

**DOWNTOWN DEVELOPMENT AUTHORITY
Board of Directors**

Regular Meeting

**Oshtemo Community Center
6407 Parkview Avenue**

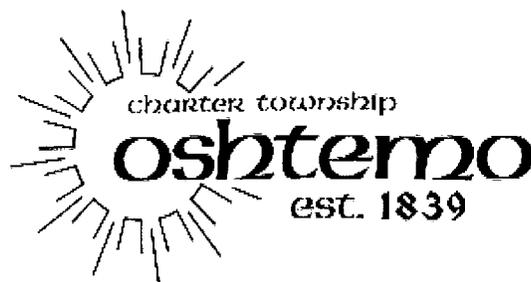
January 15, 2015
12:00 p.m.

AGENDA

1. Call to Order
2. Election of Officers
3. Approve Agenda
4. Approve Minutes:
 - a. December 3, 2014 Special Meeting
5. Treasurer's Report:
 - a. November-December, 2014 (unaudited)
 - b. Audit review
6. CITGO Station Update – Proposal for Due Care Plan
7. Streetscape and Beautification Efforts
8. 9th Street Rear Access Drive
9. Grant and Loan Program Development
10. Any Other Business
11. Announcements and Adjournment

Next Meeting Thursday, January 15, 2015

January 7, 2015



Mtg Date: January 15, 2015
To: Downtown Development Authority
From: Gregory Milliken, AICP
RE: Agenda Items

In this memo, I will provide a quick introduction to a few of the agenda items slated for discussion at next week's DDA Board meeting. **PLEASE NOTE** the change in location of the meeting **BACK** to the Oshtemo Community Center – 6407 Parkview Avenue. The repairs and renovations to the north room at the Community Center have been completed and we can return to our traditional meeting space.

Here are a few additional points on some of the items on this month's agenda:

2. Election of Officers

Annually, the Board must elect a Chair, Vice Chair, Secretary, and Treasurer. The Chair has previously sent a message regarding this issue.

5b. Audit Review

Select pages from the 2013 Township Audit have been provided in the packet for your review. The entire audit can be accessed here: http://www.michigan.gov/documents/treasury/391080OshtemoChTwp20140623_460327_7.pdf and is also available via the Township website. This was published last summer. The results of the audit, and specifically about the DDA, show that the Township and this Board are in sound financial shape and have been conducting business consistent with general accounting practices.

6. Citgo Station Update – Proposal for Due Care Plan

Prein & Newhof was previously engaged to assist the DDA with oversight of the demolition process, specifically to ensure it was completed consistent with requirements of the DEQ and the environmental standards in place for the property. Since the use of the property has changed as a result of the demolition and will remain as it stands now for an undetermined amount of time, it is recommended that an amendment be made to the Due Care Plan. Prein & Newhof has submitted a proposal to conduct that work. This proposal is included in your packet and is consistent with previous estimates they have provided.

**OSHTEMO CHARTER TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS**

MINUTES OF SPECIAL MEETING HELD DECEMBER 3, 2014

The Oshtemo Charter Township Downtown Development Authority (DDA) Board of Directors held a special meeting on Wednesday, December 3, 2014. The meeting was called to order at approximately 12:00 p.m. at the Oshtemo Township Hall, 7275 West Main Street.

Members of the Board of Directors present: Terry Schley, Grant Taylor, Fred Gould, Andy Wenzel, Chip Everett, Jay Brown, Libby Heiny-Cogswell, Maria Dacoba, Bruce Betzler, Michael Lutke, and Glenn Steeg.

Members of the Board of Directors absent: Jack Siegel and Stephen Dallas.

Also present was Gregory Milliken, Planning Director, and two guests.

Approve Agenda

Mr. Gould indicated that he would like to talk about problems scheduling meetings and possibly moving times or scheduling additional meetings. Mr. Taylor indicated he would like to provide an update on grants and loans. Chairperson Schley stated these could be added to new business.

Mr. Betzler moved to approve the agenda with the amendments as discussed. Mr. Gould seconded the motion. The Chairperson called for a vote on the motion, and the motion passed unanimously.

Approve Minutes

Chairperson Schley made a change to the proposed minutes on page 3.

Mr. Taylor moved for approval of the minutes of the regular meeting of September 19, 2014 with the proposed change. Mr. Gould seconded the motion. The Chairperson called for a vote on the motion, and the motion passed unanimously.

Treasurer's Report

Mr. Gould presented the Treasurer's Report for September and October. He said the report presents anticipated revenues and expenses with few surprises.

Chairperson Schley indicated that the biggest expense that jumped out on the report was for the demolition of the Citgo building that occurred in this period. Mr. Milliken confirmed the cost was consistent with the proposal submitted.

Mr. Brown asked about the demotion and the total cost that has been spent on that property. Mr. Milliken confirmed the total expended by the DDA on the purchase of the property, demolition, and analysis has been about \$300,000 to date.

Ms. Heiny-Cogswell also noted that there was some bonus revenue sharing dollars added to the revenue from the State as part of the legislative changes to the property tax laws. She indicated it was unclear if this would continue.

