished to the Owner and Agency.
- 10. Defective Work: Reject Work if, on the basis of Engineer's observations, Engineer believes that such Work is defective under the terms and standards set forth in the Construction Contract Documents. Provide recommendations to Owner regarding whether Contractor should correct such Work or remove and replace such Work, or

- whether Owner should consider accepting such Work as provided in the Construction Contract Documents.
- 11. Compatibility with Design Concept: If Engineer has express knowledge that a specific part of the Work that is not defective under the terms and standards set forth in the Construction Contract Documents is nonetheless not compatible with the design concept of the completed Project as a functioning whole, then inform Owner of such incompatibility, and provide recommendations for addressing such Work.
- 12. Clarifications and Interpretations: Accept from Contractor and Owner submittal of all matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. With reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or initiate an amendment or supplement to the Construction Contract Documents.
- 13. Non-reviewable Matters: If a submitted matter in question concerns the Engineer's performance of its duties and obligations, or terms and conditions of the Construction Contract Documents that do not involve (1) the performance or acceptability of the Work under the Construction Contract Documents, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, then Engineer will promptly give written notice to Owner and Contractor that Engineer will not provide a decision or interpretation.
- 14. *Field Orders:* Subject to any limitations in the Construction Contract Documents, Engineer may prepare and issue Field Orders requiring minor changes in the Work.
- 15. Change Orders and Work Change Directives: Recommend Change Orders and Work Change Directives to Owner, as appropriate, and prepare Change Orders and Work Change Directives as required.
- 16. Differing Site Conditions: Respond to any notice from Contractor of differing site conditions, including conditions relating to underground facilities such as utilities, and hazardous environmental conditions. Promptly conduct reviews and prepare findings, conclusions, and recommendations for Owner's use.
- 17. Shop Drawings, Samples, and Other Submittals: Review and approve or take other appropriate action with respect to Shop Drawings, Samples, and other required Contractor submittals, but only for conformance with the information given in the Construction Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Construction Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.
- 18. Substitutes and "Or-equal": Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor, but subject to the provisions of Paragraph A2.02.A.2 of this Exhibit A. Review of substitutes and "or

equals" shall be in accordance with the General Conditions of the Construction Contract and applicable Agency regulations.

19. Inspections and Tests:

- a. Receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Construction Contract Documents. Engineer's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Construction Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Construction Contract Documents. Engineer shall be entitled to rely on the results of such inspections and tests.
- b. As deemed reasonably necessary, request that Contractor uncover Work that is to be inspected, tested, or approved.
- c. Pursuant to the terms of the Construction Contract, require special inspections or testing of the Work, whether or not the Work is fabricated, installed, or completed.
- 20. Change Proposals and Claims: (a) Review and respond to Change Proposals. Review each duly submitted Change Proposal from Contractor and, within 30 days after receipt of the Contractor's supporting data, either deny the Change Proposal in whole, approve it in whole, or deny it in part and approve it in part. Such actions shall be in writing, with a copy provided to Owner and Contractor. If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties that the Engineer will not resolve the Change Proposal. (b) Provide information or data to Owner regarding engineering or technical matters pertaining to Claims.
- 21. Applications for Payment: Based on Engineer's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:
 - Determine the amounts that Engineer recommends Contractor be paid. a. Recommend reductions in payment (set-offs) based on the provisions for set-offs stated in the Construction Contract. Such recommendations of payment will be in writing and will constitute Engineer's representation to Owner, based on such observations and review, that, to the best of Engineer's knowledge, information and belief, Contractor's Work has progressed to the point indicated, the Work is generally in accordance with the Construction Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Construction Contract Documents, and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe the Work. In the case of unit price Work, Engineer's recommendations of payment will include final determinations of quantities and classifications of the Work (subject to any subsequent adjustments allowed by the Construction Contract Documents).

- By recommending payment, Engineer shall not thereby be deemed to have represented that observations made by Engineer to check the quality or quantity of Contractor's Work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in this Agreement. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment including final payment will impose on Engineer responsibility to supervise, direct, or control the Work, or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on Engineer to make any examination to ascertain how or for what purposes Contractor has used the money paid to Contractor by Owner; to determine that title to any portion of the Work, including materials or equipment, has passed to Owner free and clear of any liens, claims, security interests, or encumbrances; or that there may not be other matters at issue between Owner and Contractor that might affect the amount that should be paid.
- 22. Contractor's Completion Documents: Receive from Contractor, review, and transmit to Owner maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Construction Contract Documents, certificates of inspection, tests and approvals, and Shop Drawings, Samples, and other data approved as provided under Paragraph A1.05.A.17. Receive from Contractor, review, and transmit to Owner the annotated record documents which are to be assembled by Contractor in accordance with the Construction Contract Documents to obtain final payment. The extent of Engineer's review of record documents shall be to check that Contractor has submitted all pages. Receive from Contractor and review the annotated record documents which are to be assembled by Contractor in accordance with the Construction Contract Documents to obtain final payment. The Engineer shall prepare Record Drawings, and furnish such Record Drawings to Owner.
- 23. Substantial Completion: Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with Owner and Contractor, visit the Site to review the Work and determine the status of completion. Follow the procedures in the Construction Contract regarding the preliminary certificate of Substantial Completion, punch list of items to be completed, Owner's objections, notice to Contractor, and issuance of a final certificate of Substantial Completion. Assist Owner regarding any remaining engineering or technical matters affecting Owner's use or occupancy of the Work following Substantial Completion.
- 24. *Other Tasks:* Perform or provide the following other Construction Phase tasks or deliverables: None.
 - a. Upon Substantial Completion, the Engineer shall provide a copy of the certificate of Substantial Completion to the Agency.
- 25. Final Notice of Acceptability of the Work: Conduct a final visit to the Project to determine if the Work is complete and acceptable so that Engineer may recommend, in

writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a notice to Owner and Contractor in the form attached hereto as Exhibit E ("Notice of Acceptability of Work") that the Work is acceptable (subject to the provisions of the Notice and Paragraph A1.05.A.21.b) to the best of Engineer's knowledge, information, and belief, and based on the extent of the services provided by Engineer under this Agreement.

- 26. Standards for Certain Construction-Phase Decisions: Engineer will render decisions regarding the requirements of the Construction Contract Documents, and judge the acceptability of the Work, pursuant to the specific procedures set forth in the Construction Contract for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to Owner or Contractor, and will not be liable to Owner, Contractor, or others in connection with any proceedings, interpretations, decisions, or judgments conducted or rendered in good faith.
- B. Duration of Construction Phase: The Construction Phase will commence with the execution of the first Construction Contract for the Project or any part thereof and will terminate upon written recommendation by Engineer for final payment to Contractors. If the Project involves more than one prime contract as indicated in Paragraph A1.03.D, then Construction Phase services may be rendered at different times in respect to the separate contracts. Subject to the provisions of Article 3, Engineer shall be entitled to an equitable increase in compensation if Construction Phase services (including Resident Project Representative services, if any) are required after the original date for completion and readiness for final payment of Contractor as set forth in the Construction Contract.

A1.06 Post-Construction Phase

- A. Upon written authorization from Owner during the Post-Construction Phase, Engineer shall:
 - Together with Owner, visit the Project to observe any apparent defects in the Work, make recommendations as to replacement or correction of defective Work, if any, or the need to repair of any damage to the Site or adjacent areas, and assist Owner in consultations and discussions with Contractor concerning correction of any such defective Work and any needed repairs.
 - Together with Owner, visit the Project within one month before the end of the Construction Contract's correction period to ascertain whether any portion of the Work or the repair of any damage to the Site or adjacent areas is defective and therefore subject to correction by Contractor.
 - 3. Perform or provide the following other Post-Construction Phase tasks or deliverables: None.
- B. The Post-Construction Phase services may commence during the Construction Phase and, if not otherwise modified in this Exhibit A, will terminate twelve months after the commencement of the Construction Contract's correction period.

PART 2 – ADDITIONAL SERVICES

- A. If authorized in writing by Owner, Engineer shall provide Additional Services of the types listed below. These services are not included as part of Basic Services and will be paid for by Owner as indicated in Exhibit C.
 - 1. Preparation of applications and supporting documents (in addition to those furnished under Basic Services) for private or governmental grants, loans, or advances in connection with the Project; preparation or review of environmental assessments and impact statements not including preparation of the Environmental Report defined under Basic Services; review and evaluation of the effects on the design requirements for the Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Project.
 - Services to make measured drawings of existing conditions or facilities, to conduct tests
 or investigations of existing conditions or facilities, or to verify the accuracy of drawings
 or other information furnished by Owner or others above ASCE SOE level D.
 - 3. Services resulting from significant changes in the scope, extent, or character of the portions of the Project designed or specified by Engineer, or the Project's design requirements, including, but not limited to, changes in size, complexity, Owner's schedule, character of construction, or method of financing; and revising previously accepted studies, reports, Drawings, Specifications, or Construction Contract Documents when such revisions are required by changes in Laws and Regulations enacted subsequent to the Effective Date or are due to any other causes beyond Engineer's control.
 - 4. Services resulting from Owner's request to evaluate additional Study and Report Phase alternative solutions beyond those agreed to in Paragraph A1.01.A.1 and 2, but only if the Owner's request is made after completion of the Study and Report Phase.
 - 5. Services required as a result of Owner's providing incomplete or incorrect Project information to Engineer.
 - 6. Providing renderings or models for Owner's use, including services in support of building information modeling or civil integrated management.
 - 7. Undertaking investigations and studies including, but not limited to:
 - a. detailed consideration of operations, maintenance, and overhead expenses;
 - the preparation of feasibility studies (such as those that include projections of output capacity, utility project rates, project market demand, or project revenues) and cash flow analyses, provided that such services are based on the engineering and technical aspects of the Project, and do not include rendering advice regarding municipal financial products or the issuance of municipal securities;
 - c. preparation of appraisals;

- d. evaluating processes available for licensing, and assisting Owner in obtaining process licensing;
- e. detailed quantity surveys of materials, equipment, and labor; and
- f. audits or inventories required in connection with construction performed or furnished by Owner.
- 8. Furnishing services of Consultants for other than Basic Services.
- 9. Providing data or services of the types described in Exhibit B, when Owner retains Engineer to provide such data or services instead of Owner furnishing the same.
- 10. Providing the following services:
 - a. Services attributable to more prime construction contracts than specified in Paragraph A1.03.D.
 - b. Services to arrange for performance of construction services for Owner by contractors other than the principal prime Contractor, and administering Owner's contract for such services.
- 11. Services during out-of-town travel required of Engineer, other than for visits to the Site or Owner's office as required in Basic Services (Part 1 of Exhibit A).
- 12. Preparing for, coordinating with, participating in and responding to structured independent review processes, including, but not limited to, construction management, cost estimating, project peer review, value engineering, and constructibility review requested by Owner; and performing or furnishing services required to revise studies, reports, Drawings, Specifications, or other documents as a result of such review processes.
- 13. Preparing additional bidding-related documents (or requests for proposals or other construction procurement documents) or Construction Contract Documents for alternate bids or cost estimates requested by Owner for the Work or a portion thereof.
- 14. Assistance in connection with bid protests, rebidding, or renegotiating contracts for construction, materials, equipment, or services, except when such assistance is required to complete services required by Paragraph 5.02.A and Exhibit F.
- 15. Preparing conformed Construction Contract Documents that incorporate and integrate the content of all Addenda and any amendments negotiated by Owner and Contractor.
- 16. Providing Construction Phase services beyond the original date for completion and readiness for final payment of Contractor, but only if such services increase the total quantity of services to be performed in the Construction Phase, rather than merely shifting performance of such services to a later date.
- 17. [Deleted].

- 18. Supplementing Record Drawings with information regarding the completed Project, Site, and immediately adjacent areas obtained from field observations, Owner, utility companies, and other reliable sources.
- Conducting surveys, investigations, and field measurements to verify the accuracy of Record Drawing content obtained from Contractor, Owner, utility companies, and other sources; revise and supplement Record Drawings as needed.
- 20. Preparation of operation, maintenance, and staffing manuals.
- 21. Protracted or extensive assistance in refining and adjusting of Project equipment and systems (such as initial startup, testing, and balancing).
- 22. Assistance to Owner in training Owner's staff to operate and maintain Project equipment and systems.
- 23. Assistance to Owner in developing systems and procedures for (a) control of the operation and maintenance of Project equipment and systems, and (b) related recordkeeping.
- 24. Preparing to serve or serving as a consultant or witness for Owner in any litigation, arbitration, lien or bond claim, or other legal or administrative proceeding involving the Project.
- 25. Overtime work requiring higher than regular rates.
- 26. Providing construction surveys and staking to enable Contractor to perform its work other than as required under Paragraph A1.05.A.8; any type of property surveys or related engineering services needed for the transfer of interests in real property; and providing other special field surveys.
- 27. Providing more extensive services required to enable Engineer to issue notices or certifications requested by Owner.
- 28. Extensive services required during any correction period, or with respect to monitoring Contractor's compliance with warranties and guarantees called for in the Construction Contract (except as agreed to under Basic Services).
- 29. Other additional services performed or furnished by Engineer not otherwise provided for in this Agreement.

A2.02 Additional Services Not Requiring Owner's Written Authorization

- A. Engineer shall advise Owner that Engineer is commencing to perform or furnish the Additional Services of the types listed below. For such Additional Services, Engineer need not request or obtain specific advance written authorization from Owner. Engineer shall cease performing or furnishing such Additional Services upon receipt of written notice to cease from Owner.
 - 1. Services in connection with Work Change Directives and Change Orders to reflect changes requested by Owner.

- Services in making revisions to Drawings and Specifications occasioned by the
 acceptance of substitute materials or equipment other than "or equal" items;
 evaluation and determination of an excessive number of proposed "or equals" or
 substitutions, whether proposed before or after award of the Construction Contract.
- 3. Services resulting from significant delays, changes, or price increases occurring as a direct or indirect result of materials, equipment, or energy shortages.
- 4. Additional or extended services arising from (a) the presence at the Site of any Constituent of Concern or items of historical or cultural significance, (b) emergencies or acts of God endangering the Work, (c) damage to the Work by fire or other causes during construction, (d) a significant amount of defective, neglected, or delayed Work, (e) acceleration of the progress schedule involving services beyond normal working hours, or (f) default by Contractor.
- 5. Services (other than Basic Services during the Post-Construction Phase) in connection with any partial utilization of the Work by Owner prior to Substantial Completion.
- Evaluating unreasonable or frivolous requests for interpretation or information (RFIs), Change Proposals, or other demands from Contractor or others in connection with the Work, or an excessive number of RFIs, Change Proposals, or demands.
- 7. Reviewing a Shop Drawing or other Contractor submittal more than three times, as a result of repeated inadequate submissions by Contractor.
- 8. While at the Site, compliance by Engineer and its staff with those terms of Owner's or Contractor's safety program provided to Engineer subsequent to the Effective Date that exceed those normally required of engineering personnel by federal, State, or local safety authorities for similar construction sites.

This is **EXHIBIT B**, consisting of 3 pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated [April 11, 2018].

Owner's Responsibilities

Article 2 of the Agreement is supplemented to include the following agreement of the parties.

- B2.01 In addition to other responsibilities of Owner as set forth in this Agreement, Owner shall at its expense:
 - A. Provide Engineer with all criteria and full information as to Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility, and expandability, and any budgetary limitations.
 - Give instructions to Engineer regarding Owner's procurement of construction services (including instructions regarding advertisements for bids, instructions to bidders, and requests for proposals, as applicable), Owner's construction contract practices and requirements, insurance and bonding requirements, electronic transmittals during construction, and other information necessary for the finalization of Owner's bidding-related documents (or requests for proposals or other construction procurement documents), and Construction Contract Documents. Furnish copies (or give specific directions requesting Engineer to use copies already in Engineer's possession) of all design and construction standards, Owner's standard forms, general conditions (if other than EJCDC® C-700, Standard General Conditions of the Construction Contract, 2013 Edition), supplementary conditions, text, and related documents and content for Engineer to include in the draft bidding-related documents (or requests for proposals or other construction procurement documents), and draft Construction Contract Documents, when applicable. Owner shall have responsibility for the final content of (1) such bidding-related documents (or requests for proposals or other construction procurement documents), and (2) those portions of any Construction Contract other than the design (as set forth in the Drawings, Specifications, or otherwise), and other engineering or technical matters; and Owner shall seek the advice of Owner's legal counsel, risk managers, and insurance advisors with respect to the drafting and content of such documents.
 - C. Furnish to Engineer any other available information pertinent to the Project including reports and data relative to previous designs, construction, or investigation at or adjacent to the Site.
 - D. Following Engineer's assessment of initially-available Project information and data and upon Engineer's request, obtain, furnish, or otherwise make available (if necessary through title searches, or retention of specialists or consultants) such additional Project-related information and data as is reasonably required to enable Engineer to complete its Basic and Additional Services. Such additional information or data would generally include the following:
 - 1. Property descriptions.
 - 2. Zoning, deed, and other land use restrictions.
 - 3. Utility and topographic mapping and surveys.

- 4. Property, boundary, easement, right-of-way, and other special surveys or data, including establishing relevant reference points.
- 5. Explorations and tests of subsurface conditions at or adjacent to the Site; geotechnical reports and investigations; drawings of physical conditions relating to existing surface or subsurface structures at the Site; hydrographic surveys, laboratory tests and inspections of samples, materials, and equipment; with appropriate professional interpretation of such information or data.
- 6. Environmental assessments, audits, investigations, and impact statements, and other relevant environmental, historical, or cultural studies relevant to the Project, the Site, and adjacent areas.
- 7. Data or consultations as required for the Project but not otherwise identified in this Agreement.
- E. Arrange for safe access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services under the Agreement.
- F. Recognizing and acknowledging that Engineer's services and expertise do not include the following services, provide, as required for the Project:
 - Accounting, bond and financial advisory (including, if applicable, "municipal advisor" services as described in Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) and the municipal advisor registration rules issued by the Securities and Exchange Commission), independent cost estimating, and insurance counseling services.
 - 2. Legal services with regard to issues pertaining to the Project as Owner requires, Contractor raises, or Engineer reasonably requests.
 - 3. Such auditing services as Owner requires to ascertain how or for what purpose Contractor has used the money paid.
- G. Provide the services of an independent testing laboratory to perform all inspections, tests, and approvals of samples, materials, and equipment required by the Construction Contract Documents (other than those required to be furnished or arranged by Contractor), or to evaluate the performance of materials, equipment, and facilities of Owner, prior to their incorporation into the Work with appropriate professional interpretation thereof. Provide Engineer with the findings and reports generated by testing laboratories, including findings and reports obtained from or through Contractor.
- H. Provide reviews, approvals, and permits from all governmental authorities having jurisdiction to approve all phases of the Project designed or specified by Engineer and such reviews, approvals, and consents from others as may be necessary for completion of each phase of the Project.
- I. Advise Engineer of the identity and scope of services of any independent consultants employed by Owner to perform or furnish services in regard to the Project, including, but not limited to, cost estimating, project peer review, value engineering, and constructibility review.

- J. If Owner designates a construction manager or an individual or entity other than, or in addition to, Engineer to represent Owner at the Site, define and set forth as an attachment to this Exhibit B the duties, responsibilities, and limitations of authority of such other party and the relation thereof to the duties, responsibilities, and authority of Engineer.
- K. If more than one prime contract is to be awarded for the Work designed or specified by Engineer, then designate a person or entity to have authority and responsibility for coordinating the activities among the various prime Contractors, and define and set forth the duties, responsibilities, and limitations of authority of such individual or entity and the relation thereof to the duties, responsibilities, and authority of Engineer as an attachment to this Exhibit B that is to be mutually agreed upon and made a part of this Agreement before such services begin.
- L. Inform Engineer in writing of any specific requirements of safety or security programs that are applicable to Engineer, as a visitor to the Site.
- M. Examine all alternative solutions, studies, reports, sketches, Drawings, Specifications, proposals, and other documents presented by Engineer (including obtaining advice of an attorney, risk manager, insurance counselor, financial/municipal advisor, and other advisors or consultants as Owner deems appropriate with respect to such examination) and render in writing timely decisions pertaining thereto.
- N. Inform Engineer regarding any need for assistance in evaluating the possible use of Project Strategies, Technologies, and Techniques, as defined in Exhibit A.
- O. Advise Engineer as to whether Engineer's assistance is requested in identifying opportunities for enhancing the sustainability of the Project.
- P. Place and pay for advertisement for Bids in appropriate publications.
- Q. Furnish to Engineer data as to Owner's anticipated costs for services to be provided by others (including, but not limited to, accounting, bond and financial, independent cost estimating, insurance counseling, and legal advice) for Owner so that Engineer may assist Owner in collating the various cost categories which comprise Total Project Costs.
- R. Attend and participate in the pre-bid conference, bid opening, pre-construction conferences, construction progress and other job related meetings, and Site visits to determine Substantial Completion and readiness of the completed Work for final payment.
- S. Authorize Engineer to provide Additional Services as set forth in Part 2 of Exhibit A of the Agreement, as required.
- T. Perform or provide the following: Provide information regarding design and construction of existing information, including copies of utility maps, ROW maps, easement maps and descriptions and record drawings.

This is **EXHIBIT C**, consisting of [2] pages, referred to in and part of the Agreement between Owner and Engineer for Professional Services dated [April 11, 2018].

Payments to Engineer for Services and Reimbursable Expenses COMPENSATION PACKET BC-1: Basic Services – Lump Sum

Article 2 of the Agreement is supplemented to include the following agreement of the parties:

ARTICLE 2 – OWNER'S RESPONSIBILITIES

- C2.01 Compensation for Basic Services (other than Resident Project Representative) Lump Sum Method of Payment
 - A. Owner shall pay Engineer for Basic Services set forth in Exhibit A, except for services of Engineer's Resident Project Representative, if any, as follows:
 - 1. A Lump Sum amount of \$531,000 based on the following estimated distribution of compensation:

a.	Study and Report Phase	\$[0]
b.	Preliminary Design Phase	\$[184,000]
c.	Final Design Phase	\$[146,000]
d.	Bidding and Negotiating Phase	\$[10,000]
e.	Construction Phase	\$[167,000]
f.	Post-Construction Phase	\$[24,000]

- 2. Engineer may alter the distribution of compensation between individual phases noted herein to be consistent with services actually rendered, but shall not exceed the total Lump Sum amount unless approved in writing by the Owner **and Agency**.
- 3. The Lump Sum includes compensation for Engineer's services and services of Engineer's Consultants, if any. Appropriate amounts have been incorporated in the Lump Sum to account for labor costs, overhead, profit, expenses (other than any expressly allowed Reimbursable Expenses), and Consultant charges.
- 4. In addition to the Lump Sum, Engineer is also entitled to reimbursement from Owner for the following Reimbursable Expenses (see Appendix 1 for rates or charges): [Customary reimbursement charges for basic services are included in the lump sum amounts above]
- 5. The portion of the Lump Sum amount billed for Engineer's services will be based upon Engineer's estimate of the percentage of the total services actually completed during the

billing period. If any Reimbursable Expenses are expressly allowed, Engineer may also bill for any such Reimbursable Expenses incurred during the billing period. Period of Service: The compensation amount stipulated in Compensation Packet BC-1 is conditioned on a period of service not exceeding [26] months. If such period of service is extended, the compensation amount for Engineer's services shall be appropriately adjusted with concurrence of the Owner and Agency.

COMPENSATION PACKET RPR-2:

Resident Project Representative – Standard Hourly Rates

Article 2 of the Agreement is supplemented to include the following agreement of the parties:

- C2.04 Compensation for Resident Project Representative Basic Services Standard Hourly Rates Method of Payment
 - A. Owner shall pay Engineer for Resident Project Representative Basic Services as follows:
 - 1. Resident Project Representative Services: For services of Engineer's Resident Project Representative under Paragraph A1.05.A of Exhibit A, an amount equal to the cumulative hours charged to the Project by each class of Engineer's personnel times Standard Hourly Rates for each applicable billing class for all Resident Project Representative services performed on the Project, plus related Reimbursable Expenses and Engineer's Consultant's charges, if any. The total compensation under this paragraph is estimated to be \$[266,000] based upon full-time RPR services on an eight-hour workday, Monday through Friday, over a [30 weeks of construction] day-of construction inspection.schedule.
 - 2. If rate(s) for RPR services is not indicated in Appendix Two to Exhibit C, "Standard Hourly Rates Schedule," the Standard Hourly rate for RPR services is \$[N/A] per hour.
 - B. Compensation for Reimbursable Expenses:
 - For those Reimbursable Expenses that are not accounted for in the compensation for Basic Services under Paragraph C2.01, and are directly related to the provision of Resident Project Representative or Post-Construction Basic Services, Owner shall pay Engineer at the rates set forth in Appendix 1 to this Exhibit C.
 - 2. Reimbursable Expenses include the expenses identified in Appendix 1 and the following: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; subsistence and transportation of Resident Project Representative and assistants; toll telephone calls, mobile phone charges, and courier charges; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Project-related items. In addition, if authorized in advance by Owner, Reimbursable Expenses will also include expenses incurred for the use of highly specialized equipment.
 - 3. The amounts payable to Engineer for Reimbursable Expenses, if any, will be those internal expenses related to the Resident Project Representative Basic Services that are actually incurred or allocated by Engineer, plus all invoiced external Reimbursable Expenses allocable to such services, the latter multiplied by a factor of [1.1].
 - 4. The Reimbursable Expenses Schedule will be adjusted annually (as of [April 1st]) to reflect equitable changes in the compensation payable to Engineer. Changes will not be effective unless and until concurred in by the Owner and Agency.

- C. Other Provisions Concerning Payment Under this Paragraph C2.04:
 - Whenever Engineer is entitled to compensation for the charges of Engineer's Consultants, those charges shall be the amounts billed by Engineer's Consultants to Engineer times a factor of [1.1].
 - 2. Factors: The external Reimbursable Expenses and Engineer's Consultant's factors include Engineer's overhead and profit associated with Engineer's responsibility for the administration of such services and costs.
 - 3. Estimated Compensation Amounts:
 - a. Engineer's estimate of the amounts that will become payable for specified services are only estimates for planning purposes, are not binding on the parties, and are not the minimum or maximum amounts payable to Engineer under the Agreement.
 - When estimated compensation amounts have been stated herein and it subsequently becomes apparent to Engineer that the total compensation amount thus estimated will be exceeded, Engineer shall give Owner and Agency written notice thereof, allowing Owner to consider its options, including suspension or termination of Engineer's services for Owner's convenience. Upon notice Owner and Engineer promptly shall review the matter of services remaining to be performed and compensation for such services. Owner shall either exercise its right to suspend or terminate Engineer's services for Owner's convenience, agree to such compensation exceeding said estimated amount, or agree to a reduction in the remaining services to be rendered by Engineer, so that total compensation for such services will not exceed said estimated amount when such services are If Owner decides not to suspend Engineer's services during completed. negotiations and Engineer exceeds the estimated amount before Owner and Engineer have agreed to an increase in the compensation due Engineer or a reduction in the remaining services, then Engineer shall be paid for all services rendered hereunder.
 - 4. To the extent necessary to verify Engineer's charges and upon Owner's timely request, Engineer shall make copies of such records available to Owner at no cost.

Article 2 of the Agreement is supplemented to include the following agreement of the parties:

C2.05 Compensation for Additional Services – Standard Hourly Rates Method of Payment

- A. Owner shall pay Engineer for Additional Services, if any, as follows:
 - 1. General: For services of Engineer's personnel engaged directly on the Project pursuant to Paragraph A2.01 or A2.02 of Exhibit A, except for services as a consultant or witness under Paragraph A2.01.A.20, (which if needed shall be separately negotiated based on the nature of the required consultation or testimony) an amount equal to the cumulative hours charged to the Project by each class of Engineer's personnel times Standard Hourly Rates for each applicable billing class for all Additional Services performed on the Project, plus related Reimbursable Expenses and Engineer's Consultant's charges, if any. The total compensation under this paragraph is estimated to be \$124,000 based on services detailed in Exhibit C Appendix 3.
- B. Compensation For Reimbursable Expenses:
 - For those Reimbursable Expenses that are not accounted for in the compensation for Basic Services under Paragraph C2.01 and are directly related to the provision of Additional Services, Owner shall pay Engineer at the rates set forth in Appendix 1 to this Exhibit C.
 - Reimbursable Expenses include the expenses identified in Appendix 1 and the following categories: trans
 - 3. portation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; toll telephone calls, mobile phone charges, and courier charges; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Project-related items; and Consultants' charges. In addition, if authorized in advance by Owner, Reimbursable Expenses will also include expenses incurred for the use of highly specialized equipment.
 - 4. The amounts payable to Engineer for Reimbursable Expenses, if any, will be the Additional Services-related internal expenses actually incurred or allocated by Engineer, plus all invoiced external Reimbursable Expenses allocable to such Additional Services, the latter multiplied by a factor of [1.1].
 - The Reimbursable Expenses Schedule will be adjusted annually (as of [April 1st]) to reflect equitable changes in the compensation payable to Engineer. Changes will not be effective unless and until concurred in by the Owner and Agency.
- C. Other Provisions Concerning Payment for Additional Services:

- 1. Whenever Engineer is entitled to compensation for the charges of Engineer's Consultants, those charges shall be the amounts billed by Engineer's Consultants to Engineer times a factor of [1.1].
- Factors: The external Reimbursable Expenses and Engineer's Consultant's Factors
 include Engineer's overhead and profit associated with Engineer's responsibility for the
 administration of such services and costs.
- 3. To the extent necessary to verify Engineer's charges and upon Owner's timely request, Engineer shall make copies of such records available to Owner at no cost.

This is **Appendix 1 to EXHIBIT C**, consisting of [2] pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated [April 11, 2018].

Reimbursable Expenses Schedule

Reimbursable Expenses are subject to review and adjustment per Exhibit C. Rates and charges for Reimbursable Expenses as of the date of the Agreement are:

8"x11" Copies/Impressions \$ /page **Copies of Drawings** \$ [/sq. ft. Mileage (auto) \$ []/mile **Air Transportation** at cost **CAD Charge** \$[1/hour **Laboratory Testing** at cost Health and Safety Level D \$ []/day Health and Safety Level C]/day **Meals and Lodging** at cost

SEE ATTACHED

This is Appendix 2 to EXHIBIT C , consisting of
pages, referred to in and part of the Agreement
between Owner and Engineer for Professional
Services dated [].

Standard Hourly Rates Schedule

A. Standard Hourly Rates:

- Standard Hourly Rates are set forth in this Appendix 2 to this Exhibit C and include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.
- 2. The Standard Hourly Rates apply only as specified in Article C2.

B. Schedule:

Hourly rates for services performed on or after the date of the Agreement are:

Billing Class VIII	\$[]/hour
Billing Class VII	[]/hour
Billing Class VI	[]/hour
Billing Class V	[]/hour
Billing Class IV	[]/hour
Billing Class III	[]/hour
Billing Class II	[]/hour
Billing Class I	[]/hour
Non-administrative Support Staff	[]/hour

[Note to User: The categories above (Billing Classes VIII through I) are traditional hourly rate classes for engineering services, but the classes themselves do not currently have widely accepted or understood meanings or definitions. Many approaches are possible for establishing the hourly rates that will be charged. These include defining the categories (for example, "Billing Class VI—Assistant Project Manager"), or using the engineering firm's own professional classifications. If hourly rates are ascribed to specific individuals, the user should ensure that changes in professional personnel and rates are allowable over the Project's course.]

