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September 13, 2021

Dear Registered Voter(s):

This letter is being sent to residents who are **not** in the existing sanitary sewer service area. Based on the map on the reverse side of this letter, your property either could eventually have sewer service in the long-range sewer master plan, shown in beige areas, or no feasible means of engineering design exists to extend sanitary sewer to your property, shown in white.

So why does the “USDA Phase 1 & 2 Sewer Expansion Project” affect you?

To complete an infrastructure project (road, sewer, water, building, park, etc.), that is over \$2 Million, the Township needs to finance the cost, like a mortgage for a house. This means the Township must take on debt, which is not conventional for Oshtemo, as we do not have any debt currently.

A financing tool available is government bonds that are often sold in the “open market” and on a competitive basis to banks or state and federal government for long-term, low interest loans. Bonds may only be issued where the agency demonstrates the ability to repay those bonds. The Township is assisted in the process to issue the bonds by various professionals, including registered municipal finance advisors, specialized bond attorneys, and additional annual auditing.

Public Works Department staff and the Capital Improvements Committee, made up of residents, industry professionals, and Township staff, have worked continuously to develop a robust infrastructure plan based on priorities from community-wide surveys, development, engineering design, and the Board. Ballot initiatives or voting on each proposed infrastructure project is not standard practice in Michigan.

Does this mean your taxes will be raised if bonds are sold for the “USDA Phase 1 & 2 Sewer Expansion Project”? **No.**

There is no increase to the General Operating Millage listed as “TOWNSHIP” on your winter tax bill. These are the taxes that go to the General Fund. With General Funds that are currently collected, there will be a contribution to the repayment of 14% of the project for the community-at-large benefits.

The Board, within their legal authority (and as many of our neighboring township boards have also done), voted to assess 1.08 mils for maintenance of the local road network in Oshtemo. Over the past decade, the average rating of Oshtemo’s roads has steadily declined, and there is no other guaranteed road funding for townships. This funding will be applied to *all residents* and used for *all local roads* throughout the Township in a strategic means based on age, condition, and use.

If you have any other questions about how this project may affect you, please contact publicworks@oshtemo.org or (269) 216-5228.