Mr. Wenzel moved to approve the Treasurer's Report. Mr. Lutke seconded the motion. The motion was approved unanimously.

Public Comment

Chairperson Schley asked if any of the members of the public in attendance would like to make any comments.

Themis Corakis indicated that he thought the new banners looked nice in the DDA area.

Streetscape and Beautification Efforts – Selection of Design Partner

Chairperson Schley presented a summary of the findings from the Streetscape Committee upon review of the proposals submitted. An RFP was submitted to five firms. There were three proposals received. Out of those three, two finalists were selected – OCBA and Viridis. MC Smith also submitted a proposal. That firm did the previous streetscape study but was not selected as a finalist with this project. The committee determined that their proposal did not represent a detailed effort, and the fee was high.

Chairperson Schley indicated that the subcommittee took a detailed look at the proposals of the two finalists. The first review was based strictly on qualifications. OCBA appeared to have a better grasp of the project and had a more detailed proposal. Then they looked at the fees. OCBA has a much higher fee.

Chairperson Schley stated that the subcommittee recognized that if grant money is solicited, further assistance will be needed from the design partner, so additional information was sought. OCBA was still more money but it was closer.

Chairperson Schley summarized stating that the subcommittee recognized the volunteer nature of the DDA and the lack of dedicated staffing to the Board. The subcommittee recommended OCBA even though there was a higher cost due to the qualifications, the high level of detail in

the proposal, and the greater confidence in the team to accomplish the desired outcome with less engagement from DDA volunteers.

Chairperson Schley asked the DDA if they supported the recommendation with the understanding that the Township Board would ultimately have to support the expenditure.

Ms. Heiny-Cogswell stated she was on the subcommittee and that was a good summary.

Mr. Wenzel was also on the subcommittee and stated he focused on the dollars. He believed there was a substantial difference in the service provided between the two finalists. Due to the volunteer nature of the Board, OCBA appears to be less hands-on and will do more leg work for the DDA. He also stated he was impressed with the previous examples provided by OCBA.

Chairperson Schley stated that another difference between the two finalists is that OCBA has included Prein & Newhof on their project team for electrical, utility, and heavy engineering work while Viridis stated that landscape architects could address these issues with some support provided by a consulting engineer as needed. There will be a lot of utility coordination and street work engineering included in this design project, and the committee was more comfortable having Prein & Newhof engaged in this process. This has some fee implications as well.

Mr. Gould stated he reviewed the two proposals and was concerned with the Viridis proposal due to errors in the document, so he is happy with the recommendation.

Chairperson Schley said that the project would first focus on developing the design and then if necessary get into the grant work.

Mr. Betzler asked what the time frame is for the project.

Chairperson Schley indicated they were hoping to have started already. They had aimed to be doing consensus building in 2015 as well as exploring funding issues. That will require some time. Construction, depending on funding, will commence in 2016 at best.

Mr. Gould moved to recommend OCBA for approval as the selected design partner to complete a streetscape design plan for the DDA area and to authorize the Chair to enter into a contract with OCBA consistent with their proposal. Ms. Dacoba seconded the motion. The motion was approved unanimously.

2015 Budget

Mr. Milliken explained that the Township budget had been approved by the Township Board on November 18, which included the DDA's budget. There have been no substantial changes to the proposed DDA budget from the projected budget that was recommended by the DDA in July.

Chairperson Schley reviewed the revenues and funds available to the DDA and the anticipated loan and bond amount that could be received for future projects like the streetscape.

Mr. Wenzel asked about the grant and loan program and whether there were any stipulations on how that works.

Mr. Taylor stated that he has been working on that as part of the subcommittee assigned to that task. He indicated the point is to have funds available in the budget if the program can be established and defined in 2015.

Mr. Betzler moved to approve the DDA budget for 2015. Mr. Wenzel seconded the motion. The motion was approved unanimously.

CITGO Station Update

Chairperson Schley stated that contractors put some grass seed down in bare spots that remained at the cleared Citgo site, and they have addressed some of the punch list items. He does not expect anything additional to occur at the site until spring. He stated that if someone else was interested in heading up some activity or being in charge of doing something at the site, they were welcome to. In the spring, the Board may want to think about putting some flowers or other interim treatment at the site. In summary, the DDA owns the site, the building is down, and the environmental issues are in good shape.

Mr. Gould asked about the soil erosion devices that have fallen down.

Chairperson Schley stated they should be put back up. Mr. Milliken indicated the Township could address that.

Mr. Brown indicated he did not understand why some parts of the site had to be capped and others could remain open space.

Chairperson Schley said it was a good question, but it was a requirement of DEQ.

Mr. Wenzel thanked Chairperson Schley for spearheading the effort to get the Citgo site and get it cleaned up.

9th Street Rear Access Drive

Ms. Heiny-Cogswell indicated that she has gotten things to a point where she is ready to set up a meeting with Township Staff and representatives of the DDA to review and polish the design plan for the access drive.

Chairperson Schley indicated he thought the design meeting should be open to all members of the DDA and give all the opportunity for input.