SEE ATTACHED

REIMBURSABLE EXPENSE SCHEDULE

Our standard rates and equipment charges for 2018 are as follows:

INTEROFFICE CHARGES			
INTEROFFICE CHARGES			
Comb Binding	\$1.50 each		
1/4" – 3/8" 1/2" – 5/8"	\$1.75 each		
3/4" – 1 1/2"	\$2.00 each		
1 3/4" – 2"	\$3.00 each		
Binder (1" – 4")	\$6.50 - \$13.00 each		
Copies	Black & White	Color	
8.5 x 11"	\$0.10 each	\$0.25 ea	ach
11 x 17"	\$0.20 each	\$0.50 ea	
Fax	\$1.00 each		
CD's	\$1.30 each		
Plotting	Black & White	Color	
11 x 17"	\$0.20 each	\$5.20 ea	ach
18 x 24"	\$0.75 each	ψυ. Ξ υ συ	
24 x 36"	\$1.50 each	\$20.00 e	each
30 x 42"	\$2.19 each	\$35.00 e	
36 x 48"	\$3.00 each		
Larger	\$4.00 per sft		
Mylar (24 x 36")	\$10.00 each		
FIELD EQUIPMENT CHARGES			
SURVEY & CONSTRUCTION OBSERVATION			
GPS	\$37.50 / hour		
3D Scanner	\$318.18 / day		
Robotic Survey System	\$21.88 / hour		
Staking Supplies	\$10.00 each		
Concrete Testing	\$35.00 / day		
Troxler (Nuclear Density)	\$60.00 / day		
ENGINEERING & ENVIRONMENTAL			
Conductivity Meter	\$15.00 / day		
Disposable Bailers	\$5.50 each		
Dissolved Oxygen (DO) Meter	\$20.00 / day		
Free Product Interface Probe	\$25.00 day		
Hand Auger	\$30.00 / day		
Hermit 3000			
Pump Test	\$1,500 / test		
Slug Test	\$300.00/ day		
Hermit 9000 Tubing	\$0.80 / foot		
Hermit 9000/Low Flow Supplies	\$95.00 / day		
Monson Well Pump	\$50.00 / day		
Nitrile Gloves	\$10.00 / pair		
Ph Meter	\$25.00 / day		
Photoionization Detector (PID) Multirate PID & 4 Gas Detector	\$75.00 / day		
Multirate PID & 4 Gas Detector	\$150.00 / day		
Paint Mil Gauge	\$25.00 / day		
Doriotaltia Dumn	640 00 / day		
	\$40.00 / day		
Power Pack Generator	\$10.00 / day		
Power Pack Generator ISCO Pump Station Flow Meter	\$10.00 / day \$20.00 / day		
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe	\$10.00 / day \$20.00 / day \$25.00 / day		
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day		
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge Sludge Depth Probe	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day \$20.00 / day		
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge Sludge Depth Probe Solinst Meter (sewer meter)	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day \$20.00 / day \$3.25 / day		
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge Sludge Depth Probe Solinst Meter (sewer meter) Amp/Volt Meter	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day \$20.00 / day \$3.25 / day \$35.00 / day		
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge Sludge Depth Probe Solinst Meter (sewer meter) Amp/Volt Meter Water Level Probe	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day \$20.00 / day \$3.25 / day		
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge Sludge Depth Probe Solinst Meter (sewer meter) Amp/Volt Meter Water Level Probe Whale Pump VEHICLES	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day \$20.00 / day \$3.25 / day \$35.00 / day \$35.00 / day \$30.00 / day		
Peristaltic Pump Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge Sludge Depth Probe Solinst Meter (sewer meter) Amp/Volt Meter Water Level Probe Whale Pump VEHICLES Trucks	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day \$3.00 / day \$3.25 / day \$35.00 / day \$35.00 / day \$30.00 / day		<u>4x4</u>
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge Sludge Depth Probe Solinst Meter (sewer meter) Amp/Volt Meter Water Level Probe Whale Pump VEHICLES Trucks Construction Observation	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day \$20.00 / day \$35.00 / day \$35.00 / day \$30.00 / day \$30.00 / day		\$0.62 / mile + \$25.00 / da
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge Sludge Depth Probe Solinst Meter (sewer meter) Amp/Volt Meter Water Level Probe Whale Pump VEHICLES Trucks	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day \$3.00 / day \$3.25 / day \$35.00 / day \$35.00 / day \$30.00 / day		
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge Sludge Depth Probe Solinst Meter (sewer meter) Amp/Volt Meter Water Level Probe Whale Pump VEHICLES Trucks Construction Observation	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day \$20.00 / day \$35.00 / day \$35.00 / day \$30.00 / day \$30.00 / day	00 / day	\$0.62 / mile + \$25.00 / da
Power Pack Generator ISCO Pump Station Flow Meter Free Product Interface Probe Rain Gauge Sludge Depth Probe Solinst Meter (sewer meter) Amp/Volt Meter Water Level Probe Whale Pump VEHICLES Trucks Construction Observation Survey	\$10.00 / day \$20.00 / day \$25.00 / day \$3.00/ day \$3.00 / day \$3.25 / day \$35.00 / day \$35.00 / day \$35.00 / day \$35.00 / day \$30.00 / day \$30.00 / day	00 / day	\$0.62 / mile + \$25.00 / da

Note: All chargeable rates will be bill at 1.1.



STANDARD HOURLY RATES SCHEDULE



As projects are identified and selected for funding, we propose to provide appropriate project scopes and budgets using the following rates:

Classification	Rate
Sr. Project Manager, Sr. Planner, Principal-In-Charge	\$162 - \$197
Project Manager, Sr. Engineer, Sr. Architect, Sr. Geologist	\$130 - \$162
Project Engineer, Professional Surveyor, Sr. Landscape Architect, Architect	\$115 - \$141
Engineer, Engineer EIT, Geologist, Landscape Architect, Sr. Technician	\$86 - \$114
Survey Crew Chief, Sr. CAD Technician	\$86 - \$114
Technician, CAD Technician, Survey Technician	\$69 - \$100
Project Assistant, Field Assistant	\$58 - \$86

Rates are typically adjusted annually in April.

Classification	Rate
Survey & Construction Obs	servation Equipment
Survey Total Station	\$30 per day
Leica Global Positioning Sys (GPS)	stem \$300 per day
Robotic Survey System	\$175 per day
Troxler (Nuclear Density)	\$60 per day
Concrete Testing	\$35 per day
Vehicles	
Trucks (light duty)	\$15 per day + \$0.54 per mile
Construction Observation / Survey	\$20 per day + \$0.54 per mile
Trucks (4x4) Construction Observation / Survey	\$25 per day + \$0.62 per mile
Autos & Vans	\$10 per day + \$0.54 per mile

We will be happy to provide you with budgets on individual tasks as they arise to assist you with your planning processes. We will utilize a mix of younger and more experienced staff to provide you with the lowest effective billing rate to efficiently and professionally accomplish your projects.



Exhibit C – Appendix 3

NARRATIVE OF ADDITIONAL SERVICES

The following narratives and budgets describe each additional service proposed.

Additional Services by Engineer:

1. Permits:

 a. Preparation of permit applications and assistance in obtaining permits is anticipated by the Engineer for MDEQ Part 41, MDOT Right-of-way, Soil Erosion and Sedimentation Control, and Road Commission of Kalamazoo County (RCKC) right-of-way permit

Budget: \$6,000

- 2. Color Coded ROW Maps/Easement
 - a. Provide Oshtemo township with color coded right of way maps and prepare three (3) easement description for lift stations to assist the attorney in meeting the legal requirements.

Budget: \$9,000

- 3. Line and Grade Construction Survey and Staking:
 - a. In addition to establishing control and benchmarks, the Engineer anticipates detailed construction staking is need. Construction Staking will locate the line, grade, and elevation of proposed improvements for the contractor(s) including sanitary sewer, removal limits, pavement restoration, etc. Sanitary sewer will be staked at each structure, curb and gutter will be staked at 50-foot intervals for straight sections and 25-foot intervals for curves. Roadways will be roughed staked at 100-foot intervals on the center line and second staked at 50-foot intervals on both side of the road.

Budget: \$44,000

4. On-site Testing:

a. Engineer anticipates the need for engineering based on-site testing of construction materials to verify conformance with specifications.

Budget: \$8,000

- 5. O&M Manuals, Systems Commissioning:
 - a. On behalf of the Township, Engineer anticipates the need to coordinate and attend one start up training by equipment manufacturers or contractors for each lift station construction, receive O&M manuals for systems constructed in the project, incorporate product warranty information within the O&M manuals. Provide the City of Kalamazoo with three copies and the Township one copy of the O&M manual.

Budget: \$3,000

- 6. As-recorded drawings/GIS update.
 - b. Supplement record drawings with completed project information, survey new utilities, and provide the City of Kalamazoo and Oshtemo Township with updated GIS map with the new utilities. Provide the City of Kalamazoo with required as-recorded information per the wastewater agreement.

Budget: \$8,000

Additional Services by Others:

1. Soil Borings:

a. Soil borings and geotechnical investigations with report by an independent geotechnical firm are anticipated along the proposed watermain route. Agreement includes up to 1000 ft. of soil boring as part of this project. This information is needed for design and will assist bidders in preparing an accurate bid.

Budget: \$20,000

2. Off-Site Testing:

a. Off-site testing of construction materials (soils, asphalt, etc) to verify conformance with specifications that will be completed by an independent testing firm.

Budget: \$26,000

This is **EXHIBIT D**, consisting of [5] pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated [April 11, 2018].

Duties, Responsibilities, and Limitations of Authority of Resident Project Representative

Article 1 of the Agreement is supplemented to include the following agreement of the parties:

ARTICLE 1 - SERVICES OF ENGINEER

D1.01 Resident Project Representative

- A. Engineer shall furnish a Resident Project Representative ("RPR") to assist Engineer in observing progress and quality of the Work. The RPR may provide full time representation or may provide representation to a lesser degree. RPR is Engineer's representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions. Full time Resident Project Representation is required unless requested in writing by the Owner and waived in writing by the Agency.
- B. Through RPR's observations of the Work, including field checks of materials and installed equipment, Engineer shall endeavor to provide further protection for Owner against defects and deficiencies in the Work. However, Engineer shall not, as a result of such RPR observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer (including the RPR) have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to the Work or any Constructor's work in progress, for the coordination of the Constructors' work or schedules, or for any failure of any Constructor to comply with Laws and Regulations applicable to the performing and furnishing of its work. The Engineer (including RPR) neither guarantees the performances of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents. In addition, the specific terms set forth in Exhibit A, Paragraph A1.05, of this Agreement are applicable.
- C. The duties and responsibilities of the RPR are as follows:
 - 1. General: RPR's dealings in matters pertaining to the Work in general shall be with Engineer and Contractor. RPR's dealings with Subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with Owner only with the knowledge of and under the direction of Engineer.
 - 2. Schedules: Review the progress schedule, schedule of Shop Drawing and Sample submittals, schedule of values, and other schedules prepared by Contractor and consult with Engineer concerning acceptability of such schedules.
 - 3. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences, and other Project-related meetings

(but not including Contractor's safety meetings), and as appropriate prepare and circulate copies of minutes thereof.

4. Safety Compliance: Comply with Site safety programs, as they apply to RPR, and if required to do so by such safety programs, receive safety training specifically related to RPR's own personal safety while at the Site.

5. Liaison:

- a. Serve as Engineer's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the provisions and intent of the Construction Contract Documents.
- b. Assist Engineer in serving as Owner's liaison with Contractor when Contractor's operations affect Owner's on-Site operations.
- c. Assist in obtaining from Owner additional details or information, when required for proper execution of the Work.
- 6. Clarifications and Interpretations: Receive from Contractor submittal of any matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. Report to Engineer regarding such RFIs. Report to Engineer when clarifications and interpretations of the Construction Contract Documents are needed, whether as the result of a Contractor RFI or otherwise. Transmit Engineer's clarifications, interpretations, and decisions to Contractor.

7. Shop Drawings and Samples:

- a. Record date of receipt of Samples and Contractor-approved Shop Drawings.
- b. Receive Samples that are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.
- c. Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal, if RPR believes that the submittal has not been received from Contractor, or has not been approved by Contractor or Engineer.
- 8. Proposed Modifications: Consider and evaluate Contractor's suggestions for modifications to the Drawings or Specifications, and report such suggestions, together with RPR's recommendations, if any, to Engineer. Transmit Engineer's response (if any) to such suggestions to Contractor.
- 9. Review of Work; Defective Work:
 - a. Report to Engineer whenever RPR believes that any part of the Work is defective under the terms and standards set forth in the Construction Contract Documents, and provide recommendations as to whether such Work should be corrected,

removed and replaced, or accepted as provided in the Construction Contract Documents.

- b. Inform Engineer of any Work that RPR believes is not defective under the terms and standards set forth in the Construction Contract Documents, but is nonetheless not compatible with the design concept of the completed Project as a functioning whole, and provide recommendations to Engineer for addressing such Work.; and
- c. Advise Engineer of that part of the Work that RPR believes should be uncovered for observation, or requires special testing, inspection, or approval.

10. Inspections, Tests, and System Start-ups:

- a. Consult with Engineer in advance of scheduled inspections, tests, and systems startups.
- b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate Owner's personnel, and that Contractor maintains adequate records thereof.
- c. Observe, record, and report to Engineer appropriate details relative to the test procedures and systems start-ups.
- d. Observe whether Contractor has arranged for inspections required by Laws and Regulations, including but not limited to those to be performed by public or other agencies having jurisdiction over the Work.
- e. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Work, record the results of these inspections, and report to Engineer.

11. Records:

- a. Maintain at the Site orderly files for correspondence, reports of job conferences, copies of Construction Contract Documents including all Change Orders, Field Orders, Work Change Directives, Addenda, additional Drawings issued subsequent to the execution of the Construction Contract, RFIs, Engineer's clarifications and interpretations of the Construction Contract Documents, progress reports, approved Shop Drawing and Sample submittals, and other Project-related documents.
- b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, Subcontractors present at the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, Site visitors, deliveries of equipment or materials, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Engineer.
- c. Upon request from Owner to Engineer, photograph or video Work in progress or Site conditions.

- d. Record and maintain accurate, up-to-date lists of the names, addresses, fax numbers, e-mail addresses, websites, and telephone numbers (including mobile numbers) of all Contractors, Subcontractors, and major Suppliers of materials and equipment.
- e. Maintain records for use in preparing Project documentation.
- f. Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer.

12. Reports:

 Furnish to Engineer periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

b. [Deleted].

- c. Furnish to Engineer and Owner copies of all inspection, test, and system start-up reports.
- d. Immediately inform Engineer of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, possible force majeure or delay events, damage to property by fire or other causes, or the discovery of any potential differing site condition or Constituent of Concern.
- 13. Payment Requests: Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to Engineer, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.
- 14. Certificates, Operation and Maintenance Manuals: During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Contract Documents to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to Engineer for review and forwarding to Owner prior to payment for that part of the Work.

15. Completion:

- a. Participate in Engineer's visits to the Site regarding Substantial Completion, assist in the determination of Substantial Completion, and prior to the issuance of a Certificate of Substantial Completion submit a punch list of observed items requiring completion or correction.
- b. Participate in Engineer's visit to the Site in the company of Owner and Contractor, to determine completion of the Work, and prepare a final punch list of items to be completed or corrected by Contractor.

c. Observe whether all items on the final punch list have been completed or corrected, and make recommendations to Engineer concerning acceptance and issuance of the Notice of Acceptability of the Work (Exhibit E).

D. Resident Project Representative shall not:

- 1. Authorize any deviation from the Construction Contract Documents or substitution of materials or equipment (including "or-equal" items).
- 2. Exceed limitations of Engineer's authority as set forth in this Agreement.
- 3. Undertake any of the responsibilities of Contractor, Subcontractors, or Suppliers, or any Constructor.
- Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of the Work, by Contractor or any other Constructor.
- Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of Owner or Contractor.
- 6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer.
- 7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.
- 8. Authorize Owner to occupy the Project in whole or in part.

NOTICE OF ACCEPTABILITY OF WORK

PROJECT:								
OWNER:								
CONTRACTOR:								
OWNER'S CONSTRUCTION CONTRACT IDENTIFICATION:								
EFFECTIVE DATE OF THE CONSTRUCTION CONTRACT:								
ENGINEER:								
NOTICE D	ATE:							
То:								
	Owner							
And To:								
	Contractor							
From:								
	Engineer							

The Engineer hereby gives notice to the above Owner and Contractor that Engineer has recommended final payment of Contractor, and that the Work furnished and performed by Contractor under the above Construction Contract is acceptable, expressly subject to the provisions of the related Contract Documents, the Agreement between Owner and Engineer for Professional Services dated _____, and the following terms and conditions of this Notice:

CONDITIONS OF NOTICE OF ACCEPTABILITY OF WORK

The Notice of Acceptability of Work ("Notice") is expressly made subject to the following terms and conditions to which all those who receive said Notice and rely thereon agree:

- This Notice is given with the skill and care ordinarily used by members of the engineering profession practicing under similar conditions at the same time and in the same locality.
- 2. This Notice reflects and is an expression of the Engineer's professional opinion.
- 3. This Notice is given as to the best of Engineer's knowledge, information, and belief as of the Notice Date.
- 4. This Notice is based entirely on and expressly limited by the scope of services Engineer has been employed by Owner to perform or furnish during construction of the Project (including observation of the Contractor's work) under Engineer's Agreement with Owner, and applies only to facts that are within Engineer's knowledge or could

- reasonably have been ascertained by Engineer as a result of carrying out the responsibilities specifically assigned to Engineer under such Agreement.
- 5. This Notice is not a guarantee or warranty of Contractor's performance under the Construction Contract, an acceptance of Work that is not in accordance with the related Contract Documents, including but not limited to defective Work discovered after final inspection, nor an assumption of responsibility for any failure of Contractor to furnish and perform the Work thereunder in accordance with the Construction Contract Documents, or to otherwise comply with the Construction Contract Documents or the terms of any special guarantees specified therein.
- This Notice does not relieve Contractor of any surviving obligations under the Construction Contract, and is subject to Owner's reservations of rights with respect to completion and final payment.

Ву:			
Title:			
Dated:			

Insura	nco				referred to in	IT G , consisting of [2] and part of the Agr er and Engineer for Profe	eement
			.			. 61	
	aph 6	6.05 c	of the	e Agreement is supplemented to inc	lude the followin	ng agreement of the partie	es:
G6.05	Ins	uran	ice				
	A.			its of liability for the insurance reent are as follows:	equired by Para	ngraph 6.05.A and 6.05.B	of the
		1.	Ву	Engineer:			
			a.	Workers' Compensation:		Statutory	
			b.	Employer's Liability			
				 Bodily injury, each accident: Bodily injury by disease, each Bodily injury/disease, aggreg 		\$[1,000,000] \$[1,000,000] \$[1,000,000]	
			c.	General Liability			
				 Each Occurrence (Bodily Inju General Aggregate: 	ry and Property I	Damage): \$[1,000,000] \$[2,000,000]	
			d.	Excess or Umbrella Liability			
				 Per Occurrence: General Aggregate: 		\$[10,000,000] \$[10,000,000]	
			e.	Automobile LiabilityCombined S	ingle Limit (Bodi	ly Injury and Property Dan	nage):
						\$[1,000,000]	
			f.	Professional Liability –			
				 Each Claim Made Annual Aggregate 		\$[1,000,000] \$[2,000,000]	
			g.	Other (specify):		\$[N/A]	
		2.	Ву	Owner:			

Statutory

Workers' Compensation:

			1) 2) 3)	Bodily injury, Each Accident Bodily injury by Disease, Each Employee Bodily injury/Disease, Aggregate	\$[100,000] \$[500,000] \$[100,000]
		C.	Gen	eral Liability	
			1) 2)	General Aggregate: Each Occurrence (Bodily Injury and Property I	\$[2,000,000] Damage): \$[1,000,000]
		d.	Exce	ess Umbrella Liability	
			1) 2)	Per Occurrence: General Aggregate:	\$[1,000,000] \$[1,000,000]
		e.	Auto	omobile Liability – Combined Single Limit (Bodi	ly Injury and Property Damage):
					\$[1,000,000]
		f.	Othe	er (specify):	\$[N/A]
В.	Add	ition	al Insi	ureds:	
	1.			wing individuals or entities are to be listed or nce as additional insureds:	n Owner's general liability policies
		a.	-	[Fleis & VandenBrink Engineering, Inc. Engineer	1
		b.	-	[] Engineer's Consultant	
		c. d.	- - -	Engineer's Consultant [] [other]	
	2.	Con	_	he term of this Agreement the Engineer s nt to be listed as an additional insured on Over.	

Employer's Liability --

Paragraph 6.05.A.

The Owner shall be listed on Engineer's general liability policy as provided in

This	is EXHIBIT	Н, сс	nsisting of [] pages,	referre	d
to in	and part	of th	ne Agreemen	t betwee	n Owne	21
and	Engineer	for	Professional	Services	dated	
1.						

Dispute Resolution

Paragraph 6.09 of the Agreement is supplemented to include the following agreement of the parties:

H6.08 Dispute Resolution

A. *Mediation*: Owner and Engineer agree that they shall first submit any and all unsettled claims, counterclaims, disputes, and other matters in question between them arising out of or relating to this Agreement or the breach thereof ("Disputes") to mediation by mutually agreed upon mediator or mediator service. Owner and Engineer agree to participate in the mediation process in good faith. The process shall be conducted on a confidential basis, and shall be completed within 120 days. If such mediation is unsuccessful in resolving a Dispute, then (1) the parties may mutually agree to a dispute resolution of their choice, or (2) either party may seek to have the Dispute resolved by a court of competent jurisdiction.

This is EXHIBIT K , consisting of [1] pages, referred to in and part of the Agreement between Owner and Engineer for Professional Services dated [].
AMENDMENT TO OWNER-ENGINEER AGREEMENT Amendment No
The Effective Date of this Amendment is:
Background Data
Effective Date of Owner-Engineer Agreement:
Owner:
Engineer:
Project:
Nature of Amendment: [Check those that are applicable and delete those that are inapplicable.]
Additional Services to be performed by Engineer
Modifications to services of Engineer
Modifications to responsibilities of Owner
Modifications of payment to Engineer
Modifications to time(s) for rendering services
Modifications to other terms and conditions of the Agreement
Description of Modifications:
Here describe the modifications, in as much specificity and detail as needed. Use an attachment if necessary.
Agreement Summary:
Original agreement amount: \$ Net change for prior amendments: \$ This amendment amount: \$ Adjusted Agreement amount: \$

Change in time for services (days or date, as applicable): _____

The foregoing Agreement Summary is for reference only and does not alter the terms of the Agreement, including those set forth in Exhibit C.

Owner and Engineer hereby agree to modify the above-referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect.

OWNER:	ENGINEER:
By: Print	By: Print
name:	name:
Title:	Title:
Date Signed:	Date Signed:

RUS CERTIFICATION PAGE

PROJECT NAME:_	Neighborhood Sewer Extensions Phase #1

The Engineer and Owner hereby concur in the Funding Agency required revisions to E-500. In addition, Engineer certifies to the following:

All modifications required by RUS Bulletin 1780-26 have been made in accordance with the terms of the license agreement, which states in part that the Engineer "must plainly show all changes to the Standard EJCDC Text, using 'Track Changes' (redline/strikeout), highlighting, or other means of clearly indicating additions and deletions." Such other means may include attachments indicating changes (e.g. Supplementary Conditions modifying the General Conditions).

SUMMARY OF ENGINEERING FEES

Note that the fees indicated on this table are only a summary and if there is a conflict with any provision of Exhibit C, the provisions there overrule the values on this table. Fees shown in will not be exceeded without the concurrence of the Agency.

Basic Services		\$_531,000
Resident Project Observation		\$_266,000
Additional Services		_{\$} 124,000
	TOTAL:	§ 921,000

Any adjustments to engineering fees or changes to maximum estimated values must be approved by the Agency and must include a table of what specific category or categories of fees are being changed, what fees were before and after the change, and the resulting total fee.

Fleis and VandenBrink Engineering, Inc	
Engineer	Date
Name and Title	
Charter Township of Oshtemo	
Owner	Date
Name and Title	
Agency Concurrence:	
As lender or insurer of funds to defray the costs of payments thereunder, the Agency hereby concurs i Agreement.	
Agency Representative	Date

Name and Title



SCHEDULE OF REU's

<u>Year</u>	New ¹	Current ²	Total
2019	143	60	203
2020	144	60	204
2021		60	60
2022		60	60
2023		60	60
2024			-
2025			-
2026			-
2027			-
2028			-
2029			-
2030			-
2031			-
2032			-
2033			-
2034			-
2035			-
2036			-
2037			-
2038			
	287	300	587

¹Customers from the proposed new construction of sanitary sewer lines

615 Griswold, Suite 1225 Detroit, Michigan 48226-3282

PHONE: (313) 961-8222 FAX: (313) 961-8220

² REU's with sanitary sewer already constructed to be connected



\$8,346,000

Oshtemo Charter Township County of Kalamazoo, State of Michigan General Obligation Limited Tax Bonds

ANNUAL HOUSEHOLD COST

40 Rural Development Issue

(Assumes connection in 2019 with 40 yrs to pay)

							0-	Annual	0	Monthly	Kal	City of amazoo	Takal		
	Annu	al Debt	٠.	nnection	Con	naation		nnection Fee Debt Service		nnection Fee		verage onthly	Total Monthly	Tota	l Annual
Year		Charge		Principal		Interest	anu	Charge	anu	Charge		ver Bill*	Payment		yment
2019	\$	10.50	\$	275.00	\$	330.00	\$	615.50	\$	51.29	\$	22.90	\$ 74.19	\$	890.30
2019	Ψ	10.50	Ψ	275.00	Ψ	321.75	Ψ	607.25	Ψ	50.60	Ψ	22.90	73.50	Ψ	882.05
2021		10.50		275.00		313.50		599.00		49.92		22.90	72.82		873.80
2022		10.50		275.00		305.25		590.75		49.23		22.90	72.13		865.55
2023		10.50		275.00		297.00		582.50		48.54		22.90	71.44		857.30
2024		10.50		275.00		288.75		574.25		47.85		22.90	70.75		849.05
2025		10.50		275.00		280.50		566.00		47.17		22.90	70.07		840.80
2026		10.50		275.00		272.25		557.75		46.48		22.90	69.38		832.55
2027		10.50		275.00		264.00		549.50		45.79		22.90	68.69		824.30
2028		10.50		275.00		255.75		541.25		45.10		22.90	68.00		816.05
2029		10.50		275.00		247.50		533.00		44.42		22.90	67.32		807.80
2030		10.50		275.00		239.25		524.75		43.73		22.90	66.63		799.55
2031		10.50		275.00		231.00		516.50		43.04		22.90	65.94		791.30
2032		10.50		275.00		222.75		508.25		42.35		22.90	65.25		783.05
2033		10.50		275.00		214.50		500.00		41.67		22.90	64.57		774.80
2034		10.50		275.00		206.25		491.75		40.98		22.90	63.88		766.55
2035		10.50		275.00		198.00		483.50		40.29		22.90	63.19		758.30
2036		10.50		275.00		189.75		475.25		39.60		22.90	62.50		750.05
2037		10.50		275.00		181.50		467.00		38.92		22.90	61.82		741.80
2038		10.50		275.00		173.25		458.75		38.23		22.90	61.13		733.55
2039		10.50		275.00		165.00		450.50		37.54		22.90	60.44		725.30
2040		10.50		275.00		156.75		442.25		36.85		22.90	59.75		717.05
2041		10.50		275.00		148.50		434.00		36.17		22.90	59.07		708.80
2042		10.50		275.00		140.25		425.75		35.48		22.90	58.38		700.55
2043		10.50		275.00		132.00		417.50		34.79		22.90	57.69		692.30
2044		10.50		275.00		123.75		409.25		34.10		22.90	57.00		684.05
2045		10.50		275.00		115.50		401.00		33.42		22.90	56.32		675.80
2046		10.50		275.00		107.25		392.75		32.73		22.90	55.63		667.55
2047		10.50		275.00		99.00		384.50		32.04		22.90	54.94		659.30
2048		10.50		275.00		90.75		376.25		31.35		22.90	54.25		651.05
2049		10.50		275.00		82.50		368.00		30.67		22.90	53.57		642.80
2050		10.50		275.00		74.25		359.75		29.98		22.90	52.88		634.55
2051		10.50		275.00		66.00		351.50		29.29		22.90	52.19		626.30
2052		10.50		275.00		57.75		343.25		28.60		22.90	51.50		618.05
2052		10.50		275.00		49.50		335.00		27.92		22.90	50.82		609.80
2053		10.50		275.00		41.25		326.75		27.23		22.90	50.62		601.55
2055		10.50		275.00		33.00		318.50		26.54		22.90	49.44		593.30
2055		10.50		275.00		24.75		310.30		25.85		22.90	48.75		585.05
2050		10.50		275.00		16.50		302.00		25.05		22.90	48.07		576.80
2057		10.50		275.00		8.25		293.75		24.48		22.90	47.38		568.55
2000	\$	420.00	\$	11,000.00	\$ 6	5,765.00	\$	18,185.00		24.40		22.90	41.30	\$ 20	9,177.00
	φ	420.00	φ	11,000.00	φυ	,,,05.00	φ	10, 100.00						φΖ	9,177.00

Connection Fee \$ 11,000 Interest Rate 3%

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^{*} Average Kalamazoo sewer bill assumes 5,000 of water consumed per month billed at current city rates.



