

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

**June 27, 2023**

*Refer to page 3 for Virtual Meeting Information*

**REGULAR MEETING**  
**5:30 P.M.**  
**AGENDA**

1. Call to Order
2. Remote Location Identification (for remote attendance when permitted by statute)

**WORK SESSION ITEMS**

3. Annual Audit Presentation
4. Elected Officials' AGVs
5. Other Updates & Business

**BREAK (Time Permitting) – 7:05 P.M.**

**REGULAR SESSION ITEMS – 7:15 P.M.**

6. Pledge of Allegiance
7. Township Mission/Vision/Core Values
8. Public Comment on Non-Regular Session Items
9. Consent Agenda
  - a. Minutes of Regular Meeting June 13, 2023
  - b. Budget Amendments
  - c. Receipts and Disbursements
10. Employee Milestone Anniversary Recognitions
11. Consideration of Trustee Appointment
  - a. Board Consensus on Process
  - b. Process
  - c. Action to Appoint
12. First Reading: Ordinance to Establish Emergency Service Fees
13. First Reading: Airport Zoning Ordinance
14. Discussion of Communications Staff/Consultant
15. Request to Enter into Closed Session to Discuss Property Acquisition and Written Opinion of Counsel Re: Sewer Litigation
16. Public Comment
17. Board Member Comments and Committee Updates
18. 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](mailto: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 a.m.-1 p.m. and 2-5 p.m., and on Friday, 8 a.m.–1 p.m. Additionally, questions and concerns are accepted at all hours through the website contact form found at [www.oshtemo.org](http://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](mailto:oshtemo@oshtemo.org) and it will be directed to the appropriate person.

| <b>Oshtemo Township Board of Trustees</b> |          |  |
|---|----------|--|
| <b><u>Supervisor</u></b>                  |          |  |
| Cheri Bell                                | 216-5220 | <a href="mailto:cbell@oshtemo.org">cbell@oshtemo.org</a>         |
| <b><u>Clerk</u></b>                       |          |  |
| Dusty Farmer                              | 216-5224 | <a href="mailto:dfarmer@oshtemo.org">dfarmer@oshtemo.org</a>     |
| <b><u>Treasurer</u></b>                   |          |  |
| Clare Buszka                              | 216-5260 | <a href="mailto:cbuszka@oshtemo.org">cbuszka@oshtemo.org</a>     |
| <b><u>Trustees</u></b>                    |          |  |
| Vacant                                    | 372-2275 |  |
| Kristin Cole                              | 375-4260 | <a href="mailto:kcole@oshtemo.org">kcole@oshtemo.org</a>         |
| Zak Ford                                  | 271-5513 | <a href="mailto:zford@oshtemo.org">zford@oshtemo.org</a>         |
| Kizzy Bradford                            | 375-4260 | <a href="mailto:kbradford@oshtemo.org">kbradford@oshtemo.org</a> |

| <b>Township Department Information</b> |          |  |  |
|--|----------|--|--|
| <b><u>Assessor:</u></b>                |          |  |  |
| Kristine Biddle                        | 216-5225 | <a href="mailto:assessor@oshtemo.org">assessor@oshtemo.org</a>   |  |
| <b><u>Fire Chief:</u></b>              |          |  |  |
| Greg McComb                            | 375-0487 | <a href="mailto:gmccomb@oshtemo.org">gmccomb@oshtemo.org</a>     |  |
| <b><u>Ordinance Enforcement:</u></b>   |          |  |  |
| Rick Suwarsky                          | 216-5227 | <a href="mailto:rsuwarsky@oshtemo.org">rsuwarsky@oshtemo.org</a> |  |
| <b><u>Parks Director:</u></b>          |          |  |  |
| Vanessa Street                         | 216-5233 | <a href="mailto:vstreet@oshtemo.org">vstreet@oshtemo.org</a>     |  |
| Rental Info                            | 216-5224 | <a href="mailto:oshtemo@oshtemo.org">oshtemo@oshtemo.org</a>     |  |
| <b><u>Planning Director:</u></b>       |          |  |  |
| Iris Lubbert                           | 216-5223 | <a href="mailto:ilubbert@oshtemo.org">ilubbert@oshtemo.org</a>   |  |
| <b><u>Public Works Director:</u></b>   |          |  |  |
| Anna Horner                            | 216-5228 | <a href="mailto:ahorner@oshtemo.org">ahorner@oshtemo.org</a>     |  |

## 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](https://join.zoom.us) on any browser and entering this **Meeting ID: 856 6068 9723**

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: **856 6068 9723#**

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



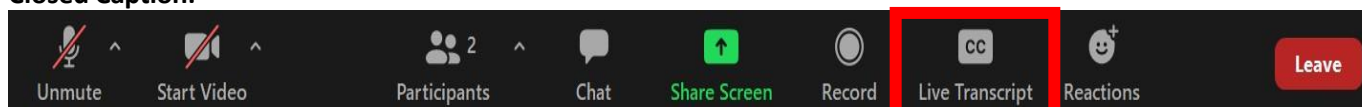
Using the icons at the bottom of the Zoom screen, you can (some features will be locked to participants during the meeting):

- 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”.

## **Mission:**

*To advance the quality of life of all residents through a commitment to responsible growth, and value-driven municipal services that promote the relationships among economic vitality, environmental stewardship, and social equity.*

## **Vision:**

*A sustainable and innovative community built through a legacy of planned, responsible growth and rural preservation.*

## **Core Values:**

### **PUBLIC SERVICE**

- Fair treatment to all people.
  - Each customer is welcomed and that their input is wanted.
    - Difficult questions are not marginalized.
- Allow residents to interact directly with the township staff and officials.
- Decisions are made based on the value to our Township and residents.

### **SUSTAINABILITY**

- Meet the needs of the present without compromising future generations.
  - Consider the environment through practices that reduce impacts.
    - Value conscious decision making.
  - Committing to quality Fire and Police protection.

### **INNOVATION**

- Providing the best value-conscious technology currently available.
- Leverage new technologies and ways of doing business to increase accessibility and improve services.

### **PROFESSIONALISM**

- Hire staff with strong core competencies within their given profession.
  - Commitment to continuous improvement to government operations.
- Dedicated to open communication to improve productivity and effectiveness.

### **INTEGRITY**

- Decisions are made logically through the collection of evidence, facts, and public input.
  - When promises are made, we follow through.
  - We do not obfuscate – we say what we mean and do what we say.
  - Transparent governmental practices are of the highest priority.

### **FISCAL STEWARDSHIP**

- Ensure that taxpayer investments are spent wisely, effectively and efficiently.

*Charter Township of Oshtemo  
Kalamazoo County, Michigan*

**FINANCIAL STATEMENTS**

*Year ended December 31, 2022*

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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, 2022, 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, 2022, 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.

### 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]

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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, 2022. Please read it in conjunction with the Township's financial statements.

### **FINANCIAL HIGHLIGHTS**

- The Township's total net position increased by \$3,115,905 (approximately 8 percent) as a result of this year's activities.
- Of the \$40,678,287 total net position reported, \$12,948,726 (32 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 \$4,653,989, which represents 162 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 2022 and 2021 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 \$40,678,287. Of this total, \$24,109,982 is invested in capital assets, \$2,912,947 is restricted for public safety, \$706,632 is restricted for public works and \$12,948,726 is unrestricted.

