

OSHTEMO CHARTER TOWNSHIP BOARD
7275 West Main Street
Kalamazoo, MI 49009

June 14th, 2022

Refer to www.oshtemo.org home page for Virtual Meeting Information

REGULAR MEETING
6:00 P.M.
AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Public Comment on Non-Regular Session Items

WORK SESSION ITEMS

4. Presentation and Consideration of Seber Tans Annual Audit
5. Discussion on Fund Balance Policy
6. Other Updates & Business

BREAK (Time Permitting) – 7:05 P.M.

REGULAR SESSION ITEMS – 7:15 P.M.

7. Consent Agenda
 - a. Approve Minutes – May 24th, 2022
 - b. Receipts & Disbursements Report
 - c. PILOT Ordinance Amendments – Second Reading
 - d. Budget Amendment(s)
 - e. Announcement: Kalamazoo County Housing Study Preliminary Survey Results Presentation & Input Meeting – June 15th, 6:30-8 pm, Oshtemo Township Meeting Room (One of Two County Public Input Meetings in the County)
8. Employee Milestone Anniversary Recognitions
9. Consideration of False Alarm Violation Appeal
10. Consideration of Juneteenth Recognition
11. Consideration of Water Expansion – Fire Hydrant S 9th Street
12. Consideration of Support for Area Members Bird Treaty Program
13. Consideration of Tax Exemption for Pinehurst Preservation Limited Dividend Housing Association
14. Consideration of Support for State House Bill 6062 Regarding Publications/Noticing for Municipalities
15. Public Comment
16. Board Member Comments
17. Adjournment

**Policy for Public Comment
Township Board Regular Meetings, Planning Commission & ZBA Meetings**

All public comment shall be received during one of the following portions of the Agenda of an open meeting:

a. Citizen Comment on Non-Agenda Items or Public Comment – while this is not intended to be a forum for dialogue and/or debate, if a citizen inquiry can be answered succinctly and briefly, it will be addressed or it may be delegated to the appropriate Township Official or staff member to respond at a later date. More complicated questions can be answered during Township business hours through web contact, phone calls, email (oshtemo@oshtemo.org), walk-in visits, or by appointment.

b. After an agenda item is presented by staff and/or an applicant, public comment will be invited. At the close of public comment there will be Board discussion prior to call for a motion. While comments that include questions are important, depending on the nature of the question, whether it can be answered without further research, and the relevance to the agenda item at hand, the questions may not be discussed during the Board deliberation which follows.

Anyone wishing to make a comment will be asked to come to the podium to facilitate the audio/visual capabilities of the meeting room. Speakers will be invited to provide their name, but it is not required.

All public comment offered during public hearings shall be directed, and relevant, to the item of business on which the public hearing is being conducted. Comment during the Public Comment Non-Agenda Items may be directed to any issue.

All public comment shall be limited to four (4) minutes in duration unless special permission has been granted in advance by the Supervisor or Chairperson of the meeting.

Public comment shall not be repetitive, slanderous, abusive, threatening, boisterous, or contrary to the orderly conduct of business. The Supervisor or Chairperson of the meeting shall terminate any public comment which does not follow these guidelines.

(adopted 5/9/2000)
(revised 5/14/2013)
(revised 1/8/2018)

Questions and concerns are welcome outside of public meetings during Township Office hours through phone calls, stopping in at the front desk, by email, and by appointment. The customer service counter is open from Monday-Thursday 8:00 am- 5:00 pm, and on Friday 8:00 am-1:00 pm. Additionally, questions and concerns are accepted at all hours through the website contact form found at www.oshtemo.org, email, postal service, and voicemail. Staff and elected official contact information is provided below. If you do not have a specific person to contact, please direct your inquiry to oshtemo@oshtemo.org and it will be directed to the appropriate person.

Oshtemo Township Board of Trustees		
<u>Supervisor</u>		
Libby Heiny-Cogswell	216-5220	libbyhc@oshtemo.org
<u>Clerk</u>		
Dusty Farmer	216-5224	dfarmer@oshtemo.org
<u>Treasurer</u>		
Clare Buszka	216-5260	cbuszka@oshtemo.org
<u>Trustees</u>		
Cheri L. Bell	372-2275	cbell@oshtemo.org
Kristin Cole	375-4260	kcole@oshtemo.org
Zak Ford	271-5513	zford@oshtemo.org
Kizzy Bradford	375-4260	kbradford@oshtemo.org

Township Department Information		
<u>Assessor:</u>		
Kristine Biddle	216-5225	assessor@oshtemo.org
<u>Fire Chief:</u>		
Mark Barnes	375-0487	mbarnes@oshtemo.org
<u>Ordinance Enf:</u>		
Rick Suwarsky	216-5227	rsuwarsky@oshtemo.org
<u>Parks Director:</u>		
Karen High	216-5233	khigh@oshtemo.org
Rental Info	216-5224	oshtemo@oshtemo.org
<u>Planning Director:</u>		
Iris Lubbert	216-5223	ilubbert@oshtemo.org
<u>Public Works:</u>		
Marc Elliott	216-5236	melliott@oshtemo.org

Zoom Instructions for Participants

Before a videoconference:

1. You will need a computer, tablet, or smartphone with a speaker or headphones. You will have the opportunity to check your audio immediately upon joining a meeting.
2. If you are going to make a public comment, please use a microphone or headphones with a microphone to cut down on feedback, if possible.
3. Details, phone numbers, and links to videoconference or conference call are provided below. The details include a link to “**Join via computer**” as well as phone numbers for a conference call option. It will also include the 11-digit Meeting ID.

To join the videoconference:

1. At the start time of the meeting, click on this link to [join via computer](#). You may be instructed to download the Zoom application.
2. You have an opportunity to test your audio at this point by clicking on “Test Computer Audio.” Once you are satisfied that your audio works, click on “Join audio by computer.”

You may also join a meeting without the link by going to [join.zoom.us](#) on any browser and entering this **Meeting ID: 827 2724 4388**

If you are having trouble hearing the meeting or do not have the ability to join using a computer, tablet, or smartphone then you can join via conference call by following instructions below.

To join the conference by phone:

1. On your phone, dial the teleconferencing number: **1-929-205-6099**
2. When prompted using your touchtone (DTMF) keypad, enter the Meeting ID number: **827 2724 4388#**

Participant controls in the lower-left corner of the Zoom screen:



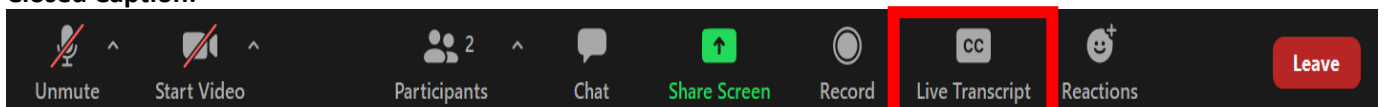
Using the icons at the bottom of the Zoom screen, you can (some features will be locked to participants during the meeting):

- Participants – opens a pop-out screen that includes a “Raise Hand” icon that you may use to raise a virtual hand. **This will be used to indicate that you want to make a public comment.**
- Chat – opens pop-up screen that allows participants to post comments during the meeting.

If you are attending the meeting by phone, to use the “Raise Hand” feature **press *9 on your touchtone keypad.**

Public comments will be handled by the “Raise Hand” method as instructed above within Participant Controls.

Closed Caption:



Turn on Closed Caption:

Using the icons at the bottom of the Zoom screen:

1. Click on the “Live Transcription” button.
2. Then select “Show Subtitle”.



Memodrandum

Date: 10 June 2022
To: Township Board
From: Libby Heiny-Cogswell, Supervisor
Subject: 2021 Annual Audit

OBJECTIVE

Township Board to discuss and accept the 2021 annual audit.

BACKGROUND

Seber Tans, PLC conducted the annual audit of Oshtemo Township finances and will present summary information to the Township Board Tuesday evening. Seber Tans will remain available for Board questions and requests for clarifications.

INFORMATION PROVIDED

Charter Township of Oshtemo Financial Statements Draft
Governance Letter Draft
Charter Township of Oshtemo Internal Control Letter

June 14, 2022

Seber Tans, PLC
555 West Crosstown Parkway, Suite #304
Kalamazoo, Michigan 49008

This representation letter is provided in connection with your audits of the financial statements of Charter Township of Oshtemo, Michigan (the Township), which comprise the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of December 31, 2021, and the respective changes in financial position for the period then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of [DATE], the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 5, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements
- 8) The effect of the uncorrected misstatement is immaterial to the financial statements as a whole and for each opinion unit. The uncorrected misstatement is attached to the representation letter.

- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Township is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Township from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Township, Downtown Development Authority, and South Drake Road Corridor Improvement Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Township and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Township's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the names of the Township's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.

- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) The Township has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91 .
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) The Township has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Township has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements include all fiduciary activities required by GASBS No. 84 , as amended.
- 31) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments and land and other real estate held by endowments are properly valued.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.

- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 40) We have appropriately disclosed the Township’s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 43) With respect to the Supplementary Information (SI) as noted in the table of contents of the financial statements,
- a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America, and we believe the SI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor’s report thereon.

Elizabeth Heiny-Cogswell, Supervisor

Dusty Farmer, Clerk

Clare Buszka, Treasurer

SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

[DATE]

To the Township Board
Charter Township of Oshtemo, Michigan

We have audited the 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) for the year ended December 31, 2021, and have issued our report thereon dated [DATE]. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Township's financial statements was:

- Management's estimate of depreciation is based on the economic useful lives of capital and infrastructure assets. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of net OPEB assets and deferred outflows of resources recorded on the government-wide financial statements is based on actuarial assumptions described in Note 11 to the financial statements. We evaluated the key factors and assumptions used to develop this estimate and believe it is reasonable in relation to the financial statements as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Township Board
The Charter Township of Oshtemo, Michigan
[DATE]

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule outlines the uncorrected misstatement noted during the audit. Management has determined that the effects of the uncorrected misstatement is immaterial to the financial statements as a whole and each individual fund.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated [DATE].

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Township's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management discussion and analysis, budget comparison schedules, and schedule of funding progress for the postemployment healthcare plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information, as noted in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information,

Township Board
The Charter Township of Oshtemo, Michigan
[DATE]

we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Township Board and management of the Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Seber Tans, PLC

DRAFT

Charter Township of Oshtemo
Year End: December 31, 2021
Passed Adjustment Schedule

Number	Date	Name	Account No	Debit	Credit
PAJE - 1	12/31/2021	S/A Rec - 9.25%	490-000-04560 SF		(2,400.00)
PAJE - 1	12/31/2021	Deferred Revenue	490-000-33900 SF	2,400.00	

Record passed adjustment on 9.25% 2006s.

DRAFT

*Charter Township of Oshtemo
Kalamazoo County, Michigan*

FINANCIAL STATEMENTS

Year ended December 31, 2021

DRAFT

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SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Correction of an Error

As discussed in Note 20 to the financial statements, certain errors resulting in overstatement of the water fund's payables, receivables, and deferred inflows as of December 31, 2020, were discovered by the Township during the current year. Accordingly, the Township's beginning balances for governmental activities net position and the water fund's fund balance have been restated in the financial statements now presented to correct the error. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 as noted on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used

to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Seber Tans, PLC
Kalamazoo, Michigan
[DATE]

DRAFT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT

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, 2021. Please read it in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased by \$3,060,541 (approximately 9 percent) as a result of this year's activities.
- Of the \$37,562,382 total net position reported, \$10,798,671 (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 (please refer to the Township's CIP plan for the intended uses of unrestricted net position).
- The General Fund's unassigned fund balance at the end of the fiscal year was \$3,114,019, which represents 91 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 government services, like general government, 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 custodian 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 2021 and 2020 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, 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.

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 and activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. 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 \$37,562,382. Of this total, \$23,983,396 is invested in capital assets, \$2,737,258 is restricted for public safety, \$43,057 is restricted for public works and \$10,798,671 is unrestricted.

Condensed financial information
Net position

	<i>Governmental activities</i>	
	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 22,644,192	\$ 17,233,062
Capital assets	<u>23,983,396</u>	<u>24,112,702</u>
Total assets	<u>46,627,588</u>	<u>41,345,764</u>
Current and other liabilities	<u>2,330,198</u>	<u>1,386,868</u>
Deferred inflows of resources	<u>6,735,008</u>	<u>5,457,055</u>
Net position:		
Net investment in capital assets	<u>23,983,396</u>	24,112,702
Restricted	<u>2,780,315</u>	2,230,091
Unrestricted	<u>10,798,671</u>	<u>8,159,048</u>
Total net position	<u>\$ 37,562,382</u>	<u>\$ 34,501,841</u>

As described in Note 20, the Township recorded a prior period adjustment to correct errors related to overstated payables (\$305,000) and overstated receivables (\$95,090). The Township recorded a payable in 2018 that was paid in 2020 but the liability was not relieved, a special assessment was recognized in 2020 in error, which increased net position by \$209,910.

Changes in net position

The Township's total revenues were \$10,517,142. For 2021, charges for services were 62 percent of the Township's revenues, 24 percent comes from state grants, and 8 percent comes from property taxes.

The total cost of the Township's programs and services was \$7,456,601. Approximately 47 percent of the Township's costs are related to public safety activities, general government is 28 percent, and public works is 17 percent of expenses.

Condensed financial information

Changes in net position

	<i>Governmental activities</i>	
	<u>2021</u>	<u>2020</u>
Program revenues:		
Charges for services	\$ 6,567,386	\$ 6,480,778
Operating grants	376,898	579,032
General revenues:		
Property taxes	850,128	814,926
State grants	2,549,135	1,985,243
Franchise fees	160,243	168,385
Investment income	<u>13,352</u>	<u>41,370</u>
Total revenues	<u>10,517,142</u>	<u>10,069,734</u>
Expenses:		
General government	2,088,356	2,175,029
Public safety	3,474,268	3,712,053
Public works	1,293,212	1,204,152
Community and economic development	217,529	191,460
Culture and recreation	<u>383,236</u>	<u>320,857</u>
Total expenses	<u>7,456,601</u>	<u>7,603,551</u>
Changes in net position	<u>\$ 3,060,541</u>	<u>\$ 2,466,183</u>
Net position, end of year	<u>\$ 37,562,382</u>	<u>\$ 34,501,841</u>

As described in Note 20, the Township recorded a prior period adjustment to correct errors related to overstated payables (\$305,000) and overstated receivables (\$95,090). The adjustment reduced operating contributions by \$95,090 and decreased the public works expense by \$305,000. Combined these adjustments increased beginning net position by \$209,910.

Governmental activities

The net position increased \$3,060,541 for 2021 compared to a \$2,466,183 increase in the prior year. The increase can be attributed primarily to an increase in state grant revenue of \$563,892 as state shared revenues increased during the year.

The total cost of governmental activities this year was \$7,456,601. After subtracting the direct charges to those who directly benefited from the programs (\$6,567,386) and operating grants (\$376,898), the "public benefit" portion covered by taxes, state revenue sharing, and other general revenues was \$512,317.

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 \$12,223,187, an increase of \$2,701,588 from last year.

The General Fund is the primary operating fund of the Township. Its fund balance increased by \$36,599 during the year, as revenues of \$3,963,504 were lower than current expenditures of \$3,426,905 and transfers to other funds of \$500,000. The fund balance was \$3,403,738 at the end of the year.

The Road Fund, a new fund in 2021, started collecting taxes in 2021 which will be recognized as revenue in 2022, therefore the fund experienced no change in fund balance during the year and ending fund balance is zero.

The Fire Fund experienced an increase in fund balance of \$762,935 for 2021, as revenues of \$3,211,302 were more than current expenditures of \$2,448,367 including \$214,308 in capital outlay. The ending fund balance was \$2,477,319.

The Police Fund experienced a \$753,640 increase in fund balance, which reflects police service expenditures of \$797,237 that were less than revenues of \$1,550,877. The fund balance at the end of the year was \$1,853,952.

The General Sewer Fund experienced a \$859,138 increase in fund balance for 2021, as revenues of \$891,907 and transfers in of \$250,000 were more than current year's expenditures of \$282,769. The fund balance at the end of the year was \$2,136,565.

The General Water Fund experienced a \$219,866 increase in fund balance for 2021, as revenues of \$256,598, were more than current year's expenditures of \$36,732. The fund balance at the end of the year was \$2,062,644.

General Fund budgetary highlights

The Township amended the General Fund expenditures budget for anticipated decreases in expenditures. Total revenues were \$587,786 more than anticipated, primarily due to state grant revenues that were higher than anticipated by \$473,261. Total expenditures were \$1,229,081 less than the amounts appropriated, primarily due to capital outlay, public works and general government costs which were \$930,075, \$66,616 and \$168,103 respectively, less than projected due to planned projects not occurring and cost reductions in the current year.

These variances resulted in a positive budget variance of \$1,816,867, with a \$36,599 increase in fund balance compared to a budget that anticipated a decrease of \$1,780,268 in the current year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Township's investment in capital assets as of December 31, 2021, was \$23,983,396 (net of accumulated depreciation). This investment includes buildings and improvements, equipment and vehicles, sewer, and water infrastructure. The \$129,306 decrease in the Township's investment in capital assets for the current fiscal year includes \$912,972 in capital asset additions, less \$1,042,278 in depreciation expense for the year.

Major capital asset additions during the current fiscal year include:

- \$252,998 for sewer infrastructure costs
- \$2,008,426 for a non-motorized path and trail projects
- \$107,345 for the refurbishment of fire vehicle
- \$61,628 for fire equipment

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 obligation consists of \$63,650 in accrued compensated absences.

More detailed information about the Township's long-term obligation is presented in Note 8 of the notes to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Township expects to be able to use current revenues to provide essential services that will allow current fund balances to be maintained. The Township plans to maintain all ongoing programs for 2022. The ongoing costs of providing essential services for the citizens of the Township will need to be closely monitored in order to maintain the financial condition and operational capabilities of the Township.

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

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STATEMENT OF NET POSITION

December 31, 2021

	<u>Primary government</u>	<u>Component units</u>	
	<u>Governmental activities</u>	<u>Downtown Development Authority</u>	<u>South Drake Road Corridor Improvement Authority</u>
ASSETS			
Current assets:			
Cash	\$ 12,707,221	\$ 549,698	\$ 113,889
Investments	3,765,812	-	-
Receivables, net	4,980,052	74,722	41,339
Total current assets	<u>21,453,085</u>	<u>624,420</u>	<u>155,228</u>
Noncurrent assets:			
Receivables, net	817,929	-	-
Beneficial interest in assets held by foundation	29,739	-	-
Net OPEB assets	343,439	-	-
Capital assets not being depreciated	2,956,854	887,417	-
Capital assets, net of accumulated depreciation	21,026,542	286,316	-
Total noncurrent assets	<u>25,174,503</u>	<u>1,173,733</u>	<u>-</u>
Total assets	<u>46,627,588</u>	<u>1,798,153</u>	<u>155,228</u>
LIABILITIES			
Current liabilities:			
Payables	876,907	57,263	-
Unearned federal grant revenue	1,213,632	-	-
Unearned operating assessment revenues	176,009	-	-
Total current liabilities	<u>2,266,548</u>	<u>57,263</u>	<u>-</u>
Noncurrent liabilities - compensated absences	<u>63,650</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>2,330,198</u>	<u>57,263</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax revenues levied for the subsequent year	1,856,390	166,823	44,483
Special assessment levied for the subsequent year	4,847,104	-	-
OPEB	31,514	-	-
Total deferred inflows of resources	<u>6,735,008</u>	<u>166,823</u>	<u>44,483</u>
NET POSITION			
Investment in capital assets	23,983,396	1,173,733	-
Restricted for public safety	2,737,258	-	-
Restricted for public works	43,057	-	-
Unrestricted	10,798,671	400,334	110,745
Total net position	<u>\$ 37,562,382</u>	<u>\$ 1,574,067</u>	<u>\$ 110,745</u>

See notes to financial statements

Charter Township of Oshtemo
STATEMENT OF ACTIVITIES
Year ended December 31, 2020

Functions/Programs	Net (expenses) revenues and changes in net position					
	Program revenues			Component units		
	Expenses	Charges for services	Operating grants and contributions	Governmental activities	Downtown Development Authority	South Drake Road Corridor Improvement Authority
Governmental activities:						
General government	\$ 2,088,356	\$ 537,285	\$ -	\$ (1,551,071)		
Public safety	3,474,268	4,762,178	-	1,287,910		
Public works	1,293,212	1,181,630	315,537	203,955		
Community and economic development	217,529	36,705	-	(180,824)		
Culture and recreation	383,236	49,588	61,361	(272,287)		
Total governmental activities	<u>7,456,601</u>	<u>6,567,386</u>	<u>376,898</u>	<u>(512,317)</u>		
Component units:						
Downtown Development Authority	\$ 55,382	\$ -	\$ -	\$ (55,382)	\$ -	
South Drake Road Corridor Improvement Authority	2,530	-	-	-	-	(2,530)
Total component units	<u>\$ 57,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (55,382)</u>	<u>\$ (2,530)</u>	
General revenues:						
Taxes				850,128	217,268	46,124
State grants				2,549,135	-	-
Franchise fees				160,243	-	-
Investment income				13,352	853	27
Total general revenues				<u>3,572,858</u>	<u>218,121</u>	<u>46,151</u>
Changes in net position				3,060,541	162,739	43,621
Net position - beginning				<u>34,501,841</u>	<u>1,411,328</u>	<u>67,124</u>
Net position - ending				<u>\$ 37,562,382</u>	<u>\$ 1,574,067</u>	<u>\$ 110,745</u>

See notes to financial statements
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Charter Township of Oshtemo
BALANCE SHEET - governmental funds
 December 31, 2021