SCHEDULE OF CONNECTION FEES, DEBT SERVICE REQUIREMENTS AND COVERAGE

Year	Projected ¹ REU's	Total ² REU's	Revenue from ³ Conn Fees	Revenue from ⁴ Gen. Fund	Total Revenue Before Debt Service Charge	Annual ⁵ Debt Service Charge (Per REU)	Annual ⁵ Debt Service Charge	Total Revenues	Debt ⁶ Service Requirements	Bond ⁷ Reserve Requirement	Annual Surplus (Deficit)	Surplus (Deficit) Cumulative
2019	203	4,071	\$ -	\$ 50,000	\$ 50,000	\$ 10.50	\$ 42,746	\$ 92,746	\$ 83,460	\$ -	\$ 9,286	\$ 9,286
2020	204	4,275	122,815	50,000	172,815	10.50	44,888	217,703	187,710	29,900	93	9,378
2021	60	4,335	245,999	-	245,999	10.50	45,518	291,516	260,550	29,900	1,066	10,444
2022	60	4,395	279,766	_	279,766	10.50	46,148	325,914	294,290	29,900	1,724	12,168
2023	60	4,455	313,482	_	313,482	10.50	46,778	360,260	328,300	29,900	2,060	14,228
2024		4,455	347,158	_	347,158	10.50	46,778	393,936	361,570	29,900	2,466	16,693
2025	_	4,455	342,151	_	342,151	10.50	46,778	388,929	357,470	29,900	1,559	18,252
2026	-	4,455	337,144	-	337,144	10.50	46,778	383,922	352,380	29,900	1,642	19,894
2027	-	4,455	332,137	-	332,137	10.50	46,778	378,915	348,300	29,900	715	20,608
2028	-	4,455	327,130	-	327,130	10.50	46,778	373,907	343,230	29,900	777	21,386
2029	-	4,455	322,123	-	322,123	10.50	46,778	368,900	338,180	29,900	820	22,206
2030	-	4,455	317,116	-	317,116	10.50	46,778	363,893	362,850	-	1,043	23,250
2031	-	4,455	312,109	-	312,109	10.50	46,778	358,886	357,240	-	1,646	24,896
2032	-	4,455	307,102	-	307,102	10.50	46,778	353,879	352,640	-	1,239	26,135
2033	-	4,455	302,095	-	302,095	10.50	46,778	348,872	348,040	-	832	26,967
2034	-	4,455	297,087	-	297,087	10.50	46,778	343,865	342,450	-	1,415	28,382
2035	-	4,455	292,080	-	292,080	10.50	46,778	338,858	337,870	-	988	29,370
2036	-	4,455	287,073	-	287,073	10.50	46,778	333,851	332,300	-	1,551	30,920
2037	-	4,455	282,066	-	282,066	10.50	46,778	328,844	327,740	-	1,104	32,024
2038	-	4,455	277,059	-	277,059	10.50	46,778	323,837	322,190	-	1,647	33,671
2039	-	4,455	272,052	-	272,052	10.50	46,778	318,829	317,650	-	1,179	34,850
2040	-	4,455	267,045	-	267,045	10.50	46,778	313,822	312,120	-	1,702	36,553
2041	-	4,455	262,038	-	262,038	10.50	46,778	308,815	307,600	-	1,215	37,768
2042	-	4,455	257,031	-	257,031	10.50	46,778	303,808	302,090	-	1,718	39,486
2043	-	4,455	252,024	-	252,024	10.50	46,778	298,801	297,590	-	1,211	40,697
2044	-	4,455	247,017	-	247,017	10.50	46,778	293,794	292,100	-	1,694	42,391
2045	-	4,455	242,009	-	242,009	10.50	46,778	288,787	287,620	-	1,167	43,558
2046	-	4,455	237,002	-	237,002	10.50	46,778	283,780	282,150	-	1,630	45,188
2047	-	4,455	231,995	-	231,995	10.50	46,778	278,773	277,690	-	1,083	46,271
2048	-	4,455	226,988	-	226,988	10.50	46,778	273,766	272,240	-	1,526	47,796
2049	-	4,455	221,981	-	221,981	10.50	46,778	268,759	266,810	-	1,949	49,745
2050	-	4,455	216,974	-	216,974	10.50	46,778	263,751	262,390	-	1,361	51,106
2051	-	4,455	211,967	-	211,967	10.50	46,778	258,744	256,980	-	1,764	52,871
2052	-	4,455	206,960	-	206,960	10.50	46,778	253,737	252,580	-	1,157	54,028
2053	-	4,455	201,953	-	201,953	10.50	46,778	248,730	247,190	-	1,540	55,568
2054	-	4,455	196,946	-	196,946	10.50	46,778	243,723	241,820	-	1,903	57,471
2055	-	4,455	191,939	-	191,939	10.50	46,778	238,716	237,460	-	1,256	58,727
2056	-	4,455	186,931	-	186,931	10.50	46,778	233,709	232,110	-	1,599	60,326
2057	-	4,455	181,924	-	181,924	10.50	46,778	228,702	226,780	-	1,922	62,248
2058	-	4,455	176,917	-	176,917	10.50	46,778	223,695	222,460	-	1,235	63,483
2059		4,455	171,910	-	171,910	10.50	46,778	218,688	217,150		1,538	65,020
	587	181,911	\$ 10,305,295	\$ 100,000	\$ 10,405,295	ı	\$ 1,910,066	\$ 12,315,361	\$ 11,951,340	\$ 299,000	\$ 65,020	

Notes

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The information contained herein was derived from sources generally recognized as reliable and does not make any representations as to correctness or completeness and has in no way been altered except to the extent that some information may be summarized, and is in no way intended to be a solicitation for orders.

Annual Debt Service Charge \$

¹ See Schedule of REU's

² Includes existing REU's of 3,868

³ See Schedule of Connection Fees, assumes that each connection costs residents \$11,000 to be paid within 40 years with interest of 3.0%

⁴ Assumes that the General Fund will make a \$50,000 contribution in each of the first two years to cover revenue shortfalls

⁵ Annual Debt Service Charge is a flat charge of \$10.50 per REU per year

⁶ See Schedule of Debt Service Requirements, 40 year term and 2.0% interest rate

⁷ Rural Development Bonds require a bond reserve, see Rural Development Bond Reserve Calculation



RURAL DEVELOPMENT BOND RESERVE CALCULATION

\$	11,951,340	Total Debt Service
	40	Financing Term (Years)
\$	299,000	Total Bond Reserve (rounded up to nearest thousand)
	10	Bond Reserve Term (Years)
•	00.000	A 15 15 (V 4 (I 1 40)
\$	29,900	Annual Bond Reserve (Years 1 through 10)

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SCHEDULE OF DEBT SERVICE REQUIREMENTS

Year	Principal Due April 1	Interest Rate		Interest Due April 1		nterest Due ctober 1		Total Principal & Interest quirements
2019	\$ -	2.000%	\$	-	\$	83,460	\$	83,460
2020	21,000	2.000%		83,460		83,250		187,710
2021	95,000	2.000%		83,250		82,300		260,550
2022	131,000	2.000%		82,300		80,990		294,290
2023	168,000	2.000%		80,990		79,310		328,300
2024	205,000	2.000%		79,310		77,260		361,570
2025	205,000	2.000%		77,260		75,210		357,470
2026	204,000	2.000%		75,210		73,170		352,380
2027	204,000	2.000%		73,170		71,130		348,300
2028	203,000	2.000%		71,130		69,100		343,230
2029	202,000	2.000%		69,100		67,080		338,180
2030	231,000	2.000%		67,080		64,770		362,850
2031	230,000	2.000%		64,770		62,470		357,240
2032	230,000	2.000%		62,470		60,170		352,640
2033	230,000	2.000%		60,170		57,870		348,040
2034	229,000	2.000%		57,870		55,580		342,450
2035	229,000	2.000%		55,580		53,290		337,870
2036	228,000	2.000%		53,290		51,010		332,300
2037	228,000	2.000%		51,010		48,730		327,740
2038	227,000	2.000%		48,730		46,460		322,190
2039	227,000	2.000%		46,460		44,190		317,650
2040	226,000	2.000%		44,190		41,930		312,120
2041	226,000	2.000%		41,930		39,670		307,600
2042	225,000	2.000%		39,670		37,420		302,090
2043	225,000	2.000%		37,420		35,170		297,590
2044	224,000	2.000%		35,170		32,930		292,100
2045	224,000	2.000%		32,930		30,690		287,620
2046	223,000	2.000%		30,690		28,460		282,150
2047	223,000	2.000%		28,460		26,230		277,690
2048	222,000	2.000%		26,230		24,010		272,240
2049	221,000	2.000%		24,010		21,800		266,810
2050	221,000	2.000%		21,800		19,590		262,390
2051	220,000	2.000%		19,590		17,390		256,980
2052	220,000	2.000%		17,390		15,190		252,580
2053	219,000	2.000%		15,190		13,000		247,190
2054	218,000	2.000%		13,000		10,820		241,820
2055	218,000	2.000%		10,820		8,640		237,460
2056	217,000	2.000%		8,640		6,470		232,110
2057	216,000	2.000%		6,470		4,310		226,780
2058	216,000	2.000%		4,310		2,150		222,460
2059	215,000	2.000%		2,150		۷, ۱۵۵		217,150
2009	\$ 8,346,000	2.000 /0	\$	1,802,670	\$	1,802,670	\$	11,951,340
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SCHEDULE OF REMAINING BALANCE OF CONNECTION FEES

December 1	New Connections by Year	Years to Pay		Remaining Principal		Principal Received		Interest Received		Total Principal and Interest Received	
2019	203	40	\$	2,177,175	\$	55,825	\$	66,990		2,815	
2020	204	39	Ψ	4,307,812	Ψ	113,363	Ψ	132,635		5,999	
2021	60	38		4,837,080		130,732		149,034		9,766	
2022	60	37		5,348,510		148,570		164,912		3,482	
2023	60	36		5,841,607		166,903		180,255		7,158	
2024	-	35		5,674,704		166,903		175,248		2,151	
2025	_	34		5,507,801		166,903		170,241		7,144	
2026	_	33		5,340,898		166,903		165,234		2,137	
2027	_	32		5,173,995		166,903		160,227		7,130	
2028	_	31		5,007,092		166,903		155,220		2,123	
2029	_	30		4,840,189		166,903		150,213		7,116	
2030	_	29		4,673,286		166,903		145,206		2,109	
2031	-	28		4,506,382		166,903		140,199		7,102	
2032	-	27		4,339,479		166,903		135,191		2,095	
2033	_	26		4,172,576		166,903		130,184		7,087	
2034	-	25		4,005,673		166,903		125,177		2,080	
2035	-	24		3,838,770		166,903		120,170	28	7,073	
2036	-	23		3,671,867		166,903		115,163	28:	2,066	
2037	-	22		3,504,964		166,903		110,156		7,059	
2038	-	21		3,338,061		166,903		105,149	27	2,052	
2039	-	20		3,171,158		166,903		100,142	26	7,045	
2040	-	19		3,004,255		166,903		95,135	26	2,038	
2041	-	18		2,837,352		166,903		90,128	25	7,031	
2042	-	17		2,670,449		166,903		85,121	25	2,024	
2043	-	16		2,503,546		166,903		80,113	24	7,017	
2044	-	15		2,336,643		166,903		75,106	24	2,009	
2045	-	14		2,169,740		166,903		70,099	23	7,002	
2046	-	13		2,002,837		166,903		65,092		1,995	
2047	-	12		1,835,934		166,903		60,085	22	6,988	
2048	-	11		1,669,031		166,903		55,078		1,981	
2049	-	10		1,502,127		166,903		50,071		6,974	
2050	-	9		1,335,224		166,903		45,064		1,967	
2051	-	8		1,168,321		166,903		40,057	20	6,960	
2052	-	7		1,001,418		166,903		35,050		1,953	
2053	-	6		834,515		166,903		30,043		6,946	
2054	-	5		667,612		166,903		25,035		1,939	
2055	-	4		500,709		166,903		20,028		6,931	
2056	-	3		333,806		166,903		15,021		1,924	
2057	-	2		166,903		166,903		10,014		6,917	
2058		1		-		166,903		5,007		1,910	
	587				\$	6,457,000	\$	3,848,295	\$ 10,30	o,295	

Connection Fee \$11,000.00

Interest Rate 3.000%

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Charter Township of Oshtemo Kalamazoo County, Michigan

FINANCIAL STATEMENTS

Year ended December 31, 2014

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INDEPENDENT AUDITORS' REPORT

Members of the Township Board Charter Township of Oshtemo, Kalamazoo County, Michigan

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Oshtemo (the Township) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township'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.

Auditors' 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 of 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 Township'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 Township'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 10 and 32 through 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Seber Tans, PLC Kalamazoo, Michigan

Seber Tons, PLC

June 16, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Charter Township of Oshtemo's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased by \$1,763,154 (7 percent) as a result of this year's activities.
- Of the \$26,051,164 total net position reported, \$7,059,696 (27 percent) is unrestricted.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$2,857,914, which represents 125 percent of the actual total General Fund expenditures for the current fiscal year.

Overview of the financial statements

The Township's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township government, reporting the Township's operations in more detail than the government-wide financial statements.
 - o Governmental funds statements explain how general government services, like public safety and public works, were financed in the short-term, as well as what remains for future spending.
 - Fiduciary funds statements provide information about the financial relationships in which the Township acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

A comparative analysis of the basic financial statements for 2014 and 2013 is also presented.

Government-wide financial statements

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Township's assets, and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Township's net position and how it has changed. Net position (the difference between the Township's assets, and liabilities and deferred inflows of resources) is one way to measure the Township's financial health, or position.

- Over time, increases or decreases in the Township's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township, you need to consider additional nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The government-wide financial statements are divided into two categories:

- Governmental activities Most of the Township's basic services are included here, such as police, fire, and general government activities. Property taxes, assessments, and state grants finance most of these activities.
- Component unit The Township includes one other entity in its report the Downtown Development Authority. Although legally separate, this "component unit" is important because the Township is financially accountable for the Authority.

Fund financial statements

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law.
- The Township Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain other revenues.

The Township has two types of funds:

- Governmental funds. Most of the Township's basic services are included in its governmental funds, which focus on (1) how
 cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year
 end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view
 that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance
 the Township's programs. Because this information does not encompass the additional long-term focus of the
 government-wide statements, we provide additional information that explains the relationship between them.
- Fiduciary funds. These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net position

Total net position at the end of the fiscal year was \$26,051,164. Of this total, \$16,635,869 is invested in capital assets, \$2,355,599 is restricted for public safety, and \$7,059,696 is unrestricted.

Condensed financial information Net position

	Governmental activities						
	2014			2013			
Current and other assets	\$	-,,	\$	12,841,867			
Capital assets	_	16,670,869	_	15,532,369			
Total assets		29,825,904		28,374,236			
Current and other liabilities		567,155		2,956,619			
Long-term debt		70,150	_	96,650			
Total liabilities		637,305		3,053,269			
Deferred inflows of resources	_	3,137,435		1,032,957			
Net position:							
Net investment in capital assets		16,635,869		15,462,369			
Restricted		2,355,599		2,294,716			
Unrestricted	_	7,059,696		6,530,925			
Total net position	\$	26,051,164	\$	24,288,010			

Changes in net position

The Township's total revenues were \$6,817,078. For 2014, charges for services were 57 percent of the Township's revenues, 25 percent comes from state grants, and 10 percent comes from property taxes.

The total cost of the Township's programs and services was \$5,053,924. Approximately 52 percent of the Township's costs are related to public safety activities, general government is 29 percent, and public works is 11 percent of expenses.

Condensed financial information Changes in net position

	Governmental activities					
		2014		2013		
Program revenues:						
Charges for services	\$	3,874,930	\$	2,970,650		
Operating grants		13,203		13,711		
Capital grants		287,138		56,031		
General revenues:						
Property taxes		684,160		680,225		
State grants		1,687,056		1,613,541		
Franchise fees		247,864		200,859		
Investment income		22,727		26,461		
Total revenues		6,817,078		5,561,478		
Expenses:						
General government		1,452,876		1,401,161		
Public safety		2,645,569		2,404,243		
Public works		563,436		481,017		
Community and economic development		220,644		211,783		
Culture and recreation		171,399		148,027		
				,		
Total expenses		5,053,924		4,646,231		
rotal expenses			_	.,,		
Changes in net position	\$	1,763,154	\$	915,247		
•						
Net position, end of year	\$	26,051,164	\$	24,288,010		

Governmental activities

The \$1,763,154 increase in net position for 2014 is almost double the \$915,247 increase in the prior year. The increase can be attributed to an increase in charges for services, primarily related to an increase in police assessments of approximately \$611,000 and an increase of capital and state grants during the current fiscal year.

The total cost of governmental activities this year was \$5,053,924. After subtracting the direct charges to those who directly benefited from the programs (\$3,874,930) and operating and capital grants (\$300,341), the "public benefit" portion covered by taxes, state revenue sharing, and other general revenues was \$878,653.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Governmental funds

As of the end of the current year, the Township's governmental funds reported combined ending fund balances of \$9,303,315, an increase of \$650,353 from last year.

The General Fund is the primary operating fund of the Township. Its fund balance increased by \$211,565 during the year, as revenues of \$2,925,553 exceeded current expenditures of \$2,289,307 and transfers to other funds of \$424,681. The fund balance was \$4,965,237 at the end of the year.

The Fire Fund experienced an increase in fund balance of \$65,161 for 2014, as revenues of \$1,705,163 and a transfer from the General Fund of \$6,000 exceeded current expenditures of \$1,646,002. The ending fund balance was \$1,818,719.

The Police Fund experienced a \$366,745 increase in fund balance, which reflects police service expenditures of \$997,154 that were less than combined revenues of \$1,285,605 and a transfer of \$78,294 from the General Fund. The fund balance at the end of the year was \$630,402.

The Parks Fund experienced a \$265,049 decrease in fund balance for 2014, as revenues of \$291,529 and a transfer from the General Fund of \$337,535, were not sufficient to cover current year's expenditures of \$894,113. The fund balance at the end of the year was \$1,550.

General Fund budgetary highlights

The Township amended the General Fund revenues and expenditures budgets for anticipated increases in both revenues and expenditures. Total revenues were \$92,987 greater than anticipated, primarily due to unanticipated license and permit revenues that exceeded the budget by nearly \$85,000. Total expenditures were \$805,792 less than the amounts appropriated, primarily due to general government costs that were \$223,311 less than projected and capital outlay costs that were \$543,533 less than expected due to projects not occurring in the current year that were planned. Transfers to other funds were \$42,000 higher than budgeted.

These variances resulted in a positive budget variance of \$856,779, with a \$211,565 increase in fund balance compared to a budget that anticipated a \$645,214 decrease in fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Township's investment in capital assets as of December 31, 2014, was \$16,670,869 (net of accumulated depreciation). This investment includes buildings and improvements, equipment and vehicles, and sewer, water, and road infrastructure. The \$1,138,500 increase in the Township's investment in capital assets for the current fiscal year includes \$1,806,469 in capital asset additions, less \$667,969 in depreciation for the year.

Major capital asset additions during the current fiscal year include:

- \$657,578 for park improvements
- \$441,252 for roads, drains, and water and sewer infrastructure costs
- \$261,672 for a non-motorized path
- \$192,309 for fire equipment
- \$148,126 for land purchases
- \$75,110 for playground equipment
- \$30,422 for a new tractor

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

More detailed information about the Township's capital assets is presented in Note 6 of the notes to the basic financial statements.

Debt

The Township's long-term obligations, totaling \$70,150, include a \$35,000 balance remaining on a three-year land contract for a park land acquisition and \$35,150 in accrued compensated absences.

More detailed information about the Township's noncurrent liabilities is presented in Note 8 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property tax appeals and resultant reductions have continued over the past few years and are likely to be ongoing. No significant changes are planned in the types of services to be provided or in related levels of expenditures for continuing operations during the upcoming year.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Phone: (269) 375-4260

Libby Heiny-Cogswell, Supervisor Charter Township of Oshtemo 7275 West Main Street Oshtemo, MI 49009

BASIC FINANCIAL STATEMENTS

	Go	Primary overnment overnmental activities	Component unit Downtown Development Authority
ASSETS			
Current assets:			
Cash	\$	9,345,544	\$ 567,940
Investments		1,070,083	-
Beneficial interest of assets held at foundation		22,958	-
Receivables, net	_	2,530,228	40,699
Total current assets		12,968,813	608,639
Noncurrent assets:			
Receivables, net		186,222	-
Capital assets not being depreciated		576,742	293,595
Capital assets, net of accumulated depreciation		16,094,127	
Total noncurrent assets		16,857,091	293,595
Total assets		29,825,904	902,234
LIABILITIES			
Current liabilities:			
Payables		364,750	100
Long-term debt		35,000	-
Unearned operating assessment revenues		202,405	
Total current liabilities		602,155	100
Noncurrent liabilities:			
Long-term obligations		35,150	
Total liabilities		637,305	100
DEFERRED INFLOWS OF RESOURCES			
Property tax revenues levied for the subsequent year		703,893	53,099
Special assessment levied for the subsequent year		2,433,542	<u> </u>
Total deferred inflows of resources		3,137,435	53,099
NET POSITION			
Net investment in capital assets		16,635,869	293,595
Restricted for public safety		2,355,599	-
Unrestricted		7,059,696	555,440
Total net position	\$	26,051,164	\$ 849,035

					Net (expense and changes	es) revenues in net position	
			Program revenu	es		Component unit	
	Expenses	Charges for services	Operating Charges for grants and services contributions		Governmental activities	Downtown Development Authority	
Functions/Programs				contributions			
Governmental activities:							
General government	\$ 1,452,876		\$ -	\$ -	\$ (1,378,812)		
Public safety	2,645,569	2,985,628	-	-	340,059		
Public works	563,436	743,667	13,203	19,503	212,937		
Community and economic							
development	220,644	53,188	-	-	(167,456)		
Culture and recreation	171,399	18,383	-	267,635	114,619		
Total governmental activities	5,053,924	3,874,930	13,203	287,138	(878,653)		
Component unit:							
Downtown Development Authority	\$ 16,522	\$ -	\$ -	\$ -		\$ (16,522)	
	General rever	nues:					
	Taxes				684,160	112,784	
	State gran	ts			1,687,056	-	
	Franchise	fees			247,864	-	
	Investmen	t income			22,727	1,078	
	Tota	l general revenu	ıes		2,641,807	113,862	
	Changes in ne	t position			1,763,154	97,340	
	Net position -	beginning			24,288,010	751,695	
	Net position -	ending			\$ 26,051,164	\$ 849,035	

	General	Fire	Police	Parks	Nonmajor funds	go	Total vernmental funds
ASSETS							
Cash	\$ 3,961,586	\$ 2,643,277	\$ 826,667	\$ 67,294	\$ 1,846,720	\$	9,345,544
Investments	1,070,083	-	-	-	-		1,070,083
Beneficial interest of assets held at foundation	-	-	-	22,958	-		22,958
Receivables	1,068,743	950,882	506,373	-	190,452		2,716,450
							
Total assets	\$ 6,100,412	\$ 3,594,159	\$ 1,333,040	\$ 90,252	\$ 2,037,172	\$	13,155,035
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES Liabilities:							
Payables	\$ 228,877	\$ 43,565	\$ 971	\$ 88,702	\$ 2,635	\$	364,750
Unearned operating special assessment revenues	202,405						202,405
Total liabilities	431,282	43,565	971	88,702	2,635		567,155
Deferred inflows of resources:							
Property tax revenues levied for the subsequent year	703,893	-	-	-	_		703,893
Special assessment levied for the subsequent year	_	1,731,875	701,667	_	-		2,433,542
Unavailable special assessment revenues	-	-	-	-	147,130		147,130
Total deferred inflows of resources	703,893	1,731,875	701,667	-	147,130		3,284,565
							
Fund balances:							
Nonspendable for long-term advance	57,793						57,793
Restricted for public safety	542,530	1,818,719	_	_	_		2,361,249
Assigned for public safety	342,330	1,010,713	630,402				630,402
	-	-	030,402	-	1 007 407		-
Assigned for public works	-	-	-	4.550	1,887,407		1,887,407
Assigned for culture and recreation		-	-	1,550	-		1,550
Assigned for subsequent year expenditures	1,507,000	-	-	-	-		1,507,000
Unassigned	2,857,914						2,857,914
Total fund balances	4,965,237	1,818,719	630,402	1,550	1,887,407		9,303,315
Total liabilities, deferred inflows of							
resources, and fund balances	\$ 6,100,412	\$ 3,594,159	\$ 1,333,040	\$ 90,252	\$ 2,037,172	\$	13,155,035
resources) and rand salances	y 0,100,11	y 3,03 1,103	¥ 1,000,0 .0	y 30,232	y 2,007,172	<u> </u>	10,100,000
Reconciliation of the balance sheet to the statement of net po	osition:						
Total fund balance - total governmental funds						\$	9,303,315
Amounts reported for <i>governmental activities</i> in the statemed different because:	nt of net positi	on (page 11) a	re				
Capital assets used in <i>governmental activities</i> are not financiare not reported in the funds.	al resources and	d, therefore,					16,670,869
Long-term liabilities that are not due and payable in the curre are not reported in the funds: Compensated absences Contract payable	ent period and,	therefore,					(35,150) (35,000)
Special assessments receivable are not available to pay for th	e current perio	d's					
expenditures and, therefore, are deferred in the funds.							147,130
Net position of governmental activities						\$	26,051,164
	Saa notes to finan	cial statements					

	General	Fire	Police	Parks	Nonmajor funds	Total governmental funds
REVENUES						
Taxes	\$ 708,801	\$ -	\$ -	\$ -	\$ -	\$ 708,801
Licenses and permits	301,200	-	-	-	-	301,200
State grants	1,719,762	-	-	253,275	-	1,973,037
Charges for services	42,097	22,661	18,144	-	581,905	664,807
Fines and forfeitures	-	-	73,932	-	-	73,932
Interest and rentals	9,402	3,875	1,265	23,894	13,395	51,831
Other	144,291	1,678,627	1,192,264	14,360	38,109	3,067,651
Total revenues	2,925,553	1,705,163	1,285,605	291,529	633,409	6,841,259
EXPENDITURES						
General government	1,278,520	-	-	-	-	1,278,520
Public safety	4,219	1,346,545	970,736	-	-	2,321,500
Public works	376,377	-	-	-	364,330	740,707
Community and economic development	219,744	-	-	-	-	219,744
Culture and recreation	-	-	_	106,702	-	106,702
Capital outlay	410,447	299,457	26,418	752,411	_	1,488,733
Debt service				35,000		35,000
Total expenditures	2,289,307	1,646,002	997,154	894,113	364,330	6,190,906
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	636,246	59,161	288,451	(602,584)	269,079	650,353
OTHER FINANCING SOURCES (USES)						
Transfers in	-	6,000	78,294	337,535	2,852	424,681
Transfers out	(424,681)					(424,681)
Net other financing sources (uses)	(424,681)	6,000	78,294	337,535	2,852	
NET CHANGES IN FUND BALANCES	211,565	65,161	366,745	(265,049)	271,931	650,353
FUND BALANCES - BEGINNING	4,753,672	1,753,558	263,657	266,599	1,615,476	8,652,962
FUND BALANCES - ENDING	\$4,965,237	\$1,818,719	\$ 630,402	\$ 1,550	\$ 1,887,407	\$ 9,303,315