Condensed financial information  
Net position

|                                  | <u>Governmental activities</u> |               |
|----------------------------------|--------------------------------|---------------|
|                                  | <u>2022</u>                    | <u>2021</u>   |
| Current and other assets         | <b>\$ 27,556,806</b>           | \$ 22,644,192 |
| Capital assets                   | <b>24,109,982</b>              | 23,983,396    |
| Total assets                     | <b>51,666,788</b>              | 46,627,588    |
| Deferred outflows of resources   | <b>37,921</b>                  | -             |
| Current and other liabilities    | <b>3,628,171</b>               | 2,330,198     |
| Deferred inflows of resources    | <b>7,398,251</b>               | 6,735,008     |
| Net position:                    |                                |               |
| Net investment in capital assets | <b>24,109,982</b>              | 23,983,396    |
| Restricted                       | <b>3,619,579</b>               | 2,780,315     |
| Unrestricted                     | <b>12,948,726</b>              | 10,798,671    |
| Total net position               | <b>\$ 40,678,287</b>           | \$ 37,562,382 |

**Changes in net position**

The Township's total revenues were \$11,895,632. For 2022, charges for services were 55 percent of the Township's revenues, 23 percent comes from state grants, and 15 percent comes from property taxes.

The total cost of the Township's programs and services was \$8,779,727. Approximately 48 percent of the Township's costs are related to public safety activities, general government is 24 percent, and public works is 20 percent of expenses.

*Condensed financial information*

*Changes in net position*

|                                    | <i>Governmental activities</i> |                      |
|------------------------------------|--------------------------------|----------------------|
|                                    | <u>2022</u>                    | <u>2021</u>          |
| Program revenues:                  |                                |                      |
| Charges for services               | \$ 6,554,121                   | \$ 6,567,386         |
| Operating grants                   | 60,650                         | 376,898              |
| Capital grants                     | 504,290                        | -                    |
| General revenues:                  |                                |                      |
| Property taxes                     | 1,827,209                      | 850,128              |
| State grants                       | 2,702,808                      | 2,549,135            |
| Franchise fees                     | 160,776                        | 160,243              |
| Investment income                  | 85,778                         | 13,352               |
|                                    | <u>11,895,632</u>              | <u>10,517,142</u>    |
| Total revenues                     |                                |                      |
| Expenses:                          |                                |                      |
| General government                 | 2,076,530                      | 2,088,356            |
| Public safety                      | 4,228,549                      | 3,474,268            |
| Public works                       | 1,750,525                      | 1,293,212            |
| Community and economic development | 266,435                        | 217,529              |
| Culture and recreation             | 457,688                        | 383,236              |
|                                    | <u>8,779,727</u>               | <u>7,456,601</u>     |
| Total expenses                     |                                |                      |
| Changes in net position            | <u>\$ 3,115,905</u>            | <u>\$ 3,060,541</u>  |
| Net position, end of year          | <u>\$ 40,678,287</u>           | <u>\$ 37,562,382</u> |

**Governmental activities**

The net position increased \$3,115,905 for 2022 compared to a \$3,060,541 increase in the prior year. The increase can be attributed primarily to an increase in property tax revenue of \$977,081 with the collection of the newly passed road mileage during the year.

The total cost of governmental activities this year was \$8,779,727. After subtracting the direct charges to those who directly benefited from the programs (\$6,554,121) and operating grants (\$60,650) and capital grants (\$504,290), the "public benefit" portion covered by taxes, state revenue sharing, and other general revenues was \$1,660,666.

**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 \$15,496,529, an increase of \$3,273,342 from last year.

The General Fund is the primary operating fund of the Township. Its fund balance increased by \$1,545,662 during the year, as revenues of \$4,650,949 were higher than current expenditures of \$2,855,287 and transfers to other funds of \$250,000. The fund balance was \$4,949,400 at the end of the year.

The Road Fund, a new fund in 2021, increased fund balance by \$590,714 as revenues of \$986,531 exceeded expenditures of \$395,817, the fund balance was \$590,714 at the end of the year.

The Fire Fund experienced an increase in fund balance of \$140,217 for 2022, as revenues of \$3,614,343 were more than current expenditures of \$3,474,126 including \$932,706 in capital outlay. The ending fund balance was \$2,617,536.

The Police Fund experienced a \$372,607 increase in fund balance, which reflects police service expenditures of \$1,201,284 that were less than revenues of \$1,573,891. The fund balance at the end of the year was \$2,226,559.

The General Sewer Fund experienced a \$378,825 increase in fund balance for 2022, as revenues of \$654,936 were more than current year's expenditures of \$276,111. The fund balance at the end of the year was \$2,515,390.

The General Water Fund experienced a \$10,757 increase in fund balance for 2022, as revenues of \$231,859, were more than current year's expenditures of \$221,102. The fund balance at the end of the year was \$2,073,401.

**General Fund budgetary highlights**

The Township amended the General Fund expenditures budget for anticipated decreases in expenditures. Total revenues were \$486,486 less than anticipated, primarily due to federal grant revenues that were lower than anticipated. Total expenditures were \$1,435,690 less than the amounts appropriated, primarily due to capital outlay, public works and general government costs which were \$807,886, \$26,324 and \$413,802 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 \$1,099,204, with a \$1,545,662 increase in fund balance compared to a budget that anticipated an increase of \$446,458 in the current year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The Township's investment in capital assets as of December 31, 2022, was \$24,109,982 (net of accumulated depreciation). This investment includes buildings and improvements, equipment and vehicles, sewer, and water infrastructure. The \$126,586 increase in the Township's investment in capital assets for the current fiscal year includes \$1,339,552 in capital asset additions, less \$1,212,966 in depreciation expense for the year.

Major capital asset additions during the current fiscal year include:

- \$38,227 for park improvements
- \$235,945 for a non-motorized path and trail projects
- \$745,033 for a deposit on a new fire truck
- \$101,920 for fire equipment
- \$43,616 for purchase of a Bobcat

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 \$58,550 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 2023. 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:

Cheri Bell, Supervisor  
Charter Township of Oshtemo  
7275 West Main Street  
Oshtemo, MI 49009

Phone: (269) 375-4260



**BASIC FINANCIAL STATEMENTS**

DRAFT

**STATEMENT OF NET POSITION**

December 31, 2022

|  | <u>Primary<br/>government</u>      | <u>Component units</u>                        |  |
|--|------------------------------------|---|--|
|  | <u>Governmental<br/>activities</u> | <u>Downtown<br/>Development<br/>Authority</u> | <u>South Drake<br/>Road Corridor<br/>Improvement<br/>Authority</u> |
| <b>ASSETS</b>  |                                    |   |  |
| Current assets:                                      |                                    |   |  |
| Cash   | \$ 16,598,552                      | \$ 357,856                                    | \$ 129,779   |
| Investments  | 3,865,923                          | -   | -  |
| Receivables, net                                     | 6,000,371                          | 118,449                                       | 36,505   |
| Total current assets                                 | <u>26,464,846</u>                  | <u>476,305</u>                                | <u>166,284</u>   |
| Noncurrent assets:                                   |                                    |   |  |
| Receivables, net                                     | 749,228                            | -   | -  |
| Beneficial interest in assets held by foundation     | 44,955                             | -   | -  |
| Net OPEB assets                                      | 297,777                            | -   | -  |
| Capital assets not being depreciated                 | 1,392,135                          | 313,595                                       | -  |
| Capital assets, net of accumulated depreciation      | 22,717,847                         | 1,039,555                                     | -  |
| Total noncurrent assets                              | <u>25,201,942</u>                  | <u>1,353,150</u>                              | <u>-</u>   |
| Total assets   | <u>51,666,788</u>                  | <u>1,829,455</u>                              | <u>166,284</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                |                                    |   |  |
| OPEB   | 37,921                             | -   | -  |
| <b>LIABILITIES</b>                                   |                                    |   |  |
| Current liabilities:                                 |                                    |   |  |
| Payables   | 1,156,385                          | 2,817   | -  |
| Unearned federal grant revenue                       | 2,232,245                          | -   | -  |
| Unearned operating assessment revenues               | 180,991                            | -   | -  |
| Total current liabilities                            | <u>3,569,621</u>                   | <u>2,817</u>                                  | <u>-</u>   |
| Noncurrent liabilities - compensated absences        | 58,550                             | -   | -  |
| Total liabilities                                    | <u>3,628,171</u>                   | <u>2,817</u>                                  | <u>-</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                 |                                    |   |  |
| Property tax revenues levied for the subsequent year | 2,471,794                          | 152,408                                       | 38,035   |
| Special assessment levied for the subsequent year    | 4,926,457                          | -   | -  |
| Total deferred inflows of resources                  | <u>7,398,251</u>                   | <u>152,408</u>                                | <u>38,035</u>  |
| <b>NET POSITION</b>                                  |                                    |   |  |
| Investment in capital assets                         | 24,109,982                         | 1,353,150                                     | -  |
| Restricted for public safety                         | 2,912,947                          | -   | -  |
| Restricted for public works                          | 706,632                            | -   | -  |
| Unrestricted   | 12,948,726                         | 321,080                                       | 128,249  |
| Total net position                                   | <u>\$ 40,678,287</u>               | <u>\$ 1,674,230</u>                           | <u>\$ 128,249</u>  |