	<u>General</u>	<u>Roads</u>	<u>Fire</u>	<u>Police</u>	<u>General Sewer</u>	<u>General Water</u>	<u>Nonmajor funds</u>	<u>Total governmental funds</u>
ASSETS								
Cash	\$ 1,981,667	\$ 416,959	\$ 4,076,439	\$ 2,570,781	\$ 2,038,364	\$ 1,258,521	\$ 364,490	\$ 12,707,221
Investments	3,001,578	-	-	-	-	764,234	-	3,765,812
Receivables	1,196,572	568,105	1,901,558	1,014,813	876,108	139,983	100,842	5,797,981
Beneficial interest in assets held by foundation	-	-	-	-	-	-	29,739	29,739
Total assets	\$ 6,179,817	\$ 985,064	\$ 5,977,997	\$ 3,585,594	\$ 2,914,472	\$ 2,162,738	\$ 495,071	\$ 22,300,753
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Payables	\$ 451,626	\$ -	\$ 137,910	\$ 247,306	\$ 9,191	\$ 781	\$ 30,093	\$ 876,907
Unearned federal grant revenue	1,213,632	-	-	-	-	-	-	1,213,632
Unearned special assessment operating revenues	-	-	-	-	-	-	176,009	176,009
Total liabilities	1,665,258	-	137,910	247,306	9,191	781	206,102	2,266,548
Deferred inflows of resources:								
Property tax revenues levied for the subsequent year	871,326	985,064	-	-	-	-	-	1,856,390
Special assessment levied for the subsequent year	-	-	3,362,768	1,484,336	-	-	-	4,847,104
Unavailable state grants	239,495	-	-	-	-	-	-	239,495
Unavailable special assessment revenues	-	-	-	-	768,716	99,313	-	868,029
Total deferred inflows of resources	1,110,821	985,064	3,362,768	1,484,336	768,716	99,313	-	7,811,018
Fund balances:								
Restricted for:								
Public safety	259,939	-	2,477,319	-	-	-	-	2,737,258
Public works	-	-	-	-	-	-	43,057	43,057
Assigned for:								
Public safety	-	-	-	1,853,952	-	-	-	1,853,952
Public works	-	-	-	-	2,136,565	2,062,644	-	4,199,209
Culture and recreation	-	-	-	-	-	-	245,912	245,912
Subsequent year expenditures	29,780	-	-	-	-	-	-	29,780
Unassigned	3,114,019	-	-	-	-	-	-	3,114,019
Total fund balances	3,403,738	-	2,477,319	1,853,952	2,136,565	2,062,644	288,969	12,223,187
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,179,817	\$ 985,064	\$ 5,977,997	\$ 3,585,594	\$ 2,914,472	\$ 2,162,738	\$ 495,071	\$ 22,300,753
Reconciliation of the balance sheet to the statement of net position:								
Total fund balance - total governmental funds								\$ 12,223,187
Amounts reported for <i>governmental activities</i> in the statement of net position (page 11) are different because:								
Capital assets used in <i>governmental activities</i> are not financial resources and, therefore, are not reported in the funds.								
								23,983,396
Net OPEB assets								
								343,439
Deferred inflows of resources, related to the OPEB plan, relate to future years and, therefore, are not reported in the funds.								
								(31,514)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds - compensated absences.								
								(63,650)
Special assessments receivable and unavailable grant revenue are not available to pay for the current period's expenditures and, therefore, are deferred in the funds.								
								1,107,524
Net position of <i>governmental activities</i>								\$ 37,562,382

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

Year ended December 31, 2021

	<u>General</u>	<u>Roads</u>	<u>Fire</u>	<u>Police</u>	<u>General Sewer</u>	<u>General Water</u>	<u>Nonmajor fund</u>	<u>Total governmental funds</u>
REVENUES								
Taxes	\$ 850,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850,128
Licenses and permits	196,948	-	-	-	-	-	-	196,948
State grants	2,326,261	-	-	-	-	-	41,295	2,367,556
Charges for services	500,457	-	-	28,375	537,932	175,747	-	1,242,511
Fines and forfeitures	-	-	49,014	71,015	-	-	-	120,029
Interest and rentals	26,737	-	2,995	2,154	34,082	7,402	48,102	121,472
Other	62,973	-	3,159,293	1,449,333	319,893	73,449	188,459	5,253,400
Total revenues	3,963,504	-	3,211,302	1,550,877	891,907	256,598	277,856	10,152,044
EXPENDITURES								
Current:								
General government	2,091,881	-	-	-	-	-	-	2,091,881
Public safety	49,224	-	2,234,059	797,237	-	-	-	3,080,520
Public works	460,387	-	-	-	282,769	36,732	144,441	924,329
Community and economic development	217,429	-	-	-	-	-	-	217,429
Culture and recreation	-	-	-	-	-	-	217,844	217,844
Capital outlay	607,984	-	214,308	-	-	-	96,161	918,453
Total expenditures	3,426,905	-	2,448,367	797,237	282,769	36,732	458,446	7,450,456
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>536,599</u>	<u>-</u>	<u>762,935</u>	<u>753,640</u>	<u>609,138</u>	<u>219,866</u>	<u>(180,590)</u>	<u>2,701,588</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	250,000	-	250,000	500,000
Transfers out	(500,000)	-	-	-	-	-	-	(500,000)
Net other financing sources (uses)	(500,000)	-	-	-	250,000	-	250,000	-
NET CHANGES IN FUND BALANCES	36,599	-	762,935	753,640	859,138	219,866	69,410	2,701,588
FUND BALANCES - BEGINNING	<u>3,367,139</u>	<u>-</u>	<u>1,714,384</u>	<u>1,100,312</u>	<u>1,277,427</u>	<u>1,842,778</u>	<u>219,559</u>	<u>9,521,599</u>
FUND BALANCES - ENDING	<u>\$ 3,403,738</u>	<u>\$ -</u>	<u>\$ 2,477,319</u>	<u>\$ 1,853,952</u>	<u>\$ 2,136,565</u>	<u>\$ 2,062,644</u>	<u>\$ 288,969</u>	<u>\$ 12,223,187</u>

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)	\$ 2,701,588
Amounts reported for <i>governmental activities</i> in the statement of activities (page 12) are different because:	
Capital assets:	
Assets acquired	912,972
Provision for depreciation	(1,042,278)
Long-term obligations:	
Net change in liability for compensated absences	(5,700)
Net increase in OPEB assets	103,270
Changes in deferred inflows and outflow of resources:	
Net decrease in deferred inflows of resources	<u>390,689</u>
Change in net position of <i>governmental activities</i>	<u>\$ 3,060,541</u>

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STATEMENT OF FIDUCIARY NET POSITION - custodial funds

December 31, 2021

	<u>Retiree Medical Trust</u>	<u>Tax</u>	<u>Custodial</u>
ASSETS			
Cash	\$ -	\$ 11,030,677	\$ 204,476
Investments	<u>448,828</u>	<u>-</u>	<u>-</u>
Total assets	448,828	11,030,677	204,476
LIABILITIES			
Due to others	<u>-</u>	<u>11,030,677</u>	<u>191,359</u>
NET POSITION			
Deposits held for others	\$ -	\$ -	\$ 13,117
Held in trust for retirees' health benefits	<u>448,828</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ 448,828</u>	<u>\$ -</u>	<u>\$ 13,117</u>

DRAFT

STATEMENT OF CHANGES IN FIDUCIARY NET POSTION - custodial funds

December 31, 2021

	<i>Retiree Medical Trust</i>	<i>Tax</i>	<i>Custodial</i>
ADDITIONS			
Property taxes collected for other governments	\$ -	\$ 38,402,053	\$ 98,399
Collection of PILT	-	-	165,958
Collection of county fees	-	-	33,960
Collection of other deposits	-	-	13,117
Investment income	49,288	-	-
Contributions	5,582	-	-
Premiums paid by others	7,541	-	-
	<hr/>	<hr/>	<hr/>
Total additions	62,411	38,402,053	311,434
DEDUCTIONS			
Insurance premiums	5,582	-	-
Property taxes distributed to other governments	-	38,402,053	98,399
Payment of county collections	-	-	33,960
Distributions of PILT	-	-	165,958
Administration fees	767	-	-
	<hr/>	<hr/>	<hr/>
Total deductions	6,349	38,402,053	298,317
NET CHANGE IN FIDUCIARY NET POSITION	56,062	-	13,117
NET POSITION - BEGINNING	<hr/> 392,766	<hr/> -	<hr/> -
NET POSTION - ENDING	<hr/> <u>\$ 448,828</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 13,117</u>

See notes to financial statements

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 Road Fund accounts for financial resources used for road and public works projects. Revenues are primarily derived from property taxes.

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 General Water Fund accounts for financial resources used for water facilities capital improvements and maintenance. Revenues are primarily derived from connection fees and special assessments.

The Township reports the following nonmajor governmental funds:

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

The Street Lighting Fund accounts for financial resources used for street lighting and improvements. Revenues are primarily derived from 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 Custodial Funds (tax and general custodial) account for the collection and disbursement of taxes and other monies due to other units of government and individuals. Custodial funds are custodial in nature (assets equal liabilities).

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, liabilities, deferred inflows of resources, and 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.

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 assets) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date received. 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 and federal grant 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Postemployment benefits other than pensions - For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oshtemo Charter Township OPEB plan for Non-union employees and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 2021 ad valorem taxes were levied and collectible on December 1, 2021, 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 generally accepted accounting principles 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. At the end of the fiscal year there were no reportable budget variances.

NOTE 3 - CASH AND INVESTMENTS

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

	<u>Primary government</u>			
	<u>Governmental activities</u>	<u>Component units</u>	<u>Fiduciary activities</u>	<u>Totals</u>
Cash	\$ 12,707,221	\$ 663,587	\$ 11,235,153	\$ 24,605,961
Investments	<u>3,765,812</u>	<u>-</u>	<u>448,828</u>	<u>4,214,640</u>
	<u>\$ 16,473,033</u>	<u>\$ 663,587</u>	<u>\$ 11,683,981</u>	<u>\$ 28,820,601</u>

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, 2021, \$17,654,194 of the Township’s bank balances of \$19,979,361 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.

<u>Investment</u>	<u>Fair value</u>	<u>Maturity</u>	<u>Rating</u>	<u>Source</u>
U.S. government securities:				
United States Agencies	\$ 481,259	2021 - 2023	AAA	S&P
United States Treasury	282,975	2021 - 2022	AAA	S&P
MBIA CLASS Fund	<u>3,001,578</u>	Various	AAAm	S&P
	<u>\$ 3,765,812</u>			

Fair value measurement - The Township categorizes its fair value measurements of investments 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 assets. 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 U.S. government securities were valued using observable fair values of similar assets (Level 2). The MBIA CLASS Fund was measured at net asset value (or its equivalent) as a practical expedient, and, accordingly, has not been classified in the fair value hierarchy.

NOTE 3 - CASH AND INVESTMENTS (Continued)

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.

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, 2021, consisted of the following:

<u>Investment type</u>	<u>Fair value</u>
MERS Total Market Portfolio	\$ 224,414
MERS Est Market Portfolio	<u>224,414</u>
	<u>\$ 448,828</u>

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, 2021:

- Municipal Employees’ Retirement System of Michigan - RHFV, with a balance of \$448,828 at December 31, 2021, which is valued using observable fair values of similar assets (Level 2).

NOTE 4 - RECEIVABLES

Receivables as of December 31, 2021, for the Township’s individual major funds and nonmajor funds, in the aggregate, were as follows:

<u>Fund</u>	<u>Property taxes</u>	<u>Accounts</u>	<u>Special assessments</u>	<u>Inter-governmental</u>	<u>Totals</u>
<i>Primary government:</i>					
<i>Governmental:</i>					
General	\$ 501,204	\$ 59,662	\$ -	\$ 635,706	\$ 1,196,572
Roads	568,105	-	-	-	568,105
Fire	-	5,550	1,896,008	-	1,901,558
Police	-	-	1,014,813	-	1,014,813
General Sewer	-	-	796,259	79,849	876,108
General Water	-	-	106,411	33,572	139,983
Nonmajor	-	-	100,842	-	100,842
Total governmental	<u>\$ 1,069,309</u>	<u>\$ 65,212</u>	<u>\$ 3,914,333</u>	<u>\$ 749,127</u>	<u>\$ 5,797,981</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 817,929</u>	<u>\$ -</u>	<u>\$ 817,929</u>
<i>Component units:</i>					
Downtown Development Authority	\$ 74,722	\$ -	\$ -	\$ -	\$ 74,722
South Drake Road Corridor Improvement Authority	41,339	-	-	-	41,339
Total component units	<u>\$ 116,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,061</u>

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, 2021, the Foundation held \$646,296 in this account.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Primary government:				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 587,728	\$ -	\$ -	\$ 587,728
Construction in progress	<u>1,912,335</u>	<u>2,080,748</u>	<u>(1,623,957)</u>	<u>2,369,126</u>
Subtotal	<u>2,500,063</u>	<u>2,080,748</u>	<u>(1,623,957)</u>	<u>2,956,854</u>
Capital assets being depreciated:				
Buildings and improvements	9,108,363	-	-	9,108,363
Equipment	1,756,275	74,403	(4,635)	1,826,043
Vehicles	3,696,129	107,345	(85,126)	3,718,348
Infrastructure	<u>16,850,062</u>	<u>274,433</u>	<u>-</u>	<u>17,124,495</u>
Subtotal	<u>31,410,829</u>	<u>456,181</u>	<u>(89,761)</u>	<u>31,777,249</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,786,579)	(97,703)	-	(3,884,282)
Equipment	(1,352,248)	(115,142)	4,635	(1,462,755)
Vehicles	(1,198,779)	(205,794)	85,126	(1,319,447)
Infrastructure	<u>(3,460,584)</u>	<u>(623,639)</u>	<u>-</u>	<u>(4,084,223)</u>
Subtotal	<u>(9,798,190)</u>	<u>(1,042,278)</u>	<u>89,761</u>	<u>(10,750,707)</u>
Total capital assets being depreciated, net	<u>21,612,639</u>	<u>(586,097)</u>	<u>-</u>	<u>21,026,542</u>
Governmental activities capital assets, net	<u>\$ 24,112,702</u>	<u>\$ 1,494,651</u>	<u>\$ (1,623,957)</u>	<u>\$ 23,983,396</u>
Component unit - DDA:				
Capital assets not being depreciated:				
Land	\$ 293,595	\$ -	\$ -	\$ 293,595
Construction in progress	<u>89,166</u>	<u>504,656</u>	<u>-</u>	<u>593,822</u>
Subtotal	<u>382,761</u>	<u>504,656</u>	<u>-</u>	<u>887,417</u>
Capital assets being depreciated:				
Buildings and improvements	351,933	-	-	351,933
Less accumulated depreciation for:				
Buildings and improvements	<u>(43,855)</u>	<u>(21,762)</u>	<u>-</u>	<u>(65,617)</u>
Total capital assets being depreciated, net	<u>308,078</u>	<u>(21,762)</u>	<u>-</u>	<u>286,316</u>
Component unit capital assets, net	<u>\$ 690,839</u>	<u>\$ 482,894</u>	<u>\$ -</u>	<u>\$ 1,173,733</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities functions, as follows:

General government	\$ 88,065
Public safety	350,868
Public works	435,601
Culture and recreation	<u>167,744</u>
Total	<u>\$ 1,042,278</u>

NOTE 7 - PAYABLES

Payables as of December 31, 2021, for the Township’s individual major funds and nonmajor funds, in the aggregate, were as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Accrued liabilities</u>	<u>Inter-governmental</u>	<u>Deposits</u>	<u>Totals</u>
Primary government:					
Governmental:					
General	\$ 169,776	\$ 27,735	\$ -	\$ 254,115	\$ 451,626
Fire	106,902	31,008	-	-	137,910
Police	-	1,584	245,722	-	247,306
General Sewer	9,191	-	-	-	9,191
General Water	781	-	-	-	781
Nonmajor	<u>28,870</u>	<u>1,223</u>	<u>-</u>	<u>-</u>	<u>30,093</u>
Total governmental	<u>\$ 315,520</u>	<u>\$ 61,550</u>	<u>\$ 245,722</u>	<u>\$ 254,115</u>	<u>\$ 876,907</u>
Component unit:					
Downtown Development Authority	<u>\$ 57,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,263</u>

NOTE 8 - LONG-TERM OBLIGATION

Long-term obligation activity (excluding postemployment benefits other than pensions) for the year ended December 31, 2021, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Primary government:				
Governmental activities:				
Compensated absences	<u>57,950</u>	<u>215,545</u>	<u>(209,845)</u>	<u>63,650</u>

NOTE 9 - PROPERTY TAXES

The 2020 taxable valuation of the Township approximated \$908,956,000, on which ad valorem taxes levied, consisted of 0.9600 mills for operating purposes, raising approximately \$839,000. This amount is recognized in the General Fund financial statements as property tax revenue.

The 2021 taxable valuation of the Township approximated \$938,196,000, on which ad valorem taxes levied, consisted of 0.9600 mills for operating purposes and 1.0800 for road improvements, raising approximately \$901,000 for operating and \$1,013,000 for road improvements. These amounts are recognized in the General Fund and Road 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, 2021, the Township made the required and matching contribution of \$234,706 and eligible employees made contributions of \$89,323. At December 31, 2021, the Township reported a \$89,323 accrued liability 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 or 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:

Oshtemo Charter Township OPEB Plan is a single employer plan established and administered by Oshtemo Charter Township and can be amended at its discretion.

Benefits provided:

Benefit eligibility - Participation limited to four current retirees

Benefit - Reimbursement of premiums for retiree and spouse, for the life of the retiree, up to an annual reimbursement cap, determined annually. \$4,500 for 2021 and 2020.

Retiree contributions - Balance of premium in excess of the employer contribution

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Balance of premium in excess of the employer contribution:

As of December 31, 2021, Plan membership consisted of the following:

Inactive participants receiving benefits	3
Active participants	<u>-</u>
Total participants	<u><u>3</u></u>

Contributions:

The Oshtemo Charter Township OPEB Plan was established and is being funded under the authority of the Township. The plan's funding policy is that the employer will not make future contributions. Currently, benefit payments are made from general operating funds. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves.

Actuarial Assumptions:

The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date. The following actuarial assumptions were used in the measurement:

Inflation	2.50%
Investment rate of return	7.35% (including inflation)
20-year Aa Municipal bond rate	2.25%
Mortality	2010 Public General Employees and Healthy Retirees, headcount weighted with MP-2021 improvement

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	60.00%	4.95%
Global fixed income	20.00%	2.40%
Private assets	20.00%	7.00%

The sum of each target allocation times its long-term expected real rate is 7.35%.

Discount rate:

The discount rate used to measure the total OPEB liability was 7.35%. The projection of cash flows used to determine the discount rate assumed that no further contributions will be made. Based on those assumptions, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. The discount rate used for December 31, 2020, was 7.03%.

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Changes in the net OPEB liability:

	<i>Increase (decrease)</i>		
	<i>Total OPEB liability (a)</i>	<i>Plan fiduciary net position (b)</i>	<i>Net OPEB liability (asset) (a) - (b)</i>
Balances at December 31, 2020	\$ 144,825	\$ 392,766	\$ (247,941)
Changes for the year:			
Interest	9,985	-	9,985
Experience (Gains)/Losses	(13,959)	-	(13,959)
Change in plan terms	(27,054)	-	(27,054)
Change in assumptions	(2,826)	-	(2,826)
Contributions to OPEB trust	-	7,541	(7,541)
Contributions - from operating fund	-	5,582	(5,582)
Net investment income	-	49,288	(49,288)
Benefit payments			
Benefit payments; including refunds of Employee Contributions	(5,582)	(5,582)	-
Administrative expenses	-	(767)	767
Net changes	<u>(39,436)</u>	<u>56,062</u>	<u>(95,498)</u>
Balances at December 31, 2021	<u>\$ 105,389</u>	<u>\$ 448,828</u>	<u>\$ (343,439)</u>

Sensitivity of the net OPEB liability to changes in the discount rate:

The following schedule presents the net OPEB liability of the Township, calculated using the discount rates 1% higher and lower than the current rate:

	<u>1% decrease</u>	<u>Current rate</u>	<u>1% increase</u>
Net OPEB liability (asset)	\$ (336,891)	\$ (343,439)	\$ (349,310)

Sensitivity of the net OPEB liability to changes in the trend rate:

The following schedule presents the net OPEB liability of the Township, calculated using healthcare cost trend rates 1% higher and lower than the current rate:

	<u>1% decrease</u>	<u>Current rate</u>	<u>1% increase</u>
Net OPEB liability (asset)	\$ (349,489)	\$ (343,439)	\$ (336,803)

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

OPEB expense, deferred outflows of resources, and deferred inflows of resources related to OPEB Plan:

Components of Township’s OPEB Expense for the Fiscal Year Ending December 31, 2021

Below are the components of the Total OPEB Expense:

	<i>Fiscal Year</i> <u>Ending 12/31/2021</u>
Interest on Total OPEB Liability	\$ 9,985
Experience (Gains)/Losses	(13,959)
Change in plan terms	(27,054)
Change in assumptions	(2,826)
Contributions - employer	
Projected earnings on OPEB plan investments	(27,849)
Investments earnings (gains)/losses	(5,677)
Administrative expenses	<u>767</u>
	<u>\$ (66,613)</u>

OPEB Plan Fiduciary Net Position:

The OPEB Plan Fiduciary Net Position as of December 31, 2021 is \$439,757.

Deferred Inflows and Outflows of Resources Related to OPEB Plan:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Investment earnings (gains)/losses	<u>\$ -</u>	<u>\$ 31,514</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u> <u>Recognized</u>
2022	(5,675)
2023	(13,458)
2024	(8,094)
2025	<u>(4,287)</u>
	<u>\$ (31,514)</u>

NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

Reconciliation of Net OPEB Liability (Asset):

	<u>Net OPEB Liability (Asset)</u>
Net OPEB Liability December 31, 2020	\$ (247,941)
Total OPEB expense	(66,613)
Contributions	(13,123)
Change in deferred inflows of resources	<u>(15,762)</u>
 Net OPEB Liability (Asset) December 31, 2021	 <u>\$ (343,439)</u>

Net OPEB liability by participant status:

	<u>Total OPEB Liability</u>
Inactive participants receiving benefits	\$ <u>105,389</u>

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 \$136,800 to the plan to fund the current year’s contribution for employees in 2021. 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, 2021, is as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Fund</u>	<u>Transfers out</u>
Nonmajor	\$ 250,000		
General Sewer	<u>250,000</u>		
 Total	 <u>\$ 500,000</u>	General	<u>\$ 500,000</u>

The transfers from the General Fund to the General Sewer and nonmajor fund represents transfers to cover project costs and improvements.

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. Audited financial statements for the Authority are available at the Oshtemo Township Municipal Building.