1 542,530.03 + 2 4,422,707.34 + Total (2Items) 4,965,237.37 T

```
1 855,180.09 +
2 963,538.46 +
Total (2Items ) 1,818,718.55 T
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1 5,510.88 + 2 3,960.96 -Total (2Items) 1,549.92 T

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - governmental funds (Continued)

Year ended December 31, 2014

Reconciliation of the statement of revenues, expenditures and

changes in fund balances to the statement of activities:	
Net change in fund balance - total governmental funds (page 14)	\$
Amounts reported for <i>governmental activities</i> in the statement of activities (page 12) are different because:	

C-	:41	
ca	pitai	assets:

Assets acquired	1,806,469
Provision for depreciation	(667.969)

650,353

Long-term obligations:

Loan payment	35,000
Net change in liability for compensated absences	(8,500)

Changes in other assets/liabilities:

Net decrease in OPEB assets	(28,018)
Net decrease in deferred revenue	(24,181)

Change in net position of *governmental activities* \$ 1,763,154

Charter Township of Oshtemo

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

December 31, 2014

	Retiree Medical Trust	Agency		
ASSETS Cash Investments	\$ - 251,912	\$ 496,522		
Total assets	\$ 251,912	\$ 496,522		
LIABILITIES Due to others	\$ 100,675	\$ 496,522		
NET POSITION Held in trust for retirees' health benefits	\$ 151,237			

Charter Township of Oshtemo

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

December 31, 2014

	Retiree Medical Trust
ADDITIONS Investment return	\$ 13,547
DEDUCTIONS Benefits paid	82,584
NET DECREASE	(69,037)
NET POSITION Beginning	220,274
Ending	\$ 151,237

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Charter Township of Oshtemo, Michigan (the Township), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

Reporting entity:

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, these financial statements present the Township (the primary government) and the component unit described below, located in Kalamazoo County. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency and existence of a financial benefit or burden, and whether the financial statements would be misleading if data were not included.

Discretely presented component unit - Downtown Development Authority

The component unit's governing body is appointed by the Township Board. Separate financial statements for the component unit have not been issued, as management believes that these financial statements, including disclosures, contain complete information so as to constitute a fair presentation of the component unit.

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 nonfiduciary activities of the Township. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary trust funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement presentation (continued):

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Fund accounts for financial resources used for fire protection. Revenues are primarily derived from special assessments.

The Police Fund accounts for financial resources used for police protection. Revenues are primarily derived from special assessments.

The Parks Fund accounts for financial resources used for recreational park facilities improvements and maintenance. Revenues are primarily derived from donations and grants.

Additionally, the Township reports the following fiduciary fund types:

The Agency Fund accounts for the collection and disbursement of taxes and other monies due to other units of government and individuals. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Retiree Medical Trust Fund accounts for assets held to provide medical benefits to eligible retiree participants and their dependents.

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

Assets, liabilities, deferred inflows of resources, and net position or equity:

Bank deposits - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

Investments - Investments are reported at fair value.

Receivables - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded, as the Township considers all receivables to be fully collectible.

Prepaid items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, liabilities, deferred inflows of resources, and net position or equity (continued):

Capital assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the Township as assets with an initial, individual cost of greater than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning January 1, 2004.

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

Land improvements15 - 30 yearsBuildings and improvements15 - 60 yearsEquipment3 - 7 yearsInfrastructure10 - 50 years

Unearned revenue - Unearned revenue represents resources related to operating assessments which have not yet been earned.

Deferred inflows of resources - The statement of net position and the governmental funds balance sheet include a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The related revenues will not be recognized until a future event occurs. The Township has two items that are included in this category: property taxes and special assessments revenues. Property tax revenue, which is levied to finance the following period's budget, is deferred and recognized as an inflow of resources in the period that it was intended to finance. Special assessment revenues, which are not recognized until available (collected not later than 60 days after the end of the Township's fiscal year) are deferred and recognized as an inflow of resources in the period that the revenues become available.

Net position - Net position represents the difference between assets, less liabilities and deferred inflows of resources. The Township reports three categories of net position, as follows: (1) Net investment in capital assets consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets; (2) Restricted net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Township's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets; (3) Unrestricted net position consists of all other net position that does not meet the definition of the above components and is available for general use by the Township.

Fund equity - In the fund financial statements, governmental funds report nonspendable fund balances for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws and regulations of other governments. The Township Board retains the authority to assign fund balances. Unassigned fund balances are the residual classification for the General Fund. When the Township incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Township's policy to use the restricted fund balance first, followed by assigned fund balance, and, finally, unassigned fund balance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Assets, liabilities, deferred inflows of resources, and net position or equity (continued):

Property tax revenue recognition - Property taxes are levied each December 1 (lien date) on the taxable valuation of property as of the preceding December 31. Property taxes are considered delinquent on March 1 of the following year, at which time interest and penalties are assessed. Although the Township's 2013 ad valorem tax is levied and collectible on December 1, 2013, it is the Township's policy to recognize revenue from that tax levy in the current year, when the proceeds are budgeted and made available for the financing of operations.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for general and special revenue funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

Excess of expenditures over appropriations - The following schedule sets forth the budget variances:

Fund	Function	Final budget	Actual	Variance
Fulla	<u>runction</u>	_ buuget	Actual	variance
General	Other financing uses -			
	transfer to Parks Fund	\$ 295,535	\$ 337,535	\$ 42,000

NOTE 3 - CASH AND INVESTMENTS

Cash and investments, as presented in the accompanying financial statements, consisted of the following:

	Primary government: Governmental activities		Co	omponent unit	Fiduciary activities	Totals		
Cash Investments	\$	9,345,544 1,070,083	\$	567,940 -	\$ 496,522 251,912	\$ 10,410,006 1,321,995		
	\$	10,415,627	\$	567,940	\$ 748,434	\$ 11,732,001		

Deposits - Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Township's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. The Township's investment policy does not specifically address custodial credit risk for deposits. At December 31, 2014, \$11,969,578 of the Township's bank balances of \$15,469,578 was exposed to custodial credit risk because it was uninsured and uncollateralized.

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments, primary government and component unit - State statutes and the Township's investment policy authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper, with three (3) highest rate classifications by at least two (2) rating services, maturing not later than 270 days; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds composed of otherwise legal investments; and f) qualified investment pools. At December 31, 2014, investments consisted solely of Cooperative Liquid Assets Securities System - Michigan (CLASS), a local investment pool established under Michigan state statutes for participating Michigan municipalities This pool is not subject to regulatory oversight and is not registered with the SEC. The fair value of the City's position in the pool is the same as the value of its pool shares. The pool is rated AAAm by Standard and Poor's, and, the pool issues a separate report, which is available at 15309 Meadowwood Drive, Grand Haven, Michigan, 49417.

The Township's investments are subject to several types of risk, which are discussed below:

Custodial credit risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. State statutes and the Township's investment policy do not contain requirements that would limit the exposure to custodial credit risk for investments. At year end, the investment securities were uninsured and unregistered and held by the two separate broker-dealers (counterparty) that purchased the securities for the Township.

Credit risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in mutual funds and qualified investment pools are not considered to have credit risk.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributable to the magnitude of the Township's investment in a single holding. The Township's investment policy places no limitations on the amount that can be invested in any one issuer.

Interest rate risk. Interest rate risk is the risk that the value of an investment will decrease as a result of an increase in market interest rates. Generally, longer investment maturities generate more sensitivity to changes in an investment's fair value due to changes in market interest rates. The Township's investment policy has no specific limitations with respect to maturities of investments.

Investments, retiree health plan - The investments of the Township's other postemployment benefit (OPEB) trust fund are maintained separately from the Township's pooled cash and investment, and, are subject to separate investment policies and State statutes. Accordingly, the required disclosures for the OPEB trust fund investments are presented separately.

NOTE 3 - CASH AND INVESTMENTS (Continued)

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the other postemployment benefit trust to invest in stocks, governmental and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitation. The Township Board has the responsibility and authority to oversee the investment portfolio. The Township has contracted the Michigan Municipal Employees' Retirement System (MERS) to assist in managing the OPEB trust fund's assets. The investments are held by MERS, within its Retiree Health Funding Vehicle (RHFV), an employer savings trust that allows employers to advance fund their retiree healthcare liability. As a governmental plan, MERS is exempted by state and federal law from registration with the SEC. The funds held consist of portfolios of assets, in separate accounts, in a collective trust. Specific fund holdings at December 31, 2014 consisted of the following:

MERS Total Market Portfolio	\$ 126,514
MERS Est Market Portfolio	 125,398
	\$ 251,912

Custodial credit risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. State statutes and the Township's OPEB investment policy require that investment securities be held in trust by a third-party institution, in the name of the benefit trust. The RHFV fund holdings are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical form.

Credit risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in mutual funds and qualified investment pools, including those within the RHFV, are not considered to have credit risk.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributable to the magnitude of the Township's investment in a single holding. The Township's OPEB investment policy places no limitations on the amount that can be invested in any one issuer.

Interest rate risk. Interest rate risk is the risk that the value of an investment will decrease as a result of an increase in market interest rates. Generally, longer investment maturities generate more sensitivity to changes in an investment's fair value due to changes in market interest rates. The Township's OPEB investment policy has no specific limitations with respect to maturities of investments. The RHFV holdings have no maturities.

NOTE 4 - RECEIVABLES

Receivables as of December 31, 2014, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

. <u> </u>	Property taxes	Accounts		Special assessments		Inter- governmental		Totals	
¢	500 101	¢	167 646	¢	36 038	ċ	364 868	\$ 1.068.743	2
ڔ	500,131	۲	107,040	۲	,	ڔ	304,808		
	_		_		,		_	-	
_	-				163,416		27,036	190,452	
\$	500,191	\$	167,646	\$	1,656,709	\$	391,904	\$ 2,716,450	0
\$		\$		\$	128,429	\$	57,793	\$ 186,222	2
\$	-	\$	40,699	\$	-	\$	-	\$ 40,699	9
	\$ \$ \$ \$	\$ 500,191 - - -	\$ 500,191 \$	\$ 500,191 \$ 167,646	\$ 500,191 \$ 167,646 \$	taxes Accounts assessments \$ 500,191 \$ 167,646 \$ 36,038 - - 950,882 - - 506,373 - - 163,416 \$ 500,191 \$ 167,646 \$ 1,656,709 \$ - \$ 128,429	taxes Accounts assessments go \$ 500,191 \$ 167,646 \$ 36,038 \$ - - 950,882 - - 506,373 - - 163,416 \$ 500,191 \$ 167,646 \$ 1,656,709 \$ \$ - \$ - \$ 128,429 \$	taxes Accounts assessments governmental \$ 500,191 \$ 167,646 \$ 36,038 \$ 364,868 - - 950,882 - - - 506,373 - - - 163,416 27,036 \$ 500,191 \$ 167,646 \$ 1,656,709 \$ 391,904 \$ - \$ - \$ 128,429 \$ 57,793	taxes Accounts assessments governmental Totals \$ 500,191 \$ 167,646 \$ 36,038 \$ 364,868 \$ 1,068,741 - - 950,882 - 950,882 - - 506,373 - 506,373 - - 163,416 27,036 190,452 \$ 500,191 \$ 167,646 \$ 1,656,709 \$ 391,904 \$ 2,716,450 \$ - \$ - \$ 128,429 \$ 57,793 \$ 186,222

All receivables are considered fully collectible.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY FOUNDATION

The amount shown as beneficial interest in assets held by foundation represents monies placed with the Kalamazoo Community Foundation (the Foundation) by the Township, specifying itself as the beneficiary. The Foundation maintains conditional variance power and legal ownership of such funds and, as such, continues to report the funds as assets of the Foundation, with a corresponding liability, agency endowment fund. The Township reports this asset at the present value of future payments expected to be received.

The Foundation also holds monies, placed by donors for the benefit of the Township's parks and recreation activities, to generate investment return that, based on the Foundation's spending guidelines, can be made available to the Township. Such monies are not considered assets of the Township. At December 31, 2014, the Foundation held \$259,857 in this account.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning balance	Increases	Decreases	Ending balance		
Governmental activities:						
Capital assets not being depreciated -						
land	\$ 428,616	\$ 148,126	\$ -	\$ 576,742		
Capital assets being depreciated:						
Buildings and improvements	6,796,663	75,110	-	6,871,773		
Equipment	1,387,197	222,731	(144,553)	1,465,375		
Vehicles	2,708,955	-	-	2,708,955		
Infrastructure	9,479,017	1,360,502		10,839,519		
Subtotal	20,371,832	1,658,343	(144,553)	21,885,622		
Less accumulated depreciation for:						
Buildings and improvements	(2,112,517)	(187,941)	-	(2,300,458)		
Equipment	(961,794)	(95,984)	144,553	(913,225)		
Vehicles	(948,561)	(134,669)	-	(1,083,230)		
Infrastructure	(1,245,207)	(249,375)		(1,494,582)		
Subtotal	(5,268,079)	(667,969)	144,553	(5,791,495)		
Total capital assets being depreciated, net	15,103,753	990,374	<u> </u>	16,094,127		
Governmental activities capital assets, net	\$ 15,532,369	\$ 1,138,500	\$ -	\$ 16,670,869		
Depreciation expense was charged to government	tal activities function	ons as follows:				
General government \$ 114,319						
Public safety 253,687						
Public works 247,747						
Culture and recreation 52,216						
Total \$ 667,969						
	Beginning balance	Increases	Decreases	Ending balance		
Component unit - DDA:						
Capital assets not being depreciated -						
land	\$ -	\$ 293,595	\$ -	\$ 293,595		

NOTE 7 - PAYABLES

Payables as of December 31, 2014, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

<u> </u>		ccounts	-	abilities	D	eposits	 Totals
Primary government:							
Governmental:							
General	\$	98,339	\$	32,789	\$	97,749	\$ 228,877
Fire		19,961		23,604		-	43,565
Police		100		871		-	971
Parks		88,576		126		-	88,702
Other governmental funds		2,635					2,635
Total governmental funds	\$	209,611	\$	57,390	\$	97,749	\$ 364,750

NOTE 8 - LONG-TERM OBLIGATIONS

Long-term obligation activity (excluding postemployment benefits other than pensions) for the year ended December 31, 2014, was as follows:

	Beginning balance		Additions		Reductions		Ending balance		Amounts due within one year	
Governmental activities: Compensated absences	\$	26,650	\$	95,160	\$	(86,660)	\$	35,150	\$	-
Land contract payable	_	70,000	_	-	_	(35,000)	_	35,000		35,000
Total long-term obligations	\$	96,650	\$	95,160	\$	(121,660)	\$	70,150	\$	35,000

The 2012 land contract is payable in three annual payments of \$35,000, at zero interest; final payment is due June 2015.

NOTE 9 - PROPERTY TAXES

The 2013 taxable valuation of the Township approximated \$713,769,000, on which ad valorem taxes levied consisted of 0.9765 mills for operating purposes, raising approximately \$697,000. This amount is recognized in the General Fund financial statements as property tax revenue.

The 2014 taxable valuation of the Township approximated \$719,781,000, on which ad valorem taxes levied consisted of 0.9765 mills for operating purposes, raising approximately \$703,000. This amount is recognized in the General Fund financial statements as deferred inflows, based upon the period for which the proceeds are budgeted and will be made available for the financing of operations.

NOTE 10 - DEFINED CONTRIBUTION AND MONEY PURCHASE PLAN

The Township maintains a non-contributory defined contribution plan (Township of Oshtemo Group Pension Plan) through which it provides pension benefits to its employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Eligible employees may begin participating on the date the plan started, or on the first day of the month coincident with, or immediately following, their date of employment, if later. The plan covers all full-time employees and paid on call firefighters. The plan is administered by an insurance company.

The Township contributed 4% of the annual compensation for elected officials and eligible full-time employees. The Township also matches voluntary contributions made by officials, full-time employees, and permanent part-time employees, up to a limit of 4%. All of the Township's contributions for participating full-time employees and officials (and interest allocated to the participants' accounts) are fully vested after two years of continuous service. The Township's contributions for, and interest forfeited by, employees who leave employment before vesting are used to reduce the Township's current period contribution requirement. Township contributions for paid on-call firefighters were 10%. The Township's contributions for firefighters vest immediately. The Township made required and matching contributions in the amount of \$125,787 for 2014. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN

Plan description:

The Township administers a single-employer defined benefit healthcare plan, which only covers retired members. The plan provides lifetime healthcare insurance for eligible retirees and their spouses for the life of the retiree. Plan expenses consist of reimbursement of individual policy premiums. Five individuals are eligible for post-employment health benefits under the current plan. The retiree health plan does not issue a publicly available financial report.

Funding policy:

The Township has the authority to establish the funding policy and to amend the obligations of both the Township and members.

For the year ended December 31, 2014, the Township contributed \$82,584 to the plan; no retiree contributions to fund future benefits were required.

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Annual OPEB cost and net OPEB obligation:

Through December 31, 2014, the Township's annual other postemployment benefit (OPEB) cost (expense) was calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, was projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following schedule shows the components of the Township's annual OPEB cost for the year ended December 31, 2014, the amount actually contributed to the plan, and changes in the Township's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$ -
Interest on net OPEB obligation	7,691
ARC adjustment	102,911
Net OPEB cost (benefit) Contributions made	110,602 (82,584)
Change in net OPEB obligation Net OPEB obligation (asset) - beginning of year	28,018 (28,018)
Net OPEB obligation (asset) - end of year	\$ -

The annual required contribution adjustment reflects the elimination of normal costs related to ongoing employment, unfunded actuarial liabilities, and projected future cost increases, as a result of the provisions of the Township's 2014 health insurance plan ordinance.

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 through 2014 were as follows:

			Percentage	N	et OPEB
	Annual		of annual OPEB	ok	oligation
Period	OF	PEB cost	cost contributed		(asset)
2012	\$	4,616	2671.2%	\$	-
2013		7,375	279.9%		(28,018)
2014		110,602	74.7%		-

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Funded status and funding progress:

The funded status of the plan for the most recent actuarial valuation date is as follows:

Valuation Actuarial date, accrued December liability (AAL)		accrued		Market value of assets	,	funded AAL JAAL)	Funded ratio		
31,	(a)		(b)		(a-b)		(b/a)		
2014	\$	151,237	\$	151,237	\$	-	100%		

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

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

Actuarial methods and assumptions:

The following simplifying assumptions were made:

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the Social Security Administration 2007 Period Actuarial Life Table.

Healthcare cost trend rate – The cost of benefits has been set at a maximum dollar amount of \$3,300 annually, per participant.

In the December 31, 2014, actuarial valuation, the GASB No. 45 alternative actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date.

NOTE 12 - DEFINED CONTRIBUTION POSTEMPLOYMENT HEALTHCARE SAVINGS PLAN

The Township established a non-contributory defined contribution plan (Retiree Health Care Defined Contribution Plan) in 2013 through which it provides retiree health insurance benefits to its employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Eligible current employees began participating on the date the plan started and were given credit for each year employed by the Township since 2000 (up to 12 years), the date retiree healthcare benefits were initially provided by the Township. The plan covers all full-time employees. The plan is administered by Municipal Employees' Retirement System of Michigan (MERS).

The Township contributed \$45,000 to the plan to fund the current year's contribution for employees in 2014. All of the Township's contributions for participating full-time employees and officials (and interest allocated to the participants' accounts) are fully vested immediately.

NOTE 13 - INTERFUND TRANSFERS

A summary of interfund transfers for the year ended December 31, 2014, is as follows:

Fund	Tro	ansfers in	Fund	Transfers out				
Police	\$	78,294	General	\$ 424,681				
Fire		6,000						
General Sewer		2,852						
Parks		337,535						
Total	\$	424,681						

The transfers to the Police, Parks, Fire, and General Sewer funds represent operating transfers to cover costs associated with police and fire protection, parks acquisitions and improvements, and sewer improvements in those funds.

NOTE 14 - JOINT VENTURE

The Township is a member of the Kalamazoo Area Building Authority (the Authority), which is a joint venture of the Charter Townships of Comstock, Kalamazoo, Oshtemo, and Cooper. The administrative board of the Authority consists of members appointed by each participating unit and a member at-large. The Authority was established to administer and enforce the Michigan State Construction Code within its constituent municipalities. The Township of Oshtemo advanced \$68,000 (non-interest bearing) as its proportionate share of the Authority's initial startup costs. As of the year ended December 31, 2014, \$57,793 of the advance is due to the Township from the Authority, subject to the Authority's cash requirements. The Authority also owed the Township \$14,865 at year end for the reimbursement of professional fees. Complete audited financial statements for the Authority can be obtained by contacting the Authority at P.O. Box 292, Oshtemo, MI 49077.

The Township does not expect to receive residual equity from the joint venture. The Township is unaware of any indication that the joint venture is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit or burden on the Township in the near future.

NOTE 15 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The risks of loss arising from general liability, property and casualty, and workers' compensation are managed through purchased commercial insurance. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Township has been named in various litigation and claims during the year. Management and the Township's legal advisors do not believe that any known circumstances or ongoing claims will result in significant financial losses for the Township.

NOTE 16 - RECLASSIFICATION OF FUND EQUITIES

In 2014, the Township discontinued the Building Inspections Fund as the result of the establishment of the Kalamazoo Area Building Authority, a joint venture entered into in the previous fiscal year. The reclassification of the assets of the Building Inspections Fund to the General Fund, as of January 1, 2014, resulted in a \$547,608 increase to opening fund balance of the General Fund. The funds remained restricted for public safety; there was no effect on opening net position.

NOTE 17 - PENDING ACCOUNTING PRONOUNCEMENT

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, effective for periods beginning after June 15, 2014. This Statement generally carries forward the requirements of Statement No. 27 for employer accounting and financial reporting for defined contribution plans. In this Statement, the definition of defined contribution pensions, as well as the accounting requirements for such pensions, includes provisions to accommodate circumstances in which the timing of payments into individual accounts does not coincide with the period of employee service to which defined contributions pertain (as when a nonvested employee accumulates credits for which the employer delays payment into the employee's account until vesting provisions have been satisfied). This Statement also establishes requirements to address accounting for forfeitures. The Statement also enhances accountability and transparency through revised note disclosures. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the fiscal year beginning January 1, 2015.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 16, 2015 the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

REVENUES Taxes \$ 713,401 \$ 708,801 \$ (2,600) Licenses and permits 188,600 216,400 301,200 84,800 State grants 1,731,442 1,731,442 1,719,762 (11,680) Charges for services 14,970 14,970 42,097 27,127 Interest and rentals 6,000 6,000 9,402 3,402 Other 153,353 153,353 144,291 9,062 Total revenues 2,807,766 2,833,566 2,925,553 91,987 EXPENDITURES General government: Legislative 30,672 30,672 27,505 3,167 Supervisor 140,568 140,568 109,638 30,930 Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,49		Original budget	Final budget	Actual	Variance with final budget positive (negative)
Licenses and permits 188,600 216,400 301,200 84,800 State grants 1,731,442 1,731,442 1,719,762 (11,680) Charges for services 14,970 14,970 42,097 27,127 Interest and rentals 6,000 6,000 9,402 3,402 Other 153,353 153,353 144,291 (9,062) Total revenues 2,807,766 2,833,566 2,925,553 91,987 EXPENDITURES General government: Legislative 30,672 30,672 27,505 3,167 Supervisor 140,568 140,568 109,638 30,930 Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,		. 740 404	. 7 44 404	d (2.500)
State grants 1,731,442 1,731,442 1,719,762 (11,680) Charges for services 14,970 14,970 42,097 27,127 Interest and rentals 6,000 6,000 9,402 3,402 Other 153,353 153,353 144,291 (9,062) Total revenues 2,807,766 2,833,566 2,925,553 91,987 EXPENDITURES General government: Legislative 30,672 30,672 27,505 3,167 Supervisor 140,568 140,568 109,638 30,930 Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General		•		•	• • • •
Charges for services 14,970 14,970 42,097 27,127 Interest and rentals 6,000 6,000 9,402 3,402 Other 153,353 153,353 144,291 (9,062) EXPENDITURES Total revenues 2,807,766 2,833,566 2,925,553 91,987 EXPENDITURES General government: Legislative 30,672 30,672 27,505 3,167 Supervisor 140,568 140,568 109,638 30,930 Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 36,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 21,000 21,000	•	-	•	•	·
Total revenues	_	•			
Other 153,353 153,353 144,291 (9,062) Total revenues 2,807,766 2,833,566 2,925,553 91,987 EXPENDITURES General government: Legislative 30,672 30,672 27,505 3,167 Supervisor 140,568 140,568 109,638 30,930 Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public works: Highways and streets 200,00	_				
EXPENDITURES Z,807,766 Z,833,566 Z,925,553 91,987 EXPENDITURES General government: Uegislative 30,672 30,672 27,505 3,167 Supervisor 140,568 140,568 109,638 30,930 Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public works: Highways and streets 200,000 20,000 194,889 5,111 Street lights 138,353		•	•		
EXPENDITURES General government: Legislative 30,672 30,672 27,505 3,167 Supervisor 140,568 140,568 109,638 30,930 Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976	Other	153,353	153,353	144,291	(9,062)
General government: Legislative 30,672 30,672 27,505 3,167 Supervisor 140,568 140,568 109,638 30,930 Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public works: Highways and streets 200,000 20,000 4,219 16,781 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000	Total revenues	2,807,766	2,833,566	2,925,553	91,987
Legislative 30,672 30,672 27,505 3,167 Supervisor 140,568 140,568 109,638 30,930 Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public works: Highways and streets 200,000 21,000 4,219 16,781 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466	EXPENDITURES				
Supervisor 140,568 140,568 109,638 30,930 Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 </td <td>General government:</td> <td></td> <td></td> <td></td> <td></td>	General government:				
Elections 33,999 37,269 37,163 106 Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Community and economic development 373,353 391,353 376,377	Legislative	30,672	30,672	27,505	3,167
Assessor 204,975 207,975 180,055 27,920 Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Community and economic development 373,353 391,353 376,377 14,976	Supervisor	140,568	140,568	109,638	30,930
Clerk 121,499 127,499 126,036 1,463 Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976	Elections	33,999	37,269	37,163	106
Treasurer 96,897 96,897 86,491 10,406 Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	Assessor	204,975	207,975	180,055	27,920
Professional services 229,395 251,695 246,185 5,510 Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	Clerk	121,499	127,499	126,036	1,463
Cemetery, buildings, and grounds 81,400 81,400 66,653 14,747 General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	Treasurer	96,897	96,897	86,491	10,406
General operations 515,906 527,856 398,794 129,062 Total general government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	Professional services	229,395	251,695	246,185	5,510
Total general government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	Cemetery, buildings, and grounds	81,400	81,400	66,653	14,747
government 1,455,311 1,501,831 1,278,520 223,311 Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	General operations	515,906	527,856	398,794	129,062
Public safety - inspections 21,000 21,000 4,219 16,781 Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	Total general				
Public works: Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	government	1,455,311	1,501,831	1,278,520	223,311
Highways and streets 200,000 200,000 194,889 5,111 Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	Public safety - inspections	21,000	21,000	4,219	16,781
Street lights 138,353 138,353 128,954 9,399 Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	Public works:				
Waste collection 35,000 53,000 52,534 466 Total public works 373,353 391,353 376,377 14,976 Community and economic development	Highways and streets	200,000	200,000	194,889	5,111
Total public works 373,353 391,353 376,377 14,976 Community and economic development	Street lights	138,353	138,353	128,954	9,399
Community and economic development	Waste collection	35,000	53,000	52,534	466
<i>,</i>	Total public works	373,353	391,353	376,377	14,976
<i>,</i>	Community and economic development				
	,	199,135	226,935	219,744	7,191

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended December 31, 2014

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
EXPENDITURES (Continued)				
Capital outlay	\$ 887,782	\$ 953,980	\$ 410,447	\$ 543,533
Total expenditures	2,936,581	3,095,099	2,289,307	805,792
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(128,815)	(261,533)	636,246	897,779
OTHER FINANCING USES Operating transfers out:				
Police Fund	(38,294)	(78,294)	(78,294)	-
Fire Fund	(6,000)	(6,000)	(6,000)	-
General Sewer Fund	-	(2,852)	(2,852)	-
Parks Fund	(73,473)	(295,535)	(337,535)	(42,000)
Total other financing				
uses	(117,767)	(382,681)	(424,681)	(42,000)
NET CHANGES IN FUND BALANCES	(246,582)	(644,214)	211,565	855,779
FUND BALANCES - BEGINNING	4,753,672	4,753,672	4,753,672	
FUND BALANCES - ENDING	\$ 4,507,090	\$ 4,109,458	\$ 4,965,237	\$ 855,779

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
REVENUES				
Charges for services	\$ -	\$ 5,840	\$ 22,661	\$ 16,821
Interest Other:	2,700	2,700	3,875	1,175
Special assessments	1,677,841	1,674,906	1,657,944	(16,962)
Miscellaneous		17,610	20,683	3,073
Total revenues	1,680,541	1,701,056	1,705,163	4,107
EXPENDITURES				
Public safety	1,376,059	1,403,759	1,346,545	57,214
Capital outlay	225,482	368,988	299,457	69,531
Total expenditures	1,601,541	1,772,747	1,646,002	126,745
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	79,000	(71,691)	59,161	130,852
OTHER FINANCING SOURCES Operating transfers in - General Fund	6,000	6,000	6,000	
NET CHANGES IN FUND BALANCES	85,000	(65,691)	65,161	130,852
FUND BALANCES - BEGINNING	1,753,558	1,753,558	1,753,558	
FUND BALANCES - ENDING	\$ 1,838,558	\$ 1,687,867	\$ 1,818,719	\$ 130,852

		Original budget		Final budget		Actual		ariance with final budget positive (negative)
REVENUES								
Charges for services	\$	14,000	\$	14,000	\$	18,144	\$	4,144
Fines and forfeitures		50,500		61,550		73,932		12,382
Interest and rentals		555		555		1,265		710
Other - special assessments	-	1,215,558	_	1,216,058	_	1,192,264		(23,794)
Total revenues		1,280,613		1,292,163		1,285,605		(6,558)
EXPENDITURES								
Public safety:		16 445		16.045		0.000		7.005
Administration		16,445		16,945		9,060		7,885
Police protection Ordinance enforcement and		1,201,413		1,201,413		839,441		361,972
parking violations		101,049		112,099		122,235		(10,136)
Total public safety		1,318,907	_	1,330,457		970,736		359,721
Capital outlay		-		40,000		26,418	_	13,582
Total expenditures		1,318,907		1,370,457		997,154		373,303
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(38,294)		(78,294)		288,451		366,745
OTHER FINANCING SOURCES Operating transfers in - General Fund		38,294		78,294		78,294		
NET CHANGES IN FUND BALANCES		-		-		366,745		366,745
FUND BALANCES - BEGINNING		263,657		263,657		263,657		
FUND BALANCES - ENDING	\$	263,657	\$	263,657	\$	630,402	\$	366,745

	Original budget		Final budget	Actual	/ariance with final budget positive (negative)
REVENUES					
State grants	\$ 300,000	\$	600,000	\$ 253,275	\$ (346,725)
Interest and rentals	16,600		16,600	23,894	7,294
Other - donations	 8,790		12,815	 14,360	 1,545
Total revenues	 325,390		629,415	 291,529	 (337,886)
EXPENDITURES					
Culture and recreation	140,273		140,273	106,702	33,571
Capital outlay	494,202		1,050,289	752,411	297,878
Debt service	 35,000	_	35,000	 35,000	 -
Total expenditures	 669,475	_	1,225,562	894,113	 331,449
DEFICIENCY OF REVENUES OVER EXPENDITURES	(344,085)		(596,147)	(602,584)	(6,437)
OTHER FINANCING SOURCES Operating transfer in - General Fund	 73,473		295,535	 337,535	 42,000
NET CHANGES IN FUND BALANCES	(270,612)		(300,612)	(265,049)	35,563
FUND BALANCES - BEGINNING	266,599		266,599	 266,599	
FUND BALANCES - ENDING	\$ (4,013)	\$	(34,013)	\$ 1,550	\$ 35,563

Charter Township of Oshtemo

SCHEDULE OF FUNDING PROGRESS FOR THE POSTEMPLOYMENT HEALTHCARE PLAN

Year ended December 31, 2014

Valuation date, December 31,	Actuarial accrued bility (AAL) (a)	١	Market value of assets (b)	 Unfunded AAL (UAAL) (a-b)	 Funded ratio (b/a)	Covered payroll (c)	UAAL as a percentage of covered payroll ((a-b)/c)
2009	\$ 2,299,050	\$	164,678	\$ 2,134,372	7%	\$ 1,114,757	191%
2010	991,003		252,116	738,887	25%	1,152,923	64%