Ms. Heiny-Cogswell reminded that if a quorum was present, it would have to be noticed as a public meeting.

Mr. Brown asked if the DDA was just an advisory board or if they would be making any decisions.

Chairperson Schley stated that the DDA made some decisions and took action on maintenance at the last meeting and this is consistent with the previous decisions made.

Mr. Brown stated he just wanted to know if the Board had any say in this driveway or if the DDA was just funding the project.

Ms. Heiny-Cogswell stated the Township needs to vet out what they want to do with the property since the drive is going on Township property but certainly views the DDA as partners in this project.

Chairperson Schley agreed stating that this is a collaborative process and that the drive is what the DDA wants in this area. The Township may be taking it further than the DDA thought but that is ok.

Ms. Heiny-Cogswell indicated that in a related note, small pieces of the AT&T easement along Atlantic have been offered to the adjacent property owners to the north to enhance those properties with access onto Parkview.

There was discussion as to the best way to proceed with review of the driveway design. Since there is some work yet to be done to refine the design, a committee review was determined to be a good next step. Chairperson Schley asked if anyone wanted to be on an ad-hoc committee to review the rear access drive with the Township. Mr. Lutke, Mr. Taylor, and Chairperson Schley will make up that committee.

Streetscape and Beautification Efforts – Outreach to Church for Car Wash Property

Mr. Wenzel stated that he and Dr. Dallas met with representatives of the Church to discuss the car wash property and options they both have. The representatives from the Church expressed interest in working with the DDA and partnering together for mutual benefit. They want to see something they can take back to the membership to discuss. Mr. Wenzel stated he would like to have authorization to develop ideas with them. He indicated these would include different sharing concepts including costs, parking areas, maintenance, etc.

Chairperson Schley stated he was looking for a sanctioning of the committee to continue to explore these ideas with the Church members.

Mr. Betzler asked if the committee had a better understanding of the mechanics of the decision making process by the Church.

Mr. Wenzel stated it was a matter of getting concepts together at this time.

Mr. Brown indicated they were talking to representatives of the Church Board of Trustees. Any offer or decision would have to go to the Administrative council. Then it would go to Grand Rapids where a final decision would be reached.

Ms. Heiny-Cogswell suggested that perhaps the designer could be pulled in to study the space with the balance of the DDA property before the DDA agrees to anything. It would give the DDA and the adjacent property owners a better sense of what can happen.

Chairperson Schley moved to approve authorization for committee members to continue dialogue with Church representatives regarding car wash property, related issues, and its future use. Mr. Betzler seconded the motion. Mr. Brown abstained due to conflict of interest as he is a member of the Church. The motion was approved unanimously.

2015 Meeting Dates

Chairperson Schley stated this would be a good place to include Mr. Gould's request to discuss the schedule of meetings, time of meetings, etc.

Mr. Gould stated that numerous times over the past year, it seems there has been challenge finding times to get quorum. Therefore, it may make sense to evaluate the meeting time. He stated he has no problem as he is retired, but for working people noon may not be best.

Chairperson Schley added he is not a fan of additional evening meetings.

Mr. Taylor indicated he had been thinking similarly. He wondered if there should be more meetings.

Ms. Dacoba agreed stating that when meetings are every other month it is more difficult to engage in the meetings and maintain continuity.

Mr. Lutke said that morning meetings are hard for him as that is when he is getting his business started.

All members were asked to state a preference for meetings in morning, noon, or late afternoon. Various opinions were voiced, but noon was a consistent option for all.

Chairperson Schley indicated that it appears noon will be most successful option. He added that he is not interested in adding meetings at this time, but in the near future additional meetings will be needed for the streetscape project as the DDA gets into the design work.

Chairperson Schley moved to approve the schedule of meetings for 2015 as presented. Mr. Lutke seconded the motion. The motion was approved unanimously.

Grant / Loan Program

Mr. Taylor stated that he had been studying and searching for information on the City of Kalamazoo DDA and their grant / loan program and had received information on other similar programs. He had not met with or shared the information with the rest of the committee yet. A key piece remaining to figure out is the revenue picture as well as the allocation process. He expects to have something more formal at the next meeting.

Chairperson Schley suggested reaching out beyond just City of Kalamazoo to other similar sized and type communities to see what they have in place.

Other Business

There was no other business.

Announcement and Adjournment

The next meeting is scheduled for January 15, 2015. Chairperson Schley indicated that at that time there will be an election of officers. Anyone wishing to be an officer or wishing to no longer be an officer should let him know.

Having exhausted the agenda, Chairperson Schley adjourned the meeting at 1:25 p.m.

Oshtemo Charter Township
Downtown Development Authority

Minutes Prepared: December 9, 2014

Minutes Approved: _____, 2015

To: DDA Board
From: Greg Milliken on behalf of Fred Gould, DDA Board Treasurer
Date: January 7, 2015
Re: Treasurer's Report

Attached you will find the Treasurer's Report through December 31, 2014 unaudited. Fred and I have had a chance to review.