In 2021, the Township began leasing office facilities to the Authority, under a three-year operating lease. The total receipts associated with this lease were \$21,000 during the fiscal year ended December 31, 2021. The future minimum lease receipts for this lease amount to \$44,000, \$22,000 in each 2022 and 2023.

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.

NOTE 16 - CONTINGENCIES

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.

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, and actual costs cannot be estimated but could significantly impact the Township.

NOTE 17 - CONSTRUCTION COMMITMENT

The Township's DDA, a component unit, has authorized a contract for sidewalk improvements totaling \$526,320. The DDA expended \$375,174 on the project through December 31, 2021, leaving a commitment in the amount of \$151,146. The DDA is funding the project with available resources.

NOTE 18 - PENDING ACCOUNTING PRONOUNCEMENT

In June 2021, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, effective for periods beginning after June 15, 2021. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the fiscal year beginning January 1, 2022.

NOTE 18 - PENDING ACCOUNTING PRONOUNCEMENT (Continued)

In May 2020, the GASB issued Statement No. 96, Subscription-based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023 fiscal year.

NOTE 19 - AMERICAN RESCUE PLAN ACT or 2021

On March 11, 2021, the United States executed the American Rescue Plan Act of 2021 (ARPA), which included \$362 billion in funds to be awarded as economic assistance to state and local units to prepare for and respond to COVID-19. Under the American Rescue Plan Act, the Township, was awarded approximately \$2,427,000 in federal Coronavirus Local Fiscal Recovery Funds ("ARPA Funds"). The Township received \$1,213,632 of the ARPA Funds in September 2021, with the second half anticipated in 2022. The Township is subject to rules issued by the U.S. Treasury Department regarding the use of ARPA Funds and has identified the following allowable uses: support public health expenditures, address negative economic impacts caused by the COVID-19 public health emergency, replace lost public sector revenue, provide premium pay for essential workers, and invest in water, sewer, and broadband infrastructure. The Township expects to spend the awarded funds under the applicable federal guidelines

NOTE 20 - CORRECTION OF AN ERROR

A prior period adjustment has been recorded in fiscal year 2021 to correct errors related to overstating of payables and overstating of assessment receivable and deferred inflows related to the assessment receivables that resulted in a restatement of opening fund balance of the general water fund and net position of governmental activities. Net position and fund balance, as of December 31, 2020, included in the financial statements, represents restated balances, as presented below.

	<u>General Water fund</u>	<u>Governmental activities</u>
Net position, beginning of year, as previously reported	\$ 9,216,599	\$ 34,291,931
Overstated payables	305,000	305,000
Overstated receivable	(95,090)	(95,090)
Overstated deferred inflows	<u>95,090</u>	<u>-</u>
Net position, beginning of year, after effect of the accounting change	<u>\$ 9,521,599</u>	<u>\$ 34,501,841</u>

NOTE 21 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June xx, 2021, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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Charter Township of Oshtemo

BUDGETARY COMPARISON SCHEDULE - General Fund

Year ended December 31, 2021

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Taxes	\$ 807,374	\$ 791,918	\$ 850,128	\$ 58,210
Licenses and permits	195,200	195,200	196,948	1,748
State grants	1,853,000	1,853,000	2,326,261	473,261
Intergovernmental	55,000	55,000	-	(55,000)
Charges for services	409,600	409,600	500,457	90,857
Interest and rentals	35,000	35,000	26,737	(8,263)
Other	36,000	36,000	62,973	26,973
Total revenues	<u>3,391,174</u>	<u>3,375,718</u>	<u>3,963,504</u>	<u>587,786</u>
EXPENDITURES				
General government:				
Legislative	38,880	38,880	26,837	12,043
Supervisor	236,873	236,873	241,340	(4,467)
Elections	16,700	47,450	34,601	12,849
Assessor	256,940	322,140	305,062	17,078
Clerk	137,025	137,025	133,422	3,603
Treasurer	111,416	119,716	121,514	(1,798)
Professional services	295,504	295,504	294,457	1,047
Cemetery, buildings, and grounds	107,400	114,100	86,969	27,131
General operations	812,122	948,296	847,679	100,617
Total general government	<u>2,012,860</u>	<u>2,259,984</u>	<u>2,091,881</u>	<u>168,103</u>
Public safety - code enforcement	<u>49,578</u>	<u>51,678</u>	<u>49,224</u>	<u>2,454</u>
Public works:				
Highways and streets	257,000	332,800	278,162	54,638
Other	96,302	123,203	113,830	9,373
Waste collection	68,000	71,000	68,395	2,605
Total public works	<u>421,302</u>	<u>527,003</u>	<u>460,387</u>	<u>66,616</u>
Community and economic development - planning and zoning	<u>270,262</u>	<u>279,262</u>	<u>217,429</u>	<u>61,833</u>

BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)

Year ended December 31, 2021

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
EXPENDITURES (Continued)				
Capital outlay	\$ 1,636,750	\$ 1,538,059	\$ 607,984	\$ 930,075
Total expenditures	<u>4,390,752</u>	<u>4,655,986</u>	<u>3,426,905</u>	<u>1,229,081</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(999,578)</u>	<u>(1,280,268)</u>	<u>536,599</u>	<u>1,816,867</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(1,499,578)</u>	<u>(1,780,268)</u>	<u>36,599</u>	<u>1,816,867</u>
FUND BALANCES - BEGINNING	<u>3,367,139</u>	<u>3,367,139</u>	<u>3,367,139</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,867,561</u>	<u>\$ 1,586,871</u>	<u>\$ 3,403,738</u>	<u>\$ 1,816,867</u>

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Charter Township of Oshtemo

BUDGETARY COMPARISON SCHEDULE - Fire Fund

Year ended December 31, 2021

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 49,014	\$ 49,014
Interest	8,500	8,500	2,995	(5,505)
Other:				
Special assessments	3,074,967	3,057,967	3,130,406	72,439
Miscellaneous	<u>149,350</u>	<u>170,350</u>	<u>28,887</u>	<u>(141,463)</u>
Total revenues	<u>3,232,817</u>	<u>3,236,817</u>	<u>3,211,302</u>	<u>(25,515)</u>
EXPENDITURES				
Public safety	2,620,722	2,641,022	2,234,059	406,963
Capital outlay	<u>427,597</u>	<u>438,597</u>	<u>214,308</u>	<u>224,289</u>
Total expenditures	<u>3,048,319</u>	<u>3,079,619</u>	<u>2,448,367</u>	<u>631,252</u>
NET CHANGES IN FUND BALANCES	184,498	157,198	762,935	605,737
FUND BALANCES - BEGINNING	<u>1,714,384</u>	<u>1,714,384</u>	<u>1,714,384</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,898,882</u>	<u>\$ 1,871,582</u>	<u>\$ 2,477,319</u>	<u>\$ 605,737</u>

Charter Township of Oshtemo

BUDGETARY COMPARISON SCHEDULE - Police Fund

Year ended December 31, 2021

	<i>Original budget</i>	<i>Final budget</i>	<i>Actual</i>	<i>Variance with final budget positive (negative)</i>
REVENUES				
State grants	\$ 22,000	\$ 22,000	\$ 28,375	\$ 6,375
Fines and forfeitures	24,000	24,000	71,015	47,015
Interest and rentals	2,000	2,000	2,154	154
Other - special assessments	<u>1,416,383</u>	<u>1,401,383</u>	<u>1,449,333</u>	<u>47,950</u>
Total revenues	<u>1,464,383</u>	<u>1,449,383</u>	<u>1,550,877</u>	<u>101,494</u>
EXPENDITURES				
Public safety:				
Police protection	<u>1,407,278</u>	<u>1,405,228</u>	<u>797,237</u>	<u>607,991</u>
Capital outlay	<u>-</u>	<u>1,750</u>	<u>-</u>	<u>1,750</u>
Total expenditures	<u>1,407,278</u>	<u>1,406,978</u>	<u>797,237</u>	<u>609,741</u>
NET CHANGES IN FUND BALANCES	57,105	42,405	753,640	711,235
FUND BALANCES - BEGINNING	<u>1,100,312</u>	<u>1,100,312</u>	<u>1,100,312</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,157,417</u>	<u>\$ 1,142,717</u>	<u>\$ 1,853,952</u>	<u>\$ 711,235</u>

SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET OPEB LIABILITY AND RELATED RATIOS

Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB asset (liability):			
Interest	\$ 9,985	\$ 10,035	\$ 14,312
Difference between expected and actual experience	(13,959)	(6,385)	(63,968)
Changes in plan terms	(27,054)	-	-
Changes in assumptions	(2,826)	(1,860)	6,589
Benefit payments, including refunds	<u>(5,582)</u>	<u>(7,772)</u>	<u>(8,160)</u>
Net change in total OPEB asset (liability)	(39,436)	(5,982)	(51,227)
Total OPEB asset (liability), beginning of year	<u>144,825</u>	<u>150,807</u>	<u>202,034</u>
Total OPEB asset (liability), end of year	<u>\$ 105,389</u>	<u>\$ 144,825</u>	<u>\$ 150,807</u>
Plan fiduciary net position:			
Contributions - employer			
Employee	\$ 13,123	\$ 6,301	\$ 8,160
Employer	-	7,772	-
Net investment income (loss)	49,288	42,746	48,236
Benefit payments, including refunds	(5,582)	(7,772)	(8,160)
Administrative expenses	<u>(767)</u>	<u>(620)</u>	<u>(581)</u>
Net change in plan fiduciary net position	56,062	48,427	47,655
Plan fiduciary net position, beginning of year	<u>392,766</u>	<u>344,339</u>	<u>296,684</u>
Plan fiduciary net position, end of year	<u>\$ 448,828</u>	<u>\$ 392,766</u>	<u>\$ 344,339</u>
Township's net OPEB liability (asset), end of year	<u>\$ (343,439)</u>	<u>\$ (247,941)</u>	<u>\$ (193,532)</u>
Plan fiduciary net position as a percent of total OPEB liability	425.88%	271.20%	228.33%
Covered payroll	\$ -	\$ -	\$ -
Township's net OPEB liability as a percentage of covered payroll	NA	NA	NA

Note: This schedule is being built prospectively after the implementation of GASB 75 in 2018.

Ultimately, ten years of data will be presented.

Charter Township of Oshtemo

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31, 2021

Actuarially Recommended Contribution (ARC)	Fiscal Year Ending December 31,			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Normal costs	\$ -	\$ -	\$ -	\$ -
Amortization of unfunded liability	(46,290)	(30,939)	(22,602)	(11,250)
Interest cost	<u>(3,420)</u>	<u>(2,175)</u>	<u>(1,544)</u>	<u>(813)</u>
Actuarial determined employer contribution	(49,710)	(33,114)	(24,146)	(12,063)
Employer contributions (benefit payment)	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>(8,160)</u>
Contribution deficiency/(excess)	<u>TBD</u>	<u>TBD</u>	<u>TBD</u>	<u>\$ 3,903</u>
Covered payroll	\$ -	\$ -	\$ -	\$ -
Contribution as a percentage of covered payroll	NA	NA	NA	NA

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SUPPLEMENTARY INFORMATION

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COMBINING BALANCE SHEET - nonmajor governmental funds

December 31, 2021

	<u>Special Revenue</u>		
	<u>Parks</u>	<u>Street Lighting</u>	<u>Totals</u>
ASSETS			
Cash	\$ 234,253	\$ 130,237	\$ 364,490
Receivables	-	100,842	100,842
Beneficial interest in assets held by foundation	<u>29,739</u>	<u>-</u>	<u>29,739</u>
Total assets	<u>\$ 263,992</u>	<u>\$ 231,079</u>	<u>\$ 495,071</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities - payables	<u>\$ 18,080</u>	<u>\$ 12,013</u>	<u>\$ 30,093</u>
Unearned special assessment operating revenues	<u>\$ -</u>	<u>\$ 176,009</u>	<u>\$ 176,009</u>
Fund balances:			
Restricted for public works	-	43,057	43,057
Assigned for recreation and culture	<u>245,912</u>	<u>-</u>	<u>245,912</u>
Total fund balances	<u>245,912</u>	<u>43,057</u>	<u>288,969</u>
Total deferred inflows of resources and fund balances	<u>\$ 263,992</u>	<u>\$ 231,079</u>	<u>\$ 495,071</u>

Charter Township of Oshtemo

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

Year ended December 31, 2021

	<i>Special revenue</i>		
	<i>Parks</i>	<i>Street Lighting</i>	<i>Totals</i>
REVENUES			
State grants	\$ 41,295	\$ -	\$ 41,295
Interest and rentals	48,014	88	48,102
Other	20,066	168,393	188,459
	<u>109,375</u>	<u>168,481</u>	<u>277,856</u>
Total revenues			
EXPENDITURES			
Current:			
Public works	-	144,441	144,441
Recreation and culture	217,844	-	217,844
Capital outlay	78,029	18,132	96,161
	<u>295,873</u>	<u>162,573</u>	<u>458,446</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(186,498)	5,908	(180,590)
OTHER FINANCING SOURCES			
Transfers in	250,000	-	250,000
	<u>63,502</u>	<u>5,908</u>	<u>69,410</u>
NET CHANGES IN FUND BALANCES			
FUND BALANCES - BEGINNING	182,410	37,149	219,559
	<u>182,410</u>	<u>37,149</u>	<u>219,559</u>
FUND BALANCES - ENDING	\$ 245,912	\$ 43,057	\$ 288,969
	<u>\$ 245,912</u>	<u>\$ 43,057</u>	<u>\$ 288,969</u>

BALANCE SHEET - component units

December 31, 2021

	<u>Downtown Development Authority</u>	<u>South Drake Road Corridor Improvement Authority</u>
ASSETS		
Cash	\$ 549,698	\$ 113,889
Receivables	<u>74,722</u>	<u>41,339</u>
Total assets	<u>\$ 624,420</u>	<u>\$ 155,228</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities - payables	\$ 57,263	\$ -
Deferred inflows of resources - property tax revenues levied for the subsequent year	166,823	44,483
Fund balance - unassigned	<u>400,334</u>	<u>110,745</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 624,420</u>	<u>\$ 155,228</u>
Reconciliation of the balance sheet to the statement of net position:		
Total fund balances - <i>component units</i>	\$ 400,334	\$ 110,745
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.	<u>1,173,733</u>	<u>-</u>
Net position of <i>component units</i>	<u>\$ 1,574,067</u>	<u>\$ 110,745</u>

Charter Township of Oshtemo

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES - component units

Year ended December 31, 2021

	<u>Downtown Development Authority</u>	<u>South Drake Road Corridor Improvement Authority</u>
REVENUES		
Property taxes	\$ 217,268	\$ 46,124
Interest	<u>853</u>	<u>27</u>
Total revenues	<u>218,121</u>	<u>46,151</u>
EXPENDITURES		
Current - public works	33,620	2,530
Capital outlay	<u>504,656</u>	<u>-</u>
Total expenditures	<u>538,276</u>	<u>2,530</u>
NET CHANGES IN FUND BALANCES	(320,155)	43,621
FUND BALANCES - BEGINNING	<u>720,489</u>	<u>67,124</u>
FUND BALANCES - ENDING	<u>\$ 400,334</u>	<u>\$ 110,745</u>
Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities:		
Net changes in fund balances - <i>component units</i>	\$ (320,155)	\$ 43,621
Amounts reported for the <i>component units</i> in the statement of activities (page 12) are different because:		
Capital assets:		
Asset acquisitions	504,656	-
Depreciation provision	<u>(21,762)</u>	<u>-</u>
Changes in net position of <i>component units</i>	<u>\$ 162,739</u>	<u>\$ 43,621</u>

Charter Township of Oshtemo

BUDGETARY COMPARISON SCHEDULE - Downtown Development Authority - component unit

Year ended December 31, 2021

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Property taxes	\$ 189,476	\$ 252,078	\$ 217,268	\$ (34,810)
Interest	<u>1,000</u>	<u>1,000</u>	<u>853</u>	<u>(147)</u>
Total revenues	<u>190,476</u>	<u>253,078</u>	<u>218,121</u>	<u>(34,957)</u>
EXPENDITURES				
Public works	79,250	86,850	33,620	53,230
Capital outlay	<u>575,000</u>	<u>806,436</u>	<u>504,656</u>	<u>301,780</u>
Total expenditures	<u>654,250</u>	<u>893,286</u>	<u>538,276</u>	<u>355,010</u>
NET CHANGES IN FUND BALANCES	(463,774)	(640,208)	(320,155)	320,053
FUND BALANCES - BEGINNING	<u>720,489</u>	<u>720,489</u>	<u>720,489</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 256,715</u>	<u>\$ 80,281</u>	<u>\$ 400,334</u>	<u>\$ 320,053</u>

Charter Township of Oshtemo

BUDGETARY COMPARISON SCHEDULE - South Drake Road Corridor Improvement Authority - component unit

Year ended December 31, 2021

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<i>Variance with final budget positive (negative)</i>
REVENUES				
Property taxes	\$ 40,000	\$ 40,000	\$ 46,124	\$ 6,124
Interest	500	500	27	(473)
Total revenues	<u>40,500</u>	<u>40,500</u>	<u>46,151</u>	<u>5,651</u>
EXPENDITURES				
Public works	8,000	9,000	2,530	6,470
Capital outlay	<u>30,000</u>	<u>30,000</u>	-	<u>30,000</u>
NET CHANGES IN FUND BALANCES	2,500	1,500	43,621	42,121
FUND BALANCES - BEGINNING	<u>67,124</u>	<u>67,124</u>	<u>67,124</u>	-
FUND BALANCES - ENDING	<u>\$ 69,624</u>	<u>\$ 68,624</u>	<u>\$ 110,745</u>	<u>\$ 42,121</u>

DRAFT

Sample Fund Balance Policy Classification, Procedures and Appropriate Level

Purpose

The [entity name] believes that sound financial management principles require that sufficient funds be retained by the City/Township/Village/County to provide a stable financial base at all times. To retain this stable financial base, the organization needs to maintain a fund balance in the General Fund that is sufficient to fund all cash flows of the organization, to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature, and to provide funds for all existing encumbrances.

The purpose of this policy is to establish a key element of the financial stability of the [entity name] by setting guidelines for fund balance. Fund balance is an important measure of economic stability. It is essential that the [entity name] maintain adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for the general operations of the [entity name].

In addition, this policy addresses the [entity name]'s requirements under GASB 54 surrounding the composition of fund balance, including the establishment and use of the various components of fund balance.

Definitions

Fund Balance – A governmental fund’s fund balance is the difference between its assets, deferred outflows and its liabilities and deferred inflows.

Fund Balance Components – An accounting distinction is made between the portions of fund equity that are spendable and nonspendable. Under GASB 54, these are broken up into five categories:

- 1) Nonspendable fund balance – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)

2) Restricted fund balance –Amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and dedicated millages.

3) Committed fund balance Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

4) Assigned fund balance –Amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

5) Unassigned fund balance – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Unrestricted fund balance - Unrestricted fund balance includes committed, assigned and unassigned fund balance categories. Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance rather than on unrestricted fund balance.

Policies

Minimum Unrestricted Fund Balance - General Fund

The fund balance of the [entity]’s General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The [entity name]’s basic goal is to limit expenditures to anticipated revenue in order to maintain a balanced budget.

It is the goal of the [entity name] to achieve and maintain an unrestricted fund balance in the general fund equal to ___% - ___% [insert range] of expenditures. The use of fund balance is appropriate [describe when fund balances can be spent down; best practice is for one-time expenditures, to avoid creating a structural deficit.] If

unassigned fund balance falls below the goal or has a deficiency, the [entity] will... [describe the procedures for replenishing fund balance as well as a timeline.

Committed Fund Balance

The [governing body] is the [entity name]'s highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the [governing body] at the [board/council] meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

Assigned Fund Balance

The [governing body] has authorized the [title of individual, name of body or other official] as the official authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

Order of Expenditure of Funds (Spending Prioritization)

When multiple components of fund balance are available for the same expenditure (for example, a project has both restricted and unrestricted funds available for it), spending will occur in this order – [list the following in order of spending prioritization-restricted, committed, assigned, and unassigned.]

MEMORANDUM



Date: June 9, 2022
To: Township Board
From: Legal Department
Subject: Revisions to Tax Exemption Ordinance (Ordinance No. 344)

OBJECTIVE:

To request that the Board approve the proposed changes to the Township's Tax Exemption Ordinance (Ordinance No. 344).

BACKGROUND:

The Board last modified the Tax Exemption Ordinance in 2020. Pinehurst Townhomes requested some revisions to the Ordinance, based on the recommendations of the Michigan State Housing Development Authority's attorney, related to their Mortgage Loan on the property. After reviewing the Ordinance, it was determined that it would benefit from additional revisions (beyond those requested by Pinehurst) and restructuring to improve clarity and readability.

INFORMATION PROVIDED:

I have attached a redline and clean copy of the proposed revisions for your review.

STATEMENT OF REQUESTED BOARD ACTION:

I recommend that the Board adopt the proposed revisions to Tax Exemption Ordinance (Ordinance No. 344).

OSHTEMO CHARTER TOWNSHIP ORDINANCE NO. ____

Adopted: _____

Effective: _____

OSHTEMO CHARTER TOWNSHIP ORDINANCE

An Ordinance to amend the Oshtemo Charter Township Tax Exemption Ordinance (Ordinance No. 344, as amended), specifically Sections 270.002, 270.003, 270.004, 270.005, 270.006, 270.007, 270.008, 270.009, 270.010, 270.011, 270.012, and, 270.013; the renumbering of sections to accomplish such revisions; to repeal all Ordinances or parts of Ordinances in conflict; and to provide for a service charge in lieu of taxes for housing projects for low income persons and families financed with a federally-aided or State Housing Development Authority-aided Mortgage Loan or an advance or grant from the Authority pursuant to the provisions of the State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401, et seq (the "Act").

OSHTEMO CHARTER TOWNSHIP
KALAMAZOO COUNTY, MICHIGAN
ORDAINS:

SECTION I. AMENDMENT OF COMPILED SECTION 270.002, PREAMBLE.
Compiled Section 270.002, is amended to read as follows:

270.002 – Preamble.