2012	203,900		203,669	231	100%	N/A	N/A
2013	192,256		220,274	(28,018)	115%	N/A	N/A
2014	151,237		151,237	-	100%	N/A	N/A

Notes to schedule:

The actuarial liability for 2010 includes adjustments to reflect the coordination of plan benefits with Medicare supplement insurance and an increase in certain retiree contributions.

The actuarial liability for 2013 includes adjustments to reflect changes in the plan to exclude current employees and the limitation of retiree benefits to a defined amount.

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET - nonmajor governmental funds

December 31, 2014

	General Sewer			General Water	Totals	
ASSETS						
Cash	\$	924,743	\$	921,977	\$	1,846,720
Receivables		118,802		71,650	_	190,452
Total assets	\$	1,043,545	\$	993,627	\$	2,037,172
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES Liabilities:						
Accounts payable	\$	2,535	\$	100	\$	2,635
Deferred inflows of resources:						
Unavailable special assessment revenues		87,796		59,334		147,130
Fund balances:						
Assigned for public works		953,214		934,193	_	1,887,407
Total liabilities, deferred inflows of resources, and fund balances	\$	1,043,545	\$	993,627	<u>\$</u>	2,037,172

Charter Township of Oshtemo

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - nonmajor governmental funds

Year ended December 31, 2014

	General Sewer		_	General Water		Totals
REVENUES Charges for services Interest and rentals Other	\$	226,729 6,845 13,852	\$	355,176 6,550 24,257	\$	581,905 13,395 38,109
Total revenues		247,426		385,983		633,409
EXPENDITURES Public works		81,617		282,713		364,330
EXCESS OF REVENUES OVER EXPENDITURES		165,809		103,270		269,079
OTHER FINANCING SOURCES Operating transfers in - General Fund		2,852				2,852
NET CHANGES IN FUND BALANCES		168,661		103,270		271,931
FUND BALANCES - BEGINNING	_	784,553		830,923		1,615,476
FUND BALANCES - ENDING	\$	953,214	\$	934,193	\$ 1	1,887,407

BALANCE SHEET - component unit

December 31, 2014

	Downtown Development Authority				
ASSETS Cash Receivables	\$	567,940 40,699			
Total assets	\$	608,639			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities: Payables	\$	100			
Deferred inflows of resources: Property tax revenues levied for the subsequent year		53,099			
Fund balance - unassigned		555,440			
Total liabilities, deferred inflows of resources, and fund balance	<u>\$</u>	608,639			
Reconciliation of the balance sheet to the statement of net position:					
Total fund balance - component unit	\$	555,440			
Amounts reported for the <i>component unit</i> in the statement of net position (page 11) are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		293,595			
Net position of the <i>component unit</i>	\$	849,035			

Charter Township of Oshtemo

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND

BALANCE - component unit

Year ended December 31, 2014

		Dev	owntown velopment uthority
REVENUES Property taxes Interest		\$	112,784 1,078
	Total revenues		113,862
EXPENDITURES Public works Capital outlay			56,232 253,885
	Total expenditures		310,117
NET CHANGE IN I	FUND BALANCE		(196,255)
FUND BALANCE -	BEGINNING		751,695
FUND BALANCE -	ENDING	\$	555,440
	the statement of revenues, expenditures, and palances to the statement of activities:		
Net change in fur	nd balance - component unit	\$	(196,255)
•	d for the <i>component unit</i> in the statement of 2) are different because:		
Capital asset - acc	quisitions		293,595
Change in net pos	sition of <i>component unit</i>	<u>\$</u>	97,340

		Original budget		Final budget		Actual	Variance with final budget positive (negative)		
REVENUES			_		_		_		
Property taxes		\$ 87,457	\$	87,457	\$	112,784	\$	25,327	
Interest		 400		400		1,078		678	
	Total revenues	 87,857		87,857		113,862		26,005	
EXPENDITURES									
Public works		114,000		114,000		56,232		57,768	
Capital outlay		 60,000		310,000		253,885		56,115	
	Total expenditures	 174,000		424,000		310,117		113,883	
NET CHANGES IN	N FUND BALANCES	(86,143)		(336,143)		(196,255)		139,888	
FUND BALANCES	S - BEGINNING	 751,695		751,695		751,695			
FUND BALANCES	S - ENDING	\$ 665,552	\$	415,552	\$	555,440	\$	139,888	

Charter Township of Oshtemo Kalamazoo County, Michigan

FINANCIAL STATEMENTS

Year ended December 31, 2015

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INDEPENDENT AUDITORS' REPORT

Members of the Township Board Charter Township of Oshtemo, Kalamazoo County, Michigan

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

Auditors' 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 Township'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 Township'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 opinion.

Opinion

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 10 and 32 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Seber Tans, PLC Kalamazoo, Michigan

Leber Tans PLC

June 22, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Charter Township of Oshtemo's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended December 31, 2015. Please read it in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased by \$1,009,518 (4 percent) as a result of this year's activities.
- Of the \$27,060,682 total net position reported, \$7,928,577 (29 percent) is available to be used to meet future
 operating and capital improvement needs, without constraints established by debt covenants, enabling legislation, or
 other legal requirements.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$2,787,785, which represents 125 percent of the actual total General Fund expenditures for the current fiscal year.

Overview of the financial statements

The Township's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds and statements for component units. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township government, reporting the Township's operations in more detail than the government-wide financial statements.
 - Governmental funds statements explain how general government services, like public safety and public works, were financed in the short-term, as well as what remains for future spending.
 - o Fiduciary funds statements provide information about the financial relationships in which the Township acts solely as an agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2015 and 2014 is also presented.

Government-wide financial statements

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Township's assets, and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Township's net position and how it has changed. Net position (the difference between the Township's assets, and liabilities and deferred inflows of resources) is one way to measure the Township's financial health, or position.

- Over time, increases or decreases in the Township's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township, you need to consider additional nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The government-wide financial statements are divided into two categories:

- Governmental activities Most of the Township's basic services are included here, such as police, fire, and general government activities. Property taxes, assessments, and state grants finance most of these activities.
- Component units The Township includes two other entities in its report the Downtown Development Authority and the South Drake Road Corridor Improvement Authority. Although legally separate, these "component units" are important because the Township is financially accountable for both Authorities.

Fund financial statements

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law.
- The Township Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain other revenues.

The Township has two types of funds:

- Governmental funds. Most of the Township's basic services are included in its governmental funds, which focus on (1) how
 cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year
 end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view
 that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance
 the Township's programs. Because this information does not encompass the additional long-term focus of the
 government-wide statements, we provide additional information that explains the relationship between them.
- Fiduciary funds. These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net position

Total net position at the end of the fiscal year was \$27,060,682. Of this total, \$16,818,777 is invested in capital assets, \$2,313,328 is restricted for public safety, and \$7,928,577 is unrestricted.

Condensed financial information Net position

	Governmental activities			
	2015	2014		
Current and other assets	\$ 14,057,426	\$ 13,155,035		
Capital assets	16,828,699	16,670,869		
Total assets	30,886,125	29,825,904		
Current and other liabilities	612,019	602,305		
Long-term debt		35,000		
Total liabilities	612,019	637,305		
Deferred inflows of resources	3,213,424	3,137,435		
Net position:				
Net investment in capital assets	16,818,777	16,635,869		
Restricted	2,313,328	2,355,599		
Unrestricted	7,928,577	7,059,696		
Total net position	\$ 27,060,682	\$ 26,051,164		

Changes in net position

The Township's total revenues were \$6,499,000. For 2015, charges for services were 50 percent of the Township's revenues, 29 percent comes from state grants, and 11 percent comes from property taxes.

The total cost of the Township's programs and services was \$5,489,482. Approximately 52 percent of the Township's costs are related to public safety activities, general government is 28 percent, and public works is 12 percent of expenses.

Condensed financial information Changes in net position

,	Governmental activities				
		2015	2014		
Program revenues:					
Charges for services	\$	3,247,635	\$	3,874,930	
Operating grants		11,261		13,203	
Capital grants		440,735		287,138	
General revenues:					
Property taxes		698,693		684,160	
State grants		1,905,604		1,687,056	
Franchise fees		169,577		247,864	
Investment income		25,495		22,727	
Total revenues		6,499,000	_	6,817,078	
Expenses:					
General government		1,537,806		1,452,876	
Public safety		2,858,129		2,645,569	
Public works		652,649		563,436	
Community and economic development		203,724		220,644	
Culture and recreation		237,174		171,399	
Total expenses		5,489,482	_	5,053,924	
Changes in net position	\$	1,009,518	\$	1,763,154	
Net position, end of year	\$	27,060,682	\$	26,051,164	

Governmental activities

The net position increased \$1,009,518 for 2015 compared to a \$1,763,154 increase in the prior year. The decrease can be attributed to a decrease in revenue, primarily due to a reduction in police assessments of approximately \$491,000 and an increase in most expenses during the current fiscal year.

The total cost of governmental activities this year was \$5,489,482. After subtracting the direct charges to those who directly benefited from the programs (\$3,247,635) and operating and capital grants (\$451,996), the "public benefit" portion covered by taxes, state revenue sharing, and other general revenues was \$1,789,851.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Governmental funds

As of the end of the current year, the Township's governmental funds reported combined ending fund balances of \$9,868,824, an increase of \$565,509 from last year.

The General Fund is the primary operating fund of the Township. Its fund balance decreased by \$263,181 during the year, as revenues of \$2,913,019 were less than current expenditures of \$2,231,550 and transfers to other funds of \$944,650. The fund balance was \$4,702,056 at the end of the year.

The Fire Fund experienced an increase in fund balance of \$9,695 for 2015, as revenues of \$1,764,230 and a transfer from the General Fund of \$6,000 exceeded current expenditures of \$1,760,535. The ending fund balance was \$1,828,414.

The Police Fund experienced a \$136,125 decrease in fund balance, which reflects police service expenditures of \$1,019,458 that were more than combined revenues of \$783,683 and a transfer of \$99,650 from the General Fund. The fund balance at the end of the year was \$494,277.

The General Sewer Fund experienced a \$752,715 increase in fund balance for 2015, as revenues of \$228,414 and a transfer from the General Fund of \$600,000, were more than sufficient to cover current year's expenditures of \$75,695. The fund balance at the end of the year was \$1,705,933.

General Fund budgetary highlights

The Township amended the General Fund revenues and expenditures budgets for anticipated increases in both revenues and expenditures. Total revenues were \$81,152 less than anticipated, primarily due to state grants being less than anticipated by nearly \$99,000. Total expenditures were \$1,531,411 less than the amounts appropriated, primarily due to capital outlay costs that were \$1,290,123 less than projected due to projects not occurring in the current year that were planned and general government costs that were \$142,247 less than expected.

These variances resulted in a positive budget variance of \$1,450,259, with a \$263,181 decrease in fund balance compared to a budget that anticipated a \$1,713,440 decrease in fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Township's investment in capital assets as of December 31, 2015, was \$16,828,699 (net of accumulated depreciation). This investment includes buildings and improvements, equipment and vehicles, and sewer, water, and road infrastructure. The \$157,830 increase in the Township's investment in capital assets for the current fiscal year includes \$915,810 in capital asset additions, less \$757,980 in depreciation for the year.

Major capital asset additions during the current fiscal year include:

- \$239,267 for park improvements
- \$155,652 for roads, drains, and water and sewer infrastructure costs
- \$178,038 for a non-motorized path
- \$161,697 for fire vehicles
- \$78,549 for playground equipment
- \$100,998 for new phone and sound systems

More detailed information about the Township's capital assets is presented in Note 6 of the notes to the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Debt

The Township's long-term obligation consists of \$34,150 in accrued compensated absences.

More detailed information about the Township's noncurrent liabilities is presented in Note 8 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property tax appeals and resultant reductions have continued over the past few years and are likely to be ongoing. No significant changes are planned in the types of services to be provided or in related levels of expenditures for continuing operations during the upcoming year.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Phone: (269) 375-4260

Libby Heiny-Cogswell, Supervisor Charter Township of Oshtemo 7275 West Main Street Oshtemo, MI 49009

BASIC FINANCIAL STATEMENTS

		Primary		Component units			
	government					th Drake	
		_	Do	wntown	Road	l Corridor	
	G	overnmental	Dev	elopment	Impr	ovement	
		activities	A	uthority	Au	thority	
ASSETS							
Current assets:							
Cash	\$	10,047,694	\$	604,344	\$	9,147	
Investments		1,071,545		-		-	
Beneficial interest of assets held at foundation		28,826		-		-	
Receivables, net	_	2,691,658	-	80,091		3,687	
Total current assets		13,839,723		684,435		12,834	
Noncurrent assets:							
Receivables, net		217,703		-		-	
Capital assets not being depreciated		576,742		325,563		-	
Capital assets, net of accumulated depreciation	_	16,251,957		-			
Total noncurrent assets		17,046,402		325,563			
Total assets		30,886,125		1,009,998		12,834	
LIABILITIES							
Current liabilities:							
Payables		436,809		100		-	
Unearned operating assessment revenues		141,060	-				
Total current liabilities		577,869		100		-	
Noncurrent liabilities - compensated absences		34,150					
Total liabilities		612,019		100			
DEFERRED INFLOWS OF RESOURCES							
Property tax revenues levied for the subsequent year		724,714		50,528		4,278	
Special assessment levied for the subsequent year		2,488,710				-	
Total deferred inflows of resources		3,213,424		50,528		4,278	
NET POSITION							
Net investment in capital assets		16,818,777		325,563		-	
Restricted for public safety		2,313,328		-		-	
Unrestricted	_	7,928,577		633,807		8,556	
Total net position	\$	27,060,682	\$	959,370	\$	8,556	

					and changes in net position				
						Compor	nent units		
			Program revent	ues			South Drake		
			Operating	Capital		Downtown	Road Corridor		
	Expenses	Charges for services	grants and contributions	grants and contributions	Governmental activities	Development Authority	Improvement Authority		
Functions/Programs									
Governmental activities:									
General government	\$ 1,537,806	\$ 103,758	\$ -	\$ -	\$ (1,434,048)				
Public safety	2,858,129	2,503,766	-	38,156	(316,207)				
Public works	652,649	551,420	11,261	275,246	185,278				
Community and economic									
development	203,724	67,986	-	-	(135,738)				
Culture and recreation	237,174	20,705		127,333	(89,136)				
Total governmental activities	5,489,482	3,247,635	11,261	440,735	(1,789,851)				
Component units:									
Downtown Development Authority	\$ 11,528	\$ -	\$ -	\$ -		\$ (11,528)	\$ -		
South Drake Road Corridor									
Improvement Authority				-					
Total component units	\$ 11,528	\$ -	\$ -	\$ -		\$ (11,528)	\$ -		
	General rever	nues:							
	Taxes				698,693	120,661	8,556		
	State gran				1,905,604	-	-		
	Franchise	fees			169,577	-	-		
	Investmer	nt income			25,495	1,202	-		
	Tota	l general rever	iues		2,799,369	121,863	8,556		
	Changes in ne	et position			1,009,518	110,335	8,556		
	Net position -	beginning			26,051,164	849,035			
	Net position -	ending			\$ 27,060,682	\$ 959,370	\$ 8,556		

Net (expenses) revenues

	General	Fire	Police	General Sewer	Nonmajor funds	go	Total overnmental funds
ASSETS							
Cash	\$ 3,809,483	\$ 2,749,647	\$ 704,298	\$ 1,696,792	\$ 1,087,474	\$	10,047,694
Investments	1,071,545	-	-	-	-		1,071,545
Beneficial interest of assets held at foundation	-	-	-	-	28,826		28,826
Receivables	981,228	953,764	509,162	204,359	260,848		2,909,361
Due from other funds	9,143						9,143
Total assets	\$ 5,871,399	\$ 3,703,411	\$ 1,213,460	\$ 1,901,151	\$ 1,377,148	\$	14,066,569
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Payables	\$ 291,556	\$ 104,883	\$ 587	\$ 9,399	\$ 30,384	\$	436,809
Due to other funds	-	-	-	-	9,143		9,143
Unearned special assessment operating revenues	141,060						141,060
Total liabilities	432,616	104,883	587	9,399	39,527		587,012
Deferred inflows of resources:							
Property tax revenues levied for the subsequent year	724,714	_	_	_	_		724,714
Special assessment levied for the subsequent year	-	1,770,114	718,596	_	_		2,488,710
Unavailable special assessment revenues	12,013	-	-	185,819	84,584		282,416
Unavailable grant revenues					114,893		114,893
Total deferred inflows of resources	736,727	1,770,114	718,596	185,819	199,477		3,610,733
Fund balances:							
Nonspendable for long-term advance	5,737						5,737
Restricted for public safety	492,314	1,828,414	_	_	_		2,320,728
Assigned for:	152,511	1,020,111					2,320,720
Public safety	_	_	494,277	_	_		494,277
Public works	_	-	- ,	1,705,933	1,118,745		2,824,678
Culture and recreation	_	-	-	-	19,399		19,399
Subsequent year expenditures	1,416,220	-	-	-	-		1,416,220
Unassigned	2,787,785						2,787,785
Total fund balances	4,702,056	1,828,414	494,277	1,705,933	1,138,144		9,868,824
Total fulla bulances							
Total liabilities, deferred inflows of							
resources, and fund balances	\$ 5,871,399	\$ 3,703,411	\$ 1,213,460	\$ 1,901,151	\$ 1,377,148	\$	14,066,569
Reconciliation of the balance sheet to the statement of net posi	tion:						
Total fund balance - total governmental funds						\$	9,868,824
Amounts reported for <i>governmental activities</i> in the statement different because:	of net position	(page 11) are					
Capital assets used in <i>governmental activities</i> are not financial rare not reported in the funds.	esources and, t	herefore,					16,828,699
Long-term liabilities that are not due and payable in the current are not reported in the funds - compensated absences.	period and, the	erefore,					(34,150)
Special assessments receivable are not available to pay for the cexpenditures and, therefore, are deferred in the funds.	current period's						397,309
experiences and, dieretore, are deferred in the funds.							
Net position of governmental activities						\$	27,060,682

	General	Fire	Police	General Sewer	Nonmajor funds	Total governmental funds
REVENUES						
Taxes	\$ 698,693	Ş -	\$ -	\$ -	\$ -	\$ 698,693
Licenses and permits	237,705	-	-	-	-	237,705
Federal grant	-	38,156	-	-	-	38,156
State grants	1,699,621	-	-	-	217,244	1,916,865
Charges for services	98,673	10,342	19,760	125,285	236,803	490,863
Fines and forfeitures	-	-	61,319	-	-	61,319
Interest and rentals	8,465	4,473	1,518	11,699	33,105	59,260
Other	169,862	1,711,259	701,086	91,430	60,970	2,734,607
Total revenues	2,913,019	1,764,230	783,683	228,414	548,122	6,237,468
EXPENDITURES Current:						
General government	1,414,903	_	-	-	-	1,414,903
Public safety	22,718	1,483,664	1,001,755	-	-	2,508,137
Public works	301,819	_	-	75,695	107,178	484,692
Community and economic development	203,824	-	-	-	-	203,824
Culture and recreation	-	_	-	-	137,314	137,314
Capital outlay	288,286	276,871	17,703	-	305,229	888,089
Debt service					35,000	35,000
Total expenditures	2,231,550	1,760,535	1,019,458	75,695	584,721	5,671,959
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	681,469	3,695	(235,775)	152,719	(36,599)	565,509
OTHER FINANCING SOURCES (USES) Transfers in Transfers out	- (944,650)	6,000	99,650	600,000	239,000	944,650 (944,650)
Net other financing sources (uses)	(944,650)	6,000	99,650	600,000	239,000	
NET CHANGES IN FUND BALANCES	(263,181)	9,695	(136,125)	752,719	202,401	565,509
FUND BALANCES - BEGINNING	4,965,237	1,818,719	630,402	953,214	935,743	9,303,315
FUND BALANCES - ENDING	\$ 4,702,056	\$ 1,828,414	\$ 494,277	\$ 1,705,933	\$ 1,138,144	\$ 9,868,824

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - governmental funds (Continued)

Year ended December 31, 2015

Change in net position of governmental activities

Reconciliation of the statement of revenues, expenditures and changes in fund balances to the statement of activities:	
Net change in fund balance - total governmental funds (page 14)	\$ 565,509
Amounts reported for <i>governmental activities</i> in the statement of activities (page 12) are different because:	
Capital assets: Assets acquired Provision for depreciation	915,810 (757,980)
Long-term obligations: Loan payment Net change in liability for compensated absences	35,000 1,000
Changes in other assets/liabilities: Net increase in deferred revenue	 250,179

1,009,518

Charter Township of Oshtemo

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

December 31, 2015

	Retiree Medical Trust A	Agency	
ASSETS Cash Investments	\$ - \$ 4 247,909	-,676,576 -	
Total assets	247,909 <u>\$ 4</u>	,676,576	
LIABILITIES Due to others		.,676,576	
NET POSITION Held in trust for retirees' health benefits	\$ 140,786		

Charter Township of Oshtemo

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

December 31, 2015

	Retiree Medical Trust
DEDUCTIONS Investment loss Benefits paid	\$ 4,003 6,448
NET DECREASE	10,451
NET POSITION Beginning	151,237
Ending	\$ 140,786

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Charter Township of Oshtemo, Michigan (the Township), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

Reporting entity:

In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, these financial statements present the Township (the primary government) and the component units described below, located in Kalamazoo County. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency and existence of a financial benefit or burden, and whether the financial statements would be misleading if data were not included.

Discretely presented component units:

Downtown Development Authority - The Authority was established pursuant to Public Act 197 of 1975, as amended, to correct and prevent deterioration and promote economic growth within the downtown district.

South Drake Road Corridor Improvement Authority - The Authority was established pursuant to Public Act 280 of 2005, as amended, to correct and prevent deterioration and promote economic growth within the corridor business district.

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 nonfiduciary activities of the Township. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement presentation (continued):

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Fund accounts for financial resources used for fire protection. Revenues are primarily derived from special assessments.

The Police Fund accounts for financial resources used for police protection. Revenues are primarily derived from special assessments.

The General Sewer Fund accounts for financial resources used for sewer facilities capital improvements and maintenance. Revenues are primarily derived from connection fees and special assessments.

The Township also reports fiduciary funds, which account for assets held by the Township as an agent for individuals, private organizations, and other governments. The Township currently reports the following fiduciary fund types:

The Agency Fund accounts for the collection and disbursement of taxes and other monies due to other units of government and individuals. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Retiree Medical Trust Fund accounts for assets held to provide medical benefits to eligible retiree participants and their dependents.

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

Assets, liabilities, deferred inflows of resources, and net position or equity:

Bank deposits - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

Investments - Investments are reported at fair value.

Receivables - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded, as the Township considers all receivables to be fully collectible.

Prepaid items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, liabilities, deferred inflows of resources, and net position or equity (continued):

Capital assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the Township as assets with an initial, individual cost of greater than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning January 1, 2004.

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

Land improvements15 - 30 yearsBuildings and improvements15 - 60 yearsEquipment3 - 7 yearsInfrastructure10 - 50 years

Unearned revenue - Unearned revenue represents resources related to operating assessments which have not yet been earned, due to performance of service.

Deferred inflows of resources - The statement of net position and the governmental funds balance sheet include a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The related revenues will not be recognized until a future event occurs. Included in this category are property taxes and special assessments revenues. Property tax revenue and special assessment, which are levied to finance the following period's budget, is deferred and recognized as an inflow of resources in the period that it was intended to finance. Special assessment revenues, which are not available (collected later than 60 days after the end of the Township's fiscal year) are deferred in the governmental funds and recognized as an inflow of resources in the period that the revenues become available,

Net position - Net position represents the difference between assets, and liabilities and deferred inflows of resources. The Township reports three categories of net position, as follows: (1) Net investment in capital assets consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets; (2) Restricted net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Township's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets; (3) Unrestricted net position consists of all other net position that does not meet the definition of the above components and is available for general use by the Township.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Assets, liabilities, deferred inflows of resources, and net position or equity (continued):

Fund equity - In the fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws and regulations of other governments. The Township Board retains the authority to assign fund balances. Unassigned fund balances are the residual classification for the General Fund. When the Township incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Township's policy to use the restricted fund balance first, followed by assigned fund balance, and, finally, unassigned fund balance.

Property tax revenue recognition - Property taxes are levied each December 1 (lien date) on the taxable valuation of property as of the preceding December 31. Property taxes are considered delinquent on March 1 of the following year, at which time interest and penalties are assessed. Although the Township's 2014 ad valorem tax was levied and collectible on December 1, 2014, it is the Township's policy to recognize revenue from that tax levy in the current year, when the proceeds are budgeted and made available for the financing of operations.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for general and special revenue funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

Excess of expenditures over appropriations - The following schedule sets forth the budget variances:

Fund	Function	 Final budget		Actual		Variance	
General Police	Public safety - inspections Capital outlay	\$ 19,360 7,500	\$	22,718 17,703	\$	3,358 10,203	

NOTE 3 - CASH AND INVESTMENTS

Cash and investments, as presented in the accompanying financial statements, consisted of the following:

	 Primary novernment overnmental activities	Ca	omponent units	Fiduciary activities	Totals
Cash Investments	\$ 10,047,694 1,071,545	\$	613,491	\$ 4,676,576 247,909	\$ 15,337,761 1,319,454
	\$ 11,119,239	\$	613,491	\$ 4,924,485	\$ 16,657,215

Deposits - Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Township's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. The Township's investment policy does not specifically address custodial credit risk for deposits. At December 31, 2015, \$13,227,645 of the Township's bank balances of \$15,977,645 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments, primary government and component unit - State statutes and the Township's investment policy authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper, with three (3) highest rate classifications by at least two (2) rating services, maturing not later than 270 days; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds, and f) investment pools organized under the local government investment pool act. The Township's investments are subject to several risks: credit risk, concentration of credit risk, interest rate risk, and custodial credit risk. The Township's investment policy does not address these risks.

The Township's investments consist of holdings in the Cooperative Liquid Assets Securities System - Michigan (CLASS), a local investment pool established under Michigan state statutes for participating Michigan municipalities The Cooperative Liquid Assets Securities System - Michigan (CLASS) is a local government investment pool established under Michigan state statutes for participating Michigan municipalities. This pool, which is a nonrisk categorized qualifying investment, is carried at cost, plus allocated earnings, which approximates fair market value. The fair value of the Township's position in the pool is the same as the value of its pool shares. The fund is rated AAAm by Standard and Poor's; it is not subject to regulatory oversight; the pool issues a separate report, which is available at 15309 Meadowwood Drive, Grand Haven, Michigan, 49417.

Investments, retiree health plan - The investments of the Township's other postemployment benefit (OPEB) trust fund are maintained separately from the Township's pooled cash and investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the OPEB trust fund investments are presented separately.

NOTE 3 - CASH AND INVESTMENTS (Continued)

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the other postemployment benefit trust to invest in stocks, governmental and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitation. The Township Board has the responsibility and authority to oversee the investment portfolio. The Township has contracted the Municipal Employees' Retirement System of Michigan (MERS) to assist in managing the OPEB trust fund's assets. The investments are held by MERS, within its Retiree Health Funding Vehicle (RHFV), an employer savings trust that allows employers to advance fund their retiree healthcare liability. As a governmental plan, MERS is exempted by state and federal law from registration with the SEC. The funds held consist of portfolios of assets, in separate accounts, in a collective trust. Specific fund holdings at December 31, 2015, consisted of the following (measured at fair value):

MERS Total Market Portfolio	\$ 124,971
MERS Est Market Portfolio	 122,938
	\$ 247,909

Custodial credit risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. State statutes and the Township's OPEB investment policy require that investment securities be held in trust by a third-party institution, in the name of the benefit trust. The RHFV fund holdings are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical form.

Credit risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in mutual funds and qualified investment pools, including those within the RHFV, are not considered to have credit risk.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributable to the magnitude of the Township's investment in a single holding. The Township's OPEB investment policy places no limitations on the amount that can be invested in any one issuer.

Interest rate risk. Interest rate risk is the risk that the value of an investment will decrease as a result of an increase in market interest rates. Generally, longer investment maturities generate more sensitivity to changes in an investment's fair value due to changes in market interest rates. The Township's OPEB investment policy has no specific limitations with respect to maturities of investments. The RHFV holdings have no maturities.

NOTE 4 - RECEIVABLES

Receivables as of December 31, 2015, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

Primary government:										
Governmental:										
General	\$	481,841	\$	189,669	\$	25,880	\$	283,838	\$	981,228
Fire		-		-		953,764		-		953,764
Police		-		-		509,162		-		509,162
General Sewer		-		-		196,249		8,110		204,359
Nonmajor funds			_			90,327		170,521		260,848
Total governmental funds	\$	481,841	\$	189,669	\$	1,775,382	\$	462,469	\$	2,909,361
Noncurrent portion	\$		\$		\$	217,703	\$		\$	217,703
Component units:										
Downtown Development										
Authority	\$	37,123	\$	-	\$	-	\$	42,968	\$	80,091
South Drake Road Corridor										
Improvement Authority		3,687								3,687
Takal as as a sak a sakta	\$	40,810	\$		ć		ć	42,968	Ļ	83,778
Total component units	Ş	40,810	Ş		ې		γ	42,908	Ş	05,778

All receivables are considered fully collectible.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY FOUNDATION

The amount shown as beneficial interest in assets held by foundation represents monies placed with the Kalamazoo Community Foundation (the Foundation) by the Township, specifying itself as the beneficiary. The Foundation maintains variance power and legal ownership of such funds and, as such, continues to report the funds as assets of the Foundation, with a corresponding liability, the agency endowment fund. The Township reports this asset at the present value of future payments expected to be received.

The Foundation also holds monies, placed by donors for the benefit of the Township's parks and recreation activities, to generate investment return that, based on the Foundation's spending guidelines, can be made available to the Township. Such monies are not considered assets of the Township. At December 31, 2015, the Foundation held \$253,477 in this account.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning balance			Increases		Decreases		Ending balance	
Primary government:	_	Bararree		mereases		Jeereuses		Barance	
Governmental activities:									
Capital assets not being depreciated -									
land	\$	576,742	\$	_	\$	_	\$	576,742	
iana	<u>~</u>	370,712	<u> </u>		<u>~</u>		<u>~</u>	370,712	
Capital assets being depreciated:									
Buildings and improvements		6,871,773		473,274		-		7,345,047	
Equipment		1,465,375		125,187		-		1,590,562	
Vehicles		2,708,955		161,697		(28,000)		2,842,652	
Infrastructure		10,839,519		155,652				10,995,171	
Subtotal		21,885,622		915,810		(28,000)		22,773,432	
Less accumulated depreciation for:									
Buildings and improvements		(2,300,458)		(137,717)		-		(2,438,175)	
Equipment		(913,225)		(162,097)		-		(1,075,322)	
Vehicles		(1,083,230)		(139,273)		28,000		(1,194,503)	
Infrastructure		(1,494,582)		(318,893)				(1,813,475)	
Subtotal		(5,791,495)		(757,980)		28,000		(6,521,475)	
Total capital assets being									
depreciated, net		16,094,127	_	157,830			_	16,251,957	
Governmental activities capital assets, net	¢	16,670,869	\$	157,830	\$	_	¢	16,828,699	
Governmental activities capital assets, flet	<u>~</u>	10,070,009	7	137,030	<u>~</u>		7	10,020,033	
Component unit - DDA:									
Capital assets not being depreciated -									
land	\$	293,595	\$	31,968	\$	_	\$	325,563	
idild	<u>-</u>		<u>-</u>	,	<u>-</u>		<u>-</u>	,	

From time to time, the Township records capitalizable costs, as part of current expenditure functions, for purposes of administrative control. In 2015, capitalizable costs of the primary government of \$124,972 were reported within the public works function in the statement of revenues, expenditures, and changes in fund balance - governmental funds (page 14).

Depreciation expense was charged to governmental activities functions as follows:

General government	\$ 112,146
Public safety	266,439
Public works	292,567
Culture and recreation	 86,828
Total	\$ 757,980

NOTE 7 - PAYABLES

Payables as of December 31, 2015, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

Fund	Accounts	Accrued liabilities	Retentions payable	Deposits	Totals
Primary government:					
Governmental:	ć 454.22C	¢ 20.000	ć	ć 07.534	ć 201 FFC
General		. ,	\$ -	\$ 97,524	\$ 291,556
Fire	76,162	28,721	-	-	104,883
Police	100	487	-	-	587
General Sewer	9,399	-	-	-	9,399
Other governmental funds	19,352	1,110	9,922		30,384
Total governmental funds	\$ 259,349	\$ 70,014	\$ 9,922	\$ 97,524	\$ 436,809
Component unit:					
Downtown Development Authority	\$ 100	\$ -	\$ -	\$ -	\$ 100

NOTE 8 - LONG-TERM OBLIGATIONS