See notes to financial statements

**STATEMENT OF ACTIVITIES**

Year ended December 31, 2020

| Functions/Programs                                 |                   |                                 |   |   | <i>Net (expenses) revenues<br/>and changes in net position</i> |   |  |
|--|-------------------|---------------------------------|---|---|--|---|--|
|  | <i>Expenses</i>   | <i>Program revenues</i>         |   |   | <i>Governmental<br/>activities</i>                             | <i>Component units</i>                        |  |
|  |                   | <i>Charges for<br/>services</i> | <i>Operating<br/>grants and<br/>contributions</i> | <i>Capital<br/>grants and<br/>contributions</i> |  | <i>Downtown<br/>Development<br/>Authority</i> | <i>South Drake<br/>Road Corridor<br/>Improvement<br/>Authority</i> |
| Governmental activities:                           |                   |                                 |   |   |  |   |  |
| General government                                 | \$ 2,076,530      | \$ 472,064                      | \$ 4,762  | \$ 60,000                                       | \$ (1,539,704)   |   |  |
| Public safety                                      | 4,228,549         | 4,988,233                       | -   | 200,000   | 959,684  |   |  |
| Public works                                       | 1,750,525         | 973,314                         | 55,888  | -   | (721,323)  |   |  |
| Community and economic<br>development              | 266,435           | 61,752                          | -   | -   | (204,683)  |   |  |
| Culture and recreation                             | 457,688           | 58,758                          | -   | 244,290   | (154,640)  |   |  |
| Total governmental activities                      | <u>8,779,727</u>  | <u>6,554,121</u>                | <u>60,650</u>                                     | <u>504,290</u>                                  | <u>(1,660,666)</u>   |   |  |
| Component units:                                   |                   |                                 |   |   |  |   |  |
| Downtown Development Authority                     | \$ 122,263        | \$ -                            | \$ -  | \$ -  | \$ (122,263)   | \$ -  |  |
| South Drake Road Corridor<br>Improvement Authority | 61,175            | -                               | -   | -   | -  | (61,175)                                      |  |
| Total component units                              | <u>\$ 183,438</u> | <u>\$ -</u>                     | <u>\$ -</u>                                       | <u>\$ -</u>                                     | <u>\$ (122,263)</u>  | <u>\$ (61,175)</u>                            |  |
| General revenues:                                  |                   |                                 |   |   |  |   |  |
| Taxes  |                   |                                 |   |   | 1,827,209  | 220,955                                       | 78,015   |
| State grants                                       |                   |                                 |   |   | 2,702,808  | -   | -  |
| Franchise fees                                     |                   |                                 |   |   | 160,776  | -   | -  |
| Investment income                                  |                   |                                 |   |   | 85,778   | 1,471   | 664  |
| Total general revenues                             |                   |                                 |   |   | <u>4,776,571</u>   | <u>222,426</u>                                | <u>78,679</u>  |
| Changes in net position                            |                   |                                 |   |   | 3,115,905  | 100,163                                       | 17,504   |
| Net position - beginning                           |                   |                                 |   |   | <u>37,562,382</u>  | <u>1,574,067</u>                              | <u>110,745</u>   |
| Net position - ending                              |                   |                                 |   |   | <u>\$ 40,678,287</u>   | <u>\$ 1,674,230</u>                           | <u>\$ 128,249</u>  |

See notes to financial statements

Charter Township of Oshtemo  
**BALANCE SHEET - governmental funds**  
 December 31, 2022

|  | <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> |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|-----------------------|---------------------------------|
| <b>ASSETS</b>  |                     |                     |                     |                     |                      |                      |                       |                                 |
| Cash   | \$ 4,583,130        | \$ 927,965          | \$ 3,887,636        | \$ 2,925,554        | \$ 2,393,840         | \$ 1,256,086         | \$ 624,341            | \$ 16,598,552                   |
| Investments  | 3,092,738           | -                   | -                   | -                   | -                    | 773,185              | -                     | 3,865,923                       |
| Receivables  | 1,475,710           | 737,276             | 2,348,286           | 1,093,495           | 820,705              | 148,395              | 125,732               | 6,749,599                       |
| Beneficial interest in assets held by foundation   | -                   | -                   | -                   | -                   | -                    | -                    | 44,955                | 44,955                          |
| Total assets   | <u>\$ 9,151,578</u> | <u>\$ 1,665,241</u> | <u>\$ 6,235,922</u> | <u>\$ 4,019,049</u> | <u>\$ 3,214,545</u>  | <u>\$ 2,177,666</u>  | <u>\$ 795,028</u>     | <u>\$ 27,259,029</u>            |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>   |                     |                     |                     |                     |                      |                      |                       |                                 |
| Liabilities:   |                     |                     |                     |                     |                      |                      |                       |                                 |
| Payables   | \$ 552,379          | \$ 20,287           | \$ 189,091          | \$ 295,328          | \$ 8,592             | \$ 200               | \$ 90,508             | \$ 1,156,385                    |
| Unearned federal grant revenue   | 2,232,245           | -                   | -                   | -                   | -                    | -                    | -                     | 2,232,245                       |
| Unearned special assessment operating revenues   | -                   | -                   | -                   | -                   | -                    | -                    | 180,991               | 180,991                         |
| Total liabilities  | <u>2,784,624</u>    | <u>20,287</u>       | <u>189,091</u>      | <u>295,328</u>      | <u>8,592</u>         | <u>200</u>           | <u>271,499</u>        | <u>3,569,621</u>                |
| Deferred inflows of resources:   |                     |                     |                     |                     |                      |                      |                       |                                 |
| Property tax revenues levied for the subsequent year   | 1,417,554           | 1,054,240           | -                   | -                   | -                    | -                    | -                     | 2,471,794                       |
| Special assessment levied for the subsequent year  | -                   | -                   | 3,429,295           | 1,497,162           | -                    | -                    | -                     | 4,926,457                       |
| Unavailable special assessment revenues  | -                   | -                   | -                   | -                   | 690,563              | 104,065              | -                     | 794,628                         |
| Total deferred inflows of resources  | <u>1,417,554</u>    | <u>1,054,240</u>    | <u>3,429,295</u>    | <u>1,497,162</u>    | <u>690,563</u>       | <u>104,065</u>       | <u>-</u>              | <u>8,192,879</u>                |
| Fund balances:   |                     |                     |                     |                     |                      |                      |                       |                                 |
| Restricted for:  |                     |                     |                     |                     |                      |                      |                       |                                 |
| Public safety  | 295,411             | -                   | 2,617,536           | -                   | -                    | -                    | -                     | 2,912,947                       |
| Public works   | -                   | 590,714             | -                   | -                   | -                    | -                    | 72,435                | 663,149                         |
| Assigned for:  |                     |                     |                     |                     |                      |                      |                       |                                 |
| Public safety  | -                   | -                   | -                   | 2,226,559           | -                    | -                    | -                     | 2,226,559                       |
| Public works   | -                   | -                   | -                   | -                   | 2,515,390            | 2,073,401            | -                     | 4,588,791                       |
| Culture and recreation   | -                   | -                   | -                   | -                   | -                    | -                    | 451,094               | 451,094                         |
| Subsequent year expenditures   | -                   | -                   | -                   | -                   | -                    | -                    | -                     | -                               |
| Unassigned   | 4,653,989           | -                   | -                   | -                   | -                    | -                    | -                     | 4,653,989                       |
| Total fund balances  | <u>4,949,400</u>    | <u>590,714</u>      | <u>2,617,536</u>    | <u>2,226,559</u>    | <u>2,515,390</u>     | <u>2,073,401</u>     | <u>523,529</u>        | <u>15,496,529</u>               |
| Total liabilities, deferred inflows of resources, and fund balances  | <u>\$ 9,151,578</u> | <u>\$ 1,665,241</u> | <u>\$ 6,235,922</u> | <u>\$ 4,019,049</u> | <u>\$ 3,214,545</u>  | <u>\$ 2,177,666</u>  | <u>\$ 795,028</u>     | <u>\$ 27,259,029</u>            |
| Reconciliation of the balance sheet to the statement of net position:  |                     |                     |                     |                     |                      |                      |                       |                                 |
| Total fund balance - total governmental funds  |                     |                     |                     |                     |                      |                      |                       | \$ 15,496,529                   |
| 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.                                       |                     |                     |                     |                     |                      |                      |                       |                                 |
|  |                     |                     |                     |                     |                      |                      |                       | 24,109,982                      |
| Net OPEB assets  |                     |                     |                     |                     |                      |                      |                       |                                 |
|  |                     |                     |                     |                     |                      |                      |                       | 297,777                         |
| Deferred outflows of resources, related to the OPEB plan, relate to future years and, therefore, are not reported in the funds.  |                     |                     |                     |                     |                      |                      |                       |                                 |
|  |                     |                     |                     |                     |                      |                      |                       | 37,921                          |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds - compensated absences.                              |                     |                     |                     |                     |                      |                      |                       |                                 |
|  |                     |                     |                     |                     |                      |                      |                       | (58,550)                        |
| 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. |                     |                     |                     |                     |                      |                      |                       |                                 |
|  |                     |                     |                     |                     |                      |                      |                       | 794,628                         |
| Net position of <i>governmental activities</i>   |                     |                     |                     |                     |                      |                      |                       | <u>\$ 40,678,287</u>            |