Sec. II

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its elderly citizens and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Authority Act of 1966 (1966 PA 346, as amended, MCLA 125.1401 et. seq.; MSA 16.114(1) et. seq.). It is further acknowledged that such housing for persons and families of low income and low income is a public necessity, and as the Township will be benefited and improved by such housing, the encouragement of the same by providing real estate tax

exemption for such housing is a valid public purpose. It is acknowledged that the Act allows a municipality to provide that the *ad valorem* tax exemption does not apply to certain classes of housing projects. Oshtemo Charter Township is authorized by the Act to establish, or change, the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under the Act, at any amount it chooses, not to exceed the taxes that would be paid but for this Act, through this Ordinance. It is further acknowledged that the continuance of the provisions of this Ordinance for tax exemption and the PILOT in lieu of all *ad valorem* property taxes during the periods contemplated in this Ordinance are essential to the determination of economic feasibility of Housing Developments that are constructed or rehabilitated with financing extended in reliance on such tax exemption.

However, the Township recognizes that a significant amount of the Township's residential housing stock has been developed into rental property (approximately 50 percent), much of which serves the needs of low- and moderate-income persons, and the Township has determined that only certain classes of housing projects should be exempt from *ad valorem* taxation. The Township has further determined that the percentage of annual rents for Qualified Housing Projects paid as a payment in lieu of taxes ("PILOT") shall be calculated to ensure that the taxes/PILOT generated by such projects adequately covers the value of services received by the project(s) annually.

SECTION II. AMENDMENT OF COMPILED SECTION 270.003 DEFINITIONS.

Compiled Section 270.003, Elderly Persons, is hereby amended to read as follows:

270.003 Definitions.

Sec. III.

Act means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended, MCLA 125.1401 et. seq.

Annual Service Charge refers to the annual PILOT amount paid by a Housing Development approved under this Ordinance.

Annual Shelter Rents means the total collections during an agreed annual period from all occupants of a Housing Development representing rents or occupancy charges and exclusive of Utilities.

Authority means the Michigan State Housing Development Authority.

Contract Rents means the total “Contracted Rents” (as defined by the U.S. Department of Housing and Urban Development in regulations promulgated pursuant to Section 8 of the U.S. Housing Act of 1937, as amended) received in connection with the operation of a housing project during an agreed annual period, exclusive of Utilities.

Elderly Person(s) means any person permitted to occupy housing designated for elderly by the United States Department of Housing and Urban Development.

Elderly Person(s) of Low Income means an Elderly Person(s) who meet the eligibility criteria set by the Authority and/or federal government.

Housing Development(s) for the purpose of this Ordinance refers to a residential development which contains a significant element of housing (i.e., multiple dwelling units) for Elderly Persons, Elderly Person(s) of Low Income, or Low Income Person(s) and Families in addition to such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines improve the quality of the Housing Development as it relates to housing for such persons.

Low Income Person(s) and Families means persons and families eligible to move into a Housing Development.

PILOT stands for payment in lieu of taxes and refers to the percentage of Annual Rents for Qualified Housing Project(s) paid to the Township instead of *ad valorem* taxes during the duration provided under this Ordinance.

Mortgage Loan means a loan that is federally-aided (as defined in Section 11 of the Act) or a loan or grant made, or to be made, by the Authority (as defined by the Act) to the Sponsor for the construction, rehabilitation, acquisition, and/or permanent financing of

the Housing Development, or a Mortgage Loan insured by HUD, and secured by a mortgage on the Housing Development.

Municipal Emergency Services Agreement refers to the contractual agreement executed between a Sponsor and the Township, following approval by the Township Board, which provides the terms for the Annual Service Charge payment to the Township.

Utilities means charges for fuel, water, sanitary sewer service, electrical service, and other utilities furnished to their occupants and paid by the Housing Development.

Sponsor means persons or entities which have applied for, received, or assumed a Mortgage Loan to finance a Housing Development.

Qualified Housing Development refers to the portion of a Housing Development which is eligible for a PILOT as provided in this Ordinance.

SECTION III. AMENDMENT OF COMPILED SECTION 270.004 CLASS OF HOUSING DEVELOPMENTS.

Compiled Section 270.004, Class of housing developments, is hereby amended to read as follows:

270.004 Classes of Housing Developments.

Sec. IV.

A. Qualified Housing Developments. It is determined that the class of Housing Developments to which the tax exemption shall apply, and for which a PILOT shall be paid, shall be limited to those Housing Developments (or portions of such Housing Developments) exclusively and especially designated for, and occupied by, Elderly Person(s) of Low Income. In order to be a Qualified Housing Development within this Ordinance, such Housing Developments must additionally be (1) financed by Mortgage Loan(s), assisted by the Authority (pursuant to the Act), or qualify for state or federal subsidy, and (2) developed and constructed upon a parcel of land within the Township sufficient for the operation of such Housing Development (but no larger).

B. All Other Housing Developments. Housing Developments (or portions of such Housing Developments) for Low Income Person(s) and Families (who are not Elderly Persons or Elderly Person(s) of Low Income) shall not be exempt from *ad valorem* taxation of property pursuant to MCL 125.1415a(1). Notwithstanding the foregoing, the Township recognizes that, prior to July 23, 1996, it allowed low- and moderate-income Housing Developments (in addition to Housing Developments for low-income elderly persons as defined by the State Housing Authority Act of 1996), to qualify under its Michigan State Housing Development Authority Tax Exemption Ordinance (repealed Ordinance No. 125). Therefore, while not wishing to expand the definition of a “Qualified Housing Development” to include new Housing Developments not meeting the definition of this Ordinance, the Township recognizes the need to include such existing low- and moderate-income Housing Developments previously permitted under the Township’s Ordinance No. 125 to make Annual Service Charge payments under its PILOT tax exemption program.

SECTION IV.

AMENDMENT OF COMPILED SECTION 270.005 ESTABLISHMENT OF ANNUAL SERVICE CHARGE.

Compiled Section 270.005, Establishment of Annual Service Charge, is hereby amended to read as follows:

270.005

Annual Service Charge.

Sec. V.

A. Establishment. A Qualified Housing Development, or that portion of such Qualified Housing Development, eligible under Section IV, shall be exempt from all *ad valorem* property taxation, on which they are or will be located, beginning in the year following commencement of construction or rehabilitation. The Township acknowledges that the Sponsor and the Authority, in the case of a Sponsor receiving an Authority-financed Mortgage Loan, or the Sponsor and the mortgage lender, in the case of a Sponsor receiving a Federally-aided Mortgage Loan, have established the economic feasibility of the housing project in reliance upon the enactment

and continuing effect of this Ordinance, and the qualification of the Housing Development for exemption from all *ad valorem* property taxes and a PILOT as established in this Ordinance. Therefore, the Township will accept payment of an annual service charge for public services in lieu of all *ad valorem* property taxes.

B. Duration. The eligibility of a Housing Development, as approved by the Township Board as provided this Ordinance, for PILOT and the *ad valorem* property tax exemption shall remain in effect and shall not be terminated until the first occurrence of one of the following:

1. The payment of all Mortgage Loans in full.
2. The expiration of fifty (50) years from the first year that a Sponsor is approved for the tax exemption status under this Ordinance.
3. The cessation of the use of the Housing Development for Low Income Person(s) and Families.
4. The cessation of the use of the Qualified Housing Development for Elderly Persons or Elderly Person(s) of Low Income, or a change in the portion of Qualified Housing Development for such persons.

C. Amount of Annual Service Charge. The Annual Service Charge shall be in an amount equal to four percent (4%) of the Annual Shelter Rents or Contract Rents (whichever is applicable) of the preceding calendar year (exclusive of Utilities). Notwithstanding the foregoing, in no event shall the Annual Service Charge, at any time, be less than the property taxes upon the subject property for the tax year prior to the date when construction or rehabilitation was commenced. In no event shall the service charge exceed the *ad valorem* taxes that would be paid by the Housing Development but for the Act and this Ordinance.

D. Limitation on the Payment of Annual Service Charge. The Annual Service Charge to be paid each year in lieu of taxes for the part of the Housing Development that is tax exempt but which is occupied by other than Low Income Persons or Families, Elderly Persons, or Elderly Person(s) of Low Income shall be equal to the full amount of the taxes

which would be paid on that portion of the Housing Development if the Housing Development were not tax exempt.

E. Payment of Service Charge. The Annual Service Charge as determined herein shall be payable in the same manner as general property taxes are payable to the Township and distributed to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The Annual Service Charge payment shall be paid on or before February 14 of each year. The entire tax collection procedure provided by the General Property Tax Act (1893 PA 206, as amended; MCL 211.1, et. seq.) shall be effective with respect to such payment, including, but not by way of limitation, the provisions providing for interest and penalties on late payments, return of delinquent taxes, and the sale of lands for delinquent taxes.

SECTION V. AMENDMENT OF COMPILED SECTION 270.006 RESOLUTION; CONTRACTUAL EFFECT.

Compiled Section 270.006, Resolution; Contractual Effect, is hereby amended to read as follows:

270.006 Authorization for Tax Exemption.

Sec. VI.

A. Resolution; Contractual Effect. A Resolution of the Township Board granting tax exemption status (as provided in this Ordinance), authorizing the Annual Service Charge, and the signing of a Municipal Emergency Services Agreement shall be adopted for each Housing Development qualified hereunder. Notwithstanding the provisions of section 15(a)(5) of the Act, to the contrary, a contract between the Township and the Sponsor, with the Authority as third party beneficiary under the contract, to provide tax exemption and accept the Annual Service Charge as previously described herein will be effectuated by enactment of such a Resolution by the Township Board.

B. Municipal Emergency Services Agreement. After approval of a Housing Development under this Ordinance, the Sponsor of such Housing Development shall execute a Municipal Emergency Services Agreement with the Township, in compliance with the terms and provisions of this Ordinance, before the tax exemption is applied. The Municipal Emergency Services Agreement will establish the Annual Service Charge equal to the special assessment imposed on similar facilities in the Township for police and fire services provided by the Township, subject to the limitations provided therein.

SECTION VI. AMENDMENT OF COMPILED SECTION 270.012 INCONSISTENT ORDINANCES.

Compiled Section 270.012, Inconsistent Ordinances, is hereby amended to read as follows:

270.012 Inconsistent Ordinances.

Sec. XII.

All Ordinances or parts of ordinances inconsistent with the provisions of this Ordinance are repealed.

SECTION VII. AMENDMENT OF COMPILED SECTION 270.013 EFFECTIVE DATE.

Compiled Section 270.013, Effective Date, is hereby amended to read as follows:

270.013 Effective Date.

Sec. XIII.

This Ordinance shall take effect upon publication after adoption in accordance with State law.

SECTION VIII. RENUMBERING OF OLD COMPILED SECTIONS XI, SEVERABILITY, XI, SEVERABILITY, XII, INCONSISTENT ORDINANCES AND XIII, EFFECTIVE DATE. Old Compiled Sections 270.010, 270.011, 270.012, and 270.013 are hereby renumbered as Compiled Sections 270.007, 270.008, 270.009, and 270.010.

SECTION IX. EFFECTIVE DATE. This Ordinance shall take effect upon publication after adoption in accordance with State law.

DUSTY FARMER, CLERK
OSHTEMO CHARTER TOWNSHIP

Budget Amendment Request Worksheet

Date	Dept. Head	Fund Name	Funds Requested To			Funds Requested From			Explanation of Request	Previously Discussed	Within Apprvd Budget
			GL Number	Description	Amount	GL Number	Description	Amount			
6/9/2022	Iris Lubbert	SoDA	247-728-97500	Capital Outlay	\$ 30,000.00	247-001-40100	Carryover	\$ 30,000.00	SoDA's contribution to the Drake Road Path was not withdrawn in 2021. This amendment will allow the SoDA to pay for both the 2021 and 2022 Drake Road Path installments. Not a new project.	Yes	No
			Total		\$ 30,000.00	Total		\$ 30,000.00			

Date	Dept. Head	Fund Name	Funds Requested To			Funds Requested From			Explanation of Request	Previously Discussed	Within Apprvd Budget
			GL Number	Description	Amount	GL Number	Description	Amount			
6/9/2022	Iris Lubbert	SoDA	247-728-82500	Accounting Fees	\$ 500.00	247-001-40100	Carryover	\$ 500.00	Request is based off of the 2021 Siegfried Crandall invoices; anticipate the increased accounting/audit costs will be the same this year. Not a new project.	Yes	No
			Total		\$ 500.00	Total		\$ 500.00			

Date	Dept. Head	Fund Name	Funds Requested To			Funds Requested From			Explanation of Request	Previously Discussed	Within Apprvd Budget
			GL Number	Description	Amount	GL Number	Description	Amount			
6/9/2022	James Porter	Building Department- Contracted Building Plan Review	249-371-82400	Contracted Plan Rev	\$3,000.00	249-001-40100	Carryover	\$ 3,000.00	Funds to pay outside expert (TASA) for review of the fire alarm system/building approval at Toba Sushi. Previous budget amendment request did not cover the 2nd invoice.	Yes	No
			Total		\$ 3,000.00	Total		\$ 3,000.00			

Date	Dept. Head	Fund Name	Funds Requested To			Funds Requested From			Explanation of Request	Previously Discussed	Within Apprvd Budget
			GL Number	Description	Amount	GL Number	Description	Amount			
6/10/2022	Ron Farr/Sara Feister	Fire	206-340-87200	New Hire Expenses	\$ 1,000.00	206-001-40100	Carryover	\$ 1,000.00	Expenses increased due to hiring full time Firefighters, including using a 2022 new testing tool for screening.	Yes	No
			Total		\$ 1,000.00	Total		\$ 1,000.00			

Date	Dept. Head	Fund Name	Funds Requested To			Funds Requested From			Explanation of Request	Previously Discussed	Within Apprvd Budget
			GL Number	Description	Amount	GL Number	Description	Amount			
6/10/2022	Anna Horner	Water	491-000-96400	Construction Costs	\$ 110,000.00	491-000-40100	Carryover	\$ 110,000.00	Construction costs based on final design of S 9th Street water main extension and fire hydrant.	Yes	No
			Total		\$ 110,000.00	Total		\$ 110,000.00			

Grand Total	\$ 144,500.00
Total Added to Budget (Projects not completed/not spent in 2021)	\$ 144,500.00
Total Not Previously Discussed with TB	\$ -

REVIEW DATE 6/9/2022 SIGNATURE _____

KALAMAZOO COUNTY

LET'S HEAR YOUR VOICE



June 15th

7275 W Main Street Kalamazoo, MI 49009

6:30 PM to 8:00 PM

The preliminary housing survey results are in! Come get a sneak peek at the early draft of the County Housing plan. We would like to hear from you.



2022 Milestone Anniversary Recognition

Tuesday, 06/14 at the Board Meeting

Erik Olsen 25 years	Josh Brady 20 years	Jed Wild 15 years	James Porter 15 years	Bob Flahive 15 years
Mike Parker 10 years	Rick Suwarsky 10 years	Marc Elliott 10 years	Drake Wednig 5 years	Shane Chambers 5 years
	Greg McComb 5 years	Ryan Eklund 5 years	Cody Schuiteboer 5 years	

MEMORANDUM



Date: May 24, 2022
To: Township Board
From: Legal Department
Subject: Appeal of False Alarm Determination- Ellis Sales (6915 Stadium Drive)

The Township revised its False Alarm Ordinance (being Ordinance No. 415) in February of 2021. As part of that revision, the violation period for calculating false alarms was amended. Previously, alarms were recorded over a three year “rolling” period from the first alarm. Under the revised Ordinance, the period for calculating alarms is one calendar year (January to December) with alarms re-setting to zero on January 1st each year. False alarms are compiled from reports received from the Oshtemo Fire Department and the Kalamazoo County Sheriff’s Department each month and are billed by parcel number to the owner/property in question.

Parcels are billed for all alarms (police and fire) occurring on the property after the second false alarm for the year (i.e., the third alarm for the year is the first billable alarm; the fourth alarm is the second billable alarm, etc.). Under Section IV of the Ordinance, the current fine structure is as follows:

	Minimum Fine
1st Offense within the calendar year*	\$75.00
2nd Offense within the calendar year*	150.00
3rd Offense within the calendar year*	325.00
4th or More Offense within the calendar year*	500.00
* Calendar year refers to January 1st through December 31st.	

In addition to the fine for each offense, costs are assessed for each alarm response to cover the Township’s costs: Fire Department responses are billed at \$325/alarm and Sheriff Department responses are billed at \$100/alarm. Invoices reflect both the fine charged and the costs billed for each alarm.

The Ordinance provides (under Section III) an appeal procedure for these assessed fines, stating:

The owner and/or any lessee may appeal a determination of a false alarm or nuisance alarm by requesting a hearing before the Oshtemo Charter Township Board in writing received by the Township within fourteen (14) days of the mailing of the notice.

The alarms at issue were billed to Ellis Sales on May 19, 2022 (see attached Violation Notice and Invoice). Gerald Ellis, owner of Ellis Sales, contacted the Township on May 23, 2022 and was advised of the appeal procedure. He then submitted a timely written appeal request which was received by the Township on May 24, 2022 (attached).

The Sheriff Department Incident Reports related to the False Alarms at issue are attached for the Boards review. The violations at issue are the 3rd, 4th, and 5th (respectively) false alarms for this parcel this year (the reports for the 1st and 2nd alarms- not billed per the Ordinance- are also attached).

Gerald Ellis is requesting that the Board waive the 3rd (1st offense) and 4th (2nd offense) fines/costs invoiced by the Township and make the 3rd offense (5th alarm) the first billable alarm for the year. That is, the total fine/cost due would be reduced to the \$175 (1st offense fine and response cost); the next false alarm of the year (if one occurs) would then be billed as the 2nd offense.

Per the Township's False Alarm Ordinance, the Board has the discretion to grant or deny this request- a denial can be further appealed by the applicant to the District Court.



TOWNSHIP ATTORNEY'S OFFICE
7275 WEST MAIN STREET
KALAMAZOO, MI 49009-9334
PHONE: 269-375-7195
FAX: 269-233-5410

May 19, 2022

Ellis Sales
6915 Stadium Drive
Kalamazoo, MI 49009

Re: Violation Notice for False Alarm(s) for Parcel No. 3905-35-115-031

Dear Manager/Property Owner:

The purpose of this letter is to provide a written violation notice per the Oshtemo Charter Township's False Alarm Ordinance (No. 415), as amended. The current False Alarm Ordinance (Ordinance No. 633) prohibits more than two (2) false or nuisance alarms in a calendar year to which an emergency response is dispatched for a particular lot, parcel, site, or premises.

Your property has now incurred its third (3rd) false or nuisance alarms and fines are being issued under the False Alarm Ordinance. An invoice ("OshMarch2022") is enclosed with this letter for the assessed fines and the police costs the Township incurred in connection with the false or nuisance alarm response(s).

Payment for these fines and costs are due thirty (30) days from the date of this written violation notice. We would appreciate payment as soon as possible. I trust if you have any questions regarding this matter, you will not hesitate to contact me.

Best,

Emily Westervelt

Law Clerk to the Township Attorney
ewestervelt@ohstemo.org

Enclosure

2022 False Alarm Fine and Costs

Monday, May 16, 2022

Invoice: OshMarch2022

Common Name	Parcel #	Incident Date	Incident Address	Incident #	Type	Fine	Costs	Total Invcd
Ellis Sales	05-35-115-031	03/12/22	6915 Stadium Drive	2022-00008247	Police	1st Offense fine- \$75	\$100.00	\$175.00
Ellis Sales	05-35-115-031	03/20/22	6915 Stadium Drive	2022-00009119	Police	2nd Offense fine- \$150	\$100.00	\$250.00
Ellis Sales	05-35-115-031	03/24/22	6915 Stadium Drive	2022-00009561	Police	3rd Offense fine- \$325	\$100.00	\$425.00
							Total Due:	\$850.00

May 23,2022

Re: Violation Notice for False Alarm (s)

Dear Oshtemo Township Board,

Greetings.

My name is Gerald R Ellis, the owner of Ellis Sales, Inc. I am requesting your indulgence to review a false alarm violation letter issued by the Township on May 19, 2022. The parcel involved is 3905-35-115-031. There where 3 alarms responded to in the month of March by local Law Enforcement. The first, on Saturday March 12, was found to be caused by a raccoon wandering around in the warehouse at the rear of the building. The critter set off a motion sensor. The second, on Sunday March 20, was found to be caused by the same scenario, a raccoon in the warehouse. There where no personal present in the building at the time of the incidents as we are closed on the weekends. The raccoon has been trapped and removed from the area. The third alarm was do to my negligence. I did not properly secure the front entrance door when I closed up for the evening . It was found that the wind blew the door open later that night and set off the sensor on that door.

I understand false alarms will take Law Enforcement Officers away from other more important issues and that can be costly, but there are times when they can't be avoided. I am asking you to review the first two offenses as they were beyond anyone's control. I will accept full responsibility for the third.

Thank you all for your time on this issue.