Over the past two months, there has not been a tremendous amount of activity. There has been very little activity on the revenue side, with only a slight amount of interest to report.

On the expense side, the majority of expenses relate to recurring fees for services provided to the DDA including auditing, legal, planning, and lawn maintenance. In addition, a final invoice was received from Prein & Newhof for their work at the Citgo site related to its demolition.

In regards to the audit, the Chair has asked us to distribute a few pages and review its findings with the Board. The Auditors found that the Township and the DDA were in good standing and were consistent with general accounting standards.

In addition to this information, through November, the Township Attorney has charged 7.1 hours of time to the DDA, which amounts to \$1,065.

Attachment: Treasurer's Report November-December, 2014

DOWNTOWN DEVELOPMENT AUTHORITY
Treasurer's Report November-December, 2014
 unaudited

REVENUES	2014 Budget	Previous Activity	Activity this Period	Available Balance	Percent of Budget
Carryover	\$86,143.00	\$86,143.00	\$0.00	\$86,143.00	100.00%
Current Real Property Tax	\$87,457.00	\$115,028.90	\$0.00	\$115,028.90	131.53%
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Interest Earned	\$400.00	\$922.85	\$59.25	\$982.10	245.53%
TOTAL REVENUES	\$174,000.00	\$202,094.75	\$59.25	\$202,154.00	116.18%

EXPENDITURES	2014 Budget	Previous Activity	Activity this Period	Available Balance	Percent Used
Supplies	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%
Postage	\$500.00	\$0.00	\$0.00	\$500.00	0.00%
Citgo Site Redevelopment / Streetscape / Beautification	\$100,000.00	\$40,081.00	\$317.78	\$59,601.22	40.40%
Land Acquisition*	\$280,000.00	\$253,196.65	\$0.00	\$26,803.35	90.43%
Accounting & Auditing Fees	\$1,500.00	\$1,600.00	\$150.00	-\$250.00	116.67%
Legal Fees	\$5,000.00	\$1,125.00	\$375.00	\$3,500.00	30.00%
Legal Notices	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.00%
Repairs & Maintenance	\$3,000.00	\$1,736.00	\$248.00	\$1,016.00	66.13%
Obligated Projects**	\$30,000.00	\$3,250.96	\$0.00	\$26,749.04	10.84%
Staff	\$2,000.00	\$1,500.00	\$500.00	\$0.00	100.00%
TOTAL EXPENDITURES	\$424,000.00	\$302,489.61	\$1,590.78	\$119,919.61	71.72%

TOTAL FUND BALANCE (November 30, 2014): \$530,975.53

*Budget Amendment approved by Township Board in June and will be reflected once the June report is closed in mid July.

**Obligated Projects includes banners, circulation study, and rear access drive

Siegfried Crandall PC

Certified Public Accountants & Advisors

246 E. Kilgore Road
Kalamazoo, MI 49002-5599
www.siegfriedcrandall.com

Telephone 269-381-4970
800-876-0979
Fax 269-349-1344

CHARTER TOWNSHIP OF OSHTEMO
7275 WEST MAIN STREET
KALAMAZOO, MI 49009

Invoice Number: 84018
Client ID: 6870

Date: 10/31/2014

Payable upon receipt

Professional services during the month of October 2014, which included the following:

Joel's assistance with July, August, and September reconciliations (19 hours @ \$135/hour)	2,565.00
Steve's assistance with 2015 Budget and Cap Plan (17.50 hours @ \$185/hour)	3,237.50
Ann's assistance with tax postings and reports (6.75 hours @ \$125/hour)	843.75
Less: discount	(146.25)

Breakdown by fund:

101 - \$3,900 -
107 - 500 -
206 - 500 -
207 - 150 -
211 - 150 -
249 - 150 -
490 - 500 -
491 - 500 -
900 - 150 -

\$6,500
=====

New Charges:	\$6,500.00
Plus Prior Balance:	\$0.00
New Balance:	<u>\$6,500.00</u>

Vendor # SC

Acct # _____

Net Amt 6500⁰⁰ Due Date 11/14

Invoice # 84018 Inv Date 10/31

Comments acct. support

S&T Lawn Service Inc.

3393 South 6th Street
Kalamazoo, MI 49009
(269) 375-0334

Invoice

Bill To:
Oshtemo Charter Township 7275 West Main Street Kalamazoo, MI 49009

Date:	10/31/2014
Invoice #:	11222
Terms:	Net 15

Regarding:	
-------------------	--

Date:	Description:	Quantity:	Rate:	Amount:
10/10/2014	10/10/2014 -- Weeding	1	0.00	0.00
10/31/2014	10/31/2014 -- Lawn Service - Monthly Installment	1	248.00	248.00

INVOICE #	<u>11222</u>
INVOICE DATE	<u>10-31-14</u>
PO #	<u>60178</u>
INVOICE AMOUNT	<u>248-</u>
CLOSE PO?	<input checked="" type="radio"/> YES / NO

Total	\$248.00
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Thank you for your business.