See notes to financial statements

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

Year ended December 31, 2022

|  | General      | Roads      | Fire         | Police       | General Sewer | General Water | Nonmajor fund | Total governmental funds |
|--|--------------|------------|--------------|--------------|---------------|---------------|---------------|--------------------------|
| <b>REVENUES</b>  |              |            |              |              |               |               |               |                          |
| Taxes  | \$ 845,798   | \$ 981,411 | \$ -         | \$ -         | \$ -          | \$ -          | \$ -          | \$ 1,827,209             |
| Licenses and permits                                     | 222,208      | -          | -            | -            | -             | -             | -             | 222,208                  |
| Federal grant  | 4,762        | -          | 200,000      | -            | -             | -             | -             | 204,762                  |
| State grants   | 2,959,243    | -          | -            | -            | -             | -             | -             | 2,959,243                |
| Intergovernmental  | 60,000       | -          | -            | -            | -             | -             | -             | 60,000                   |
| Charges for services                                     | 464,135      | -          | -            | 28,635       | 520,236       | 187,780       | -             | 1,200,786                |
| Fines and forfeitures                                    | -            | -          | 35,150       | 46,231       | -             | -             | -             | 81,381                   |
| Interest and rentals                                     | 65,287       | 5,120      | 11,592       | 14,146       | 39,648        | 13,556        | 75,700        | 225,049                  |
| Other  | 29,516       | -          | 3,367,601    | 1,484,879    | 95,052        | 30,523        | 420,319       | 5,427,890                |
| Total revenues   | 4,650,949    | 986,531    | 3,614,343    | 1,573,891    | 654,936       | 231,859       | 496,019       | 12,208,528               |
| <b>EXPENDITURES</b>                                      |              |            |              |              |               |               |               |                          |
| Current:   |              |            |              |              |               |               |               |                          |
| General government                                       | 1,953,929    | -          | -            | -            | -             | -             | -             | 1,953,929                |
| Public safety  | 69,416       | -          | 2,541,420    | 1,199,678    | -             | -             | -             | 3,810,514                |
| Public works   | 250,385      | 395,817    | -            | -            | 268,933       | 221,102       | 130,297       | 1,266,534                |
| Community and economic development                       | 266,535      | -          | -            | -            | -             | -             | -             | 266,535                  |
| Culture and recreation                                   | -            | -          | -            | -            | -             | -             | 210,830       | 210,830                  |
| Capital outlay   | 315,022      | -          | 932,706      | 1,606        | 7,178         | -             | 170,332       | 1,426,844                |
| Total expenditures                                       | 2,855,287    | 395,817    | 3,474,126    | 1,201,284    | 276,111       | 221,102       | 511,459       | 8,935,186                |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | 1,795,662    | 590,714    | 140,217      | 372,607      | 378,825       | 10,757        | (15,440)      | 3,273,342                |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |              |            |              |              |               |               |               |                          |
| Transfers in   | -            | -          | -            | -            | -             | -             | 250,000       | 250,000                  |
| Transfers out  | (250,000)    | -          | -            | -            | -             | -             | -             | (250,000)                |
| Net other financing sources (uses)                       | (250,000)    | -          | -            | -            | -             | -             | 250,000       | -                        |
| <b>NET CHANGES IN FUND BALANCES</b>                      | 1,545,662    | 590,714    | 140,217      | 372,607      | 378,825       | 10,757        | 234,560       | 3,273,342                |
| <b>FUND BALANCES - BEGINNING</b>                         | 3,403,738    | -          | 2,477,319    | 1,853,952    | 2,136,565     | 2,062,644     | 288,969       | 12,223,187               |
| <b>FUND BALANCES - ENDING</b>                            | \$ 4,949,400 | \$ 590,714 | \$ 2,617,536 | \$ 2,226,559 | \$ 2,515,390  | \$ 2,073,401  | \$ 523,529    | \$ 15,496,529            |

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 15)   | \$ 3,273,342        |
| Amounts reported for <i>governmental activities</i> in the statement of activities (page 13) are different because: |                     |
| Capital assets:   |                     |
| Assets acquired   | 1,339,552           |
| Provision for depreciation  | (1,212,966)         |
| Long-term obligations:  |                     |
| Net change in liability for compensated absences  | 5,100               |
| Net increase in OPEB assets   | (45,662)            |
| Changes in deferred inflows and outflow of resources:   |                     |
| Net decrease in deferred inflows of resources   | (312,896)           |
| Net decrease in deferred outflows of resources  | 69,435              |
| Change in net position of <i>governmental activities</i>  | <u>\$ 3,115,905</u> |

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**STATEMENT OF FIDUCIARY NET POSITION - custodial funds**