Regards,

Gerald R Ellis



Incident Report

Print Date/Time: 05/24/2022 12:27
Login ID: 39Idea

Kalamazoo County Sheriff's Office
ORI Number: MI3913900

Incident: 2022-00004884

Incident Date/Time: 2/11/2022 7:02:12 PM
Location: 6915 STADIUM DR
KALAMAZOO MI 49009

Incident Type: Alarm
Venue: OSHTEMO

Phone Number:
Report Required: No
Prior Hazards: No
LE Case Number:

Source: Phone
Priority: 4-Medium
Status: In Progress
Nature of Call:

Unit/Personnel

Unit **Personnel**
3351 39NSAW-SAWICKI

Person(s)

No.	Role	Name	Address	Phone	Race	Sex	DOB
1	Caller	EPS					

Vehicle(s)

Role	Type	Year	Make	Model	Color	License	State
------	------	------	------	-------	-------	---------	-------

Disposition(s)

Disposition	Count
NRPT	1

Property

Date	Code	Type	Make	Model	Description	Tag No.	Item No.
------	------	------	------	-------	-------------	---------	----------

CAD Narrative

02/11/2022 : 19:16:45 39nsaw Narrative: all windows, doors, and gates are locked and secured. Dep. Sawicki 5900

02/11/2022 : 19:03:00 danet\mkennedy Narrative: NO KEYS

02/11/2022 : 19:02:53 danet\mkennedy Narrative: DROP TIME 1859

02/11/2022 : 19:02:47 danet\mkennedy Narrative: FRONT STORAGE MOTION ALARM

02/11/2022 : 19:02:34 danet\mkennedy Narrative: ELLIS SALES



Incident Report

Print Date/Time: 05/24/2022 12:26
Login ID: 39Idea

Kalamazoo County Sheriff's Office
ORI Number: MI3913900

Incident: 2022-00005482

Incident Date/Time: 2/16/2022 10:58:40 PM
Location: 6915 STADIUM DR
KALAMAZOO MI 49009
Phone Number: (800)632-8767
Report Required: No
Prior Hazards: No
LE Case Number:

Incident Type: Alarm
Venue: OSHTEMO
Source: Phone
Priority: 4-Medium
Status: In Progress
Nature of Call:

Unit/Personnel

Unit	Personnel
3721	39MKEM-KEMME

Person(s)

No.	Role	Name	Address	Phone	Race	Sex	DOB
1	Caller	EPS		(800)632-8767			

Vehicle(s)

Role	Type	Year	Make	Model	Color	License	State
------	------	------	------	-------	-------	---------	-------

Disposition(s)

Disposition	Count
FA	1

Property

Date	Code	Type	Make	Model	Description	Tag No.	Item No.
------	------	------	------	-------	-------------	---------	----------

CAD Narrative

02/16/2022 : 23:10:23 39mkem Narrative: ALL DOORS SECURE. CLEAR. KEMME 6484

02/16/2022 : 23:09:19 danet\cbonnema Narrative: FALSE ALARM

02/16/2022 : 22:59:20 danet\ahaworth Narrative: NO KH

02/16/2022 : 22:59:13 danet\ahaworth Narrative: EAST SHOP DOOR @ 2256

02/16/2022 : 22:59:04 danet\ahaworth Narrative: ELLIS SALES 269-375-3535



Incident Report

Print Date/Time: 05/24/2022 12:25
Login ID: 39Idea

Kalamazoo County Sheriff's Office
ORI Number: MI3913900

Incident: 2022-00008247

Incident Date/Time: 3/12/2022 3:03:52 PM
Location: 6915 STADIUM DR
KALAMAZOO MI 49009
Phone Number: (800)632-8767
Report Required: No
Prior Hazards: No
LE Case Number:

Incident Type: Alarm
Venue: OSHTEMO
Source: Phone
Priority: 4-Medium
Status: In Progress
Nature of Call: ELLIS SALES -

Unit/Personnel

Unit	Personnel
3713	39BKLO- KLOOSTERMAN

Person(s)

No.	Role	Name	Address	Phone	Race	Sex	DOB
1	Caller	EPS		(800)632-8767			

Vehicle(s)

Role	Type	Year	Make	Model	Color	License	State
------	------	------	------	-------	-------	---------	-------

Disposition(s)

Disposition	Count
FA	1

Property

Date	Code	Type	Make	Model	Description	Tag No.	Item No.
------	------	------	------	-------	-------------	---------	----------

CAD Narrative

03/12/2022 : 15:17:46 39bklo Narrative: Property is all fenced in. No signs of entry or chains broken to gt inside fenced in area. Doors/windows that could be checked were all secure. Wasn't able to make contact with a KH.

03/12/2022 : 15:16:03 danet\cvanzile Narrative: EPS CALLED BACK - UNABLE TO REACH A KEYHOLDER, WANTED TO ADVISED P.D THAT THE ALARM SHOULD SILENCE AFTER 10 MINUTES.

03/12/2022 : 15:14:13 danet\mdeleew Narrative: MAJORITY FENCED IN -- SEEMS SECURE -- ALARM SHUT OFF

03/12/2022 : 15:11:00 danet\mdeleew Narrative: AUDIBLE ALARM INSIDE

03/12/2022 : 15:05:00 danet\lhann Narrative: NAME - KH BECKY HUDSON

03/12/2022 : 15:04:51 danet\lhann Narrative: KH - NO CONTACT -

03/12/2022 : 15:04:41 danet\lhann Narrative: PREMISE NUMBER 269-375-3535

03/12/2022 : 15:04:31 danet\lhann Narrative: DROP TIME : 1501 HRS

03/12/2022 : 15:04:25 danet\lhann Narrative: MOTION - EAST SHOP DOOR



Incident Report

Print Date/Time: 05/24/2022 12:25
Login ID: 39Idea

Kalamazoo County Sheriff's Office
ORI Number: MI3913900

Incident: 2022-00009119

Incident Date/Time: 3/20/2022 6:20:45 AM
Location: 6915 STADIUM DR
KALAMAZOO MI 49009
Phone Number: (800)632-8767
Report Required: No
Prior Hazards: No
LE Case Number:

Incident Type: Alarm
Venue: OSHTEMO
Source: Phone
Priority: 4-Medium
Status: In Progress
Nature of Call:

Unit/Personnel

Unit	Personnel
3150	39STAG-TAGETT
3151	39MHIL-HILL

Person(s)

No.	Role	Name	Address	Phone	Race	Sex	DOB
1	Caller	EPS		(800)632-8767			

Vehicle(s)

Role	Type	Year	Make	Model	Color	License	State
------	------	------	------	-------	-------	---------	-------

Disposition(s)

Disposition	Count
FA	1

Property

Date	Code	Type	Make	Model	Description	Tag No.	Item No.
------	------	------	------	-------	-------------	---------	----------

CAD Narrative

03/20/2022 : 06:41:19 39stag Narrative: building secure, went through with keyholder. false alarm. TAGETT 5758
03/20/2022 : 06:21:48 danet\snystrom Narrative: KH JAMES RUDSTROM ETA 7-10 MIN RED CHEV COBALT
03/20/2022 : 06:21:23 danet\snystrom Narrative: PREMIS 269-375-3535
03/20/2022 : 06:21:12 danet\snystrom Narrative: DROP 0616
03/20/2022 : 06:21:08 danet\snystrom Narrative: FRONT STORAGE MOTION
03/20/2022 : 06:21:02 danet\snystrom Narrative: ELLIS SALES INC



Incident Report

Print Date/Time: 05/24/2022 12:24
Login ID: 39ldea

Kalamazoo County Sheriff's Office
ORI Number: MI3913900

Incident: 2022-00009561

Incident Date/Time: 3/24/2022 4:32:43 AM
Location: 6915 STADIUM DR
KALAMAZOO MI 49009
Phone Number: (800)632-8767
Report Required: No
Prior Hazards: No
LE Case Number:

Incident Type: Alarm
Venue: OSHTEMO
Source: Phone
Priority: 4-Medium
Status: In Progress
Nature of Call:

Unit/Personnel

Unit	Personnel
3106	39PBRA- BRAIDWOOD
3121	39TBRO-BROWER

Person(s)

No.	Role	Name	Address	Phone	Race	Sex	DOB
1	Caller	EPS		(800)632-8767			

Vehicle(s)

Role	Type	Year	Make	Model	Color	License	State
------	------	------	------	-------	-------	---------	-------

Disposition(s)

Disposition	Count
FA	1

Property

Date	Code	Type	Make	Model	Description	Tag No.	Item No.
------	------	------	------	-------	-------------	---------	----------

CAD Narrative

03/24/2022 : 04:56:15 39tbro Narrative: I responded to location and cleared the unsecured business. No one was located inside the building. I then did a walk through with the keyholder who advised everything appeared ok. It appears the doors were not properly secured. Brower 4404

03/24/2022 : 04:55:39 39pbra Narrative: 10-19

03/24/2022 : 04:34:02 danet\awhisman Narrative: KH MARK PAWLAWSKI 269-823-1136

03/24/2022 : 04:33:37 danet\awhisman Narrative: DOOR IS OPEN

03/24/2022 : 04:33:35 danet\awhisman Narrative: KH IS THERE IN RED GRAND CHEROKEE

03/24/2022 : 04:33:25 danet\awhisman Narrative: FRONT DOOR @ 0418

03/24/2022 : 04:33:07 danet\awhisman Narrative: ELLIS SALES

MEMORANDUM



Date: June 9, 2022
To: Township Board
From: Legal Department *[Handwritten initials]*
Subject: Proposed Juneteenth Recognition Resolution

OBJECTIVE:

To request that the Board adopt the proposed Resolution to Recognize the Juneteenth Holiday.

BACKGROUND:

Juneteenth is a holiday commemorating the notice of the end of the civil war and the emancipation of slaves in the Southwestern United States on June 19, 1865. The State of Michigan has recognized this holiday since 2005. Last year, on June 16th, Congress passed Juneteenth National Independence Day Act to recognize Juneteenth as a federal holiday. This year the HR Board Work Group requested a Resolution to recognize the importance and meaning of Juneteenth.

INFORMATION PROVIDED:

I have attached the proposed Resolution to Recognize the Juneteenth Holiday

STATEMENT OF REQUESTED BOARD ACTION:

I recommend that the Board adopt the proposed Resolution to Recognize the Juneteenth Holiday.

**OSHTEMO CHARTER TOWNSHIP
COUNTY OF KALAMAZOO, MICHIGAN**

RESOLUTION TO RECOGNIZE THE JUNETEENTH HOLIDAY

Adopted: June 14, 2022

Effective: June 14, 2022

WHEREAS, Juneteenth is a holiday to recognize and mark the end of slavery in the United States that commemorates the June 19, 1865 reading of General Order #3, read as a proclamation by Union Army General Gordon Granger in the City of Galveston, Texas; and

WHEREAS, the June 19, 1865 proclamation brought the news to the Southwestern states of the end of the Civil War and the end of the enslavement of African Americans in the Southwest, which came to be known as the “Juneteenth Independence Day”; and

WHEREAS, celebration of the Juneteenth Independence Day is the oldest nationally celebrated holiday in the United States recognizing emancipation, and has been celebrated for over one hundred and fifty (150) years; and

WHEREAS, the need to acknowledge and recognize African American freedom, the triumph over slavery, and to honor the strength and endurance of the African American people is important to all people of the United States; and

WHEREAS, Michigan Governor Jennifer M. Granholm, in June 2005, signed legislation officially designating the third Saturday in June as Juneteenth National Freedom Day in Michigan, and Senator Martha G. Scott sponsored Senate Bill 384 to recognize Juneteenth as an official state holiday; and

WHEREAS, the United States Congress passed Senate Bill 475 the “Juneteenth National Independence Day Act” to establish June 19 as a legal public holiday on June 16, 2021; and

WHEREAS, President Joe Biden signed the “Juneteenth National Independence Day Act” into law, and on June 17, 2021 proclaimed June 19 as the Juneteenth Day of Observance, encouraging the people of the United States to celebrate this national holiday as a day on which “all Americans can feel the power of this day, learn from our history, and celebrate progress, and grapple with the distance we’ve come but the distance we have to travel”; and

WHEREAS, it is the Oshtemo Charter Township Board’s desire that the Township recognize the importance, honor the intent and history of Juneteenth, and work towards a more equitable and just future; and

WHEREAS, the Township wishes to encourage our residents to participate in Juneteenth celebrations and celebrate African American history, culture, and to promote and embrace the diversity of our community;

NOW, THEREFORE, BE IT HEREBY PROCLAIMED that the Oshtemo Charter Township Board recognizes June 19, the Juneteenth Day of Observance, as a federal and state holiday, and urges residents to recognize the historical and cultural significance of Juneteenth and actively promote the principles of equality, liberty, and justice.

Motion was made by _____ and seconded by _____, to adopt the foregoing Resolution.

Upon roll call vote the following voted "Aye":

The following voted "Nay":

The following were Absent:

The following Abstained:

The Moderator declared the motion carried and the Resolution duly adopted.

Dusty Farmer, Clerk
Oshtemo Charter Township

CERTIFICATE

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

I, Dusty Farmer, the duly appointed and acting Clerk of the Township of Oshtemo, certify that the foregoing constitutes a true and complete copy of a Resolution adopted at a regular meeting of the Oshtemo Charter Township Board held on June 14, 2022, which meeting was preceded by required notices under the Michigan Open Meetings Act, being 1976 PA 267; that a quorum of the Board was present and voted in favor of said Resolution; and that minutes of said meeting were kept and will be or have been made available as required by said Open Meetings Act.

IN WITNESS WHEREOF, I have hereto affixed my official signature on this ___ day of June, 2022.

Dusty Farmer, Clerk
Oshtemo Charter Township

Memorandum



Date: June 9, 2022
To: Township Board
From: Anna Horner, P.E., Public Works Director
Subject: Consideration of Water Expansion – S 9th Street Fire Hydrant

Objective

Consideration of Contract approval with SWT Excavating to complete water main expansion on S 9th Street with new fire hydrant. Budget amendment is also required and under separate item this meeting.

Background

Since 2020, a collaborative project between Oshtemo Township and the owner of Jac's Pizza has been proposed for public water main extension and addition of fire hydrant for fire protection.

The understanding was Oshtemo would construct the public infrastructure onto the Jac's parcel and Jac's would provide the easement at no cost. Subsequently, after the Oshtemo project is complete, Jac's Pizza (at private cost) will be able to install an internal fire suppression system and sprinkler system for the restaurant. Ultimately, this project will provide enough capacity to have the same safety improvements be available to all units in Village Square Condos of Oshtemo if or when they choose to complete.

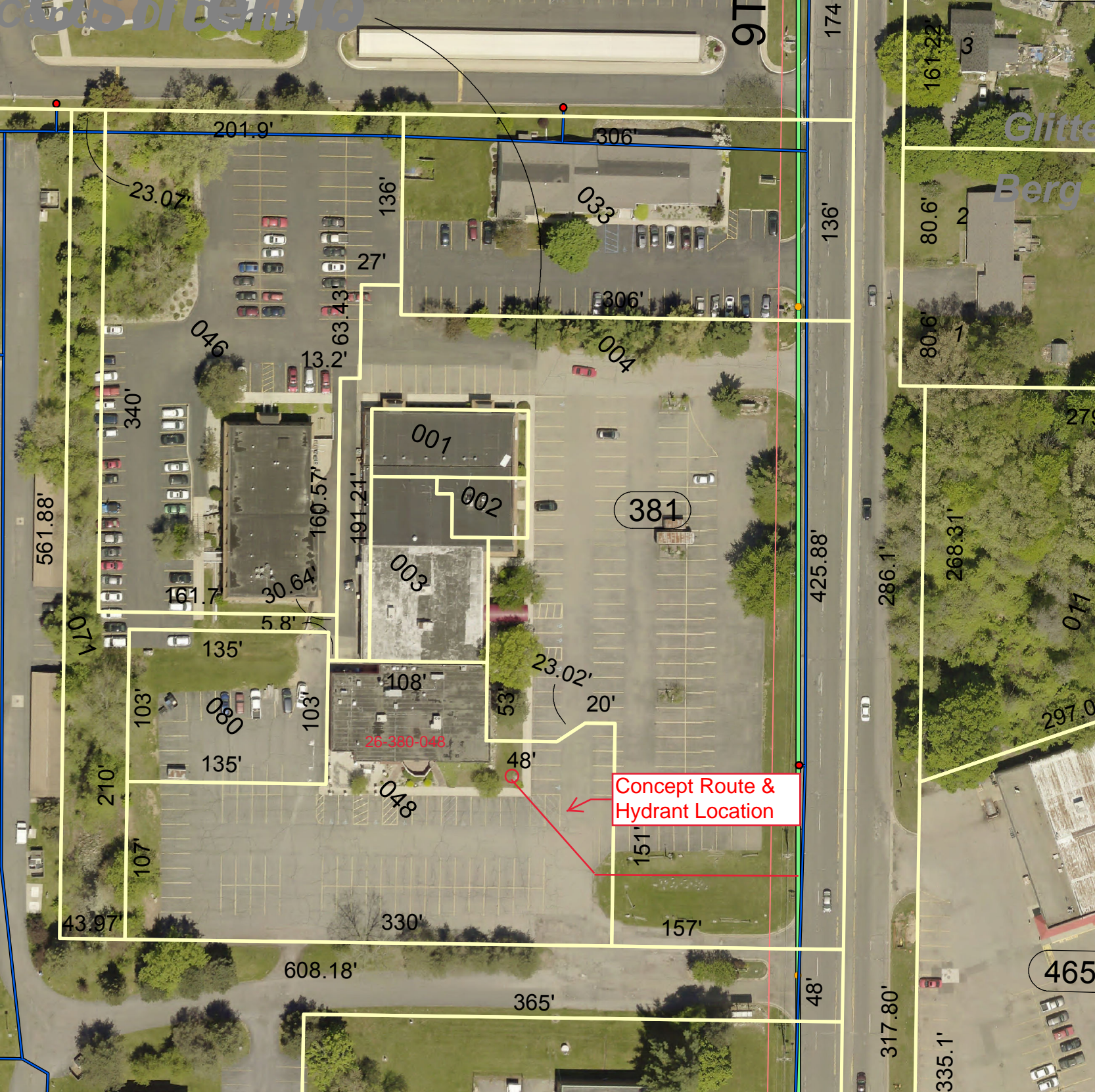
The design, easements and permitting have all been completed. Given extended timeframe for this work, timing in construction season, and material shortages, Township Engineering Consultants, Prien & Newhof, obtained two (2) quotes from reputable local contractors that had the materials in stock and schedule capacity to complete the work this year. (This approach is allowable under the Purchasing Policy Quoting Procedure in effort to provide savings by completing this year and top quality provided by selected Contractors.)

Public Works staff is recommending to proceed with the low responsive bidder, SWT Excavating, after conferring with the Engineer's Estimate of work and need to complete the project this year.

This project was in the 2022 budget for the original anticipated route (see attached) and after changes in design and permitting, the route is longer and more items were added for physical barriers to the hydrant. A budget amendment for the construction, additional City of Kalamazoo connection costs and 5% contingency is provided totalling \$110,000 from Water Fund Carryover.

Information Provided

- Original Proposed Route
- Quote from SWT Excavating
- Quote from Balkema Excavating
- City of Kalamazoo Connection Estimate
- Plan of Final Design
- Engineer's Estimate from P&N



Concept Route & Hydrant Location

6601 Center Rd

Glitter Berg

071

046

080

001

002

003

381

26-380-048

048

071

297.0

465

201.9'

23.07'

340'

161.7'

103'

135'

210'

107'

43.97'

608.18'

365'

136'

27'

13.2'

63.43'

160.57'

191.21'

5.8'

108'

53'

23.02'

20'

48'

151'

157'

033

306'

004

306'

9T

174

136'

425.88'

286.1'

317.80'

161.22'

80.6'

80.6'

268.31'

335.1'

3

2

1

275

071

465



BALKEMA EXCAVATING, INC.

FOUNDED 1911

DEVELOPMENT AND UNDERGROUND CONTRACTORS

1500 RIVER STREET
PHONE (269) 345-5289

KALAMAZOO, MICHIGAN 49048
FAX (269) 345-1137

To: Oshtemo Township	Contact: None
Address: 7275 W. Main Street Kalamazoo, MI 49009	Phone:
	Fax:
Project Name: JAC's Pizza - Watermain	Bid Number:
Project Location: Jac's Pizza 9th Street, Kalamazoo, MI	Bid Date: 6/2/2022

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
1	New 8" Watermain Approx 375ft, 6"/4" Water Service Approx 220ft , 6"/4" FDC. (As Drawn), Building Connection (2ea) Assume Suitable Excavated Material Available For Backfill Propose 6" Or 4" Pipe Due To Availability At Time Of Construction. Existing Parking Area To Be Repaved Is In Bad Condition, Remove & Replace Only Where We Remove.	1.00	LS	\$186,690.00	\$186,690.00

Total Bid Price: \$186,690.00

Notes:

- The above prices do not include Performance and Payment Bond, If Required
- Permits, Inspections & Fee's by others if Required
- If actual Quantities are Different from Bid Quantities, Unit Prices Prevail
- Schedule Based pending Shop Drawing/ Submittal Approval
- This proposal is to be considered only in total. No item or portion of this proposal shall be deemed complete in and of itself, and no portion of this proposal may be omitted or deleted without the prior expressed consent of BALKEMA EXCAVATING, INC

<p>ACCEPTED: The above prices, specifications and conditions are satisfactory and are hereby accepted.</p> <p>Buyer: _____</p> <p>Signature: _____</p> <p>Date of Acceptance: _____</p>	<p>CONFIRMED: Your Company Name</p> <p>Authorized Signature: _____</p> <p>Estimator: Tim Balkema (269)998-5130 tbalkema@balkemaexc.com</p>
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POINT No.	NORTHING	EASTING	ELEVATION
100	279919.162	12768139.840	956.66

UTILITIES

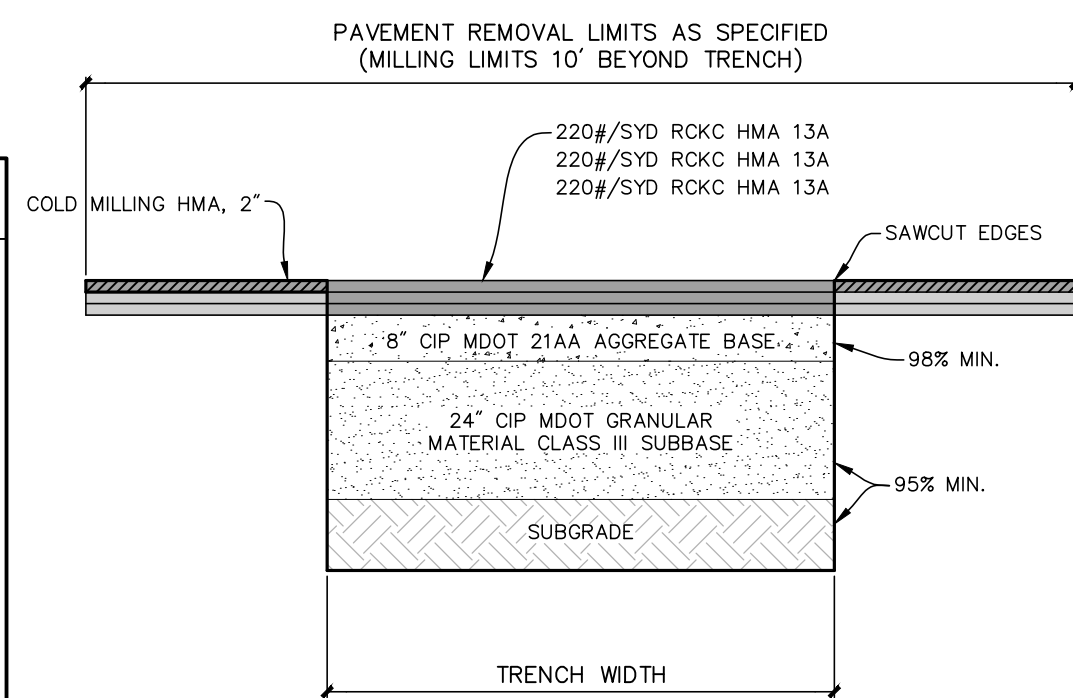
- | | |
|--|--|
| ELECTRIC
CONSUMERS ENERGY
2500 E. CORK ST.
KALAMAZOO, MI 49001
(269) 337-2245
ATTN: ANDRE TAYLOR | GAS
CONSUMERS ENERGY
2500 E. CORK STREET
KALAMAZOO, MI 49001
(269) 337-2366
ATTN: KYLE OAK |
| WATER SERVICE
CITY OF KALAMAZOO
415 E. STOCKBRIDGE AVE.
KALAMAZOO, MI 49001
(269) 337-8601
ATTN: STEVE SKALSKI | CABLE TELEVISION
CHARTER COMMUNICATIONS
4176 COMMERCIAL AVE.
PORTAGE, MI 49002
(269) 207-9648
ATTN: JASON TILLER |
| TELEPHONE
AT&T
2919 MILLCORK ST. RM. 101
KALAMAZOO, MI 49001
(269) 384-4472
ATTN: CHRIS O'BRIEN | SANITARY SEWER
CITY OF KALAMAZOO
1415 HARRISON STREET
KALAMAZOO, MI 49007
PHONE: (269) 337-2736
ATTN: RYAN STOUGHTON |
| | STORM SEWER
3801 E. KILGORE RD.
KALAMAZOO, MI 49001
PHONE: (269) 381-3170
ATTN: RYAN MINKUS |



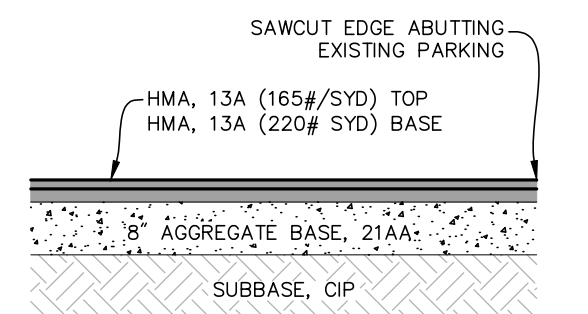
UTILITY LOCATIONS ARE DERIVED FROM ACTUAL MEASUREMENTS OR AVAILABLE RECORDS. THEY SHOULD NOT BE INTERPRETED TO BE EXACT LOCATIONS NOR SHOULD IT BE ASSUMED THAT THEY ARE THE ONLY UTILITIES IN THIS AREA.