Prein & Newhof

Engineers • Surveyors • Environmental • Laboratory

3355 Evergreen Drive NE Grand Rapids, MI 49525
t. 616-364-8491 f. 616-364-6955 preinnewhof.com

DDA
Invoice

OSHTEMO CHARTER TOWNSHIP
ATTN: DDA
7275 W MAIN ST
KALAMAZOO, MI 49009-8210

Invoice number 27986
Date 11/10/2014
Page number 1
Project: 2120124 LAWSON OIL PROPERTY-6520
STADIUM DR OSHTEMO MI

BILLING PERIOD: 9/28/14 TO 10/31/14

PROFESSIONAL SERVICES RELATED TO
PROJECT ADMINISTRATION

*FINAL BILLING

Invoice total 317.78

*paid
11/28/14*

TERMS: NET 30: 1-1/2% PER MONTH SERVICE CHARGE ON PAST DUE ACCOUNTS

Charter Township of Oshkemo

Our discussion and analysis of the Charter Township of Oshkemo's (the Township) financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended December 31, 2013. Please read it in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

- The Township's total net position increased by \$915,247 (4 percent) as a result of this year's activities.
- Of the \$24,288,010 total net position reported, \$6,530,925 (27 percent) is unrestricted.
- The General Fund's unassigned fund balance at the end of the fiscal year was \$4,206,064, which represents 220 percent of the actual total General Fund expenditures for the current fiscal year.

Overview of the financial statements

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

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

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

A comparative analysis of the basic financial statements for 2013 and 2012 is also presented.

Government-wide financial statements

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

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

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

The government-wide financial statements are divided into three 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.
- *Business-type activities* - The Township charges fees to customers to help it cover the costs of certain services it provides. The Township's building inspection activities are reported here.
- *Component unit* - The Township includes one other entity in its report - the Downtown Development Authority. Although legally separate, this "component unit" is important because the Township is financially accountable for the Authority.

Fund financial statements

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

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

The Township has three 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.
- *Proprietary funds.* Services for which the Township charges customers a fee are generally reported in proprietary funds. Proprietary funds statements, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary funds.* These funds are used to account for the collection and disbursement of resources, primarily taxes, for the benefit of parties outside the Township. The Township is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. The Township's fiduciary balances are reported in a separate Statement of Fiduciary Assets and Liabilities. We exclude these activities from the Township's government-wide financial statements because the Township cannot use these assets to finance its operations.

Charter Township of Oshtemo

December 31, 2013

	Primary government			Component unit
	Governmental activities	Business-type activities	Totals	Downtown Development Authority
ASSETS				
Current assets:				
Cash	\$ 8,431,205	\$ 479,608	\$ 8,910,813	\$ 761,617
Investments	1,069,160	-	1,069,160	-
Beneficial interest of assets held at foundation	17,712	-	17,712	-
Receivables, net	2,583,294	-	2,583,294	47,937
Total current assets	12,101,371	479,608	12,580,979	809,554
Noncurrent assets:				
Receivables, net	164,870	68,000	232,870	-
Net OPEB assets	28,018	-	-	-
Capital assets not being depreciated	428,616	-	428,616	-
Capital assets, net of accumulated depreciation	14,827,793	275,960	15,103,753	-
Total noncurrent assets	15,449,297	343,960	15,765,239	-
Total assets	27,550,668	823,568	28,346,218	809,554
LIABILITIES				
Current liabilities:				
Payables	273,896	-	273,896	-
Long-term debt	35,000	-	35,000	-
Unearned operating assessment revenues	2,682,723	-	2,682,723	-
Total current liabilities	2,991,619	-	2,991,619	-
Noncurrent liabilities:				
Long-term obligations	61,650	-	61,650	-
Total liabilities	3,053,269	-	3,053,269	-
DEFERRED INFLOWS OF RESOURCES				
Property tax revenues levied for the subsequent year	697,993	-	697,993	57,859
Special assessment levied for the subsequent year	334,964	-	334,964	-
	1,032,957	-	1,032,957	-
NET POSITION				
Net investment in capital assets	15,186,409	275,960	15,462,369	-
Restricted for public safety	1,747,108	547,608	2,294,716	-
Unrestricted	6,530,925	-	6,530,925	751,695
Total net position	\$ 23,464,442	\$ 823,568	\$ 24,288,010	\$ 751,695

See notes to financial statements

Charter Township of Oshtemo

Financial Report and Budget

Year ended December 31, 2013

	<i>Program revenues</i>			
	<i>Expenses</i>	<i>Charges for services</i>	<i>Operating grants and contributions</i>	<i>Capital grants and contributions</i>
Functions/Programs				
Governmental activities:				
General government	\$ 1,401,161	\$ 124,097	\$ -	\$ -
Public safety	2,377,326	2,306,121	-	19,526
Public works	481,017	406,693	13,711	24,690
Community and economic development	211,783	101,521	-	-
Culture and recreation	<u>148,027</u>	<u>19,383</u>	<u>-</u>	<u>11,815</u>
Total governmental activities	4,619,314	2,957,815	13,711	56,031
Business-type activities:				
Building inspections	<u>26,917</u>	<u>12,835</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 4,646,231</u>	<u>\$ 2,970,650</u>	<u>\$ 13,711</u>	<u>\$ 56,031</u>
Component unit:				
Downtown Development Authority	<u>\$ 14,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues:				
Taxes				
State grants				
Franchise fees				
Investment income				
Total general revenues				
Changes in net position				
Net position - beginning				
Net position - ending				