December 31, 2022

|   | <u>Retiree<br/>Medical<br/>Trust</u> | <u>Tax</u>       | <u>Custodial</u> |
|---|--------------------------------------|------------------|------------------|
| <b>ASSETS</b>                               |                                      |                  |                  |
| Cash  | \$ -                                 | \$ 8,882,287     | \$ 155,734       |
| Investments                                 | <u>401,352</u>                       | <u>-</u>         | <u>-</u>         |
| Total assets                                | 401,352                              | 8,882,287        | 155,734          |
| <b>LIABILITIES</b>                          |                                      |                  |                  |
| Due to others                               | <u>-</u>                             | <u>8,882,287</u> | <u>155,734</u>   |
| <b>NET POSITION</b>                         |                                      |                  |                  |
| Deposits held for others                    | \$ -                                 | \$ -             | \$ -             |
| Held in trust for retirees' health benefits | <u>401,352</u>                       | <u>-</u>         | <u>-</u>         |
| Total net position                          | <u>\$ 401,352</u>                    | <u>\$ -</u>      | <u>\$ -</u>      |

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**STATEMENT OF CHANGES IN FIDUCIARY NET POSTION - *custodial funds***

December 31, 2022

|   | <b>Retiree<br/>Medical<br/>Trust</b> | <b>Tax</b>    | <b>Custodial</b> |
|---|--------------------------------------|---------------|------------------|
| <b>ADDITIONS</b>                                |                                      |               |                  |
| Property taxes collected for other governments  | \$ -                                 | \$ 37,816,705 | \$ 261,936       |
| Collection of PILT                              | -                                    | -             | 164,496          |
| Collection of county fees                       | -                                    | -             | 33,861           |
| Contributions                                   | <u>4,500</u>                         | <u>-</u>      | <u>-</u>         |
| Total additions                                 | 4,500                                | 37,816,705    | 460,293          |
| <b>DEDUCTIONS</b>                               |                                      |               |                  |
| Insurance premiums                              | -                                    | -             | -                |
| Property taxes distributed to other governments | -                                    | 37,816,705    | 261,936          |
| Payment of county collections                   | -                                    | -             | 33,861           |
| Distributions to others                         | 4,500                                | -             | 13,117           |
| Distributions of PILT                           | -                                    | -             | 164,496          |
| Administration fees                             | 738                                  | -             | -                |
| Investment loss                                 | <u>46,738</u>                        | <u>-</u>      | <u>-</u>         |
| Total deductions                                | 51,976                               | 37,816,705    | 473,410          |
| <b>NET CHANGE IN FIDUCIARY NET POSITION</b>     | (47,476)                             | -             | (13,117)         |
| <b>NET POSITION - BEGINNING</b>                 | <u>448,828</u>                       | <u>-</u>      | <u>13,117</u>    |
| <b>NET POSTION - ENDING</b>                     | <u>\$ 401,352</u>                    | <u>\$ -</u>   | <u>\$ -</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 2022 ad valorem taxes were levied and collectible on December 1, 2022, 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<br/>government</u>      |                            |                                 |                      |
|-------------|------------------------------------|----------------------------|---------------------------------|----------------------|
|             | <u>Governmental<br/>activities</u> | <u>Component<br/>units</u> | <u>Fiduciary<br/>activities</u> | <u>Totals</u>        |
| Cash        | \$ 16,598,552                      | \$ 487,635                 | \$ 9,038,021                    | \$ 26,124,208        |
| Investments | <u>3,865,923</u>                   | <u>-</u>                   | <u>401,352</u>                  | <u>4,267,275</u>     |
|             | <u>\$ 20,464,475</u>               | <u>\$ 487,635</u>          | <u>\$ 9,439,373</u>             | <u>\$ 30,391,483</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, 2022, \$23,029,616 of the Township’s bank balances of \$25,355,753 was exposed to custodial credit risk because it was uninsured and uncollateralized. In April 2023 the Township moved \$17,000,000 to a ISC sweep account an insure and collateralized account.

*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<br/>value</u> | <u>Maturity</u> | <u>Rating</u> | <u>Source</u> |
|-----------------------------|-----------------------|-----------------|---------------|---------------|
| U.S. government securities: |                       |                 |               |               |
| United States Agencies      | \$ 459,255            | 2023 - 2024     | AAA           | S&P           |
| United States Treasury      | 353,223               | 2023 - 2024     | AAA           | S&P           |
| MBIA CLASS Fund             | <u>3,053,445</u>      | Various         | AAAm          | S&P           |

*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, 2022, consisted of the following:

| <u>Investment type</u>      | <u>Fair value</u> |
|-----------------------------|-------------------|
| MERS Total Market Portfolio | \$ 200,676        |
| MERS Est Market Portfolio   | <u>200,676</u>    |
|                             | <u>\$ 401,352</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, 2022:

- Municipal Employees’ Retirement System of Michigan - RHFV, with a balance of \$401,352 at December 31, 2022, which is valued using observable fair values of similar assets (Level 2).

**NOTE 4 - RECEIVABLES**

Receivables as of December 31, 2022, 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   | \$ 977,319            | \$ 49,097        | \$ -                       | \$ 449,294                | \$ 1,475,710        |
| Roads   | 737,276               | -                | -                          | -                         | 737,276             |
| Fire  | -                     | -                | 2,348,286                  | -                         | 2,348,286           |
| Police  | -                     | -                | 1,093,495                  | -                         | 1,093,495           |
| General Sewer                                   | -                     | -                | 726,705                    | 94,000                    | 820,705             |
| General Water                                   | -                     | -                | 111,042                    | 37,353                    | 148,395             |
| Nonmajor  | -                     | -                | 125,732                    | -                         | 125,732             |
| Total governmental                              | <u>\$ 1,714,595</u>   | <u>\$ 49,097</u> | <u>\$ 4,405,260</u>        | <u>\$ 580,647</u>         | <u>\$ 6,749,599</u> |
| Noncurrent portion                              | <u>\$ -</u>           | <u>\$ -</u>      | <u>\$ 749,228</u>          | <u>\$ -</u>               | <u>\$ 749,228</u>   |
| <i>Component units:</i>                         |                       |                  |                            |                           |                     |
| Downtown Development Authority                  | \$ 118,449            | \$ -             | \$ -                       | \$ -                      | \$ 118,449          |
| South Drake Road Corridor Improvement Authority | <u>36,505</u>         | <u>-</u>         | <u>-</u>                   | <u>-</u>                  | <u>36,505</u>       |
| Total component units                           | <u>\$ 154,954</u>     | <u>\$ -</u>      | <u>\$ -</u>                | <u>\$ -</u>               | <u>\$ 154,954</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, 2022, the Foundation held \$561,637 in this account.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2022, was as follows:

|   | <u>Beginning<br/>balance</u> | <u>Increases</u>    | <u>Decreases</u>      | <u>Ending<br/>balance</u> |
|---|------------------------------|---------------------|-----------------------|---------------------------|
| Primary government:                         |                              |                     |                       |                           |
| Governmental activities:                    |                              |                     |                       |                           |
| Capital assets not being depreciated:       |                              |                     |                       |                           |
| Land  | \$ 587,728                   | \$ -                | \$ -                  | \$ 587,728                |
| Construction in progress                    | <u>2,369,126</u>             | <u>804,407</u>      | <u>(2,369,126)</u>    | <u>804,407</u>            |
| Subtotal                                    | <u>2,956,854</u>             | <u>804,407</u>      | <u>(2,369,126)</u>    | <u>1,392,135</u>          |
| Capital assets being depreciated:           |                              |                     |                       |                           |
| Buildings and improvements                  | 9,108,363                    | 183,922             | -                     | 9,292,285                 |
| Equipment                                   | 1,826,043                    | 185,529             | -                     | 2,011,572                 |
| Vehicles                                    | 3,718,348                    | -                   | -                     | 3,718,348                 |
| Infrastructure                              | <u>17,124,495</u>            | <u>2,534,820</u>    | <u>-</u>              | <u>19,659,315</u>         |
| Subtotal                                    | <u>31,777,249</u>            | <u>2,904,271</u>    | <u>-</u>              | <u>34,681,520</u>         |
| Less accumulated depreciation for:          |                              |                     |                       |                           |
| Buildings and improvements                  | (3,884,282)                  | (375,686)           | -                     | (4,259,968)               |
| Equipment                                   | (1,462,755)                  | (114,029)           | -                     | (1,576,784)               |
| Vehicles                                    | (1,319,447)                  | (212,777)           | -                     | (1,532,224)               |
| Infrastructure                              | <u>(4,084,223)</u>           | <u>(510,474)</u>    | <u>-</u>              | <u>(4,594,697)</u>        |
| Subtotal                                    | <u>(10,750,707)</u>          | <u>(1,212,966)</u>  | <u>-</u>              | <u>(11,963,673)</u>       |
| Total capital assets being depreciated, net | <u>21,026,542</u>            | <u>1,691,305</u>    | <u>-</u>              | <u>22,717,847</u>         |
| Governmental activities capital assets, net | <u>\$ 23,983,396</u>         | <u>\$ 2,495,712</u> | <u>\$ (2,369,126)</u> | <u>\$ 24,109,982</u>      |
| Component unit - DDA:                       |                              |                     |                       |                           |
| Capital assets not being depreciated:       |                              |                     |                       |                           |
| Land  | \$ 293,595                   | \$ 20,000           | \$ -                  | \$ 313,595                |
| Construction in progress                    | <u>593,822</u>               | <u>-</u>            | <u>(593,822)</u>      | <u>-</u>                  |
| Subtotal                                    | <u>887,417</u>               | <u>20,000</u>       | <u>(593,822)</u>      | <u>313,595</u>            |
| Capital assets being depreciated:           |                              |                     |                       |                           |
| Buildings and improvements                  | 351,933                      | 816,275             | -                     | 1,168,208                 |
| Less accumulated depreciation for:          |                              |                     |                       |                           |
| Buildings and improvements                  | <u>(65,617)</u>              | <u>(63,036)</u>     | <u>-</u>              | <u>(128,653)</u>          |
| Total capital assets being depreciated, net | <u>286,316</u>               | <u>753,239</u>      | <u>-</u>              | <u>1,039,555</u>          |
| Component unit capital assets, net          | <u>\$ 1,173,733</u>          | <u>\$ 773,239</u>   | <u>\$ (593,822)</u>   | <u>\$ 1,353,150</u>       |



**NOTE 6 - CAPITAL ASSETS (Continued)**

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

|                        |                     |
|------------------------|---------------------|
| General government     | \$ 92,009           |
| Public safety          | 346,776             |
| Public works           | 458,386             |
| Culture and recreation | <u>315,795</u>      |
| Total                  | <u>\$ 1,212,966</u> |

**NOTE 7 - PAYABLES**

Payables as of December 31, 2022, 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                        | \$ 264,341        | \$ 26,673                  | \$ -                      | \$ 261,365        | \$ 552,379          |
| Roads                          | 20,287            | -                          | -                         | -                 | 20,287              |
| Fire                           | 153,125           | 35,966                     | -                         | -                 | 189,091             |
| Police                         | -                 | 1,635                      | 293,693                   | -                 | 295,328             |
| General Sewer                  | 8,592             | -                          | -                         | -                 | 8,592               |
| General Water                  | 200               | -                          | -                         | -                 | 200                 |
| Nonmajor                       | <u>89,245</u>     | <u>1,263</u>               | <u>-</u>                  | <u>-</u>          | <u>90,508</u>       |
| Total governmental             | <u>\$ 535,790</u> | <u>\$ 65,537</u>           | <u>\$ 293,693</u>         | <u>\$ 261,365</u> | <u>\$ 1,156,385</u> |
| Component unit:                |                   |                            |                           |                   |                     |
| Downtown Development Authority | <u>\$ 2,817</u>   | <u>\$ -</u>                | <u>\$ -</u>               | <u>\$ -</u>       | <u>\$ 2,817</u>     |

**NOTE 8 - LONG-TERM OBLIGATION**

Long-term obligation activity (excluding postemployment benefits other than pensions) for the year ended December 31, 2022, was as follows:

|                          | <u>Beginning balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending balance</u> |
|--------------------------|--------------------------|------------------|-------------------|-----------------------|
| Primary government:      |                          |                  |                   |                       |
| Governmental activities: |                          |                  |                   |                       |
| Compensated absences     | <u>63,650</u>            | <u>249,074</u>   | <u>(254,174)</u>  | <u>58,550</u>         |

**NOTE 9 - PROPERTY TAXES**

The 2021 taxable valuation of the Township \$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. This amount is recognized in the General Fund financial statements as property tax revenue.

The 2022 taxable valuation of the Township approximated \$976,118,000, on which ad valorem taxes levied, consisted of 1.5000 mills for operating purposes and 1.0800 for road improvements, raising approximately \$1,417,000 for operating and \$1,054,000 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, 2022, the Township made the required and matching contribution of \$212,614 and eligible employees made contributions of \$90,479. At December 31, 2022, the Township reported a \$90,479 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 2022 and 2021.

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, 2022, 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, 2022, rolled forward to the measurement date. The following actuarial assumptions were used in the measurement:

|                                |  |
|--------------------------------|--|
| Inflation                      | 2.50%  |
| Investment rate of return      | 7.00% (including inflation)  |
| 20-year Aa Municipal bond rate | 4.31%  |
| Mortality                      | 2010 Public General Employees and Healthy Retirees,<br>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, 2022, are summarized in the following table:

| <u>Asset Class</u>  | <u>Target Allocation</u> | <u>Long-Term Expected<br/>Real Rate of Return</u> |
|---------------------|--------------------------|---|
| Global equity       | 60.00%                   | 4.50%   |
| Global fixed income | 20.00%                   | 2.00%   |
| Private assets      | 20.00%                   | 7.00%   |

The sum of each target allocation times its long-term expected real rate is 7.00%.

*Discount rate:*

The discount rate used to measure the total OPEB liability was 7.00%. 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, 2021, was 7.35%.

**NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)**

Changes in the net OPEB liability:

|   | <i>Increase (decrease)</i>  |                                    |                                   |
|---|-----------------------------|------------------------------------|-----------------------------------|
|   | <i>Total OPEB liability</i> | <i>Plan fiduciary net position</i> | <i>Net OPEB liability (asset)</i> |
|   | <i>(a)</i>                  | <i>(b)</i>                         | <i>(a) - (b)</i>                  |
| Balances at December 31, 2021   | \$ 105,389                  | \$ 448,828                         | \$ (343,439)                      |
| Changes for the year:   |                             |                                    |                                   |
| Interest  | 7,581                       | -                                  | 7,581                             |
| Experience (Gains)/Losses   | (6,928)                     | -                                  | (6,928)                           |
| Change in assumptions   | 2,033                       | -                                  | 2,033                             |
| Contributions - from operating fund   | -                           | 4,500                              | (4,500)                           |
| Net investment income   | -                           | (46,738)                           | 46,738                            |
| Benefit payments  |                             |                                    |                                   |
| Benefit payments; including refunds of Employee Contributions               | (4,500)                     | (4,500)                            | -                                 |
| Administrative expenses   | -                           | (738)                              | 738                               |
| Other changes   | -                           | -                                  | -                                 |
| Net changes   | (1,814)                     | (47,476)                           | 45,662                            |
| Balances at December 31, 2022   | \$ 103,575                  | \$ 401,352                         | \$ (297,777)                      |
| Plan fiduciary net position as a percentage of total OPEB liability (asset) |                             |                                    | 387.50%                           |

*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) | \$ (291,529)       | \$ (297,777)        | \$ (303,394)       |

*Because the benefit is a stipend, medical trend is not applicable*

**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, 2022

Below are the components of the Total OPEB Expense:

|   | <i>Fiscal Year</i><br><i>Ending 12/31/2022</i> |
|---|--|
| Interest on Total OPEB Liability            | \$ 7,581                                       |
| Experience (Gains)/Losses                   | (6,928)  |
| Change in assumptions                       | 2,033  |
| Projected earnings on OPEB plan investments | (32,962)                                       |
| Investments earnings (gains)/losses         | 10,265   |
| Administrative expenses                     | <u>738</u>                                     |
|   | <u>\$ (19,273)</u>                             |

*OPEB Plan Fiduciary Net Position:*

The OPEB Plan Fiduciary Net Position as of December 31, 2022 is \$401,352.