GENERAL NOTES

- THE IMPROVEMENTS COVERED BY THESE PLANS SHALL BE DONE IN ACCORDANCE WITH THE 2020 CITY OF KALAMAZOO STANDARD SPECIFICATIONS FOR WATER MAIN AND SERVICE INSTALLATION WHERE OTHERWISE INDICATED ON THESE PLANS, IN THE PROPOSAL, SUPPLEMENTAL SPECIFICATIONS, OR SPECIAL PROVISIONS FOR THIS PROJECT.
- CONTRACTOR TO CALL MISS DIG (CALL TOLL FREE 1-800-482-7171) OR 811 THREE WORKING DAYS BEFORE STARTING YOUR PROJECT. (EXCLUDING WEEKENDS AND HOLIDAYS)
- THE IMPROVEMENTS COVERED BY THESE PLANS SHALL BE IN ACCORDANCE WITH THE 2011 MICHIGAN MANUAL OF UNIFORM TRAFFIC CONTROL DEVICES.

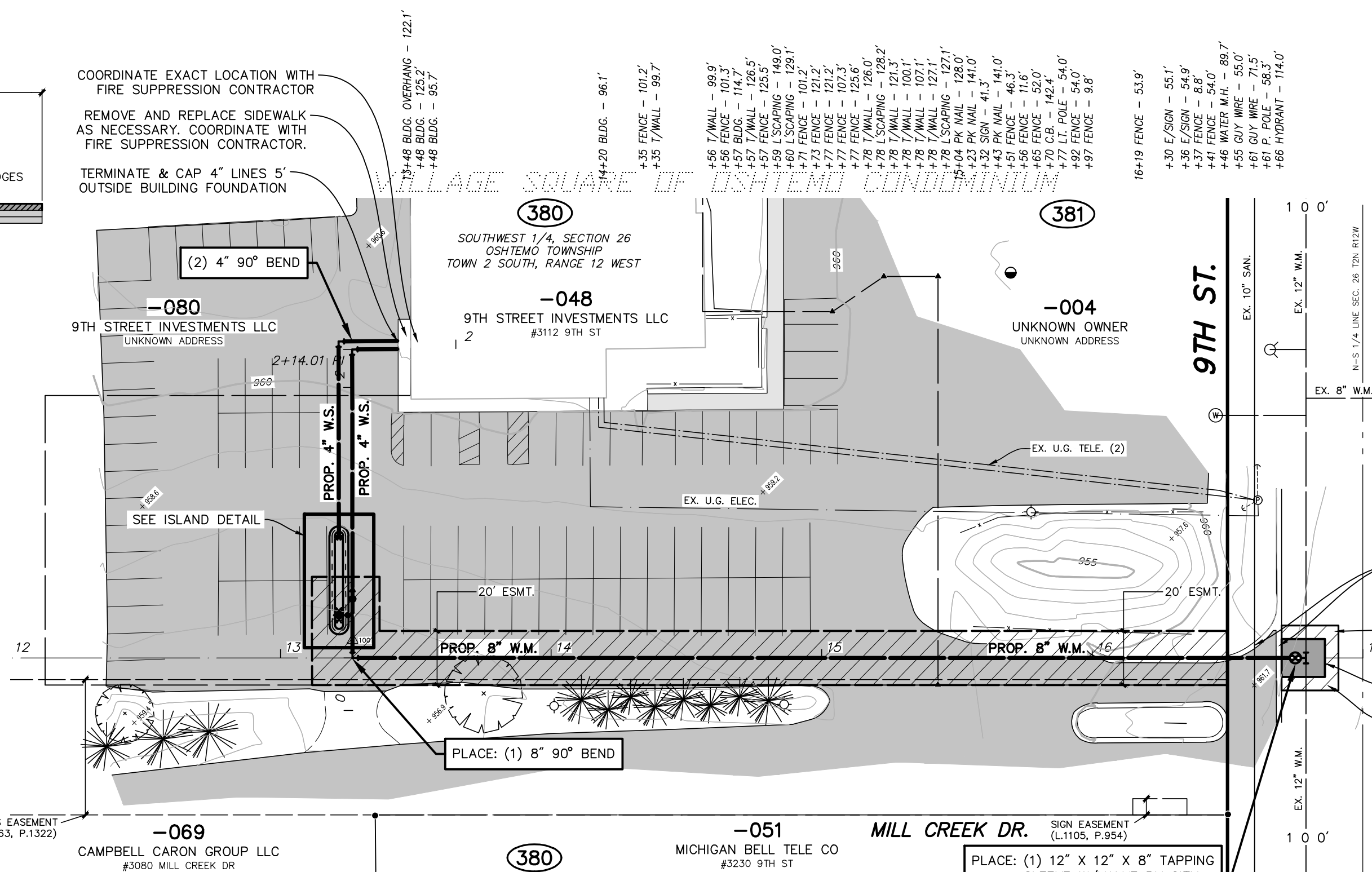


9TH ST ROAD REPAIR DETAIL
SCALE: NONE

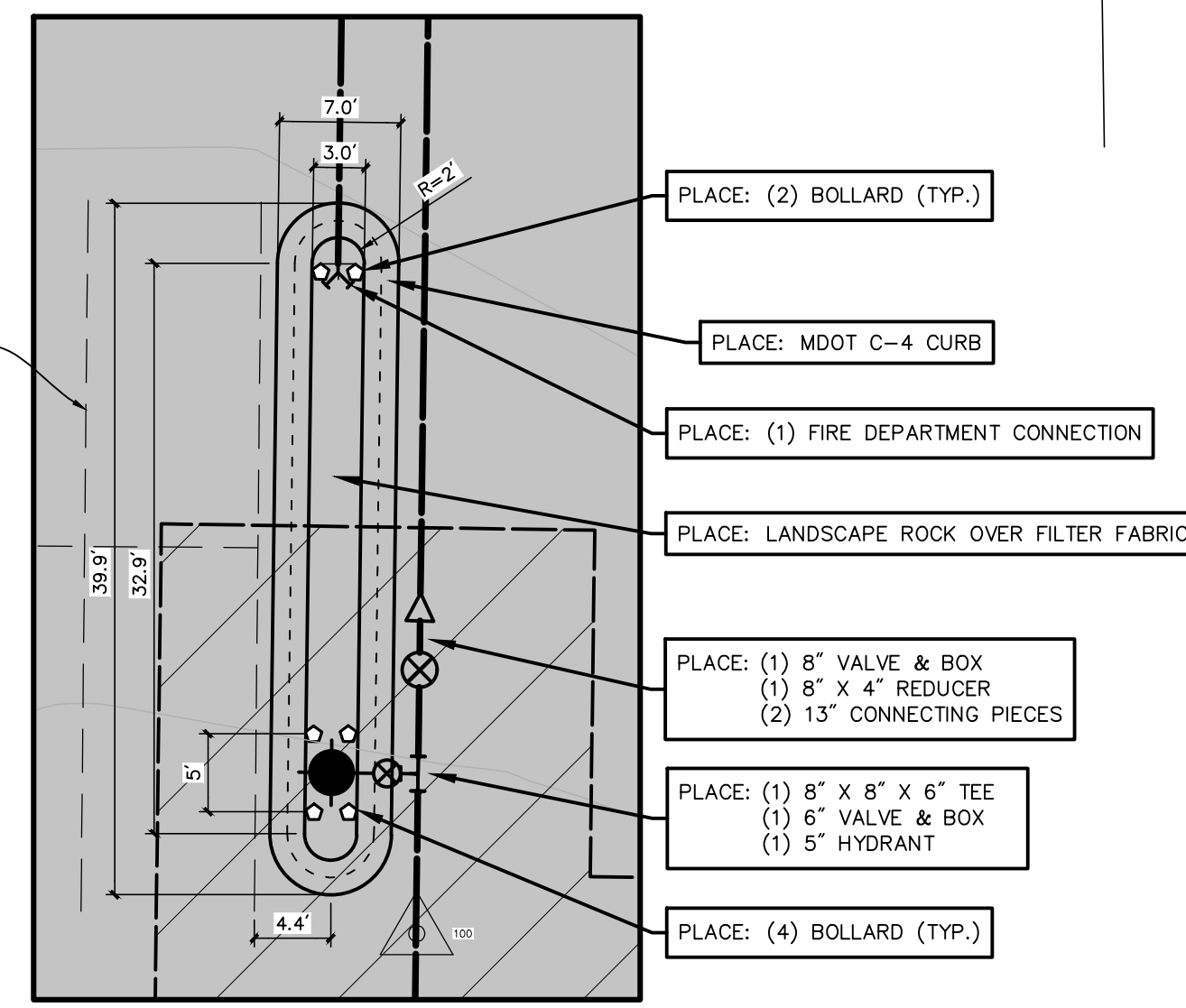
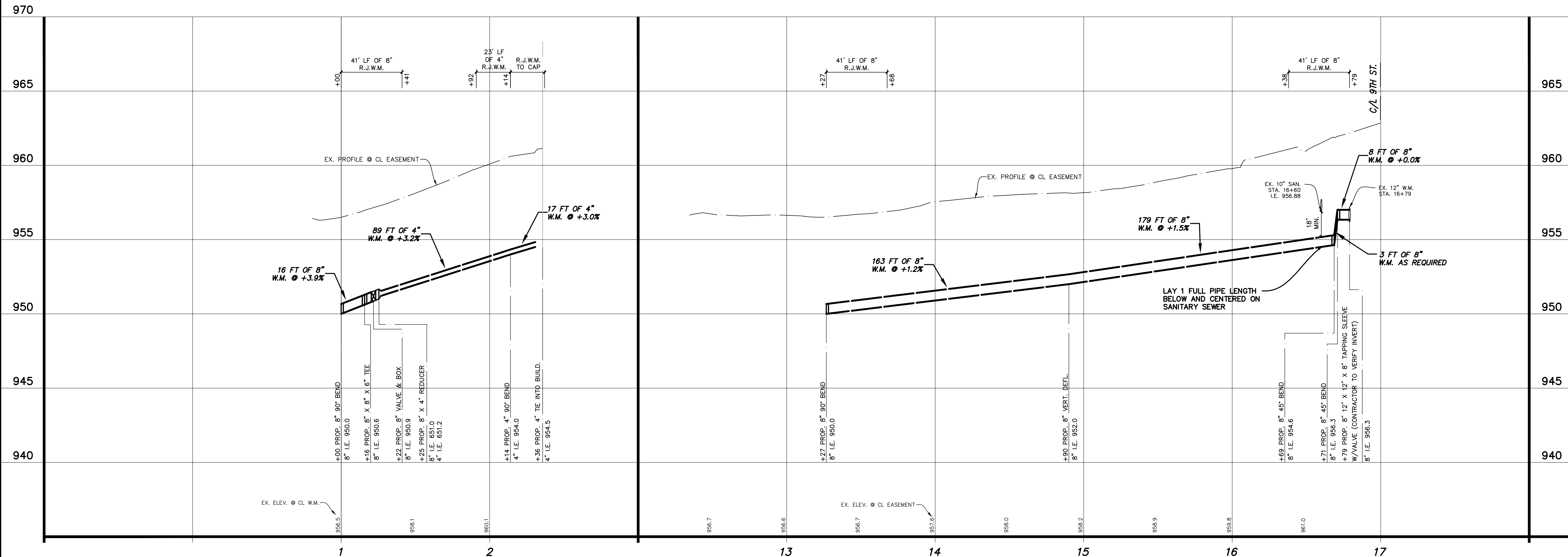


HMA DRIVE SECTION
SCALE: NONE

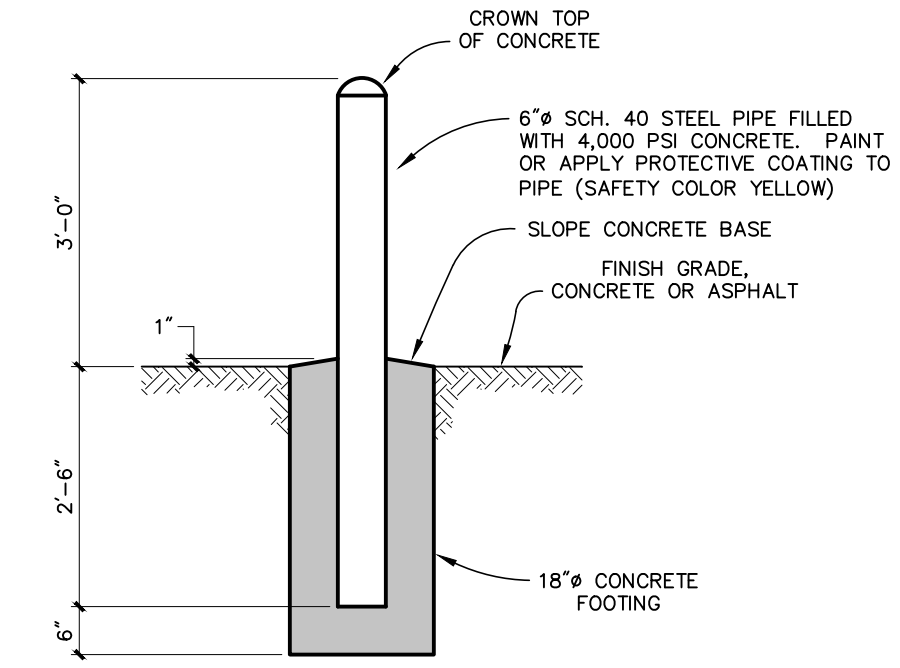
COORDINATE EXACT LOCATION WITH FIRE SUPPRESSION CONTRACTOR
REMOVE AND REPLACE SIDEWALK AS NECESSARY. COORDINATE WITH FIRE SUPPRESSION CONTRACTOR.
TERMINATE & CAP 4" LINES 5' OUTSIDE BUILDING FOUNDATION



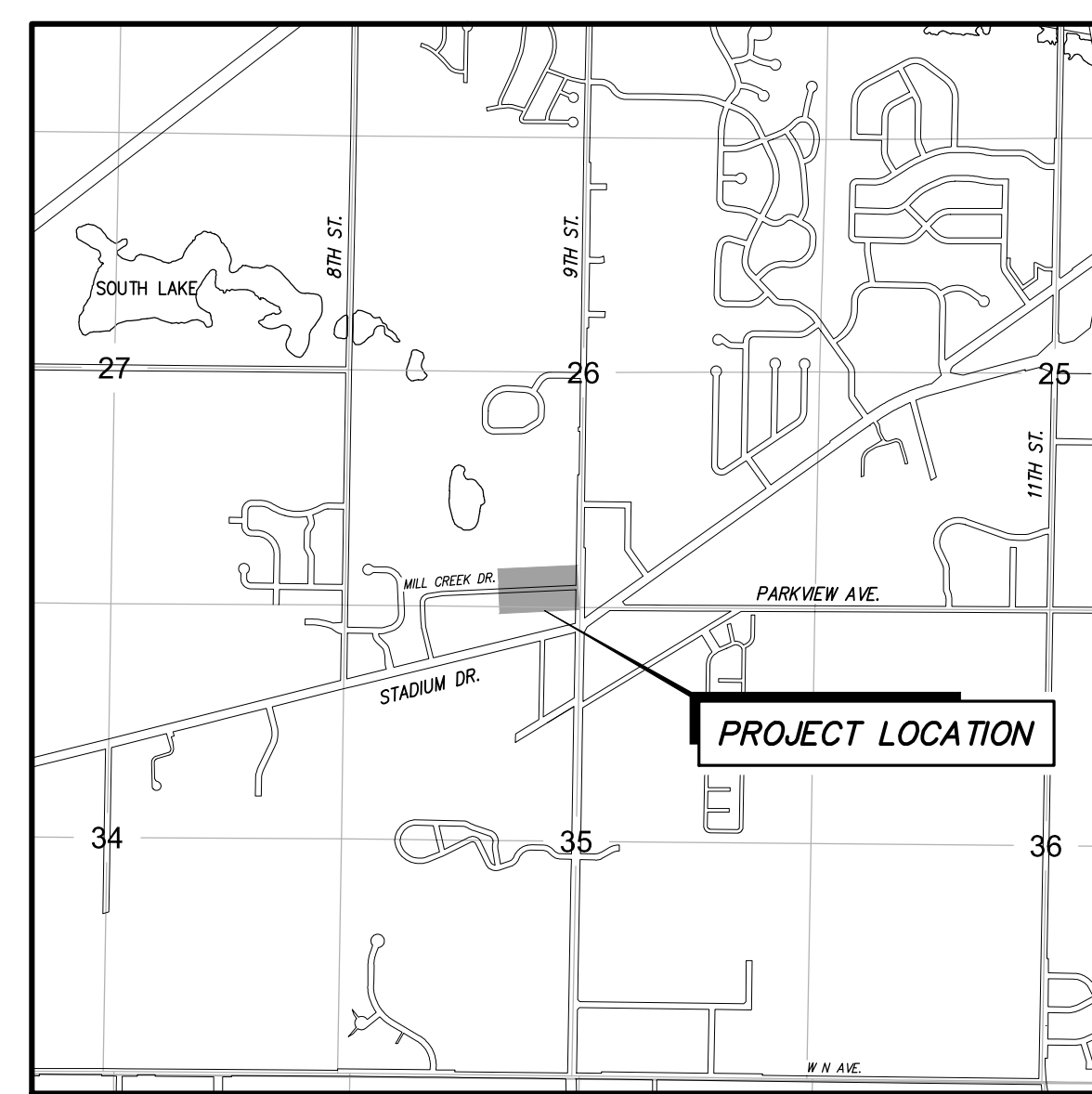
JAC'S PIZZA EASEMENT
(20' EASEMENT WIDTH)



ISLAND DETAIL
SCALE: 1" = 10'



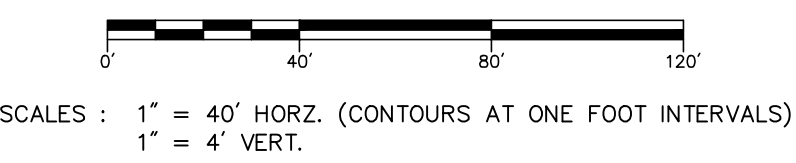
PIPE BOLLARD DETAIL
SCALE: NONE



LOCATION MAP
SCALE: 1" = 2000'

PROJECT DATUM INFORMATION

COORDINATE SYSTEM	STATE PLANE GRID
ZONE	MICHIGAN SOUTH 2113
EQUIPOISE	855
HORIZONTAL DATUM	NAD 83 (2011)
VERTICAL DATUM	CGD 128
UNITS	INTERNATIONAL FEET
PROJECT COMBINED SCALE FACTOR (PCSF)	+0.99999404299
GROUND DISTANCE =	GRID DISTANCE/PCSF



NO.	REVISIONS	BY	DATE	DRAWN
				J.D.H.
			JULY '21	
			CHECKED	
			DATE	



OSHTOMO CHARTER TOWNSHIP KALAMAZOO COUNTY, MICHIGAN	PROJECT NO. 2200533
WATER SYSTEM IMPROVEMENTS	SHEET NO.
JAC'S PIZZA EASEMENT	1 OF 1

Owner:

Oshtemo Township

Project Title:

Jac's Pizza

Date:

June 8, 2022

Project #:

2200533

Item No.	Description	Quantity	Unit	Unit Price	Total Amount
1	Mobilization	1	LS	\$7,500.00	\$7,500.00
2	Pavement Remove (HMA&Concrete)	1,100	SY	\$5.00	\$5,500.00
3	Curb and Gutter Remove	60	LF	\$5.00	\$300.00
4	Water Main, 8" (Restrained and partial wrap)	375	LF	\$85.00	\$31,875.00
5	Water Main 6"/4" (Restrained)	220	LF	\$55.00	\$12,100.00
6	Water Main, 8" Valve & Box	1	EA	\$2,300.00	\$2,300.00
7	Water Main, 8 Inch x 4/6 Inch Reducer	1	EA	\$625.00	\$625.00
8	Water Main 8 Inch 45 deg bend	2	EA	\$650.00	\$1,300.00
9	Water Main 8 Inch 90 deg bend	1	EA	\$650.00	\$650.00
10	Water Main 8 x 6 Tee	1	EA	\$650.00	\$650.00
11	Water Main 4/6 Inch 90 deg bend	2	EA	\$450.00	\$900.00
12	Water Main, Tapping Sleeve and Valve (by City)		EA		
13	Fire Hydrant complete (connecting pieces, 6" valve, & hydrant)	1	EA	\$5,000.00	\$5,000.00
14	FDC	1	EA	\$2,250.00	\$2,250.00
15	Sidewalk Repair	1	LS	\$250.00	\$250.00
16	HMA, 13A	225	TON	\$100.00	\$22,500.00
17	Gravel	500	Ton	\$22.00	\$11,000.00
18	9th Street Road Repair	2	EA	\$8,500.00	\$17,000.00
19	Curb and Gutter, Conc, Det F4	140	LF	\$30.00	\$4,200.00
20	Bollards	6	EA	\$205.00	\$1,230.00
21	Turf Restoration/Landscaping	1	LS	\$2,500.00	\$2,500.00
22	Maintenance of Traffic	1	EA	\$5,000.00	\$5,000.00
23	SESC Measures	1	LS	\$1,000.00	\$1,000.00
Construction Subtotal					\$135,630.00

MEMORANDUM



Date: June 9, 2022
To: Township Board
From: Legal Department
Subject: Proposed Resolution in Support of Kalamazoo County Urban Bird Treaty

OBJECTIVE:

To request that the Board adopt the proposed Resolution in Support of the Designation of Kalamazoo County as an Urban Bird Treaty Area.