<i>Net (expenses) revenues and changes in net position</i>			
<i>Primary government</i>			<i>Component unit</i>
<i>Governmental activities</i>	<i>Business-type activities</i>	<i>Totals</i>	<i>Downtown Development Authority</i>
\$ (1,277,064)		\$ (1,277,064)	
(51,679)		(51,679)	
(35,923)		(35,923)	
(110,262)		(110,262)	
(116,829)		(116,829)	
(1,591,757)		(1,591,757)	
-	\$ (14,082)	(14,082)	
(1,591,757)	(14,082)	(1,605,839)	
			\$ (14,670)
680,225	-	680,225	100,645
1,613,541	-	1,613,541	-
200,859	-	200,859	-
25,798	663	26,461	1,912
2,520,423	663	2,521,086	102,557
928,666	(13,419)	915,247	87,887
22,535,776	836,987	23,372,763	663,808
\$ 23,464,442	\$ 823,568	\$ 24,288,010	\$ 751,695

See notes to financial statements

Charter Township of Oshtemo

Year ended December 31, 2013

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
REVENUES				
Property taxes	\$ 107,523	\$ 107,523	\$ 100,645	\$ (6,878)
Interest	1,000	1,000	1,912	912
Total revenues	<u>108,523</u>	<u>108,523</u>	<u>102,557</u>	<u>(5,966)</u>
EXPENDITURES				
Public works	83,523	83,523	11,008	72,515
Capital outlay	<u>600,000</u>	<u>609,800</u>	<u>3,662</u>	<u>606,138</u>
Total expenditures	<u>683,523</u>	<u>693,323</u>	<u>14,670</u>	<u>678,653</u>
NET CHANGES IN FUND BALANCES	(575,000)	(584,800)	87,887	672,687
FUND BALANCES - BEGINNING	<u>663,808</u>	<u>663,808</u>	<u>663,808</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 88,808</u>	<u>\$ 79,008</u>	<u>\$ 751,695</u>	<u>\$ 672,687</u>

Prein&Newhof

Engineers ■ Surveyors ■ Environmental ■ Laboratory

January 5, 2015

Mr. Terry E. Schley, Chair
Oshtemo Township DDA
7275 W. Main Street
Kalamazoo, MI 49009

Re: Proposal to update the Due Care Plan
6520 Stadium Drive, Oshtemo Township, Kalamazoo County, Michigan

Dear Mr. Schley:

Prein&Newhof is pleased to present this proposal and agreement to update the Due Care Plan on the subject property. The Due Care Plan was prepared in 2012, and since then significant changes have occurred to the Property, as follows:

- Michigan Department of Environmental Quality (MDEQ) closure of the Leaking Underground Storage Tank investigation;
- removal of all USTs and associated piping;
- removal of the treatment system;
- removal of all buildings from the Property; and
- removal of two hydraulic hoists were discovered.

The objective of a Due Care Compliance Analysis is to evaluate contamination at the Property to determine if owners and operators must take necessary response actions to ensure that existing contamination on a property does not cause unacceptable risks and is not exacerbated to unacceptable levels. The “due care” obligations are referenced under Section 20107a of Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA). The due care requirements are intended so that contaminated properties could be safely redeveloped. Due care requirements are not related to the owner or operator’s liability for the contaminants; they apply to non-labile parties and liable parties alike.

Now that the Property has been redeveloped and significant changes have occurred, we recommend that the Due Care Plan be updated to show the existing conditions at the property and to present the Due Care response actions.

SCOPE OF SERVICES

- Conduct site inspection and take photographs to show the existing condition of the Property;
- Compare the laboratory results from the previous environmental reports to current Part 201 Generic Criteria and verify that the property is still considered a “facility” under Part 201.
- Prepare a Due Care report.

PROFESSIONAL FEES

The fees for our services will be determined according to our current fee schedule. On the basis of the scope of services outlined herein, we anticipate we could summarize the data, update the maps to show the soil boring locations and concentrations, and prepare the Due Care report for approximately \$1,200.

SCHEDULE

We can initiate our work upon your written authorization and anticipate that we can submit the updated Due Care report within approximately 3 weeks.

GENERAL CONDITIONS

General conditions relating to the performance of our services are presented on the enclosed Prein&Newhof Terms and Conditions – Environmental, and are made part of this agreement. If this proposal is acceptable to you, please authorize our work by signing the attached form and returning a signed copy to us.

If you have any questions, please call.

Sincerely,

Prein&Newhof


Timothy B. Woodburne, C.P.G.


Christopher J. Cruickshank, P.E.