*Deferred Inflows and Outflows of Resources Related to OPEB Plan:*

|                                    | <i>Deferred Outflows</i><br><i>of Resources</i> |
|------------------------------------|---|
| Investment earnings (gains)/losses | \$ <u>37,921</u>                                |

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

| <i>Year Ended</i><br><i>December 31,</i> | <i>Amount</i><br><i>Recognized</i> |
|--|------------------------------------|
| 2023                                     | \$ 2,482                           |
| 2024                                     | 7,846                              |
| 2025                                     | 11,653                             |
| 2026                                     | 15,940                             |
| 2027                                     | -                                  |
| Thereafter                               | <u>-</u>                           |
|  | <u>\$ 37,921</u>                   |

**NOTE 11 - DEFINED BENEFIT POSTEMPLOYMENT HEALTHCARE PLAN (Continued)**

Reconciliation of Net OPEB Liability (Asset):

|  | <u>Net OPEB<br/>Liability (Asset)</u> |
|--|---------------------------------------|
| Net OPEB Liability December 31, 2021             | \$ (343,439)                          |
| Total OPEB expense                               | (19,273)                              |
| Contributions                                    | (4,500)                               |
| Change in deferred outflows of resources         | 37,921                                |
| Change in deferred inflows of resources          | <u>31,514</u>                         |
| <br>Net OPEB Liability (Asset) December 31, 2022 | <br><u>\$ (297,777)</u>               |

Net OPEB liability by participant status:

|  | <u>Total OPEB Liability</u> |
|--|-----------------------------|
| Inactive participants receiving benefits | \$ <u>103,575</u>           |
| <br>Total                                | <br><u>\$ 103,575</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 2022. 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, 2022, is as follows:

| <u>Fund</u> | <u>Transfers in</u> | <u>Fund</u> | <u>Transfers out</u> |
|-------------|---------------------|-------------|----------------------|
| Nonmajor    | \$ <u>250,000</u>   | General     | \$ <u>250,000</u>    |

The transfers from the General Fund to the 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 2022, the Township began leasing office facilities to the Authority, under a three-year operating lease. The total receipts associated with this lease were \$22,000 during the fiscal year ended December 31, 2022. The future minimum lease receipts for this lease amount to \$22,000 for 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 - SUBSEQUENT EVENTS**

Subsequent to year end the Township entered into a installment purchase agreement with First National bank to purchase land for the DDA. The Township borrowed \$730,000 at 3.75% interest over 10 years. The DDA will reimburse the Township over the next 10 years.

Management has evaluated subsequent events through **June xx, 2022**, the date on which the financial statements were available to be issued.

**NOTE 18 - PENDING ACCOUNTING PRONOUNCEMENT**

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 of 2022**

On March 11, 2022, the United States executed the American Rescue Plan Act of 2022 (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 2022, with the second half received in July 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

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**REQUIRED SUPPLEMENTARY INFORMATION**

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Charter Township of Oshtemo

**BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended December 31, 2022

|   | <i>Original<br/>budget</i> | <i>Final<br/>budget</i> | <i>Actual</i>    | <i>Variance with<br/>final budget<br/>positive<br/>(negative)</i> |
|---|----------------------------|-------------------------|------------------|---|
| <b>REVENUES</b>   |                            |                         |                  |   |
| Taxes   | \$ 841,038                 | \$ 809,485              | \$ 845,798       | \$ 36,313   |
| Licenses and permits  | 195,000                    | 295,000                 | 222,208          | (72,792)  |
| Federal grants  | 1,213,632                  | 1,213,632               | 4,762            | (1,208,870)   |
| State grants  | 2,105,475                  | 2,105,475               | 2,959,243        | 853,768   |
| Intergovernmental   | 230,000                    | 230,000                 | 60,000           | (170,000)   |
| Charges for services  | 435,188                    | 435,188                 | 464,135          | 28,947  |
| Interest and rentals  | 25,500                     | 25,500                  | 65,287           | 39,787  |
| Other   | 4,500                      | 23,155                  | 29,516           | 6,361   |
| Total revenues  | <u>5,050,333</u>           | <u>5,137,435</u>        | <u>4,650,949</u> | <u>(486,486)</u>  |
| <b>EXPENDITURES</b>   |                            |                         |                  |   |
| General government:   |                            |                         |                  |   |
| Legislative   | 54,000                     | 32,009                  | 30,896           | 1,113   |
| Supervisor  | 229,121                    | 246,496                 | 185,000          | 61,496  |
| Elections   | 75,750                     | 105,651                 | 102,248          | 3,403   |
| Assessor  | 274,506                    | 297,477                 | 221,920          | 75,557  |
| Clerk   | 136,230                    | 143,363                 | 139,358          | 4,005   |
| Treasurer   | 112,595                    | 121,186                 | 116,089          | 5,097   |
| Professional services                                       | 278,690                    | 383,690                 | 336,027          | 47,663  |
| Cemetery, buildings, and grounds                            | 110,923                    | 113,223                 | 90,128           | 23,095  |
| General operations  | 906,880                    | 924,636                 | 732,263          | 192,373   |
| Total general government                                    | <u>2,178,695</u>           | <u>2,367,731</u>        | <u>1,953,929</u> | <u>413,802</u>  |
| Public safety - code enforcement                            | <u>52,555</u>              | <u>75,778</u>           | <u>69,416</u>    | <u>6,362</u>  |
| Public works:   |                            |                         |                  |   |
| Highways and streets  | 9,500                      | 9,500                   | 4,199            | 5,301   |
| Other   | 146,643                    | 193,709                 | 180,653          | 13,056  |
| Waste collection  | 73,500                     | 73,500                  | 65,533           | 7,967   |
| Total public works  | <u>229,643</u>             | <u>276,709</u>          | <u>250,385</u>   | <u>26,324</u>   |
| Community and economic development<br>- planning and zoning | <u>309,238</u>             | <u>447,851</u>          | <u>266,535</u>   | <u>181,316</u>  |

**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended December 31, 2022

|  | <i>Original<br/>budget</i> | <i>Final<br/>budget</i> | <i>Actual</i>       | <i>Variance with<br/>final budget<br/>positive<br/>(negative)</i> |
|--|----------------------------|-------------------------|---------------------|---|
| <b>EXPENDITURES (Continued)</b>                              |                            |                         |                     |   |
| Capital outlay   | \$ 1,105,350               | \$ 1,122,908            | \$ 315,022          | \$ 807,886  |
| Total expenditures   | <u>3,875,481</u>           | <u>4,290,977</u>        | <u>2,855,287</u>    | <u>1,435,690</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | <u>1,174,852</u>           | <u>846,458</u>          | <u>1,795,662</u>    | <u>949,204</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                            |                         |                     |   |
| Operating transfers out                                      | <u>(1,000,000)</u>         | <u>(400,000)</u>        | <u>(250,000)</u>    | <u>150,000</u>  |
| <b>NET CHANGES IN FUND BALANCES</b>                          | 174,852                    | 446,458                 | 1,545,662           | 1,099,204   |
| <b>FUND BALANCES - BEGINNING</b>                             | <u>3,403,738</u>           | <u>3,403,738</u>        | <u>3,403,738</u>    | <u>-</u>  |
| <b>FUND BALANCES - ENDING</b>                                | <u>\$ 3,578,590</u>        | <u>\$ 3,850,196</u>     | <u>\$ 4,949,400</u> | <u>\$ 1,099,204</u>   |