BACKGROUND:

In 2021 the Township was contacted regarding the US Fish and Wildlife Urban Bird Program (Urban Bird Treaty Program) to provide information about the program and ask the Township to consider supporting the program in the Kalamazoo Region. Several other local municipalities, including Parchment and the City of Kalamazoo, have agreed to be part of the program. Karen High worked with Dr. Gail Walter, of the Audubon Society of Kalamazoo, to create a list of goals and accomplishments for the Township. Dr. Walter spoke to Township Board about the program at its Board meeting of May 24th, and the Board decided to move forward with the program.

INFORMATION PROVIDED:

I have attached the proposed Resolution in Support of the Designation of Kalamazoo County as an Urban Bird Treaty Area and the referenced Oshtemo Township Urban Bird Treaty Program document for the Board's consideration.

STATEMENT OF REQUESTED BOARD ACTION:

I recommend that the Board adopt the proposed Resolution in Support of the Designation of Kalamazoo County as an Urban Bird Treaty Area.

**OSHTEMO CHARTER TOWNSHIP
COUNTY OF KALAMAZOO, MICHIGAN**

**RESOLUTION IN SUPPORT OF THE DESIGNATION OF
KALAMAZOO COUNTY AS AN URBAN BIRD TREATY AREA**

Adopted: June 14, 2022

Effective: June 14, 2022

WHEREAS, it is the mission of Oshtemo Township to advance the quality of life of all residents through a commitment to responsible growth and value-driven municipal services that promote and balance economic vitality, environmental stewardship, and social equity; and

WHEREAS, protecting, preserving, and restoring our community's land, water, and air is a high priority in Oshtemo Township; and

WHEREAS, the Township, in 2017, was the first in the region to adopt a Natural Features Protection District Ordinance to protect vital natural features; and

WHEREAS, the Township Board has already taken action to improve the natural environment in the Township on a local level through:

1. The 2019 Adoption of GO! Green Oshtemo, a comprehensive and coordinated plan for parks and recreation (e.g., increasing parks/green space by acquiring 65+ acres of land since 2004 and improving facilities), conservation (e.g., revising ordinances to adopt a Natural Features Protection District; encouraging open space communities; and identifying areas of conservation interest for additional preservation), and non-motorized transportation (e.g., requiring sidewalks in new developments, adopting the Complete Streets Policy (to add sidewalks and increasing non-motorized trails and reduce reliance on cars);
2. Establishing an ordinance to allow green burials to: (a) reduce the carbon footprint of maintenance operations, (b) promote biodegradable burial alternatives to residents, (c) preserve natural spaces and provide native prairie/savannah reconstruction habitats;
3. Acting as good stewards of our publicly owned natural resources by: (a) reconstructing native prairie, constructing raingardens, planting trees, removing invasive vegetation, (b) updating the Township's ordinances to allow for "planned native landscaping", and (c) integrating sustainable

landscaping at Township facilities;

4. Promoting non-motorized transportation by constructing sidewalks and trails on Drake Road, Stadium Drive, Green Meadow Road, and Croyden Avenue in 2020 and 2021 and by creating a road cyclist trailhead with a wide variety of amenities for cyclists at the Grange Hall;
5. Promoting sustainable practices and energy use reduction including: (a) revising Township Ordinances to minimize excessive areas of pavement to limit the urban heat island effect and decrease runoff, (b) requiring monitoring and limiting of natural resource loss for issuance of all clear-cutting permits, and (c) transitioning street lighting (and lights in Township facilities) to LED lights to reduce energy consumption;
6. Requiring all new developments within the Business Research Park (BRP) districts to incorporate one (or more) sustainable products and/or methodologies (e.g., Leadership in Energy and Environmental Design (LEED) certification from the U.S. Green Building Counsel, installing solar technology, etc.) for Planning Commission and/or Board of Appeals approval;
7. Installing an electric car charging station on 9th Street at Flesher Field (funded by the Downtown Development Authority (DDA));
8. Updating the Master Plan to preserve the Township's rural character by reducing allowable density in the Rural Residential area, updating Township Ordinances to encourage sustainable development and preserve natural habitats within and outside the Natural Features Protection District; and

WHEREAS, the Township received an Environmental Planning Excellence Award from the Michigan Association of Planning for our GO! Green Oshtemo Plan (a comprehensive and coordinated plan for parks, recreation, non-motorized facilities, and conservation of open space and greenways) in 2019; and

WHEREAS, Oshtemo Township, though originally an agricultural community, is now predominantly residential, with strong commercial areas located just west of the City of Kalamazoo, with a 2020 population of 23,747; and

WHEREAS, the Township's growing and convenient commercial base, low taxes, and recreational facilities make Oshtemo an attractive place in which to live and work; and

WHEREAS, the Township is eager to assist the Audubon Society of Kalamazoo in its efforts to inspire environmental stewardship among businesses, community members, and residents in the Kalamazoo area, in order to connect local communities with birds and the environment for the benefit of all; and

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Oshtemo Charter Township Board (1) declares its support, as a Kalamazoo area municipality, of enactment of an Urban Bird Treaty; and (2) resolves to continue its efforts, and take additional steps to achieve the goals laid out in the "Oshtemo Township Urban Bird Treaty Program" document (attached and incorporated herein) to: (a) protect, restore, and enhance urban habitats for birds, (b) reduce urban hazards to birds, and (c) educate and engage urban communities in caring about and conserving birds and their habitats.

Motion was made by _____ and seconded by _____, to adopt the foregoing Resolution.

Upon roll call vote the following voted "Aye":

The following voted "Nay":

The following were Absent:

The following Abstained:

The Moderator declared the motion carried and the Resolution duly adopted.

Dusty Farmer, Clerk
Oshtemo Charter Township

CERTIFICATE

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

I, Dusty Farmer, the duly appointed and acting Clerk of the Township of Oshtemo, certify that the foregoing constitutes a true and complete copy of a Resolution adopted at a regular meeting of the Oshtemo Charter Township Board held on June 14, 2022, which meeting was preceded by required notices under the Michigan Open Meetings Act, being 1976 PA 267; that a quorum of the Board was present and voted in favor of said Resolution; and that minutes of said meeting were kept and will be or have been made available as required by said Open Meetings Act.

IN WITNESS WHEREOF, I have hereto affixed my official signature on this ____ day of June, 2022.

Dusty Farmer, Clerk
Oshtemo Charter Township

OSHTEMO TOWNSHIP URBAN BIRD TREATY PROGRAM

GOAL 1. CONSERVE URBAN HABITATS FOR BIRDS

Objective Category 1: Ensure best management of community habitat for birds

Accomplished Actions:

- Promoted non-motorized transportation by constructing sidewalks and trails on Drake Road, Stadium Drive, Green Meadow Road, and Croyden Avenue in 2020 and 2021 and by creating a road cyclist trailhead with a wide variety of amenities for cyclists at the Grange Hall in 2021.
- Promoted sustainable practices and energy use reduction including: (a) revising Township Ordinances to minimize excessive areas of pavement to limit the urban heat island effect and decrease runoff, (b) requiring monitoring and limiting of natural resource loss for issuance of all clear-cutting permits, and (c) transitioning street lighting (and lights in Township facilities) to LED lights to reduce energy consumption;
- Required all new developments within the Business Research Park (BRP) districts to incorporate one (or more) sustainable products and/or methodologies (e.g., Leadership in Energy and Environmental Design (LEED) certification from the U.S. Green Building Counsel, installing solar technology, etc.) for Planning Commission and/or Board of Appeals approval.
- Installed an electric car charging station on 9th Street at Flesher Field (funded by the Downtown Development Authority (DDA)).
- Updated the Master Plan to preserve the Township's rural character by reducing allowable density in the Rural Residential area, updating Township Ordinances to encourage sustainable development and preserve natural habitats within and outside the Natural Features Protection District.

Objective Category 2: Create, restore and protect bird habitat

Accomplished Actions:

- With grant funding from the Michigan Natural Resources Trust Fund, in 2021 purchased two-miles of former Fruit Belt Rail Corridor and permanently preserved it for open space and public recreation, a total of 36 acres of land.
- In 2021, opened Drake Farmstead Park, a new 26-acre public park in the densely developed area near Drake Road and West Main Street. Preparations for the new park included development of an Urban Forest Management Plan and reconstruction of six acres of prairie.
- Worked to implement **GO! Green Oshtemo**, a comprehensive and coordinated plan for parks and recreation, conservation, and non-motorized transportation.

Next Steps

- Develop a joint natural area management plan for Oshtemo Township Park, Kalamazoo College's Lillian Anderson Arboretum, and adjacent privately owned properties, including those that border Bonneycastle Lake.

Objective Category 3: Promote native and beneficial plants for birds

Accomplished Actions:

- Established an ordinance to allow green burials in our cemeteries to: (a) reduce the carbon footprint of maintenance operations, (b) promote biodegradable burial alternatives to residents, (c) preserve natural spaces and provide native prairie/savannah reconstruction habitats.
- Acted as good stewards of our publicly owned natural resources by: (a) constructing raingardens, planting trees, removing invasive vegetation, (b) updating the Township’s ordinances to allow for “planned native landscaping”, and (c) integrating sustainable landscaping at Township facilities.

Next Steps:

- Continue to plant native trees, shrubs, and wildflowers that produce food for people and wildlife at Drake Farmstead Park.
- Contracted with the Kalamazoo Nature Center in 2022 to develop a low-mow demonstration plot at Flesher Field Park that will be planted with native species in an effort to gradually reduce the amount of Township-owned property that is mowed lawn.
- Starting in 2023 or 2024, develop low-mow demonstration plots at Oshtemo Township Park and the Township Hall, Grange Hall, and Drake Farmstead Park in order to significantly reduce the amount of Township-owned mowed lawn.

Objective Category 4: Control invasive and detrimental plants

Accomplished Actions:

- In 2018 began an ongoing, multi-year effort to remove invasive vegetation at Drake Farmstead Park in partnership with Oshtemo Friends of the Parks volunteers. This project will continue in 2022 and beyond.

Next Steps:

- In April 2022, received a \$150,000 Planet Award grant from Consumers Energy Foundation for habitat restoration and environmental education in the Fruit Belt Rail Corridor. Kalamazoo Nature Center is currently completing an inventory of the native and invasive species on the property and will develop a work plan for restoration later in the year. Removal of invasive species and planting of natives is planned in 2023.

GOAL 2. REDUCE URBAN HAZARDS TO BIRDS

Objective Category 1: Address disturbance and predation by feral, invasive, and detrimental species

Next Steps:

- Use the Township newsletter and website to educate residents on the importance of keeping cats indoors.

Objective Category 2: Address bird collisions with glass

Next Steps:

- Work with the Audubon Society of Kalamazoo to monitor window collisions at Oshtemo Township Hall during spring and fall migration periods and make the windows safer for birds where needed.

Objective Category 3: Address light pollution

Accomplished Actions:

- Adopted a lighting ordinance in 2021 to minimize the detrimental effect of urban sky glow, requiring that all lighting be shielded and downward directed.

GOAL 3. ENGAGE COMMUNITIES IN BIRD-RELATED EDUCATION

Objective Category 1: Celebrate World Migratory Bird Day

Next Steps:

- Use the Township newsletter and website to recognize and promote World Migratory Bird Day on the second Saturday in May 2023.

Objective Category 2: Increase awareness of birds and their habitats in your community

Accomplished actions:

- Installed interpretive signs to educate residents on the importance of habitat and native plants in the new Drake Farmstead Park.

Next Steps:

- Install interpretive signs on ecological restoration and the importance of habitat at the Township-owned Fruit Belt Rail Corridor property.

Objective Category 3: Educate and engage youth and young adults

Next Steps:

- Work with Kalamazoo Public School students participating in a high-school level conservation biology program at Kalamazoo Nature Center's Heronwood Field Station to inventory and assess the site's ecology and plant native species at the Township's Fruit Belt Rail Corridor property.

Objective Category 4: Ensure access to nature to diverse, underserved communities

Accomplished Actions:

- Installed an accessible crushed-stone trail at Drake Farmstead Park, along with an accessible picnic shelter, restrooms, and drinking fountain. The park is connected by sidewalk with one of the most heavily used transit stops in the region and is located less than a quarter mile away.

Next Steps:

- Apply for grant funds to develop a 10-foot-wide crushed stone trail in the Fruit Belt Rail Corridor, allowing access to nature for people with varying levels of mobility.

- Use guidance from the non-profit Birdability to ensure that the Fruit Belt Rail Trail is welcoming and inclusive for all.

Objective Category 5: Involve the community in conservation and stewardship

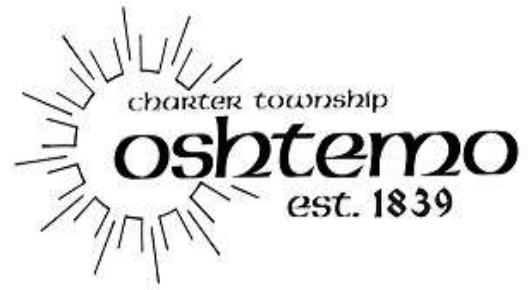
Accomplished Actions:

- Co-hosted a workshop with the Kalamazoo Conservation District on the importance of caring for urban forests.

Next Steps:

- Co-host community stewardship opportunities, involving residents in removal of invasive species from the Fruit Belt Rail Corridor property.

Memo



To: Oshtemo Charter Township Board

From: James W. Porter

CC: Libby Heiny-Cogswell

Date: June 5, 2020

Subject: Full Circle Communities Purchase and Refinancing of the Pinehurst Development through MSHDA

OBJECTIVE

To approve a resolution authorizing tax exemption of Full Circle Communities under Section X of the Township Ordinance so that Full Circle Communities can obtain MSHDA financing to purchase the Pinehurst Development.

BACKGROUND

Currently under the Township's Ordinance, only facilities serving low-income elderly persons can apply for a tax exemption. However, the Board will recall that in April it approved an amendment adding Section X to the Ordinance so that developments previously approved under the old ordinance for tax exemption, including those for low-income persons, could be approved for the purpose of rehabilitation, redevelopment, or transfer of those facilities. Therefore, Full Circle's purchase of Pinehurst would fall under the exemption provisions.

After reviewing the Township records, it is clear to Legal Counsel that Pinehurst applied for redevelopment prior to the Board's change in its Ordinance in 1996 and, therefore, was an approved development for low-income persons, not just low-income elderly persons. Because they previously qualified, Full Circle now qualifies for the exemption provisions in Section X.

It is also important to note that Full Circle is a nonprofit corporation, just as Pinehurst was a nonprofit corporation, so this will have no effect on the service fee revenues to the Township. They were and will continue to be totally exempt from any type of service fee. They will pay the PILOT, or the 4% of their base rents to the Township as any other tax-exempt property would.

INFORMATION PROVIDED

I have attached hereto a copy of the resolution if the Board chooses to approve the tax-exemption request for Full Circle Communities.

STATEMENT OF WHAT YOU ARE ASKING BOARD TO APPROVE

To approve the attached resolution granting tax-exempt status under Township Ordinance 344.

JWP/y
att

OSHTEMO CHARTER TOWNSHIP
KALAMAZOO COUNTY, MICHIGAN

**Resolution Granting a Tax Exemption Pursuant to the Township's
Tax Exemption Ordinance (Ordinance No. 344), as Amended**

WHEREAS, the State Housing Development Authority Act (Act 346 of the Public Acts of 1966, as amended; the "Act") and the Oshtemo Charter Township General Tax Exemption Ordinance (Ordinance No. 344, as amended; the "Ordinance") allow the owner of housing units (or who construct, renovate, or acquire such housing units) for persons of low income (as defined by Act) to be granted a tax exemption thereon; and

WHEREAS, it is the purpose of this Resolution to certify that the requirements of Part 270 of the Ordinance and the Act are met; and

WHEREAS, Pinehurst Preservation Limited Dividend Housing Association Limited Partnership ("Pinehurst"), or any entity formed by Pinehurst that receives or assumes the Mortgage Loan (as defined by the Ordinance and the Act) has offered, subject to receipt of Mortgage Loan from the Michigan State Housing Development Authority (the "Authority") or a federally-aided Mortgage Loan to acquire, rehabilitate, own and operate the housing development identified as Pinehurst Townhomes (the "Development") on certain property in the Township of Oshtemo ("Township"), more specifically described as follows:

Parcel Nos. 05-26-355-050 and 05-35-105-021, legal described as:

Commencing at the Southwest corner of Section 26, Town 2 South, Range 12 West; thence North 00°21'54" East 594.00 feet along the West line of the Southwest quarter of said Section to the North line of the South 36 rods of said Southwest quarter; thence South 89°58'58" East. 787.34 feet along said North line parallel with the South line of said Southwest quarter to the place of beginning; thence continuing South 89°58'58" East 589.82 feet along said North line parallel with said South line to a point South 89°58'

58" East 57.00 feet from the East line of the West half of said Southwest quarter: thence South 10°19'09" East 747.03 feet to a point North 10°19'09" West 350.00 feet from a point on the center line of Stadium Drive which is South 75°42'00" West 1097.25 feet (measured at 1097.48 feet) from the intersection of said center line with the North and South quarter line of Section 35, Town 2 South, Range 12 West; thence South 74°56'23" West 429.57 feet; thence South 03°12'11" seconds East 350.00 feet to said center line at a point North 75°42'00" East 1157.75 feet from the intersection of said center line with the West line of the Northwest quarter of said Section 35; thence South 75°42'00" West 266.00 feet along the said centerline; thence North 03°12'11" West 1263.87 feet to the place of beginning; the Southerly 50 feet being subject to highway easement for Stadium Drive.

to serve persons of low income, and Pinehurst has agreed to pay the Township an annual service charge for public services in lieu of taxes (PILOT) for the Development in accordance with the provisions of the Ordinance; and

WHEREAS, the Township has determined that the Development is eligible for a tax exemption pursuant to the Ordinance, having been previously approved for a PILOT tax exemption by the Township Board on August 13, 1996.

NOW THEREFORE, IT IS HEREBY RESOLVED, that the Development, and the property upon which it is, or shall be, constructed, shall be exempt from all property taxes from and after acquisition by Pinehurst, and Pinehurst, shall pay a service charge in lieu of taxes pursuant to the Tax Exemption Ordinance under the terms provided in the Township's Ordinance (attached hereto and incorporated herewith by reference); and

BE IT FURTHER RESOLVED, that the current tax exemption and payment in lieu of taxes for the Development shall continue while it continues to be owned by Pinehurst; and

BE IT FURTHER RESOLVED, that the Emergency Services Agreement requirement of the Ordinance is waived (due to the non-profit status of Pinehurst, in

accordance with state law) so long as Development is owned and operated by Pinehurst, and any entity formed by Pinehurst that receives, or assumes, the Mortgage Loan(s), remains a tax-exempt non-profit organization,; and

BE IT FURTHER RESOLVED, that, notwithstanding the provisions of Section 15(a)(5) of the Act, a contract between the Township and Pinehurst, with the Authority as third party beneficiary thereunder, to provide tax exemption and the payment of a service charge in lieu thereof, pursuant to the Ordinance and the Act, is effectuated by the adoption of this Resolution.

A motion was made by _____, seconded by _____ to adopt the foregoing Resolution.

Upon a roll call vote, the following voted “Aye”:

The following voted “Nay”:

The following was “Absent”:

The following “Abstained”:

The Moderator declared the motion carried and the Resolution duly adopted.

Dusty Farmer, Clerk
Oshtemo Charter Township

CERTIFICATE


STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

I, Dusty Farmer, the duly appointed and acting Clerk of the Township of Oshtemo, certify that the foregoing constitutes a true and complete copy of a Resolution adopted at a regular meeting of the Oshtemo Charter Township Board held on June 14, 2022, at which meeting was preceded by required notices under the Michigan Open Meetings Act, being 1976 PA 267; that a quorum of the Board was present and voted in favor of said Resolution; and that minutes of said meeting were kept and will be or have been made available as required by said Open Meetings Act.

IN WITNESS WHEREOF, I have hereto affixed my official signature on this ____ day of June, 2022.

Dusty Farmer, Clerk
Oshtemo Charter Township

MEMORANDUM

Date: May 25, 2022
To: Township Board
From: Legal Department 
Subject: Resolution in Support of HB 6062- Local Government Public Notice Act



OBJECTIVE:

To request that the Board adopt the proposed Resolution in Support of Michigan House Bill 6062.