Long-term obligation activity (excluding postemployment benefits other than pensions) for the year ended December 31, 2015, was as follows:

	eginning alance	_A	dditions	R	eductions	Ending palance	d	Amounts ue within one year
Governmental activities:								
Compensated absences	\$ 35,150	\$	101,222	\$	(102,222)	\$ 34,150	\$	-
Land contract payable	 35,000	_	-		(35,000)	 -		-
Total long-term obligations	\$ 70,150	\$	101,222	\$	(137,222)	\$ 34,150	\$	-

The 2012 land contract was payable in three annual payments of \$35,000, at zero interest; final payment was made in June 2015.

NOTE 9 - PROPERTY TAXES

The 2014 taxable valuation of the Township approximated \$719,781,000, on which ad valorem taxes levied consisted of 0.9765 mills for operating purposes, raising approximately \$699,000. This amount is recognized in the General Fund financial statements as property tax revenue.

The 2015 taxable valuation of the Township approximated \$741,032,000, on which ad valorem taxes levied consisted of 0.9765 mills for operating purposes, raising approximately \$724,000. This amount is recognized in the General Fund financial statements as deferred inflows, based upon the period for which the proceeds are budgeted and will be made available for the financing of operations.

NOTE 10 - DEFINED CONTRIBUTION AND MONEY PURCHASE PLAN

The Township and its employees contribute to the Township of Oshtemo Group Pension Plan, a defined contribution pension plan, which is administered by a third party administrator. The plan covers three classes of employees, as allowed under Internal Revenue Code Section 401(a). The first class of employees includes voluntary firefighters, the second class of employees includes all full-time or part-time employees, and the third class of employees includes elected officials.

Benefit terms, including contribution requirements, for the Plan are established, and may be amended, by the Township Board. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate as described above. The Township contributes 10% of covered payroll to the first class of qualifying employees. The Township contributes 4% of covered payroll to the second and third classes of qualifying employees. Employees are permitted to make contributions to the Plan, up to applicable Internal Revenue Code limits, and the Township also matches voluntary contributions made by officials, full-time employees, and permanent part-time employees, up to a limit of 4%. For the year ended December 31, 2015, the Township made the required and matching contribution of \$180,239 and eligible employees made contributions of \$54,820. At December 31, 2015, the Township reported an accrued liability of \$43,215 as part of the contributions to the plan.

The Township's contributions for each firefighter (and investment earnings allocated to the employee's account) are fully vested immediately, while contributions for participating full-time employees and officials are fully vested after two years of continuous service.

The Township is not a trustee of the defined contribution pension plan, nor is the Township responsible for investment management of the pension plan assets. Accordingly, plan assets, and changes therein, are not reported in these financial statements.

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN

Plan description:

The Township administers a single-employer defined benefit healthcare plan, which only covers retired members. The plan provides lifetime healthcare insurance for eligible retirees and their spouses for the life of the retiree. Plan expenses consist of reimbursement of individual policy premiums. Five individuals are eligible for post-employment health benefits under the current plan. The retiree health plan does not issue a publicly available financial report.

Funding policy:

The Township has the authority to establish the funding policy and to amend the obligations of both the Township and members.

For the year ended December 31, 2015, the Township contributed \$6,448 to the plan; no retiree contributions to fund future benefits were required.

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Annual OPEB cost and net OPEB obligation:

Through December 31, 2015, the Township's annual other postemployment benefit (OPEB) cost (expense) was calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, was projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following schedule shows the components of the Township's annual OPEB cost for the year ended December 31, 2015, the amount actually contributed to the plan, and changes in the Township's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$ -
Interest on net OPEB obligation	6,049
ARC adjustment	 399
Net OPEB cost (benefit)	6,448
Contributions made	 (6,448)
Change in net OPEB obligation	-
Net OPEB obligation (asset) - beginning of year	
Net OPEB obligation (asset) - end of year	\$ -

The annual required contribution adjustment reflects the elimination of normal costs related to ongoing employment, unfunded actuarial liabilities, and projected future cost increases, as a result of the provisions of the Township's 2015 health insurance plan ordinance.

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 through 2015 were as follows:

	Annual		Percentage	Λ	Net OPEB			
	OPEB cost		of annual OPEB	ol	bligation			
Period	cost (benefit)		cost contributed		(asset)			
2013	\$	7,375	279.9%	\$	(28,018)			
2014		110,602	74.7%		-			
2015		6,448	100.0%		-			

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Funded status and funding progress:

The funded status of the plan for the most recent actuarial valuation date is as follows:

Valuation date, December	(actuarial accrued pility (AAL)		Market value of assets	(L	funded AAL JAAL)	Funde ratio	
2015	\$	(a) 140,786	<u> </u>	(b) 140,786	(\$	<u>'a-b)</u> -	<u>(b/a)</u> 1	100%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

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

Actuarial methods and assumptions:

The following simplifying assumptions were made:

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the Social Security Administration 2007 Period Actuarial Life Table.

Healthcare cost trend rate - The cost of benefits has been set at a maximum dollar amount of \$3,300 annually, per participant.

In the December 31, 2015, actuarial valuation, the GASB No. 45 alternative actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date.

NOTE 12 - DEFINED CONTRIBUTION POSTEMPLOYMENT HEALTHCARE SAVINGS PLAN

The Township established a non-contributory defined contribution plan (Retiree Health Care Defined Contribution Plan) in 2013 through which it provides retiree health insurance benefits to its employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Eligible current employees began participating on the date the plan started and were given credit for each year employed by the Township since 2000 (up to 12 years), the date retiree healthcare benefits were initially provided by the Township. The plan covers all full-time employees. The plan is administered by MERS.

The Township contributed \$56,000 to the plan to fund the current year's contribution for employees in 2015. All of the Township's contributions for participating full-time employees and officials (and interest allocated to the participants' accounts) are fully vested immediately.

NOTE 13 - INTERFUND BALANCES AND TRANSFERS

At the end of the fiscal year, the Park Fund owes the General Fund \$9,143. The balance represents temporary cash flow assistance.

A summary of interfund transfers for the year ended December 31, 2015, is as follows:

Fund	Tro	ansfers in	Fund	Transfers out
Police	\$	99,650	General	\$ 944,650
Fire		6,000		
General Sewer		600,000		
Parks		239,000		
Total	\$	944,650		

The transfers to the Police, Parks, Fire, and General Sewer funds represent operating transfers to cover costs associated with police and fire protection, parks acquisitions and improvements, and sewer improvements in those funds.

NOTE 14 - JOINT VENTURE

The Township is a member of the Kalamazoo Area Building Authority (the Authority), which is a joint venture of the Charter Townships of Comstock, Kalamazoo, Oshtemo, and Cooper. The administrative board of the Authority consists of members appointed by each participating unit and a member at-large. The Authority was established to administer and enforce the Michigan State Construction Code within its constituent municipalities. The Township of Oshtemo advanced \$68,000 (non-interest bearing) as its proportionate share of the Authority's initial startup costs. As of the year ended December 31, 2015, \$5,737 of the advance is due to the Township from the Authority, subject to the Authority's cash requirements. The Authority also owed the Township \$16,380 at year end for the reimbursement of professional fees. Complete audited financial statements for the Authority can be obtained by contacting the Authority at P.O. Box 292, Oshtemo, MI 49077.

The Township does not expect to receive residual equity from the joint venture. The Township is unaware of any indication that the joint venture is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit or burden on the Township in the near future.

NOTE 15 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The risks of loss arising from general liability, property and casualty, and workers' compensation are managed through purchased commercial insurance. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Township has been named in various litigation and claims during the year. Management and the Township's legal advisors do not believe that any known circumstances or ongoing claims will result in significant financial losses for the Township.

NOTE 16 - CONTINGENCIES

The Township has indicated there is potential to continue expansion of water service to additional township residents due to the previously closed KL Landfill. The Landfill has been capped and per prior judgments, outside entities have been named to be responsible for any clean-up related to the Landfill. However, the Township could have continued expenses in the future to install water service to its residents that are not already connected to the Township water lines. As of the date of the audit, expansion discussions are ongoing and likely, but no actual costs have been estimated.

NOTE 17 - PENDING ACCOUNTING PRONOUNCEMENT

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost, for financial reporting purposes. If an external investment pool meets the criteria, the pool's participants also should measure their investments in that external investment pool at amortized cost. This Statement also establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost and for governments that participate in those pools. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015. The Township is currently evaluating the impact this Statement will have on the financial statements when adopted during the year ending December 31, 2016.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement 77, Tax Abatement Disclosures. This Statement requires disclosure of tax abatement information about (1) the Township's own tax abatement agreements and (2) those that are entered into by other governments which reduce the Township's tax revenues. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The Township is currently evaluating the impact this Statement will have on the financial statements when adopted during the year ending December 31, 2016.

NOTE 18 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2016 the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

REVENUES Taxes \$ 709,908 \$ 706,408 \$ 698,693 \$ (7,715) Licenses and permits 227,700 233,200 237,705 4,505 State grants 1,798,341 1,798,341 1,699,621 (98,720) Charges for services 35,735 40,235 98,673 58,438 Interest and rentals 6,800 6,800 8,465 1,665 Other 177,527 209,187 169,862 (39,325) Total revenues 2,956,011 2,994,171 2,913,019 (81,152) EXPENDITURES General government: Legislative 30,700 30,700 23,468 7,232 Supervisor 137,300 137,300 112,763 24,537 Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800		Original budget	Final budget	Actual	Variance with final budget positive (negative)
Licenses and permits 227,700 233,200 237,705 4,505 State grants 1,798,341 1,798,341 1,699,621 (98,720) Charges for services 35,735 40,235 98,673 58,438 Interest and rentals 6,800 6,800 8,465 1,665 Other 177,527 209,187 169,862 (39,325) Total revenues 2,956,011 2,994,171 2,913,019 (81,152) EXPENDITURES General government: Legislative 30,700 30,700 23,468 7,232 Supervisor 137,300 137,300 112,763 24,537 Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 <		ć 7 00.000	ć 7 06 400	ć 600.602	ć (7.74F)
State grants 1,798,341 1,798,341 1,699,621 (98,720) Charges for services 35,735 40,235 98,673 58,438 Interest and rentals 6,800 6,800 8,465 1,665 Other 177,527 209,187 169,862 (39,325) Total revenues 2,956,011 2,994,171 2,913,019 (81,152) EXPENDITURES General government: Legislative 30,700 30,700 23,468 7,232 Supervisor 137,300 137,300 112,763 24,537 Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 General operations 602,610 610,300 544,064 <t< td=""><td></td><td></td><td></td><td>•</td><td></td></t<>				•	
Charges for services 35,735 40,235 98,673 58,438 Interest and rentals 6,800 6,800 8,465 1,665 Other 177,527 209,187 169,862 (39,325) EXPENDITURES Ceneral government: Legislative 30,700 30,700 23,468 7,232 Supervisor 137,300 137,300 112,763 24,537 Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Public safety - inspections 4,800 19,360 22,718 (3,358)		•	•	•	
Interest and rentals	_				
Other 177,527 209,187 169,862 (39,325) Total revenues 2,956,011 2,994,171 2,913,019 (81,152) EXPENDITURES General government: 30,700 30,700 23,468 7,232 Supervisor 137,300 137,300 112,763 24,537 Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public works: Highways and streets 200,000 200,000 124,972 <td>_</td> <td></td> <td></td> <td></td> <td></td>	_				
EXPENDITURES Z,956,011 2,994,171 2,913,019 (81,152) EXPENDITURES General government: Uegislative 30,700 30,700 23,468 7,232 Supervisor 137,300 137,300 112,763 24,537 Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public works: Highways and streets 200,000 20,000 124,972 75,028 Street lights 139,075 </td <td></td> <td>•</td> <td>•</td> <td>•</td> <td></td>		•	•	•	
EXPENDITURES General government: Legislative 30,700 30,700 23,468 7,232 Supervisor 137,300 137,300 112,763 24,537 Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256	Other	1/7,52/	209,187	169,862	(39,325)
General government: Legislative 30,700 30,700 23,468 7,232 Supervisor 137,300 137,300 112,763 24,537 Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000	Total revenues	2,956,011	2,994,171	2,913,019	(81,152)
Legislative 30,700 30,700 23,468 7,232 Supervisor 137,300 137,300 112,763 24,537 Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461	EXPENDITURES				
Supervisor 137,300 137,300 112,763 24,537 Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) </td <td>General government:</td> <td></td> <td></td> <td></td> <td></td>	General government:				
Elections 2,500 2,500 1,401 1,099 Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Community and economic development	Legislative	30,700	30,700	23,468	7,232
Assessor 195,500 197,500 235,748 (38,248) Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256	Supervisor	137,300	137,300	112,763	24,537
Clerk 122,800 130,800 145,938 (15,138) Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256	Elections	2,500	2,500	1,401	1,099
Treasurer 97,800 97,800 91,401 6,399 Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256 Community and economic development	Assessor	195,500	197,500	235,748	(38,248)
Professional services 251,750 251,750 181,402 70,348 Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256	Clerk	122,800	130,800	145,938	(15,138)
Cemetery, buildings, and grounds 93,900 98,500 78,718 19,782 General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256 Community and economic development	Treasurer	97,800	97,800	91,401	6,399
General operations 602,610 610,300 544,064 66,236 Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256 Community and economic development	Professional services	251,750	251,750	181,402	70,348
Total general government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256 Community and economic development	Cemetery, buildings, and grounds	93,900	98,500	78,718	19,782
government 1,534,860 1,557,150 1,414,903 142,247 Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256 Community and economic development	General operations	602,610	610,300	544,064	66,236
Public safety - inspections 4,800 19,360 22,718 (3,358) Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256	Total general				
Public works: Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256 Community and economic development	government	1,534,860	1,557,150	1,414,903	142,247
Highways and streets 200,000 200,000 124,972 75,028 Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256 Community and economic development	Public safety - inspections	4,800	19,360	22,718	(3,358)
Street lights 139,075 139,075 125,614 13,461 Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256 Community and economic development	Public works:				
Waste collection 42,000 48,000 51,233 (3,233) Total public works 381,075 387,075 301,819 85,256 Community and economic development	Highways and streets	200,000	200,000	124,972	75,028
Total public works 381,075 387,075 301,819 85,256 Community and economic development	Street lights	139,075	139,075	125,614	13,461
Community and economic development	Waste collection	42,000	48,000	51,233	(3,233)
,	Total public works	381,075	387,075	301,819	85,256
,	Community and economic development				
	·	215,467	220,967	203,824	17,143

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended December 31, 2015

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
EXPENDITURES (Continued)				
Capital outlay	\$ 1,517,909	\$ 1,578,409	\$ 288,286	\$ 1,290,123
Total expenditures	3,654,111	3,762,961	2,231,550	1,531,411
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(698,100)	(768,790)	681,469	1,450,259
OTHER FINANCING USES Operating transfers out:				
Police Fund	(36,900)	(99,650)	(99,650)	-
Fire Fund	(6,000)	(6,000)	(6,000)	-
General Sewer Fund	(600,000)	(600,000)	(600,000)	-
Parks Fund	(147,000)	(239,000)	(239,000)	
Total other financing				
uses	(789,900)	(944,650)	(944,650)	
NET CHANGES IN FUND BALANCES	(1,488,000)	(1,713,440)	(263,181)	1,450,259
FUND BALANCES - BEGINNING	4,965,237	4,965,237	4,965,237	
FUND BALANCES - ENDING	\$ 3,477,237	\$ 3,251,797	\$ 4,702,056	\$ 1,450,259

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
REVENUES				
Federal grant	\$ -	\$ -	\$ 38,156	\$ 38,156
Charges for services	3,700	3,700	10,342	6,642
Interest	1,500	1,500	4,473	2,973
Other:				
Special assessments	1,730,212	1,720,412	1,703,619	(16,793)
Miscellaneous	-	-	7,640	7,640
Total revenues	1,735,412	1,725,612	1,764,230	38,618
			·	· · · · · · · · · · · · · · · · · · ·
EXPENDITURES				
Public safety	1,552,243	1,542,738	1,483,664	59,074
Capital outlay	262,550	315,075	276,871	38,204
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Total expenditures	1,814,793	1,857,813	1,760,535	97,278
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(79,381)	(132,201)	3,695	135,896
OTHER FINANCING SOURCES				
Operating transfers in - General Fund	6,000	6,000	6,000	
NET CHANGES IN FUND BALANCES	(73,381)	(126,201)	9,695	135,896
FUND BALANCES - BEGINNING	1,818,719	1,818,719	1,818,719	
		_		
FUND BALANCES - ENDING	\$ 1,745,338	\$ 1,692,518	\$ 1,828,414	\$ 135,896

	Original budget	_	Final budget	Actual	fi	nriance with nal budget positive (negative)
REVENUES						
Charges for services	\$ 14,000	\$	14,000	\$ 19,760	\$	5,760
Fines and forfeitures	70,000		70,000	61,319		(8,681)
Interest and rentals	600		600	1,518		918
Other - special assessments	 700,404		700,404	 701,086		682
Total revenues	 785,004		785,004	 783,683		(1,321)
EXPENDITURES						
Public safety:						
Administration	35,100		39,600	54,124		(14,524)
Police protection	847,653		903,403	884,088		19,315
Ordinance enforcement and	05.000		05.000	62.542		22.257
parking violations	 95,900		95,900	 63,543		32,357
Total public safety	978,653		1,038,903	1,001,755		37,148
Capital outlay	 5,000		7,500	 17,703		(10,203)
Total expenditures	 983,653		1,046,403	 1,019,458		26,945
DEFICIENCY OF REVENUES OVER EXPENDITURES	(198,649)		(261,399)	(235,775)		25,624
OTHER FINANCING SOURCES						
Operating transfers in - General Fund	 36,900	_	99,650	 99,650		-
NET CHANGES IN FUND BALANCES	(161,749)		(161,749)	(136,125)		25,624
FUND BALANCES - BEGINNING	 630,402		630,402	 630,402		
FUND BALANCES - ENDING	\$ 468,653	\$	468,653	\$ 494,277	\$	25,624

Charter Township of Oshtemo

SCHEDULE OF FUNDING PROGRESS FOR THE POSTEMPLOYMENT HEALTHCARE PLAN

Year ended December 31, 2015

Valuation date, December 31,	(actuarial accrued oility (AAL) (a)	١	Market value of assets (b)	 Infunded AAL (UAAL) (a-b)	Funded ratio (b/a)	Covered payroll (c)	UAAL as a percentage of covered payroll ((a-b)/c)
2010	\$	991,003	\$	252,116	\$ 738,887	25%	\$ 1,152,923	64%
2012		203,900		203,669	231	100%	N/A	N/A
2013		192,256		220,274	(28,018)	115%	N/A	N/A
2014		151,237		151,237	-	100%	N/A	N/A
2015		140,786		140,786	-	100%	N/A	N/A

Notes to schedule:

The actuarial liability for 2010 includes adjustments to reflect the coordination of plan benefits with Medicare supplement insurance and an increase in certain retiree contributions.

The actuarial liability for 2013 includes adjustments to reflect changes in the plan to exclude current employees and the limitation of retiree benefits to a defined amount.

SUPPLEMENTARY INFORMATION

		Parks	General Water	Totals
ASSETS	_			4
Cash	\$	-	\$ 1,087,474	\$ 1,087,474
Beneficial interest of assets held at foundation		28,826	-	28,826
Receivables		144,893	115,955	260,848
Total assets	\$	173,719	\$ 1,203,429	\$ 1,377,148
LIABILITIES, DEFERRED INFLOWS OF RESOURCES,				
AND FUND BALANCES				
Liabilities:				
Accounts payable	\$	30,284	\$ 100	\$ 30,384
Due to other funds		9,143		9,143
Total liabilities		39,427	100	39,527
Deferred inflows of resources:				
Unavailable special assessment revenues		-	84,584	84,584
Unavailable grant revenues		114,893		114,893
Total deferred inflows of resources		114,893	84,584	199,477
Fund balances:				
Assigned for public works		-	1,118,745	1,118,745
Assigned for culture and recreation		19,399		19,399
Total fund balances		19,399	1,118,745	1,138,144
Total liabilities, deferred inflows of				
resources, and fund balances	\$	173,719	\$ 1,203,429	\$ 1,377,148

Charter Township of Oshtemo

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - nonmajor governmental funds

Year ended December 31, 2015

	General Parks Water			Totals		
REVENUES						
State grants	\$	217,244	\$	-	\$	217,244
Charges for services		-		236,803		236,803
Interest and rentals		26,708		6,397		33,105
Other		12,440		48,530		60,970
Total revenues		256,392		291,730		548,122
EXPENDITURES						
Current:						
Public works		-		107,178		107,178
Culture and recreation		137,314		-		137,314
Capital outlay		305,229		-		305,229
Debt service		35,000				35,000
Total expenditures		477,543		107,178		584,721
EXCESS OF REVENUES OVER EXPENDITURES		(221,151)		184,552		(36,599)
OTHER FINANCING SOURCES						
Operating transfers in - General Fund		239,000		-		239,000
NET CHANGES IN FUND BALANCES		17,849		184,552		202,401
FUND BALANCES - BEGINNING		1,550		934,193		935,743
FUND BALANCES - ENDING	\$	19,399	\$	1,118,745	\$	1,138,144

BALANCE SHEET - component units

December 31, 2015

	Dev	wntown elopment ıthority	South Drake Road Corridor Improvement Authority		
ASSETS					
Cash	\$	604,344	\$	9,147	
Receivables		80,091		3,687	
Total assets	\$	684,435	\$	12,834	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES Liabilities - payables	\$	100	\$	-	
Deferred inflows of resources - property tax revenues levied for the subsequent year		50,528		4,278	
Fund balance - unassigned		633,807		8,556	
Total liabilities, deferred inflows of resources, and fund balances	\$	684,435	\$	12,834	
Reconciliation of the balance sheet to the statement of net position:					
Total fund balances - component units	\$	633,807	\$	8,556	
Amounts reported for the <i>component units</i> in the statement of net position (page 11) are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		325,563			
Net position of component units	\$	959,370	\$	8,556	

Charter Township of Oshtemo

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - component units

Year ended December 31, 2015

	Dev	owntown relopment uthority	Road Impr	th Drake Corridor ovement thority
REVENUES Property taxes	\$	120,661	\$	8,556
Interest		1,202		
Total revenues		121,863		8,556
EXPENDITURES				
Current - public works		39,795		-
Capital outlay		3,701		
Total expenditures		43,496		
NET CHANGES IN FUND BALANCES		78,367		8,556
FUND BALANCES - BEGINNING		555,440		
FUND BALANCES - ENDING	\$	633,807	\$	8,556
Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:				
Net changes in fund balances - component units	\$	78,367	\$	8,556
Amounts reported for the <i>component units</i> in the statement of activities (page 12) are different because:				
Capital assets - acquisitions		31,968		
Changes in net position of component units	\$	110,335	\$	8,556

		Original budget		Final budget	 Actual	ariance with iinal budget positive (negative)
REVENUES		72.007		72.007	120.551	46.664
Property taxes		\$ 73,997	\$	73,997	\$ 120,661	\$ 46,664
Interest		 300		300	 1,202	 902
	Total revenues	 74,297		74,297	 121,863	 47,566
EXPENDITURES						
Public works		54,297		54,297	39,795	14,502
Capital outlay		 20,000	_	20,000	3,701	 16,299
	Total expenditures	 74,297		74,297	 43,496	 30,801
NET CHANGES IN	N FUND BALANCES	-		-	78,367	78,367
FUND BALANCES	S - BEGINNING	 555,440		555,440	 555,440	
FUND BALANCES	S - ENDING	\$ 555,440	\$	555,440	\$ 633,807	\$ 78,367

Charter Township of Oshtemo Kalamazoo County, Michigan

FINANCIAL STATEMENTS

Year ended December 31, 2016

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INDEPENDENT AUDITORS' REPORT

Members of the Township Board Charter Township of Oshtemo, Kalamazoo County, Michigan

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Charter Township of Oshtemo (the Township) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Township'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.

Auditors' 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 Township'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 Township'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress for the postemployment healthcare plan on pages 5 through 10 and 32 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Seber Tans, PLC

Seber Tans, PLC Kalamazoo, Michigan June 23, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Charter Township of Oshtemo's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended December 31, 2016. Please read it in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased by \$152,322 (less than 1 percent) as a result of this year's activities.
- Of the \$26,587,362 total net position reported, \$6,263,036 (24 percent) is available to be used to meet future operating and capital improvement needs, without constraints established by debt covenants, enabling legislation, or other legal requirements. Please refer to the Township's CIP Plan for intended use of unrestricted net position.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$1,786,944, which represents 60 percent of the actual total General Fund expenditures for the current fiscal year.

Overview of the financial statements

The Township's annual report is comprised of four parts: management's discussion and analysis, the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds and statements for component units. The basic financial statements include two kinds of statements that present different views of the Township:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Township's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Township government, reporting the Township's operations in more detail than the government-wide financial statements.
 - Governmental funds statements explain how general government services, like public safety and public works, were financed in the short-term, as well as what remains for future spending.
 - Fiduciary funds statements provide information about the financial relationships in which the Township acts solely as an agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information and other supplementary information that further explain and support the information in the financial statements.

A comparative analysis of the government-wide financial statements for 2016 and 2015 is also presented.

Government-wide financial statements

The government-wide financial statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Township's assets, and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Township's net position and how it has changed. Net position (the difference between the Township's assets, and liabilities and deferred inflows of resources) is one way to measure the Township's financial health, or position.

- Over time, increases or decreases in the Township's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Township, you need to consider additional nonfinancial factors, such as changes in the Township's property tax base and the condition of the Township's capital assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The government-wide financial statements are divided into two categories:

- Governmental activities Most of the Township's basic services are included here, such as police, fire, and general government activities. Property taxes, assessments, and state grants finance most of these activities.
- Component units The Township includes two other entities in its report the Downtown Development Authority and the South Drake Road Corridor Improvement Authority. Although legally separate, these "component units" are important because the Township is financially accountable for both Authorities.

Fund financial statements

The fund financial statements provide more detailed information about the Township's most significant funds - not the Township as a whole. Funds are accounting devices that the Township uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law.
- The Township Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain other revenues.

The Township has two types of funds:

- Governmental funds. Most of the Township's basic services are included in its governmental funds, which focus on (1) how cash, and other financial assets that can be readily converted to cash, flows in and out, and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information that explains the relationship between them.
- Fiduciary funds. These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net position

Total net position at the end of the fiscal year was \$26,587,362. Of this total, \$18,096,139 is invested in capital assets, \$2,228,187 is restricted for public safety, and \$6,263,036 is unrestricted.

Condensed financial information Net position

	Governmental activities				
	2016	2015			
Current and other assets Capital assets	\$ 12,973,813 	\$ 14,057,426 16,272,136			
Total assets	31,069,952	30,329,562			
Current and other liabilities	773,512	681,098			
Deferred inflows of resources	3,709,078	3,213,424			
Net position: Net investment in capital assets Restricted Unrestricted	18,096,139 2,228,187 6,263,036	16,262,214 2,313,328 7,859,498			
Total net position	\$ 26,587,362	\$ 26,435,040			

The 2015 column presents restated amounts for capital assets and the related net position, investment in capital assets, as a result of a prior period adjustment recorded in 2016. Both amounts were reduced by \$556,563, for the effect of correcting the method of accounting used for intangible capital assets. The 2015 column also presents restated amounts for understated accounts payable in the amount of \$69,079.

Changes in net position

The Township's total revenues were \$6,305,931. For 2016, charges for services were 56 percent of the Township's revenues, 28 percent comes from state grants, and 11 percent comes from property taxes.

The total cost of the Township's programs and services was \$6,428,629. Approximately 52 percent of the Township's costs are related to public safety activities, general government is 27 percent, and public works is 13 percent of expenses.

Condensed financial information Changes in net position

Changes in nee positio		Governmental activiti		
		2016	_	2015
Program revenues:				
Charges for services	\$	3,502,486	\$	3,247,635
Operating grants		16,091		11,261
Capital grants		153,123		440,735
General revenues:				
Property taxes		711,510		698,693
State grants		1,730,658		1,905,604
Franchise fees		131,298		169,577
Investment income	_	60,765	_	25,495
Total revenues		6,305,931		6,499,000
Expenses:				
General government		1,718,321		1,537,806
Public safety		3,351,788		2,858,129
Public works		810,887		721,728
Community and economic development		275,949		203,724
Culture and recreation	_	271,684		237,174
Total expenses		6,428,629		5,558,561
Special item	_	275,020	_	-
Changes in net position	<u>\$</u>	152,322	<u>\$</u>	940,439
Net position, end of year	\$	26,587,362	<u>\$</u>	26,435,040

Governmental activities

The net position increased \$152,322 for 2016 compared to a \$940,439 increase in the prior year. The decrease can be attributed to a decrease in revenue, primarily due to a reduction in capital grants of \$287,612 and an increase in all expenses during the current fiscal year.

The total cost of governmental activities this year was \$6,428,629. After subtracting the direct charges to those who directly benefited from the programs (\$3,502,486) and operating and capital grants (\$169,214), the "public benefit" portion covered by taxes, state revenue sharing, and other general revenues was \$2,756,929.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

Governmental funds

As of the end of the current year, the Township's governmental funds reported combined ending fund balances of \$8,273,328, a decrease of \$1,526,417 from last year.

The General Fund is the primary operating fund of the Township. Its fund balance increased by \$146,286 during the year, as revenues of \$3,346,020 were more than current expenditures of \$2,973,734 and transfers to other funds of \$226,000. The fund balance was \$4,779,263 at the end of the year.

The Fire Fund experienced a decrease in fund balance of \$85,696 for 2016, as revenues of \$1,838,343 and a transfer from the General Fund of \$6,000 were less than current expenditures of \$1,930,039. The ending fund balance was \$1,742,718.

The Police Fund experienced a \$375,682 decrease in fund balance, which reflects police service expenditures of \$1,206,417 that were more than revenues of \$810,735 and a transfer of \$20,000 from the General Fund. The fund balance at the end of the year was \$118,595.

The General Sewer Fund experienced a \$1,459,379 decrease in fund balance for 2016, as revenues of \$307,713, were less than current year's expenditures of \$1,767,092. The fund balance at the end of the year was \$246,554.

General Fund budgetary highlights

The Township amended the General Fund revenues and expenditures budgets for anticipated increases in both revenues and expenditures. Total revenues were \$33,143 less than anticipated, primarily due to state and federal grants being less than anticipated by nearly \$318,329 and other revenue being higher by more than \$279,680. Total expenditures were \$1,843,524 less than the amounts appropriated, primarily due to capital outlay costs that were \$1,425,440 less than projected due to projects not occurring in the current year that were planned, and general government and public works costs that were \$237,714 and \$275,667, respectively, less than expected.

These variances resulted in a positive budget variance of \$1,810,381, with a \$146,286 increase in fund balance compared to a budget that anticipated a \$1,664,095 decrease in fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Township's investment in capital assets as of December 31, 2016, was \$18,096,139 (net of accumulated depreciation). This investment includes buildings and improvements, equipment and vehicles, and sewer, and water infrastructure. The \$1,824,003 increase in the Township's investment in capital assets for the current fiscal year includes \$2,689,903 in capital asset additions, less \$865,900 in depreciation for the year.

Major capital asset additions during the current fiscal year include:

- \$2,155,049 for water and sewer infrastructure costs
- \$170,729 for a non-motorized path
- \$178,028 for a rescue trailer
- \$41,528 for fire station improvements
- \$44,418 for a new fire vehicle

More detailed information about the Township's capital assets is presented in Note 6 of the notes to the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Debt

The Township's long-term obligation consists of \$32,600 in accrued compensated absences.

More detailed information about the Township's noncurrent liabilities is presented in Note 8 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Property tax appeals and resultant reductions have continued over the past few years and are likely to be ongoing. No significant changes are planned in the types of services to be provided or in related levels of expenditures for continuing operations during the upcoming year.

CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the resources it receives. Questions regarding any information provided in this report or requests for additional financial information should be addressed to:

Libby Heiny-Cogswell, Supervisor Charter Township of Oshtemo 7275 West Main Street Oshtemo, MI 49009 Phone: (269) 375-4260

BASIC FINANCIAL STATEMENTS

	Primary	Compon	ent units
	government Governmental activities	Downtown Development Authority	South Drake Road Corridor Improvement Authority
ASSETS			
Current assets:	ć 0.000.007	¢ 670.096	¢ 20.201
Cash	\$ 8,599,087	\$ 679,986	\$ 28,201
Investments Beneficial interest of assets held at foundation	1,077,771 35,476	•	-
	3,033,285	33,728	6,664
Receivables, net	3,033,283	33,728	0,004
Total current assets	12,745,619	713,714	34,865
Noncurrent assets:			
Receivables, net	228,194	-	-
Capital assets not being depreciated	576,742	293,595	-
Capital assets, net of accumulated depreciation	17,519,397	96,020	
Total noncurrent assets	18,324,333	389,615	
Total assets	31,069,952	1,103,329	34,865
LIABILITIES			
Current liabilities:			
Payables	598,808	50	-
Unearned operating assessment revenues	142,104		7,536