Enclosure

Accepted for _____

Name: _____

Title: _____

Effective Date: _____

Standard Terms & Conditions – Environmental / Geotechnical

A. Execution

If the attached proposal / agreement is not executed within thirty (30) days from the date of the proposal / agreement letter, Prein&Newhof reserves the right to revise fees and schedule commitments.

B. Standard of Care

Prein&Newhof, Inc. (“Prein&Newhof”) will provide professional engineering services or environmental consulting services for Client in connection with the Project. Prein&Newhof will perform such services as expeditiously as is consistent with the professional skill and care in the orderly progress of the work.

Nothing contained in this Agreement shall require Prein&Newhof to exercise professional skill and judgment greater than that which can be reasonably expected from other engineers or environmental consultants performing similar services and practicing in the same or similar locality. The standard of care shall exclusively be judged as of the time the services are rendered and not according to later standards. Prein&Newhof makes no warranties, expressed or implied.

Client recognizes that actual conditions may vary from those encountered at test locations made by us or provided to us by others, and that our data, interpretations and recommendations are based solely on the information available to us. We will be responsible for our data, interpretations and recommendations, but shall not be responsible for the interpretation by others of the information developed. Client also recognizes that monitoring of construction by a qualified engineering firm is essential to verifying that designs are appropriate for actual site conditions.

C. Site Access Permission

In the event the project site is not owned by the client, the client must obtain all necessary permission for Prein&Newhof to enter and conduct investigations on the project site. It is assumed that the client possesses all necessary permits and licenses required for conducting the scope of work. Access negotiations may be performed at additional costs. We will take reasonable precaution to minimize damage to land and structures with field equipment, but have not included in our fee the cost of rectifying damages that may result from our operations. If we are required to restore the land to its former conditions, this will be accomplished and the associated charges will be added to our fee.

D. Unanticipated Hazardous Materials

Sites may contain hazardous materials where there is no reason to believe they could or should be present. Prein&Newhof and the Client agree that the discovery of unanticipated hazardous materials constitutes a changed condition that may require us to renegotiate the scope of our services or terminate our work. We and the Client also agree that the discovery of unanticipated hazardous materials may make it necessary for us to take immediate measures to protect health and safety. Client agrees to compensate us for any equipment decontamination or other costs incident to the discovery of unanticipated hazardous materials.

We agree to notify client when suspected hazardous materials are encountered. As required under Public Act 451 of 1994 guidelines, if contamination is found on this property at a quantity which exceeds published reportable quantities, the owner may be obligated to contact the MDEQ regarding the contamination within 24 hours of its discovery and confirmation. The client recognizes that Prein&Newhof shall not be responsible for the notification of regulatory and health agencies in regard to contamination or other health hazards found on the project site. The client waives any claim against Prein&Newhof, and agrees to defend, indemnify and save harmless Prein&Newhof from any claims arising from Prein&Newhof not reporting any such discovery to any public or private entity other than the client.

E. Generation of Waste

Client recognizes and agrees that Prein&Newhof acts as a bailee and at no time assumes title of waste produced at the project site. The client shall not claim that Prein&Newhof is a handler, generator, operator, treater, storer, transporter, or disposer under the Resource Conservation and Recovery Act of 1976, as amended, or any other similar Federal, state or local regulation or law. In addition, it shall be understood that the owner/operator has title to, with all responsibility and liability, for any waste generated during our scope of work.

The estimated costs for this project do not reflect any costs for the analysis, characterization or disposal of wastes generated during investigation procedures. Should such wastes be generated during this investigation, the client will contract directly with a qualified waste hauler and disposal facility. The characterization or waste disposal is beyond the scope of work. Prein&Newhof can provide assistance for the characterization and disposal of wastes generated at an additional cost to be negotiated with the client.

F. Underground Utilities

In the execution of our work, we will take reasonable precautions to avoid damage or injury to underground utilities and other underground structures, including contacting the MISS-DIG system and reviewing utility drawings that are provided to us. The Client agrees to hold Prein&Newhof harmless for any damages to below ground structures that are not brought to our attention and correctly shown or described on documents that we are furnished.

G. Public Liability Insurance

Prein&Newhof and our agents, staff and consultants employed by us are protected by worker's compensation insurance and we have coverage under public liability and property damage insurance policies which we deem to be adequate. Certificates verifying our coverage can be provided to the client upon request. Within the limits and conditions of such insurance, we agree to indemnify and save client harmless from and against any loss, damage or liability to the extent caused by any negligent acts by us, our agents, staff or consultants employed by us. We shall not be responsible for any loss, damage, or liability beyond the amounts, limits and conditions of such insurance. We shall not be responsible for any loss, damage or liability arising from any negligent acts by client, its agents, staff and other consultants employed by the client.

H. Limitation of Professional Liability

Client and persons claiming through Client agree to limit the liability of Prein&Newhof its agents and employees, for all claims arising out of, in connection with, or resulting from, the performance of the services under this agreement to an amount of \$25,000 or the fee paid to us for professional services on this project, whichever is less.