BACKGROUND:

The Michigan Townships Association provided a legislative update on May 20th, 2022 that included information regarding the proposed House Bill 6062- Local Government Public Notice Act. After reviewing the proposed Bill, and the Legislative Analysis thereof, it became clear that, if passed, this could save the Township a great deal of money in publication costs. House Bill 6062 is tied to other legislation (2022 PA 74 and 2022 PA 76), which went into effect on May 12, 2022, and which impacted newspapers and the “publication of notice”.

Under the proposed House Bill 6062, Townships with a website would be able, starting January 1, 2024, to publish legal notices by posting them on their website- without having to additional pay for publication in a local newspaper. There are, of course, additional factors and requirements involved. The Township would need to: (1) archive all notices on our website for the required retention period(s); (2) provide copies of all notices to all local media outlets (i.e., the Kalamazoo Gazette AND local television and radio stations); (3) create and maintain an annual notice list- this would require mailing (with postage charged to the recipient) or emailing each notice out to those on the recipient list; and (4) we may still need to pay some fees to the Gazette. That being said, the average cost of publishing each required notice in the Gazette currently (i.e., for each Ordinance Submittal, Ordinance Adoption, and/or Public Hearing) *is approximately \$300-400 per ad* (the amount varies by the size/length of the ad, and when Affidavits of Publication are required, and additional \$10 per ad fee applies). 2022 PA 76 requires newspapers to provide access to notices on their website *at no additional cost beyond the charge of the print publication-* that is,

Township Attorney's Office
7275 W. Main Street
Kalamazoo, MI 49009
(269) 375-7195

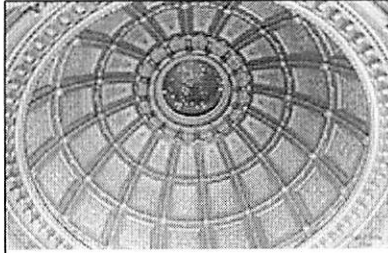
for the cost of a subscription to the Gazette, the Township could obtain this access. The newspapers are also required to maintain their archives of all published notices permanently.

INFORMATION PROVIDED:

I have attached a copy of the proposed House Bill 6062 along with the Legislative Analysis of the Bill, and the proposed Resolution in Support of Michigan House Bill 6062 for the Board's consideration.

STATEMENT OF REQUESTED BOARD ACTION:

I recommend that the Board adopt the proposed Resolution in Support of Michigan House Bill 6062, and that the same be forwarded to our Legislative Representatives to urge them to take action in support of this Bill.



MICHIGAN LEGISLATURE

Michigan Compiled Laws Complete Through PA 76 of 2022

House: Adjourned until Tuesday, May 24, 2022 1:30:00

PM

Senate: Adjourned until Tuesday, May 24, 2022 10:00:00 AM

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House Bill 6062 (2022) rss?

 friendly link

 printer friendly

Friendly Link: <http://legislature.mi.gov/doc.aspx?2022-HB-6062>

Sponsors

Kevin Coleman (district 16)

Steven Johnson, Tommy Brann, Jim Ellison,

Abraham Aiyash, Stephanie Young, Richard Steenland,

Helena Scott, Brenda Carter, Jeff Yaroch

(click name to see bills sponsored by that person)

Categories

Local government: other; Communications: newspapers and magazines; Communications: internet;

Local government: other; publication of legal notices; revise, and create the local government public notice act. Creates new act.

Bill Documents

Bill Document Formatting Information

(gray icons indicate that the action did not occur or that the document is not available)

Documents

House Introduced Bill



Introduced bills appear as they were introduced and reflect no subsequent amendments or changes.



As Passed by the House

As Passed by the House is the bill, as

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introduced, that includes any adopted House amendments.

As Passed by the Senate



As Passed by the Senate is the bill, as received from the House, that includes any adopted Senate amendments.

House Enrolled Bill



Enrolled bill is the version passed in identical form by both houses of the Legislature.

Bill Analysis

House Fiscal Agency Analysis



Summary as Introduced (5/19/2022)

This document analyzes: HB6062

History

(House actions in lowercase, Senate actions in UPPERCASE)

NOTE: a page number of 1 indicates that the page number is soon to come.

Date ▲	Journal	Action
5/3/2022	HJ 38 Pg. 563	introduced by Representative Kevin Coleman
5/3/2022	HJ 38 Pg. 563	read a first time
5/3/2022	HJ 38 Pg. 563	referred to Committee on Oversight
5/4/2022	HJ 39 Pg. 597	bill electronically reproduced 05/03/2022

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HOUSE BILL NO. 6062

May 03, 2022, Introduced by Reps. Coleman, Steven Johnson, Brann, Ellison, Aiyash, Young, Steenland, Scott, Brenda Carter and Yaroch and referred to the Committee on Oversight.

A bill to set forth the methods for local governments and other governmental entities to provide certain public notices; to prescribe the powers and duties of certain public entities; and to prescribe the duties of certain private entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "local government public
2 notice act".

3 Sec. 2. As used in this act:

4 (a) "Internet" means that term as defined in 47 USC 230.

1 (b) "Local media outlet" means a television station or radio
2 broadcast station, licensed by the Federal Communications
3 Commission.

4 (c) "Required area" means the county, city, township, village,
5 district, or other governmental entity where the notice is required
6 to be posted.

7 (d) "Website" means a collection of pages of the internet,
8 usually in HTML format, with clickable or hypertext links to enable
9 navigation from 1 page or section to another, that often uses
10 associated graphics files to provide illustration and may contain
11 other clickable or hypertext links.

12 Sec. 3. Except as otherwise provided in section 4, as used in
13 this act, "newspaper" means a print publication that is published
14 for the dissemination of local news of a general character or for
15 the dissemination of legal news and to which all of the following
16 apply:

17 (a) The print publication is published and distributed in not
18 less than weekly intervals.

19 (b) Not less than 50% of the words in the print publication
20 are in the English language.

21 (c) The print publication has a bona fide list of subscribers
22 in 1 or more counties in this state or is available to the public
23 at newsstands or other retail locations in 1 or more counties in
24 this state, or both.

25 (d) The print publication accepts and publishes official and
26 other notices.

27 (e) The print publication regularly contains information of a
28 public character or of interest or value to residents, property
29 owners, or the general public.

1 (f) The print publication has been published or distributed
2 for not less than 1 year.

3 Sec. 4. If there is no publication that meets the definition
4 in section 3 in the required area, "newspaper" means a publication
5 in an adjoining county, city, township, village, or district, as
6 applicable, that otherwise meets the definition in section 3.

7 Sec. 5. (1) Beginning January 1, 2024, if a local government
8 or other governmental entity has a website that has been active for
9 180 days or more and is permitted to provide public notice under
10 this act, that local government or other governmental entity shall
11 do 1 or both of the following:

12 (a) Post that public notice on the active notice portion of
13 the website of the required area for the period of time as provided
14 by law.

15 (b) Continue to provide that public notice as provided by law.

16 (2) Beginning January 1, 2024, if a local government or other
17 governmental entity does not have a website, or has a website that
18 has been active for less than 180 days, and is permitted to provide
19 public notice under this act, that local government or other
20 governmental entity shall continue to provide that notice as
21 provided by law.

22 (3) If public notice is posted on the active notice portion of
23 the website of the required area as provided in subsection (1)(a),
24 a printed copy of the public notice posted under subsection (1)(a)
25 must be made available for public inspection by the local
26 government or other governmental entity for the period of time that
27 the public notice is required by law to be posted.

28 (4) If public notice is posted on the active notice portion of
29 the website of the required area as provided in subsection (1)(a),

1 the local government or other governmental entity shall within 24
2 hours after the public notice is posted under this act notify by
3 email each newspaper and local media outlet that serves the
4 required area about the public notice.

5 Sec. 6. A website used for posting public notices under this
6 act must meet both of the following requirements:

7 (a) The homepage of the website and the portion of the website
8 containing active notices and archival notices must be publicly
9 accessible and free of charge.

10 (b) The homepage of the website must include a prominently
11 displayed link to the active notices and the archival notices.

12 Sec. 7. Beginning January 1, 2024, if a local government or
13 other governmental entity posts a public notice on the website of
14 that local government or other governmental entity, the local
15 government or other governmental entity shall maintain an existing
16 online archive or create an online archive for public notices.
17 After the period of time the public notice is required to be posted
18 on the website, the public notice must be maintained in the
19 archival notice portion of the website in compliance with the
20 records retention schedule for that local government or other
21 governmental entity as provided in section 11 of the Michigan
22 history center act, 2016 PA 470, MCL 399.811. In addition, the
23 local government or other governmental entity shall maintain, in a
24 format that includes the dates of posting, a printed copy of each
25 public notice provided for archival and verification purposes.

26 Sec. 8. A person that operates a publication that qualifies as
27 a newspaper under this act shall maintain a permanent and complete
28 printed copy of each published edition for archival and
29 verification purposes in the required area.

1 Sec. 9. (1) In addition to the requirements of this act, a
2 local government or other governmental entity shall create and
3 maintain an annual public notice list. Except for a newspaper or
4 local media outlet described in section 5(4), an individual,
5 organization, firm, or corporation may make a written request to be
6 placed on an annual public notice list to receive by first-class
7 mail or email any public notice posted on the active notice portion
8 of the website of the required area under this act.

9 (2) Subject to subsection (4), if an individual, organization,
10 firm, or corporation on an annual public notice list requests to
11 receive public notices by first-class mail, upon the requesting
12 party's payment of a yearly fee of not more than the estimated cost
13 for printing and postage of the public notices, the local
14 government or other governmental entity shall send to the
15 individual, organization, firm, or corporation by first-class mail
16 a copy of each public notice posted on the active notice portion of
17 the website of the required area under this act.

18 (3) Subject to subsection (4), if an individual, organization,
19 firm, or corporation on an annual public notice list requests to
20 receive public notices by email, the local government or other
21 governmental entity shall within 24 hours after each public notice
22 is posted on the active notice portion of the website of the
23 required area under this act transmit to the individual,
24 organization, firm, or corporation an electronic copy of that
25 public notice.

26 (4) In order to continue to receive public notices under this
27 section, an individual, organization, firm, or corporation must
28 annually request in writing to be placed on the annual public
29 notice list of a local government or other governmental entity. A

1 local government or other governmental entity may require that the
2 request in writing under this subsection be made by first-class
3 mail or in person.

4 Sec. 10. If a local government or other governmental entity is
5 permitted to provide public notice under this act and the local
6 government or other governmental entity changes the method by which
7 public notice is provided as described in this act, the local
8 government or other governmental entity shall provide public notice
9 of that change by using the most recent method that the local
10 government or other governmental entity uses for publishing or
11 posting public notices.

LOCAL GOVERNMENT PUBLIC NOTICE ACT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 6062 as introduced
Sponsor: Rep. Kevin Coleman
Committee: Oversight
Complete to 5-19-22

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 6062 would create a new act, the Local Government Public Notice Act, to establish procedures for the posting of public notices by certain governmental entities as required by various statutes.

Under the new act, beginning January 1, 2024, a local government or governmental entity that is allowed to provide public notice under the new act and that has a website that has been active for at least 180 days would have to do both of the following:

- Post the public notice on the active notice portion of the website of the **required area** for the period of time provided by law. The local government or governmental entity also would have to make a printed copy of each posted notice available for public inspection during that time. Within 24 hours after posting the notice, the government or entity would have to send an email notifying each **newspaper** and **local media outlet** that serves the required area.
- Continue to provide that public notice as provided by law.

Beginning January 1, 2024, a local government or governmental entity that is allowed to provide public notice under the new act and that does not have a website, or has one that has been active less than 180 days, would have to continue to provide that notice as provided by law.

Local media outlet would mean a television station or radio broadcast station licensed by the Federal Communications Commission.

Required area would mean the county, city, township, village, district, or other geographic territory where the notice is required to be posted.

Except as described below, **newspaper** would mean a print publication that is published for the dissemination of local news of a general character or for the dissemination of legal news and to which all of the following apply:

- It is published and distributed in not less than weekly intervals.
- At least 50% of the words in it are in English.
- It has a bona fide list of subscribers in one or more Michigan counties or is available at retail locations in one or more Michigan counties, or both.
- It accepts and publishes official and other notices.
- It regularly contains information of a public character or of interest or value to residents, property owners, or the general public.
- It has been published or distributed for at least one year.

If no publication in the required area met the above definition, *newspaper* would mean a publication in an adjoining county, city, township, village, or district, as applicable, that otherwise meets the above definition.

A person operating a publication that qualified as a *newspaper* would have to maintain in the required area a permanent and complete printed copy of each published edition for archival and verification purposes.

Website and retention requirements

Beginning January 1, 2024, a local government or other governmental entity that posts a public notice on its website would have to maintain an online archive for public notices. After the notice was no longer required to be posted, it would have to be maintained in the archival notice portion of the website in compliance with the record retention schedule for that local government or other governmental entity as provided for in the Michigan History Center Act. The government or entity would also have to maintain, in a format that includes the dates of posting, a printed copy of each public notice for archival and verification purposes.

A website used for posting public notices under the act would have to meet both of the following requirements:

- The website homepage and the portion of the website containing active and archival notices must be publicly accessible and free.
- The website homepage must include a prominently displayed link to the active and archival notices.

Annual public notice list

A local government or other governmental entity would have to create and maintain an annual public notice list. An individual, organization, firm, or corporation could make a written request to be placed on the annual public notice list to receive by email or first-class mail any public notice posted under the act. (This option would not apply to a newspaper or local media outlet that the government or entity must email within 24 hours after posting a notice.)

Those on the annual list requesting public notices by first-class mail would be sent those notices upon payment of a yearly fee of not more than the estimated cost of printing and postage for the notices. The local government or other governmental entity would have to transmit an electronic copy to those requesting notices by email within 24 hours after posting a notice.

To continue to receive notices by email or first-class mail, an individual, organization, firm, or corporation would have to request in writing annually to be placed on the annual public notice list of a local government or other governmental entity. A government or entity could require that the written request be made by first-class mail or in person.

Change in notice method

If a local government or other governmental entity changed the method by which public notice was provided under the act, the government or entity would have to provide notice of that change by using the most recent method that the government or entity used for publishing or posting public notices.

BACKGROUND:

Recent amendments to the definition of “newspaper” in Michigan law

The Revised Judicature Act had provided conditions that had to be met for a publication to qualify as a “newspaper” when that term is used in that act in provisions that require publication of notices. Recently, 2022 PA 74 (Senate Bill 259, which took effect May 12, 2022) changed the definition of *newspaper* in the Revised Judicature Act—with respect to the publication of a notice—to mean that term as defined in section 1 of 1963 PA 247, with the required area being the county in which the court is located, unless the Revised Judicature Act designates a different required area.

1963 PA 247 was recently amended by 2022 PA 76 (Senate Bill 258, which also took effect May 12, 2022) to change the requirements for *newspapers*, to provide for publication of notices on the internet, and to require permanent printed copies of notices to be retained for archival and verification purposes.

Definition of “newspaper” under 1963 PA 247

Under 1963 PA 247 as amended, when used in any Michigan statute in relation to publication of a *notice* (unless expressly provided otherwise in that statute), *newspaper* means a print publication that meets all of the following:

- It is published in the English language.
- It is published for the dissemination of either of the following:
 - Local news of a general character.
 - Legal news.
- There is a bona fide list of paying subscribers to it or it has been published at not less than weekly intervals in the same community without interruption for at least two years.
- It has been published and of general circulation at not less than weekly intervals without interruption for at least one year in the *required area*. A newspaper would not lose eligibility for interruption of continuous publication due to any of the following:
 - Acts of God.
 - Labor disputes.
 - Military service of the publisher for up to two years as long as publication is resumed within six months after the end of the military service.
 - The COVID-19 pandemic, for the period beginning March 10, 2020, through the *end of the COVID-19 pandemic*. [The bill states that this particular provision would apply retroactively beginning March 10, 2020.]
- It annually averages at least 25% news and editorial content (i.e., not paid advertising) per issue.

Notice includes an order, ordinance, advertisement, report, and any other statement or information required by statute to be published.

Required area means the county, township, city, village, district, or other geographic territory where the statute requires the notice to be published or requires that the newspaper be published, circulated, or printed.

End of the COVID-19 pandemic means the earliest date after March 10, 2020, on which none of the following is in effect:

- A presidential declaration of national emergency relating to COVID-19 under the federal National Emergencies Act.
- An executive order issued by the governor during a state of disaster or emergency relating to COVID-19 declared under the Emergency Management Act or 1945 PA 302.
- An emergency order relating to COVID-19 issued under section 2253 of the Public Health Code.

A publication meeting the above requirements that is ***controlled*** by the person on whose behalf the notice is published, or by an officer, employee, agent, or affiliate of that person, does not qualify to serve as a newspaper for publication of the notice.

Control means that the person has one or more of the following:

- Ownership of or the power to vote, directly or indirectly, more than 50% of a class of voting securities or voting interests of the person that operates the publication.
- Power by the person's own action to elect or appoint a majority of executive officers, managers, directors, trustees, or other persons exercising managerial authority of the person that operates the publication.
- The legal right by the person's own action to direct, restrict, regulate, govern, or administer the management or policies of the person that operates the publication.

If no publication in the required area qualified under the above provisions, ***newspaper*** means a publication in an adjoining county, township, city, village, district, or other geographic territory that otherwise met those requirements.

Internet access to notices under 1963 PA 247

1963 PA 247, as amended by 2022 PA 76, also requires the operator of a newspaper in which a notice is published under the act to do both of the following, at no additional cost beyond the charge for the print publication:

- Provide access to the notice on the newspaper's website. The website would have to satisfy all of the following requirements:
 - Its homepage must have a link to a website area where notices published under 1963 PA 247 are available for viewing. This area could not be put behind any sort of pay wall. The public would have to be able to read notices for free.
 - Notices published under 1963 PA 247 must remain on the website during the full required publication period.
 - Notices published under 1963 PA 247 must remain searchable on the website as a permanent record of the publication.
- Place the notice on a website that is established and maintained by a state association of newspapers that represents a majority of newspapers in the state as a comprehensive central repository for notices published under 1963 PA 247 throughout the state. The website would have to do all of the following:
 - Allow searching for a notice by criteria contained in the notice.
 - Maintain all notices published under 1963 PA 247 on a permanent basis.

- Provide access through standard computer browsers and mobile platforms, such as smartphones and tablets.
- Provide a method to alert the public of notices published under 1963 PA 247 by text message, email notification, or both.

An error or omission in posting a notice as described above does not invalidate the notice published in the print version of the newspaper.

Finally, the operator of a newspaper that publishes a notice is required to maintain a permanent and complete printed copy of each published edition that contains the notice for archival and verification purposes in the required area.

FISCAL IMPACT:

The package of bills would have a varying fiscal impact on local governments and other governmental entities subject to the notice provisions of the bill. It should be noted that the provisions of the bill related to online notices are discretionary and would not mandate an entity to create an online webpage for posting notices online. Local governments and other governmental entities with an established website that is able to accommodate the posting and archiving of notices electronically likely would realize a net reduction of costs related to notice publishing by eliminating other publishing costs if they chose to publish notices online. It is assumed that the savings from the elimination of notice publishing in newspapers would be greater than the marginal increase in website administration related to posting and archiving notices.

Additionally, entities that currently do not have an established website or have a website that cannot accommodate the posting and archiving of notices could develop and operate a website if they wanted to post notices on their own website. Once an active website was created, the entity could publish notices on that website after 180 days. In the alternative, all entities could continue to publish notices as provided by law. While an entity choosing to publish a notice on its website would presumably realize savings through the elimination of newspaper publishing costs, the net fiscal impact for each entity would depend on the cost of website development or service contract compared to the print publishing savings realized.

Local governments and other governmental entities likely would incur minor costs associated with archiving paper copies of the notices. While HB 6062 would generate administrative duties related to the maintenance and administration of a permanent public notice list those costs would be minimal (in the case of email) or covered, or substantially covered, by a fee (in the case of first-class mail).

There is no impact on state revenues or costs.

Legislative Analysts: Susan Stutzky
Rick Yuille
Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

**OSHTEMO CHARTER TOWNSHIP
COUNTY OF KALAMAZOO, MICHIGAN**

RESOLUTION IN SUPPORT OF MICHIGAN HOUSE BILL 6062

Adopted: June 14, 2022

Effective: June 14, 2022

WHEREAS, Michigan 2022 PA 76 recently changed the of 1963 PA 247 with respect to the definition and publication requirements for “newspapers” to provide for publication of notices on the internet with permanent printed archival copies; and

WHEREAS, Michigan 2022 PA 76 also requires a newspaper to provide access to published notices (at no cost beyond the charge for the print publication) on the newspaper’s website; and

WHEREAS, Michigan House has introduced House Bill 6062 (Local Government Public Notice Act) to establish procedures for posting public notices by certain governmental entities with an active website; and

WHEREAS, the Township is a governmental entity which is required to post notices in a newspaper in compliance with state law with an active website on which it may post notices and archive them as required by the proposed House Bill 6062; and

WHEREAS, the Township already posts its notices on its website; and

WHEREAS, the ability to publish legal notices on its own website, without the additional publication costs of submitting them to a local newspaper for publication would greatly reduce the cost of such notices for the Township.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Oshtemo Charter Township Board adopts this Resolution in Support of the proposed House Bill 6062.

Motion was made by _____ and seconded by _____, to adopt the foregoing Resolution.

Upon roll call vote the following voted "Aye":

The following voted "Nay":

The following were Absent:

The following Abstained:

The Moderator declared the motion carried and the Resolution duly adopted.

Dusty Farmer, Clerk
Oshtemo Charter Township

CERTIFICATE

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

I, Dusty Farmer, the duly appointed and acting Clerk of the Township of Oshtemo, certify that the foregoing constitutes a true and complete copy of a Resolution adopted at a regular meeting of the Oshtemo Charter Township Board held on June 14, 2022, which meeting was preceded by required notices under the Michigan Open Meetings Act, being 1976 PA 267; that a quorum of the Board was present and voted in favor of said Resolution; and that minutes of said meeting were kept and will be or have been made available as required by said Open Meetings Act.

IN WITNESS WHEREOF, I have hereto affixed my official signature on this ____ day of June, 2022.

Dusty Farmer, Clerk
Oshtemo Charter Township