Total current liabilities	740,912	50	7,536
Noncurrent liabilities - compensated absences	32,600		
Total liabilities	773,512	50	7,536
DEFERRED INFLOWS OF RESOURCES			
Property tax revenues levied for the subsequent year	728,795	45,222	-
Special assessment levied for the subsequent year	2,980,283		
Total deferred inflows of resources	3,709,078	45,222	
NET POSITION			
Net investment in capital assets	18,096,139	389,615	-
Restricted for public safety	2,228,187	-	-
Unrestricted	6,263,036	668,442	27,329
Total net position	\$ 26,587,362	\$ 1,058,057	\$ 27,329

Charter Township of Oshtemo STATEMENT OF ACTIVITIES

Year ended December 31, 2016

Net (expenses) revenues

					and c	and changes in net position	ition
						Compor	Component units
			Program revenues	les			South Drake
		Charaes for	Operating arang	Capital arants and	Governmental	Downtown Development	Road Corridor Improvement
	Expenses	services	contributions	contributions	activities	Authority	Authority
Functions/Programs							
Governmental activities:	¢ 1 718 371	\$ 247.864	, ,	•	(1 475 457)		
Octional government Public safety	3.351.788	, 2		19,			
Public works	810,887		16,091	98,468	(144,859)		
Community and economic							
development	275,949	65,311	•	1	(210,638)		
Culture and recreation	271,684	20,387		34,882	(216,415)		
Total governmental activities	6,428,629	3,502,486	16,091	153,123	(2,756,929)		
Component unite:							
Downtown Development Authority	\$ 19,244	· \$	\$ 46,045	, \$		\$ 26,801	· •
South Drake Road Corridor							
Improvement Authority	1		1	1			
Total component units	\$ 19,244	٠ •	\$ 46,045	\$		\$ 26,801	- \$
	General revenues:	nues:					
	Taxes				711,510	70,303	18,749
	State grants	ıts			1,730,658	ı	ı
	Franchise fees	fees			131,298	1.583	24
	isinesalii.						
	Tota	Total general revenues	nes		2,634,231	71,886	18,773
	Special items	- proceeds fror	Special items - proceeds from separation agreement	eement	275,020	1	1
	Changes in net position	et position			152,322	28,687	18,773
	Net position	Net position - beginning, RESTATED	ESTATED		26,435,040	959,370	8,556
	<u></u>)			- Contraction		

See notes to financial statements

Net position - ending

27,329

1,058,057 \$

26,587,362 \$

⋄

	General	Fire	Police	General Sewer	Nonmajor funds	Total governmental funds
ASSETS	ć 2.000.220	ć 2 E00 014	¢ =16.072	¢ 245.000	\$ 1,337,774	¢ 0 E00 007
Cash Investments	\$ 3,900,238 1,077,771	\$ 2,599,014	\$ 516,972	\$ 245,089	\$ 1,557,774	\$ 8,599,087 1,077,771
Beneficial interest of assets held at foundation	1,077,771	-	_	-	35,476	35,476
Receivables	1,035,028	1,077,526	845,372	187,607	115,946	3,261,479
Treative State of the State of						
Total assets	\$ 6,013,037	\$ 3,676,540	\$ 1,362,344	\$ 432,696	\$ 1,489,196	\$ 12,973,813
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Payables	\$ 362,875	\$ 120,800	\$ 76,486	\$ 21,262	\$ 17,385	•
Unearned special assessment operating revenues	142,104					142,104
Total liabilities	504,979	120,800	76,486	21,262	17,385	740,912
Deferred inflows of resources:						
Property tax revenues levied for the subsequent year	728,795	-	-	-	-	728,795
Special assessment levied for the subsequent year	-	1,813,022	1,167,263	-	-	2,980,285
Unavailable special assessment revenues	-			164,880	85,613	250,493
Total deferred inflows of resources	728,795	1,813,022	1,167,263	164,880	85,613	3,959,573
Fund balances:						
Restricted for public safety	492,869	1,742,718	_	-	_	2,235,587
Assigned for:	132,003	2,7 12,7 20				.,
Public safety	_		118,595	-	-	118,595
Public works	-	-	-	246,554	1,150,804	1,397,358
Culture and recreation	-	-	-	-	235,394	235,394
Subsequent year expenditures	2,499,450	-	-	-	-	2,499,450
Unassigned	1,786,944					1,786,944
Total fund balances	4,779,263	1,742,718	118,595	246,554	1,386,198	8,273,328
Total liabilities, deferred inflows of						
resources, and fund balances	\$ 6,013,037	\$ 3,676,540	\$ 1,362,344	\$ 432,696	\$ 1,489,196	\$ 12,973,813
Reconciliation of the balance sheet to the statement of net posit	ion:					
Total fund balance - total governmental funds						\$ 8,273,328
Amounts reported for <i>governmental activities</i> in the statement different because:	of net position	(page 11) are				
Capital assets used in <i>governmental activities</i> are not financial reare not reported in the funds.	esources and, 1	therefore,				18,096,139
Long-term liabilities that are not due and payable in the current are not reported in the funds - compensated absences.	period and, th	erefore,				(32,600)
Special assessments receivable are not available to pay for the c expenditures and, therefore, are deferred in the funds.	urrent period's	3				250,495
Net position of governmental activities						\$ 26,587,362

Charter Township of Oshtemo STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - governmental funds Year ended December 31, 2016

·	General	Fire	Police	General Sewer	Nonmajor funds	Total governmental funds
REVENUES	A =440=0				<u> </u>	ć 7 14.050
Taxes	\$ 714,059	\$ -	\$ -	\$ -	\$ -	\$ 714,059
Licenses and permits	196,609	-	-	-	-	196,609
Federal grant	-	19,773	-	-	156 470	19,773
State grants	1,746,749	-	-	-	156,478	1,903,227
Charges for services	238,112	7,262	20,152	201,172	183,366	650,064
Fines and forfeitures	· ·	-	56,287		-	56,287
Interest and rentals	11,311	5,515	1,335	12,836	34,549	65,546
Other	439,180	1,805,793	732,961	93,705	50,561	3,122,200
Total revenues	3,346,020	1,838,343	810,735	307,713	424,954	6,727,765
EXPENDITURES						
Current:						
General government	1,479,168	-	_	-	-	1,479,168
Public safety	210,923	1,546,226	1,196,327	-	_	2,953,476
Public works	654,118	1,5 10,220	2,250,527	1,767,092	203,775	2,624,985
Community and economic development	276,049	_	_	2,707,002	-	276,049
Culture and recreation	270,043		_	_	152,013	152,013
	353,476	383,813	10,090	_	21,112	768,491
Capital outlay	333,470	363,613	10,030		21,112	708,431
Total expenditures	2,973,734	1,930,039	1,206,417	1,767,092	376,900	8,254,182
EXCESS (DEFICIENCY) OF REVENUES						•
OVER EXPENDITURES	372,286	(91,696)	(395,682)	(1,459,379)	48,054	(1,526,417)
OTHER FINANCING SOURCES (USES)						
Transfers in		6,000	20,000	_	200,000	226,000
	(226,000)	0,000	20,000		200,000	(226,000)
Transfers out	(220,000)					(220,000)
Net other financing sources (uses)	(226,000)	6,000	20,000	-	200,000	-
NET CHANGES IN FUND BALANCES	146,286	(85,696)	(375,682)	(1,459,379)	248,054	(1,526,417)
FUND BALANCES - BEGINNING, RESTATED	4,632,977	1,828,414	494,277	1,705,933	1,138,144	9,799,745
FUND BALANCES - ENDING	\$ 4,779,263	\$ 1,742,718	\$ 118,595	\$ 246,554	\$ 1,386,198	\$ 8,273,328

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - governmental funds (Continued)

Year ended December 31, 2016

Reconciliation of the statement of revenues, expenditures and changes in fund balances to the statement of activities:

Net change in fund balance - total governmental funds (page 14)

(1,526,417)

Amounts reported for *governmental activities* in the statement of activities (page 12) are different because:

Capital assets:

Assets acquired Provision for depreciation 2,689,903

(865,900)

Long-term obligations:

Net change in liability for compensated absences

1,550

Changes in other assets/liabilities:

Net increase in deferred revenue

(146,814)

Change in net position of governmental activities

\$ 152,322

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

December 31, 2016

	Retiree Medical Trust Agency
ASSETS	
Cash	\$ - \$ 4,441,241
Investments	275,015
Total assets	275,015 \$ 4,441,241
LIABILITIES	
Due to others	145,098 \$ 4,441,241
NET POSITION	
Held in trust for retirees' health benefits	<u>\$ 129,917</u>

STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

December 31, 2016

	Retiree Medical
ADDITIONS Investment return	\$ 27,106
DEDUCTIONS Benefits paid	37,975
NET DECREASE	(10,869)
NET POSITION Beginning	140,786
Ending	\$ 129,917

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Charter Township of Oshtemo, Michigan (the Township), conform to accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles) as applicable to governmental units. The following is a summary of the more significant accounting policies.

Reporting entity:

As required by generally accepted accounting principles, these financial statements present the Township (the primary government, located in Kalamazoo County) and its component units described below, for which the Township is financially accountable. Active discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government.

Discretely presented component units:

Downtown Development Authority - The Authority was established pursuant to Public Act 197 of 1975, as amended, to correct and prevent deterioration and promote economic growth within the downtown district.

South Drake Road Corridor Improvement Authority - The Authority was established pursuant to Public Act 280 of 2005, as amended, to correct and prevent deterioration and promote economic growth within the corridor business district.

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 nonfiduciary activities of the Township. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement presentation (continued):

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Fund accounts for financial resources used for fire protection. Revenues are primarily derived from special assessments.

The Police Fund accounts for financial resources used for police protection. Revenues are primarily derived from special assessments.

The General Sewer Fund accounts for financial resources used for sewer facilities capital improvements and maintenance. Revenues are primarily derived from connection fees and special assessments.

The Township also reports fiduciary funds, which account for assets held by the Township as an agent for individuals, private organizations, and other governments. The Township currently reports the following fiduciary fund types:

The Agency Fund accounts for the collection and disbursement of taxes and other monies due to other units of government and individuals. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Retiree Medical Trust Fund accounts for assets held to provide medical benefits to eligible retiree participants and their dependents.

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

Assets, liabilities, deferred inflows of resources, and net position or equity:

Bank deposits - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

Investments - Investments are reported at fair value.

Receivables - In general, outstanding balances between funds are reported as "due to/from other funds." No allowance for uncollectible accounts has been recorded, as the Township considers all receivables to be fully collectible.

Prepaid items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, liabilities, deferred inflows of resources, and net position or equity (continued):

Capital assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., sewer and water systems and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of greater than \$2,000 (\$10,000 for infrastructure) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning January 1, 2004.

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

Land improvements 15 - 30 years
Buildings and improvements 15 - 60 years
Equipment 3 - 7 years
Infrastructure 10 - 50 years

Unearned revenue - Unearned revenue represents resources related to operating assessments which have not yet been earned, due to performance of service.

Deferred inflows of resources - The statement of net position and the governmental funds balance sheet include a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The related revenues will not be recognized until a future event occurs. Included in this category are property taxes and special assessments revenues. Property tax revenue and special assessment, which are levied to finance the following period's budget, is deferred and recognized as an inflow of resources in the period that it was intended to finance. Special assessment revenues, which are not available (collected later than 60 days after the end of the Township's fiscal year) are deferred in the governmental funds and recognized as an inflow of resources in the period that the revenues become available,

Net position - Net position represents the difference between assets, and liabilities and deferred inflows of resources. The Township reports three categories of net position, as follows: (1) Net investment in capital assets consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets; (2) Restricted net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations, such as federal or state laws or buyers of the Township's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets; (3) Unrestricted net position consists of all other net position that does not meet the definition of the above components and is available for general use by the Township.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Assets, liabilities, deferred inflows of resources, and net position or equity (continued):

Fund equity - In the fund financial statements, governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws and regulations of other governments. The Township Board retains the authority to assign fund balances. Unassigned fund balances are the residual classification for the General Fund. When the Township incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Township's policy to use the restricted fund balance first, followed by assigned fund balance, and, finally, unassigned fund balance.

Property tax revenue recognition - Property taxes are levied each December 1 (lien date) on the taxable valuation of property as of the preceding December 31. Property taxes are considered delinquent on March 1 of the following year, at which time interest and penalties are assessed. Although the Township's 2015 ad valorem tax was levied and collectible on December 1, 2015, it is the Township's policy to recognize revenue from that tax levy in the current year, when the proceeds are budgeted and made available for the financing of operations.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for general and special revenue funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

Excess of expenditures over appropriations - The following schedule sets forth the budget variances:

Fund	Function	Final budget	Actual	Variance
General	Public safety - inspections	\$ 109,885	\$ 210,923	\$ 101,038
Police	Public safety - police protection	1,036,890	1,101,630	64,740

NOTE 3 - CASH AND INVESTMENTS

Cash and investments, as presented in the accompanying financial statements, consisted of the following:

	_ g	Primary government					
	Governmental activities		Component units		Fiduciary activities	Totals	
Cash Investments	\$	8,599,087 1,077,771	\$	708,187	\$ 4,441,241 275,015	\$	13,748,515 1,352,786
	\$	9,676,858	\$	708,187	\$ 4,716,256	\$	15,101,301

Deposits - Michigan Compiled Laws, Section 129.91 (Public Act 20 of 1943, as amended) and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations that have an office in Michigan. The Township's deposits are in accordance with statutory authority.

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. The Township's investment policy does not specifically address custodial credit risk for deposits. At December 31, 2016, \$12,200,471 of the Township's bank balances of \$14,950,471 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments, primary government and component unit - State statutes and the Township's investment policy authorize the Township to invest in a) obligations of the U.S. Treasury, agencies, and instrumentalities; b) commercial paper rated within the two highest rate classifications, which mature not more than 270 days after the date of purchase; c) repurchase agreements, collateralized by U.S. governmental securities; d) bankers' acceptances; e) mutual funds composed of otherwise legal investments; and f) investment pools organized under the local government investment pool act.

The Township's investments consist of holdings in the Cooperative Liquid Assets Securities System - Michigan (CLASS). CLASS is a local government investment pool established under Michigan state statutes for participating Michigan municipalities. This pool, which is a nonrisk categorized qualifying investment, is carried at fair market value. The fair value of the Township's position in the pool is the same as the value of its pool shares. The fund operates like a money market fund with each share valued at \$1, and is rated AAAm by Standard and Poor's (credit risk); it is not subject to regulatory oversight; the pool issues a separate report, which is available at 15309 Meadowwood Drive, Grand Haven, Michigan, 49417.

Fair value measurement - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Township has the following recurring fair value measurements as of December 31, 2016:

• Cooperative Liquid Assets Securities System - Michigan, with a balance of \$1,077,771 at December 31, 2016, which is valued using observable fair values of similar assets (Level 2).

Investments, retiree health plan - The investments of the Township's other postemployment benefit (OPEB) trust fund are maintained separately from the Township's pooled cash and investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the OPEB trust fund investments are presented separately.

NOTE 3 - CASH AND INVESTMENTS (Continued)

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the other postemployment benefit trust to invest in stocks, governmental and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitation. The Township Board has the responsibility and authority to oversee the investment portfolio. The Township has contracted the Municipal Employees' Retirement System of Michigan (MERS) to assist in managing the OPEB trust fund's assets. The investments are held by MERS, within its Retiree Health Funding Vehicle (RHFV), an employer savings trust that allows employers to advance fund their retiree healthcare liability. As a governmental plan, MERS is exempted by state and federal law from registration with the SEC. The funds held consist of portfolios of assets, in separate accounts, in a collective trust. Specific fund holdings at December 31, 2016, consisted of the following:

	Fair
Investment type	 value
MERS Total Market Portfolio	\$ 137,968
MERS Est Market Portfolio	 137,047
	\$ 275,015

The Townships investments are subject to several types of risk, which are discussed below:

Custodial credit risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. State statutes and the Township's OPEB investment policy require that investment securities be held in trust by a third-party institution, in the name of the benefit trust. The RHFV fund holdings are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical form.

Credit risk. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in mutual funds and qualified investment pools, including those within the RHFV, are not considered to have credit risk.

Concentration of credit risk. Concentration of credit risk is the risk of loss attributable to the magnitude of the Township's investment in a single holding. The Township's OPEB investment policy places no limitations on the amount that can be invested in any one issuer.

Interest rate risk. Interest rate risk is the risk that the value of an investment will decrease as a result of an increase in market interest rates. Generally, longer investment maturities generate more sensitivity to changes in an investment's fair value due to changes in market interest rates. The Township's OPEB investment policy has no specific limitations with respect to maturities of investments. The RHFV holdings have no maturities.

Fair value measurement - The Township categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Township has the following recurring fair value measurements as of December 31, 2016:

Municipal Employees' Retirement System of Michigan - RHFV, with a balance of \$275,015 at December 31, 2016, which is valued using observable fair values of similar assets (Level 2).

NOTE 4 - RECEIVABLES

Receivables as of December 31, 2016, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

Fund	<i>F</i>	Property taxes	_A	ccounts	_as	Special sessments	go	Inter- vernmental		Totals
Primary government:										
Governmental:										
General	\$	526,282	\$	195,296	\$	12,929	\$	300,521		1,035,028
Fire		-		-		1,077,526		-		1,077,526
Police		-		-		845,372		-		845,372
General Sewer		-		-		180,521		7,086		187,607
Nonmajor funds		-	_			92,398		23,548		115,946
Total governmental funds	\$	526,282	\$	195,296	\$	2,208,746	\$	331,155	\$	3,261,479
Noncurrent portion	\$	-	\$	-	\$	228,194	\$	-	\$	228,194
Component units:										
Downtown Development										
Authority	\$	33,728	\$	-	\$	-	\$	-	\$	33,728
South Drake Road Corridor										
Improvement Authority		6,664	_	<u> </u>					_	6,664
Total component units	\$	40,392	\$	- -	\$	-	\$	-	\$	40,392

All receivables are considered fully collectible.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY FOUNDATION

The amount shown as beneficial interest in assets held by foundation represents monies placed with the Kalamazoo Community Foundation (the Foundation) by the Township, specifying itself as the beneficiary. The Foundation maintains variance power and legal ownership of such funds and, as such, continues to report the funds as assets of the Foundation, with a corresponding liability, the agency endowment fund. The Township reports this asset at the present value of future payments expected to be received.

The Foundation also holds monies, placed by donors for the benefit of the Township's parks and recreation activities, to generate investment return that, based on the Foundation's spending guidelines, can be made available to the Township. Such monies are not considered assets of the Township. At December 31, 2016, the Foundation held \$283,282 in this account.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016, was as follows:

	Restated Beginnin balance	g Increases	Decreases	Ending balance
Primary government:				
Governmental activities:				
Capital assets not being depreciated -				
land	\$ 576,742	\$ -	\$ -	\$ 576,742
Capital assets being depreciated:				
Buildings and improvements	7,345,047	1,636,455	-	8,981,502
Equipment	1,590,562	69,931	-	1,660,493
Vehicles	2,842,652	222,446	(35,440)	3,029,658
Infrastructure	10,139,610	761,071	-	10,900,681
Subtotal	21,917,871	2,689,903	(35,440)	24,572,334
Less accumulated depreciation for:				
Buildings and improvements	(2,438,175)	(331,879)	-	(2,770,054)
Equipment	(1,075,322)	(105,934)	-	(1,181,256)
Vehicles	(1,194,503)	(155,081)	35,440	(1,314,144)
Infrastructure	(1,514,477)	(273,006)		(1,787,483)
Subtotal	(6,222,477)	(865,900)	35,440	(7,052,937)
Total capital assets being				
depreciated, net	15,695,394	1,824,003		17,519,397
Governmental activities capital assets, net	\$ 16,272,136	\$ 1,824,003	\$ -	\$ 18,096,139
Component unit - DDA:				
Capital assets not being depreciated -				
land	\$ 325,563	\$ -	\$ (31,968)	\$ 293,595
Capital assets being depreciated: Buildings and improvements	_	101,968	_	101,968
- '		201,500		202,300
Less accumulated depreciation for: Buildings and improvements		(5,948)		(5,948)
Total capital assets being				
depreciated, net		96,020	-	96,020
Component unit capital assets, net	\$ 325,563	\$ 96,020	\$ (31,968)	\$ 389,615
•				

From time to time, the Township records capitalizable costs, as part of current expenditure functions, for purposes of administrative control. In 2016, capitalizable costs of the primary government of \$2,175,974 were reported within the public works function in the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 14).

NOTE 6 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities functions as follows:

General government	\$ 109,933
Public safety	286,237
Public works	361,876
Culture and recreation	 107,854
Total	\$ 865,900

NOTE 7 - PAYABLES

Payables as of December 31, 2016, for the Township's individual major funds and nonmajor funds, in the aggregate, were as follows:

Fund	Accounts		ccrued abilities	Deposits	Totals	
Primary government:						
Governmental:						
General	\$ 217,887	\$	44,238	\$ 100,750	\$ 362,875	
Fire	81,128		39,672	-	120,800	
Police	75,790		696	-	76,486	
General Sewer	21,262		-	-	21,262	
Other governmental funds	15,566	_	1,819		17,385	
Total governmental funds	\$ 411,633	\$	86,425	\$ 100,750	\$ 598,808	
Component unit:						
Downtown Development Authority	\$ 50	\$	-	\$ -	\$ 50	

NOTE 8 - LONG-TERM OBLIGATIONS

Long-term obligation activity (excluding postemployment benefits other than pensions) for the year ended December 31, 2016, was as follows:

	Beginning balance	Additions	Reductions	Ending Reductions balance	
Governmental activities: Compensated absences	\$ 34,150	\$ 104,771	\$ (106,321)	\$ 32,600	\$ -

NOTE 9 - PROPERTY TAXES

The 2015 taxable valuation of the Township approximated \$745,970,000, on which ad valorem taxes levied consisted of 0.9765 mills for operating purposes, raising approximately \$714,000. This amount is recognized in the General Fund financial statements as property tax revenue.

The 2016 taxable valuation of the Township approximated \$759,170,000, on which ad valorem taxes levied consisted of 0.9765 mills for operating purposes, raising approximately \$729,000. This amount is recognized in the General Fund financial statements as deferred inflows, based upon the period for which the proceeds are budgeted and will be made available for the financing of operations.

NOTE 10 - DEFINED CONTRIBUTION AND MONEY PURCHASE PLAN

The Township and its employees contribute to the Township of Oshtemo Group Pension Plan, a defined contribution pension plan, which is administered by a third-party administrator. The plan covers three classes of employees, as allowed under Internal Revenue Code Section 401(a). The first class of employees includes paid on-call firefighters, the second class of employees includes all full-time or part-time employees, and the third class of employees includes elected officials.

Benefit terms, including contribution requirements, for the Plan are established, and may be amended, by the Township Board. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate as described above. The Township contributes 10% of covered payroll to the first class of qualifying employees. The Township contributes 4% of covered payroll to the second and third classes of qualifying employees. Employees are permitted to make contributions to the Plan, up to applicable Internal Revenue Code limits, and the Township also matches voluntary contributions made by officials, full-time employees, and permanent part-time employees, up to a limit of 4%. For the year ended December 31, 2016, the Township made the required and matching contribution of \$139,830 and eligible employees made contributions of \$51,559. At December 31, 2016, the Township reported an accrued liability of \$43,478 as part of the contributions to the plan.

The Township's contributions for each paid on-call firefighter (and investment earnings allocated to the employee's account) are fully vested immediately, while contributions for participating full-time and part-time employees and officials are fully vested after two years of continuous service.

The Township is not a trustee of the defined contribution pension plan, nor is the Township responsible for investment management of the pension plan assets. Accordingly, plan assets, and changes therein, are not reported in these financial statements.

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN

Plan description:

The Township administers a single-employer defined benefit healthcare plan, which only covers retired members. The plan provides lifetime healthcare insurance for eligible retirees and their spouses for the life of the retiree. Plan expenses consist of reimbursement of individual policy premiums. Five individuals are eligible for post-employment health benefits under the current plan. The retiree health plan does not issue a publicly available financial report.

Funding policy:

The Township has the authority to establish the funding policy and to amend the obligations of both the Township and members.

For the year ended December 31, 2016, the Township contributed \$15,105 to the plan; no retiree contributions to fund future benefits were required.

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Annual OPEB cost and net OPEB obligation:

Through December 31, 2016, the Township's annual other postemployment benefit (OPEB) cost (expense) was calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, was projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following schedule shows the components of the Township's annual OPEB cost for the year ended December 31, 2016, the amount actually contributed to the plan, and changes in the Township's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$	-
Interest on net OPEB obligation		5,276
ARC adjustment		9,829
Net OPEB cost (benefit)		.5,105
Contributions made	(1	.5,105)
Change in net OPEB obligation		-
Net OPEB obligation (asset) - beginning of year		
Net OPEB obligation (asset) - end of year	\$	<u>.</u>

The annual required contribution adjustment reflects the elimination of normal costs related to ongoing employment, unfunded actuarial liabilities, and projected future cost increases, as a result of the provisions of the Township's 2016 health insurance plan ordinance.

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 through 2016 were as follows:

Period	Annual OPEB cost (benefit)	Percentage of annual OPEB cost contributed	Net OPEB obligation (asset)		
	440.600	74.70/			
2014	110,602	74.7%	Þ	-	
2015	6,448	100.0%		-	
2016	15,105	100.0%		_	

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Funded status and funding progress:

The funded status of the plan for the most recent actuarial valuation date is as follows:

Valuation date, December 31,	date, accrued December liability (AAL)		Market value of assets (b)	(nfunded AAL UAAL) (a-b)	Funded ratio (b/a)
2016	\$	129,917	\$ 129,917	\$	-	100%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

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

Actuarial methods and assumptions:

The following simplifying assumptions were made:

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the Social Security Administration 2007 Period Actuarial Life Table.

Healthcare cost trend rate - The cost of benefits has been set at a maximum dollar amount of \$3,300 annually, per participant.

In the December 31, 2016, actuarial valuation, the GASB No. 45 alternative actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date.

NOTE 12 - DEFINED CONTRIBUTION POSTEMPLOYMENT HEALTHCARE SAVINGS PLAN

The Township established a non-contributory defined contribution plan (Retiree Health Care Defined Contribution Plan) in 2013 through which it provides retiree health insurance benefits to its employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Eligible current employees began participating on the date the plan started and were given credit for each year employed by the Township since 2000 (up to 12 years), the date retiree healthcare benefits were initially provided by the Township. The plan covers all full-time employees. The plan is administered by MERS.

The Township contributed \$72,800 to the plan to fund the current year's contribution for employees in 2016. All of the Township's contributions for participating full-time employees and officials (and interest allocated to the participants' accounts) are fully vested immediately.

NOTE 13 - INTERFUND BALANCES AND TRANSFERS

A summary of interfund transfers for the year ended December 31, 2016, is as follows:

	Fund	Tra	nsfers in	Fund	Transfers out
Police Fire Parks		\$	20,000 6,000 200,000	General	\$ 226,000
	Total	\$	226,000		

The transfers to the Police, Parks, Fire, and General Sewer funds represent operating transfers to cover costs associated with police and fire protection and parks acquisitions and improvements in those funds.

NOTE 14 - JOINT VENTURE

The Township is a member of the Southwest Michigan Building Authority (the Authority), which is a joint venture of the Charter Townships of Oshtemo, and Cooper. The administrative board of the Authority consists of members appointed by each participating unit and a member at-large. The Authority was established to administer and enforce the Michigan State Construction Code within its constituent municipalities.

The Township does not expect to receive residual equity from the joint venture. The Township is unaware of any indication that the joint venture is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit or burden on the Township in the near future.

NOTE 15 - RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The risks of loss arising from general liability, property and casualty, and workers' compensation are managed through purchased commercial insurance. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Township has been named in various litigation and claims during the year. Management and the Township's legal advisors do not believe that any known circumstances or ongoing claims will result in significant financial losses for the Township.

NOTE 16 – CONTINGENCIES

The Township has indicated there is potential to continue expansion of water service to additional township residents' due to the previously closed KL Landfill. The Landfill has been capped and per prior judgments, outside entities have been named to be responsible for any clean-up related to the Landfill. However, the Township could have continued expenses in the future to install water service to its residents that are not already connected to the Township water lines. As of the audit date, a contract in the amount of \$1,034,420 had been awarded for extension of the water main. This amount will be reimbursed to the Township from the KLA Group.

NOTE 17 - SPECIAL ITEM

The Township separated from the Kalamazoo Area Building Authority on October 5, 2016, and received \$275,020 for its share of net position based on a separation agreement with the Authority. The Township became a member of the Southwest Michigan Building Authority (SMBA) to provide permit and inspection services on beginning on October 6, 2016.

NOTE 18 - PRIOR PERIOD ADJUSTMENTS

In 2015, the Township adopted GASB 51, which requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. In accordance with GASB 51, a prior period adjustment has been recorded in 2016 to correct the method of accounting used for intangible capital assets that resulted in a restatement of opening net position in the government wide financial statements.

Prior period adjustments were recorded in 2016 to correct timing errors in recording accounts payable that resulted in a restatement of opening general fund balance and beginning net position in the government wide financial statements. Net position and fund balance, as of December 31, 2015, included in the financial statements, represents a restated balance as presented below.

	Fund Balance General fund	Net position Governmental activities		
Beginning of year, as previously reported	\$ 4,702,056	\$ 27,060,682		
Prior period adjustment Understatement accounts payable Overstatement of intangible assets	(69,079) 	(69,079) (556,563)		
Beginning of year, as restated	\$ 4,632,977	\$ 26,435,040		

Note 19 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 23, 2017, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

		Original budget		Final budget		Actual	Variance w final budg positive (negative	et
REVENUES					_			
Taxes	\$	734,000	\$	728,500	\$	714,059	\$ (14	1,441)
Licenses and permits	•	194,700	-	256,425		196,609	(59	9,816)
Federal grants		268,800		268,800		-	(26	3,800)
State grants		1,796,278		1,796,278		1,746,749	(49	9,529)
Charges for services		160,630		162,860		238,112	7:	5,252
Interest and rentals		6,800		6,800		11,311	4	4,511
Other	_	159,500	_	159,500		439,180	279	9,680
Total revenues	_	3,320,708	_	3,379,163		3,346,020	(3:	3,143)
EXPENDITURES								
General government:								
Legislative		30,700		30,700		23,844		6,856
Supervisor		136,772		136,772		113,389		3,383
Elections		56,000		56,000		41,311		4,689
Assessor		231,300		231,950		213,149		8,801
Clerk		130,641		162,630		165,785	•	3,155)
Treasurer		99,190		99,190		85,014		4,176
Professional services		250,280		262,185		221,624		0,561
Cemetery, buildings, and grounds		98,900		100,730		80,401		0,329
General operations	_	610,385		636,725		534,651	10	2,074
Total general								
government	_	1,644,168		1,716,882		1,479,168	23	7,714
Public safety - inspections		34,885	_	109,885		210,923	(10	1,038)
Public works:								
Highways and streets		350,000		693,000		447,006	24	5,994
Street lights ·		142,000		142,000		117,213	2	4,787
Transportation		8,000		33,785		28,177		5,608
Waste collection		45,000		61,000	_	61,722		(722)
Total public works		545,000		929,785		654,118	27	5,667
Community and economic development								
- planning and zoning		201,375	_	281,790	_	276,049		5,741

Charter Township of Oshtemo BUDGETARY COMPARISON SCHEDULE - General Fund (Continued) Year ended December 31, 2016

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
EXPENDITURES (Continued)				
Capital outlay	\$ 2,085,500	\$ 1,778,916	\$ 353,476	\$ 1,425,440
Total expenditures	4,510,928	4,817,258	2,973,734	1,843,524
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,190,220)	(1,438,095)	372,286	1,810,381
OTHER FINANCING USES Operating transfers out:				
Police Fund	(20,000)	(20,000)	(20,000)	-
Fire Fund	(6,000)	(6,000)	(6,000)	-
Parks Fund	(200,000)	(200,000)	(200,000)	
Total other financing				
uses	(226,000)	(226,000)	(226,000)	
NET CHANGES IN FUND BALANCES	(1,416,220)	(1,664,095)	146,286	1,810,381
FUND BALANCES - BEGINNING	4,632,977	4,632,977	4,632,977	
FUND BALANCES - ENDING	\$ 3,216,757	\$ 2,968,882	\$ 4,779,263	\$ 1,810,381

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
REVENUES				
Federal grant	\$ -	\$ -	\$ 19,773	
Charges for services	4,344	4,344	7,262	2,918
Interest	2,415	2,415	5,515	3,100
Other:				
Special assessments	1,781,570	1,774,915	1,749,176	(25,739)
Miscellaneous	1,000	1,000	56,617	55,617
Total revenues	1,789,329	1,782,674	1,838,343	55,669
EXPENDITURES				
Public safety	1,566,281	1,681,626	1,546,226	135,400
Capital outlay	475,800	553,010	383,813	169,197
,				
Total expenditures	2,042,081	2,234,636	1,930,039	304,597
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(252,752)	(451,962)	(91,696)	360,266
OTHER FINANCING SOURCES				
Operating transfers in - General Fund	6,000	6,000	6,000	
NET CHANGES IN FUND BALANCES	(246,752)	(445,962)	(85,696)	360,266
FUND BALANCES - BEGINNING	1,828,414	1,828,414	1,828,414	