Client acknowledges that Prein&Newhof is a corporation and agrees that any claim made by Client arising out of any act or omission of any director, officer, or of the employee of Prein&Newhof, in execution or performance of this Agreement, shall be made against Prein&Newhof, Inc. and not against such director, officer, or employee.

Client also acknowledges that Prein&Newhof has not agreed to provide and is not responsible for safety precautions and programs in connection with the project or work, including but not limited to signs, markings, barricades, temporary or permanent traffic control marking or devices, or temporary or permanent warning signs, devices, or markings. Prein&Newhof's role in working with contractors hired directly by the client is that of observer and not as supervisor. Prein&Newhof shall not be responsible for limiting access to the project site or for the safety of anyone but Prein&Newhof employees, or our subcontractors.

Client further acknowledges that Prein&Newhof cannot guarantee that contaminants do not exist at the project site. Similarly, a site which is in fact unaffected by contaminants at the time of Prein&Newhof's subsurface exploration may later, due to natural phenomena or human intervention, become contaminated. The client waives any claim against Prein&Newhof, and agrees to defend, indemnify and save Prein&Newhof harmless from any claims or liability for injury or loss in the event that Prein&Newhof does not detect the presence of contaminants through techniques commonly employed for the purpose.

I. Role of Consultant, Client and Attorney

The client recognizes that although Prein&Newhof is required by the nature of the work to have an understanding of the laws pertaining to environmental issues, Prein&Newhof can not offer legal advice to the client. Prein&Newhof urges that the client seek legal assistance from a qualified attorney when such assistance is required. Furthermore, the client is cautioned to not construe or assume that any representations made by Prein&Newhof in written or conversational settings constitute a legal representation of environmental law or practice.

J. Ownership of Records

All field notes, original laboratory reports, original maps, drawings, mylars, studies, tests or other work products or supporting documentation shall remain the property of and under the control of Prein&Newhof. The client or the client's representative is entitled to inspect all such documents and to receive copies of the same at the client's request and expense. The client shall pay for document review, copy charges, and associated expenses should the records be subpoenaed.

Any electronic media (e-mail or computer files) transmitted are only for the convenience of the recipient. Any conclusions or information obtained or derived from the data on the electronic media will be at the users' sole risk. Prein&Newhof's responsibility is limited to only the printed copies (also known as hard copies) that are delivered pursuant to the service under the agreement with the client.

K. Terms of Payment

Unless alternate terms are included within the proposal / agreement, the project will be invoiced on a monthly basis until the completion of the project. All monthly invoices are payable within 30 days of the date of the invoice. Should full payment of the invoice not be received within 30 days, the amount due shall bear a service charge of 1.5 percent per month or 18 percent per year plus the cost of collection, including reasonable attorney's fees. If the client has any objections to any invoice submitted by Prein&Newhof, the client must so advise Prein&Newhof in writing within 14 days of receipt of the invoice.

L. Premature Project Termination

If the project is terminated in whole or in part, Prein&Newhof shall be entitled to be paid for all services performed prior to our receiving or issuing written notice of such termination, including reimbursable expenses, and for any shut-down costs incurred. Shut-down costs may, at our discretion, include expenses incurred for completion of analysis and records necessary to document our files and to protect our professional reputation.

In addition to any other remedies Prein&Newhof may have, Prein&Newhof shall have the absolute right to cease performing any basic or additional services in the event payment has not been made on a current basis.

M. Extended Project Cost Increases

Any projected cost estimates provided by Prein&Newhof for work to be performed over an extended period of time may be subject to periodic cost increases imposed by our suppliers and increases in billing rates. The time and amount of any increases are unknown and Prein&Newhof must pass these periodic price increases on to the client following consultation with the client.

N. Projected Contractor Cost Estimates

It is recognized that neither Prein&Newhof nor Client has control over the cost of labor, materials or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding or negotiating conditions. Accordingly, Prein&Newhof cannot and does not warrant or represent that bids or negotiated prices will not vary from any cost estimate or evaluation prepared by Prein&Newhof or Client.

O. Consultation Beyond Scope of Work

Consultation, including but not limited to expert witness testimony, initiated by the client or client's representatives with Prein&Newhof after completion of the work specified herein will be considered beyond the scope of work presented herein and will be billed separately.

P. Non-scope items

Our services will not include visual inspection for the presence or absence of mold, asbestos or lead-based paint or any bulk physical sampling and testing of asbestos containing material or lead-based paint, unless specifically requested by client and referenced in our proposal. If asbestos is a concern to client, client can request that Prein&Newhof include an asbestos evaluation into its scope of work at a price acceptable to client and Prein&Newhof.

Our services will not include conducting a comprehensive audit of the material handling or waste disposal activities at the Project Site. Only a preliminary review of these matters will be conducted as part of a Phase I ESA. In addition, the scope of work does not include a comprehensive audit of all issues pertaining to the compliance of a facility with state and federal permits, reporting requirements or OSHA regulations. A comprehensive facility audit can be performed at the client's request at an additional expense.

Our scope of work does not include evaluations regarding wetlands or the presence of endangered species at the property or the potential impact of these on the future use of the property, unless specifically requested by client and referenced in writing in scope of work.