FUND BALANCES - ENDING	\$ 1,581,662	\$ 1,382,452	\$ 1,742,718	\$ 360,266

		Original budget		Final budget		Actual	fi	ariance with inal budget positive (negative)
REVENUES								
Charges for services	\$	15,500	\$	15,500	\$	20,152	\$	4,652
Fines and forfeitures		65,000		72,530		56,287		(16,243)
Interest and rentals		600		600		1,335		735
Other - special assessments		728,047	_	728,797		732,961		4,164
Total revenues		809,147	_	817,427		810,735		(6,692)
EXPENDITURES								
Public safety:								
Administration		50,302		51,052		41,439		9,613
Police protection		1,036,890		1,036,890		1,101,630		(64,740)
Ordinance enforcement and						****		44 770
parking violations		64,886		68,030		53,258		14,772
Total public safety		1,152,078		1,155,972		1,196,327		(40,355)
Capital outlay		30,000		30,000		10,090		19,910
Total expenditures		1,182,078		1,185,972		1,206,417		(20,445)
DEFICIENCY OF REVENUES OVER EXPENDITURES		(372,931)		(368,545)		(395,682)		(27,137)
OTHER FINANCING SOURCES								
Operating transfers in - General Fund	_	20,000		20,000	_	20,000		-
NET CHANGES IN FUND BALANCES		(352,931)		(348,545)		(375,682)		(27,137)
FUND BALANCES - BEGINNING		494,277	_	494,277		494,277		-
FUND BALANCES - ENDING	\$	141,346	<u>\$</u>	145,732	\$	118,595	\$	(27,137)

SCHEDULE OF FUNDING PROGRESS FOR THE POSTEMPLOYMENT HEALTHCARE PLAN

Year ended December 31, 2016

Valuation date, December 31,	Actuarial accrued pility (AAL) (a)	١	Market value of assets (b)	 Jnfunded AAL (UAAL) (a-b)	Funded ratio (b/a)	Covered payroll (c)	UAAL as a percentage of covered payroll ((a-b)/c)
2012	\$ 203,900	\$	203,669	\$ 231	100%	N/A	N/A
2013	192,256		220,274	(28,018)	115%	N/A	N/A
2014	151,237		151,237	-	100%	N/A	N/A
2015	140,786		140,786	_	100%	N/A	N/A
2016	129,917		129,917	-	100%	N/A	N/A

Notes to schedule:

The actuarial liability for 2010 includes adjustments to reflect the coordination of plan benefits with Medicare supplement insurance and an increase in certain retiree contributions.

The actuarial liability for 2013 includes adjustments to reflect changes in the plan to exclude current employees and the limitation of retiree benefits to a defined amount.

SUPPLEMENTARY INFORMATION

	Parks	General Water	Totals
ASSETS Cash Beneficial interest of assets held at foundation Receivables	\$ 210,028 35,476	\$ 1,127,746 - 115,946	\$ 1,337,774 35,476 115,946
Total assets	\$ 245,504	\$ 1,243,692	\$ 1,489,196
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES Liabilities:			
Accounts payable	\$ 10,110	\$ 7,275	\$ 17,385
Deferred inflows of resources: Unavailable special assessment revenues		85,613	85,613
Fund balances: Assigned for public works Assigned for culture and recreation	- 235,394	1,150,804 	1,150,804 235,394
Total fund balances	235,394	1,150,804	1,386,198
Total liabilities, deferred inflows of resources, and fund balances	\$ 245,504	\$ 1,243,692	<u>\$ 1,489,196</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - nonmajor governmental funds

Year ended December 31, 2016

	Parks			General Water		Totals
REVENUES					_	
State grants	\$	156,478	ς	_	\$	156,478
Charges for services	Y	-	Y	183,366	Y	183,366
Interest and rentals		27,332		7,217		34,549
		5,310		45,251		50,561
Other	_	3,310	_	43,231		30,301
Total revenues		189,120		235,834	_	424,954
EXPENDITURES						
Current:						
Public works		-		203,775		203,775
Culture and recreation		152,013		, -		152,013
Capital outlay		21,112		-		21,112
						· · · · · · · · · · · · · · · · · · ·
Total expenditures	_	173,125		203,775	_	376,900
EXCESS OF REVENUES OVER EXPENDITURES		15,995		32,059		48,054
OTHER FINANCING SOURCES						
Operating transfers in - General Fund	_	200,000	_			200,000
NET CHANGES IN FUND BALANCES		215,995		32,059		248,054
FUND BALANCES - BEGINNING	_	19,399		1,118,745	<u></u>	1,138,144
FUND BALANCES - ENDING	\$	235,394	\$	1,150,804	<u>\$</u>	1,386,198

	Downtown Development Authority		South Drake Road Corridor Improvement Authority		
ASSETS Cash	\$	679,986	\$	28,201	
Receivables	<i>-</i>	33,728	·	6,664	
Total assets	\$	713,714	\$	34,865	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities - payables	\$	50	\$	-	
Deferred inflows of resources - property tax revenues levied for the subsequent year		45,222		7,536	
Fund balance - unassigned		668,442		27,329	
Total liabilities, deferred inflows of resources, and fund balances	\$	713,714	\$	34,865	
Reconciliation of the balance sheet to the statement of net position:					
Total fund balances - component units	\$	668,442	\$	27,329	
Amounts reported for the <i>component units</i> in the statement of net position (page 11) are different because:					
Capital assets used in governmental activities are not financial					
resources and, therefore, are not reported in the funds.		389,615		-	
Net position of component units	\$	1,058,057	\$	27,329	

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES - component units

Year ended December 31, 2016

	Dev	owntown relopment uthority	Road Impro	h Drake Corridor ovement hority
REVENUES		70.202		40 = 40
Property taxes	\$	70,303	\$	18,749
Interest		1,583 46,045		24
Other		40,043		
Total revenues		117,931	 	18,773
EXPENDITURES				
Current - public works		8,403		-
Capital outlay		74,893		-
Total expenditures		83,296		
NET CHANGES IN FUND BALANCES		34,635		18,773
FUND BALANCES - BEGINNING		633,807		8,556
FUND BALANCES - ENDING	\$	668,442	\$	27,329
Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:				
Net changes in fund balances - component units	\$	34,635	\$	18,773
Amounts reported for the <i>component units</i> in the statement of activities (page 12) are different because:				
Capital assets:				
Asset acquisitions		70,000		
Depreciation provision		(5,948)		-
Changes in net position of component units	\$	98,687	\$	18,773

			Original budget	_	Final budget		Actual	ariance with final budget positive (negative)
REVENUES								
Property taxes		\$	78,000	\$	78,000	\$	70,303	\$ (7,697)
Interest			400		400		1,583	1,183
Other			-		_	_	46,045	 46,045
	Total revenues		78,400		78,400		117,931	 39,531
EXPENDITURES								
Public works			43,500		43,500		8,403	35,097
Capital outlay			34,900		104,900	_	74,893	30,007
	Total expenditures		78,400	_	148,400		83,296	 65,104
NET CHANGES IN	I FUND BALANCES		-		(70,000)		34,635	104,635
FUND BALANCES	S - REGINNING		633,807		633,807		633,807	-
TOND BALANCES	, - DEGIMINING	-	300,007	_	,			
FUND BALANCES	S - ENDING	\$	633,807	\$	563,807	\$	668,442	\$ 104,635

BUDGETARY COMPARISON SCHEDULE - South Drake Road Corridor Improvement Authority - component unit

Year ended December 31, 2016

	riginal udget		Final budget	 Actual		ariance with final budget positive (negative)
REVENUES						
Property taxes	\$ 4,700	\$	4,700	\$ 18,749	\$	14,049
Interest	 -	-	-	 24		24
Total revenues	 4,700		4,700	18,773	la de como de	14,073
EXPENDITURES Capital outlay	 4,700		4,700	 		4,700
NET CHANGES IN FUND BALANCES	-		-	18,773		18,773
FUND BALANCES - BEGINNING	 8,556		8,556	8,556	····	<u>-</u>
FUND BALANCES - ENDING	\$ 8,556	\$	8,556	\$ 27,329	<u>\$</u>	18,773

Interview Questions

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Question	Answer
Which Rural Utilities Service (RUS), Rural Development (RD) Program Area are you requesting funds from?	Water And Environmental
Please validate the Legal Name is correct for the application you are creating.	Charter Township of Oshtemo
Is this your entity's first application with Rural Utilities Service (RUS), Rural Development (RD)?	Yes
Please validate the State and County are correct for the application you are creating.	Kalamazoo, Michigan
What type of loan/grant are you applying for?	Sewer
Do you have a current loan with Rural Utilities Service (RUS), Rural Development (RD)?	No
Will these funds be used for Construction?	Yes
Are you requesting funds under the Emergency and Imminent Community Water Assistance Grants (ECWAG) Program in conjunction with an emergency event such as, but not limited to, drought, earthquake, flood, tornado, hurricane, disease breakout, chemical spill, leakage, or seepage?	No
Will project enlarge, extend or otherwise modify existing facilities?	Yes
Will project serve additional rural residents?	Yes
Is project necessary to alleviate a health or sanitary issue?	Yes
Select the one that best describes your organization:	Public Body

Customer Screen

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

General Information

Legal Name: **Charter Township of**

Oshtemo

Organizational Township located in south central Michigan

west of the City of Kalamazoo Description:

Type of

Township Applicant:

Civil Rights: NA

Fiscal Year End Date:

12/31

Entity Type: **Public Body**

Faith Based: Ν

Is the applicant delinquent on any Federal Debt?:

No

Primary Borrower

63933694

ID:

DUNS #: 019369933

CAGE Code: 7JD12

Regular Board

Tuesday Meeting (Held On):

SAM-CCR **Expiration Date:** 01/06/2018

Address

Address Type	Street 1	Street 2	City	State	Zipcode	County	Congressional District
Headquarters	7275 West Main Street		Kalamazoo	MI	49009	Kalamazoo	6

Key Contacts

Туре	Pre	First Name	Last Name	Org.	Phone #	Cell #	Fax #	Email Address
Customer Contact	Mr	Marc	Elliott	Directo r of Public Works	269-216-5236	269-389-9626	269-375-7180	melliott@oshtemo.o rg

Facilities - Facilities Details

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Facility Details

Describe the Current Facility before Improvement

The current sanitary sewer system has 286,208 feet of gravity sanitary sewer main, 1220 sanitary sewer manholes, and 10 lift stations.

Describe the Current Facility after Improvement

The proposed system will have 371,538 feet of gravity sanitary sewer main, 1682 sanitary sewer manholes, and 13 lift stations

Facilities - Sewer

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Sewer Details	
National Pollutant Discharge Elimination System (NPDES Permit #)	MI002399
Wastewater Collection Type	Conventional Gravity
	Pump Station/Forcemain
Water Treatment Types:	Description:
Physical Unit Operations	Septic Tanks
Chemical Unit Processes	
Suspended Growth Biological Treatment	
Attached Growth Biological Treatment	
Anaerobic Treatment	
Advanced Wastewater Treatment	
Disinfection	
Biosolids	
If Wastewater Treatment is by Contract - cost per 1,000 gallons or per 100 Cubic Feet	\$2.87
	Per 1,000 Gallon
Wastewater Discharge Type	River/Stream

Facility Sites

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Facilities Sites								
Facility Type	Description	Street 1	Street 2	City	State	Zip Code	County	Congressional District
Discharge Point	Kalamazoo Water Reclamation Plant	1415 Harrison Street		Kalamazoo	MI	49007	Kalamazoo	o 6th
Primary Facility	Township Hall	7275 West Main Street		Kalamazoo	MI	49009	Kalamazoo	6th

Facilities - Land Rights

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Land Rights

Number of Acres To be Acquired - Fee Simple

Number of Acres To be Acquired - Lease

Acres To be Acquired - Purchase Price

Acres To be Acquired - Value

Number of Acres Now Owned - Fee Simple

Number of Acres now Owned - Lease

Acres now Owned - Purchase Price

Acres now Owned - Value

Describe Other Rights (such as water rights or rights-of-way)*

Volume/Flow - Connections Information

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Unless retail sewer collection is metered, water usage numbers will be used to determine sewer volumes.

Connections Information

Do you sell water (or provide waste disposal service) to residential, industrial, or business users?	
Total gallons sold to residential and other customers (do not include wholesale)	320,398,848
Of the Total Annual Gallons Sold, how many Gallons were Sold to Single Family Dwellings?	69,718,176
What are the Total Number of Connections on the System?	1,841
Of the total Number of Connections, how many are Single Family Dwellings?	1,162
What is the total annual revenue from residential and other customers (do not include wholesale)?	\$187,607
Will you be adding new connections with this project?	
How many new connections will be added to the system?	909
What is the connection tap fees?	\$11,000
How many new connections will be single family dwellings?	898

Volume/Flow - Wholesale

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Do you provide contracted bulk sewer treatment?

No

Request Info./Project Cost

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Request Information

Proposed Start Date 2017-11-06 Proposed End Date 2021-10-21

Date Application made available to the Intergovernmental Review Process 2017-03-22 State Clearinghouse ID

Number

170180

Project Costs

Cost Classification	Description		Cost
Development	Construction Cost		\$20,527,000.00
Contingencies	10%		\$2,053,000.00
Legal Services	Administrative and Legal Fees		\$241,000.00
Architectural, Engineering & Planning	Engineering Design and Construction		\$2,260,000.00
		Total Project Costs	\$25,081,000.00

Financials - Other Income

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Other Income

Type of Income	Description	Yearly Income
Non-Operating Income	non-obligated or fund specific income from all sources	\$502,599.00
	Total:	\$502,599.00

Financials - Reserves & Short-Lived Assets

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Does the applicant have any Short Lived Assets to report?

Nic

Comments

Balance Sheet

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Enter	prise -	Current	Assets

Date of Financial Information: 2016-12-31

What is the total cash that the facility has in its bank account(s)? \$245,089.00

Do you have any Certificate of Deposits or other term certificates in addition to the cash listed

above?

If yes, please list individually:

Certificate Holder	Certificate Amount	Reason for Certificate

No

Does your facility require customer deposits as a part of receiving services from the facility?

If Yes, what is the amount of customer deposits that the facility currently has on its financial records.

Name of Institute	Deposit Amount	Type of Account Holding Deposits

Does your facility have any other accounts that are considered as restricted cash per other covenants or agreements that has been entered into?

Name of Institute Deposit Amount Type of Account Holding Deposits

What is the amount of your accounts receivables? \$187,607.00

What is the history of your accounts receivables, such as they are increasing, decreasing, or remaining the same year after year.

What collection policies do you have in place to reduce your accounts receivables?

Guaranteed tax lien on properties

Enterprise - Current Liabilities

What current bills do you have as of the date you are completing this information. This would include accounts payables, current portion of long term debt.

Current Bill	Payment Amount	Payment Due Date

Financials - Proposed Funding

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Proposed Funding

RD Amount \$24,851,000.00

Applicant \$230,000.00

Federal

State

Local

Other

Total Proposed Funding \$25,081,000.00

Financials - Proposed O&M

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

What do you anticipate your annual Operation and Maintenance Expenses to be for your facility in the first year of operation once the proposed project has been completed?

Using the information from the Preliminary Engineering Report, enter the data below:

Proposed O&M		
Expense Item	Description	Annual Amount
Other	O/M included in rates and paid directly to City of Kalamazoo	\$.00
Total		\$0.00

Service Area: Main Screen

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Service Area

Service Area Name	Population	Square Miles	% of Rural vs. Urban
Existing Service Area	4292	5.93	100%
Existing Service Area Alternate	0	0.0	0%

Service Area - Edit/View Data

Service Area

* Program Type

Water And Environmental

* Area Name

Explanation for Changes in Detail

Existing Service Area

Existing Service Area	Existing	Alternate
Total Population	4292	0
Total Square Miles	5.93	0.0
Percent of Rural vs. Urban	100%	0%

Financials - Debt

Application Id: 3003223 | Borrower Name: Charter Township of Oshtemo

Does the applicant have any Existing Debt with Terms or Other Funding sources with Terms to report?

No

CERTIFICATION REGARDING THE IDENTIFICATION AND REPORTING RURAL DEVELOPMENT ASSISTANCE TO RURAL DEVELOPMENT EMPLOYEES, RELATIVES, ASSOCIATES AND TRANSACTION CONFLICT OF INTEREST

This certification is required by 2 CFR 400, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and 7 CFR 1900, Subpart D, Processing and Servicing Rural Development Assistance to employees, Relatives, and Associates, and all guidance related thereto.

Rural Development (RD) prohibits any elected or appointed official, agent, or employee of a recipient from having any financial or personal interest in any transaction or activity funded. Recipients are required to identify, in writing, any known relationship or association with an RD employee in accordance with 7 CFR 1900, Subpart D. To ensure the highest standards of honesty, integrity, and impartiality by RD employees, the applicant must identify any RD assistance benefiting an RD employee in any of the following circumstances:

- 1. RD employee is the recipient.
- 2. RD employee's family member(s) or known close relative(s) are the recipient.
- 3. RD employee has an immediate working relationship with the recipient, the employee related to the recipient, or the employee who would normally conduct the activity.
- 4. RD employee has a business or close personal association with the recipient.

Following 2 CFR 400, all participating non-Federal entities must maintain written standards of conduct covering conflicts of interest. The standards of conduct must include disciplinary actions in the event of a violation by officers, employees, or agents of the non-Federal entity. Any non-Federal entity that has a parent, affiliate, or subsidiary organization that is not a state or local government or Indian Tribe is subject to the standards identified herein. Policies and any accompanying documents shall be furnished to RD upon request.

documents shall be furnished to RD upon request.
I hereby certify in this disclosure letter, in accordance with 2 CFR 400 and 7 CFR 1900, Subpart D, that any known relationships or close associates of an RD employee, real or potential conflicts, or conflicts in transactions, if any, are listed below or will be disclosed immediately upon discovery:
has electronically signed on that everything in between is correct to the best of his/her knowledge.

ASSURANCE AGREEMENT

(Under Title VI, Civil Rights Act of 1964)

The Charter Township of Oshtemo 7275 West Main Street, Kalamazoo, MI, 49009

Name of Recipient: Address:

("Recipient" herein) hereby assures the U. S. Department of Agriculture that Recipient is in compliance with and will continue to comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et. seq.), 7 CFR Part 15, and Rural Housing Service, Rural Business- Cooperative Service, Rural Utilities Service, Risk Management Agency, or the Farm Service Agency, (hereafter known as the "Agency") regulations promulgated thereunder, 7 C.F.R. § 1901.202. In accordance with that Act and the regulations referred to above, Recipient agrees that in connection with any program or activity for which Recipient receives Federal financial assistance (as such term is defined in 7 C.F.R. § 15.2) no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination.

- 1. Recipient agrees that any transfer of any aided facility, other than personal property, by sale, lease or other conveyance of contract, shall be, and shall be made expressly, subject to the obligations of this agreement and transferee's assumption thereof.
- Recipient shall:
 - a. Keep such records and submit to the Government such timely, complete, and accurate information as the Government may determine to be necessary to ascertain our/my compliance with this agreement and the regulations.
 - b. Permit access by authorized employees of the Agency or the U.S. Department of Agriculture during normal business hours to such books, records, accounts and other sources of information and its facilities as may be pertinent to ascertaining such compliance.
 - c. Make available to users, participants, beneficiaries and other interested persons such information regarding the provisions of this agreement and the regulations, and in such manner as the Agency or the U. S. Department of Agriculture finds necessary to inform such persons of the protection assured them against discrimination.
- 3. The obligations of this agreement shall continue:
 - a. As to any real property, including any structure, acquired or improved with the aid of the Federal financial assistance, so long as such real property is used for the purpose for which the Federal financial assistance is made or for another purpose which affords similar services or benefits, or for as long as the Recipient retains ownership or possession of the property, whichever is longer.
 - b. As to any personal property acquired or improved with the aid of the Federal financial assistance, so long as Recipient retains ownership or possession of the property.
 - c. As to any other aided facility or activity, until the last advance of funds under the loan or grant has been made.
- 4. Upon any breach or violation this agreement the Government may, at its option:
 - a. Terminate or refuse to render or continue financial assistance for the aid of the property, facility, project, service or activity.
 - b. Enforce this agreement by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the breach or violation occurs.

Rights and remedies provided for under this agreement shall be cumulative.

has electronically si	gned on that everythin	ng in between is cor	rrect to the best of h	is/her knowledge.	

ASSURANCES - CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

- 1. Has the legal authority to apply for Federal assistance, 8. Will comply with the Intergovernmental Personnel Act and the institutional, managerial and financial capability of 1970 (42 U.S.C. §§4728-4763) relating to prescribed (including funds sufficient to pay the non-Federal share standards for merit systems for programs of project costs) to ensure proper planning, funded under one of the 19 statutes or regulations specified management and completion of the project described in in Appendix A of OPM's Standards for a Merit System of this application. Personnel Administration (5 C.F.R. 900, Subpart F).
- 2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
- 3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
- 4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
- 5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
- 6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
- 7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
- 8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
- 9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- 10. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination

on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) underwhich application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application. Previous Edition Usable Authorized for Local Reproduction Standard Form 424D (Rev. 7-97) Prescribed by OMB Circular A-102

- 11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
- 12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
- 13. Will comply, as applicable, with the provisions of the Davis- Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327333) regarding labor standards for federally-assisted construction subagreements.
- 14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- 15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
- 16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
- 17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).
- 18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-1 33, 'Audits of States, Local Governments, and Non-Profit Organizations.'
- 19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

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ASSURANCES - NON-CONSTRUCTION PROGRAMS

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As the duly authorized representative of the applicant, I certify that the applicant:

- 1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
- 2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
- 3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
- 4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency .
- 5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
- Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) 6. Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§16811683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U. S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
- 7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
- 8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds. Previous Edition Usable Standard Form 424B (Rev. 7-97) Authorized for Local Reproduction

- 9. Will comply, as applicable, with the provisions of the Davis- Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327333), regarding labor standards for federally-assisted construction subagreements.
- 10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
- 11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93205).
- 12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
- 13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a -1 et seq.).
- 14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
- 15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
- 16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- 17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-1 33, 'Audits of States, Local Governments, and Non-Profit Organizations.'
- 18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

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CERTIFICATION FOR CONTRACTS, GRANTS AND LOANS

The undersigned certifies, to the best of his or her knowledge and belief, that:

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant or loan.
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant or loan, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- 3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including contracts, subcontracts, and subgrants under grants and loans) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

has electronically signed on that everything in between is correct to the best of his/her knowledge.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989 Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the proposed covered transaction.

- 1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b. have not within a three-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - d. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
- 2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

has electronically signed on that everything in between is correct to the best of his/her knowledge.

U.S. DEPARTMENT OF AGRICULTURE

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS (GRANTS) ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

This certification is required by the regulations implementing Section 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D: 41 U.S.C. 701 et seq.), 7 CFR Part 3017. Subpart F, Section 3017.600, Purpose. The January 13, 1989, regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691). Copies of the regulations may be obtained by contacting the Department of Agriculture agency offering the grant.

Alternative I

- A. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - b. Establishing an ongoing drug-free awareness program to inform employees about -
 - 1. The dangers of drug abuse in the workplace;
 - 2. The grantee's policy of maintaining a drug-free workplace;
 - 3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
 - c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will -
 - 1. Abide by the terms of the statement; and
 - 2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position AD-1049 (REV 5/90) title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
 - f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted
 - 1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended;
 - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or, local health, law enforcement, or other appropriate agency;
 - g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).
- B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, State, zip code)
If there are workplaces on file that are not identified here.
has electronically signed on that everything in between is correct to the best of his/her knowledge.

EQUAL OPPORTUNITY AGREEMENT

This agreement, dated \boxed{I} between **Charter Township of Oshtemo** (herein called "Recipient" whether one or more) and United States Department of Agriculture (USDA), pursuant to the rules and regulations of the Secretary of Labor (herein called the 'Secretary') issued under the authority of Executive Order 11246 as amended, witnesseth:

In consideration of financial assistance (whether by a loan, grant, loan guaranty, or other form of financial assistance) made or to be made by the USDA to Recipient, Recipient hereby agrees, if the cash cost of construction work performed by Recipient or a construction contract financed with such financial assistance exceeds \$10,000 - unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965.

- 1. To incorporate or cause to be incorporated into any contract for construction work, or modification thereof, subject to the relevant rules, regulations, and orders of the Secretary or of any prior authority that remain in effect, which is paid for in whole or in part with the aid of such financial assistance, the following "Equal Opportunity Clause": During the performance of this contract, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited, to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the USDA setting forth the provisions of this nondiscrimination clause.
 - b. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
 - c. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the USDA, advising the said labor union or workers' representative of the contractor's commitments under this agreement and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
 - d. The contractor will comply with all provisions of Executive Order 11246 of September 24,1965, and of all rules, regulations and relevant orders of the Secretary of Labor.
 - e. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, rules, regulations, and orders, or pursuant thereto, and will permit access to his books, records, and accounts by the USDA Civil Rights Office, and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
 - f. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by Law.
 - g. The contractor will include the provisions of paragraph 1 and paragraph (a) through (g) in every subcontract or purchase order, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the USDA may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the USDA, the contractor may request the United States to enter into such

litigation to protect the interest of the United States. According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collections is 0575-0018. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

- 2. To be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that if the organization so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.
- To notify all prospective contractors to file the required 'Compliance Statement', Form RD 400-6, with their bids.
- 4. Form AD-425, Instructions to Contractors, will accompany the notice of award of the contract. Bid conditions for all nonexempt federal and federally assisted construction contracts require inclusion of the appropriate "Hometown" or "Imposed" plan affirmative action and equal employment opportunity requirements. All bidders must comply with the bid conditions contained in the invitation to be considered responsible bidders and hence eligible for the award.
- 5. To assist and cooperate actively with USDA and the Secretary in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and rules, regulations, and relevant orders of the Secretary, that will furnish USDA and the Secretary such information such as, but not limited to, Form AD-560, Certification of Nonsegregated Facilities, to submit the Monthly Employment Utilization Report, Form CC-257, as they may require for the supervision of such compliance, and that it will otherwise assist USDA in the discharge of USDA's primary responsibility for securing compliance.
- 6. To refrain from entering into any contract or contract modification subject to such Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by USDA or the Secretary of Labor pursuant to Part II, Subpart D, of the Executive Order.
- 7. That if the recipient fails or refuses to comply with these undertakings, the USDA may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the organization under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such organization; and refer the case to the Department of Justice for appropriate legal proceedings.

Signed by the Recipient on the date first written above.

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APPLICANT CERTIFICATION FEDERAL COLLECTION POLICIES FOR CONSUMER OR COMMERCIAL DEBTS

The Federal Government is authorized to check credit information about the applicant(s) including using the federal Credit Alert Interactive Voice Response System (CAIVRS) or its successors to check to see if the applicant(s) are delinquent or in default on a Federal debt.

The Federal Government is also authorized by law to take any or all of the following actions in the event your loan payments become delinquent or you default on your loan:

- Report your name and account information to a credit reporting agency, and the Credit Alert Interactive Voice Response System (CAIVRS).
- Assess interest and penalty charges for the period of time that payment is not made.
- Assess charges to cover additional administrative costs incurred by the government to service your account.
- Offset amounts to be paid to you from your Federal income tax refund.
- Offset amounts to be paid to you under other Federal Programs.
- Refer your account to a private collection agency to collect the amount due.
- Foreclose on any security you have given for the loan.
- Pursue legal action to collect through the courts.

Government to do so.

- Report any written off debt to the Internal Revenue Service as taxable income.
- If you are a current or retired Federal employee, take action to offset your salary, or civil service retirement benefits.
- Debar or suspend you from doing business with the Federal Government either as a participant or principal throughout the executive branch of the Federal Government for the period of debarment or suspension.
- Refer any debt that is delinquent to the Treasury Offset Program (TOP) in accordance with the Debt Collection Improvement Act of 1996.
- Refer any eligible debt that is delinquent to the Treasury for cross servicing in accordance with the Debt Collection Improvement Act of 1996.

Any or all of these actions may be used to recover any debts owed when it is determined to be in the interest of the

Garnish your wages as allowed by the Debt Collection Improvement Act of 1996.

CERTIFICATION: I/we have read and I/we understand the actions the Federal Government may take in the event that /we fail to meet my/our scheduled payments in accordance with the terms and conditions of my/our agreement. I/we understand that the above list is not all inclusive and that the Federal Government may deem additional actions necessary o collect should I/we become delinquent.
has electronically signed on that everything in between is correct to the best of his/her knowledge.

Application Id: 3003223 Borrower Name: Charter Township of Oshtemo Tying Arrangements Certification:				
Certification regarding prohibited tying arrangements: Charter Township of Oshtemo				
Does Not				
provide electric service. Charter Township of Oshtemo does not require users of the Sewer facility financed under this part to accept electric service as a condition of receiving assistance.				
has electronically signed on that everything in between is correct to the best of his/her knowledge.				

WATER AND WASTE ELIGIBILITY CERTIFICATION

Certification for commercial credit and outstanding judgments

The undersigned certifies, to the best of his or her knowledge and belief, that:

- 1. The organization is unable to finance the proposed project from its own resources or through commercial credit at reasonable rates and terms.
- 2. No outstanding judgement has been obtained and recorded by the United States of America in a Federal Court(other than in the United States Tax Court).

has electronically signed on that everything in between is correct to the best of his/her knowledge.	

DISCLOSURE OF LOBBYING ACTIVITIES

Approved by OMB 0348-0046

Complete this form to disclose lobbying activities pursuant to 31 U.S.C.1352

1. * Type of Federal Action:	2. * Status of Federal Action:	3. * Report Type:			
a. contract	a. bid/offer/application	a. initial filing			
b. grant	X b. initial award	b. material change			
c. cooperative agreement	c. post-award				
d. loan e. loan guarantee					
f. loan insurance					
4. Name and Address of Reporting I	=nuty:				
* Name					
Name					
* Street 1	Street 2				
* City	State	Zip			
Congressional District, if known:					
5. If Reporting Entity in No.4 is Subaw	ardee, Enter Name and Address of	Prime:			
6. * Federal Department/Agency:	7. * Federal P	rogram Name/Description:			
		· .			
	CFDA Number, if ap				
8. Federal Action Number, if known:	9. Award Amo	ount, if known:			
	\$				
10. a. Name and Address of Lobbying	Registrant:				
Prefix * First Name	Middle Name				
* Last Name	Suffix				
* Street 1	Street 2				
* City	State	Zip			
b. Individual Performing Services (including address if different from No. 10a)					
Prefix * First Name	Middle Name				
* Last Name	Suffix				
* Street 1	Street 2				
* City	State	Zip			
11. Information requested through this form is authorized by	by title 31 U.S.C. section 1352. This disclosure of lobbying	g activities is a material representation of fact upon which			
reliance was placed by the tier above when the transaction		d pursuant to 31 U.S.C. 1352. This information will be reported to disclosure shall be subject to a civil penalty of not less than			
\$10,000 and not more than \$100,000 for each such failure.					
* Signature: Completed on submission to Grant	s.gov				
*Name: Prefix *First Name	Mida	le Name			
* Last Name		Suffix			
Tido					
Title:	Telephone No.:	Date: Completed on submission to Grants.gov			
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