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Charter Township of Oshtemo

**BUDGETARY COMPARISON SCHEDULE - Fire Fund**

Year ended December 31, 2022

|                                     | <i>Original<br/>budget</i> | <i>Final<br/>budget</i> | <i>Actual</i>       | <i>Variance with<br/>final budget<br/>positive<br/>(negative)</i> |
|-------------------------------------|----------------------------|-------------------------|---------------------|---|
| <b>REVENUES</b>                     |                            |                         |                     |   |
| Federal grant                       | \$ -                       | \$ -                    | \$ 200,000          | \$ 200,000  |
| Fines and forfeitures               | 2,500                      | 2,500                   | 35,150              | 32,650  |
| Interest                            | 2,100                      | 2,100                   | 11,592              | 9,492   |
| Other:                              |                            |                         |                     |   |
| Special assessments                 | 3,154,451                  | 3,296,636               | 3,364,742           | 68,106  |
| Miscellaneous                       | 900                        | 900                     | 2,859               | 1,959   |
| Total revenues                      | <u>3,159,951</u>           | <u>3,302,136</u>        | <u>3,614,343</u>    | <u>312,207</u>  |
| <b>EXPENDITURES</b>                 |                            |                         |                     |   |
| Public safety                       | 2,679,940                  | 3,023,290               | 2,541,420           | 481,870   |
| Capital outlay                      | 265,050                    | 1,140,762               | 932,706             | 208,056   |
| Total expenditures                  | <u>2,944,990</u>           | <u>4,164,052</u>        | <u>3,474,126</u>    | <u>689,926</u>  |
| <b>NET CHANGES IN FUND BALANCES</b> | 214,961                    | (861,916)               | 140,217             | 1,002,133   |
| <b>FUND BALANCES - BEGINNING</b>    | <u>2,477,319</u>           | <u>2,477,319</u>        | <u>2,477,319</u>    | <u>-</u>  |
| <b>FUND BALANCES - ENDING</b>       | <u>\$ 2,692,280</u>        | <u>\$ 1,615,403</u>     | <u>\$ 2,617,536</u> | <u>\$ 1,002,133</u>   |

Charter Township of Oshtemo

**BUDGETARY COMPARISON SCHEDULE - Police Fund**

Year ended December 31, 2022

|                                     | <i>Original<br/>budget</i> | <i>Final<br/>budget</i> | <i>Actual</i>       | <i>Variance with<br/>final budget<br/>positive<br/>(negative)</i> |
|-------------------------------------|----------------------------|-------------------------|---------------------|---|
| <b>REVENUES</b>                     |                            |                         |                     |   |
| State grants                        | \$ 22,000                  | \$ 22,000               | \$ 28,635           | \$ 6,635  |
| Fines and forfeitures               | 19,000                     | 19,000                  | 46,231              | 27,231  |
| Interest and rentals                | 2,000                      | 2,000                   | 14,146              | 12,146  |
| Other - special assessments         | <u>1,405,000</u>           | <u>1,405,000</u>        | <u>1,484,879</u>    | <u>79,879</u>   |
| Total revenues                      | <u>1,448,000</u>           | <u>1,448,000</u>        | <u>1,573,891</u>    | <u>125,891</u>  |
| <b>EXPENDITURES</b>                 |                            |                         |                     |   |
| Public safety                       | 1,483,762                  | 1,495,985               | 1,199,678           | 296,307   |
| Capital outlay                      | <u>101,000</u>             | <u>101,995</u>          | <u>1,606</u>        | <u>100,389</u>  |
| Total expenditures                  | <u>1,584,762</u>           | <u>1,597,980</u>        | <u>1,201,284</u>    | <u>396,696</u>  |
| <b>NET CHANGES IN FUND BALANCES</b> | (136,762)                  | (149,980)               | 372,607             | 522,587   |
| <b>FUND BALANCES - BEGINNING</b>    | <u>1,853,952</u>           | <u>1,853,952</u>        | <u>1,853,952</u>    | <u>-</u>  |
| <b>FUND BALANCES - ENDING</b>       | <u>\$ 1,717,190</u>        | <u>\$ 1,703,972</u>     | <u>\$ 2,226,559</u> | <u>\$ 522,587</u>   |

Charter Township of Oshtemo

**BUDGETARY COMPARISON SCHEDULE - Road Fund**

Year ended December 31, 2022

|                                     | <i>Original<br/>budget</i> | <i>Final<br/>budget</i> | <i>Actual</i>     | <i>Variance with<br/>final budget<br/>positive<br/>(negative)</i> |
|-------------------------------------|----------------------------|-------------------------|-------------------|---|
| <b>REVENUES</b>                     |                            |                         |                   |   |
| Taxes                               | \$ 1,000,000               | \$ 1,004,438            | \$ 981,411        | \$ (23,027)   |
| Interest and rentals                | 500                        | 500                     | 5,120             | 4,620   |
| Total revenues                      | 1,000,500                  | 1,004,938               | 986,531           | (18,407)  |
| <b>EXPENDITURES</b>                 |                            |                         |                   |   |
| Public works - roads                | 951,467                    | 609,905                 | 395,817           | 214,088   |
| <b>NET CHANGES IN FUND BALANCES</b> | 49,033                     | 395,033                 | 590,714           | 195,681   |
| <b>FUND BALANCES - BEGINNING</b>    | -                          | -                       | -                 | -   |
| <b>FUND BALANCES - ENDING</b>       | <u>\$ 49,033</u>           | <u>\$ 395,033</u>       | <u>\$ 590,714</u> | <u>\$ 195,681</u>   |

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

Year Ended December 31, 2022

|  | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         |
|--|---------------------|---------------------|---------------------|---------------------|
| Total OPEB asset (liability):                                    |                     |                     |                     |                     |
| Interest   | \$ 7,581            | \$ 9,985            | \$ 10,035           | \$ 14,312           |
| Difference between expected and actual experience                | (6,928)             | (13,959)            | (6,385)             | (63,968)            |
| Changes in plan terms  | -                   | (27,054)            | -                   | -                   |
| Changes in assumptions   | 2,033               | (2,826)             | (1,860)             | 6,589               |
| Benefit payments, including refunds                              | <u>(4,500)</u>      | <u>(5,582)</u>      | <u>(7,772)</u>      | <u>(8,160)</u>      |
| Net change in total OPEB asset (liability)                       | (1,814)             | (39,436)            | (5,982)             | (51,227)            |
| Total OPEB asset (liability), beginning of year                  | <u>105,389</u>      | <u>144,825</u>      | <u>150,807</u>      | <u>202,034</u>      |
| Total OPEB asset (liability), end of year                        | <u>\$ 103,575</u>   | <u>\$ 105,389</u>   | <u>\$ 144,825</u>   | <u>\$ 150,807</u>   |
| Plan fiduciary net position:                                     |                     |                     |                     |                     |
| Contributions - employer   |                     |                     |                     |                     |
| Employee   | \$ 4,500            | \$ 13,123           | \$ 6,301            | \$ 8,160            |
| Employer   | -                   | -                   | 7,772               | -                   |
| Net investment income (loss)                                     | (46,738)            | 49,288              | 42,746              | 48,236              |
| Benefit payments, including refunds                              | (4,500)             | (5,582)             | (7,772)             | (8,160)             |
| Administrative expenses  | <u>(738)</u>        | <u>(767)</u>        | <u>(620)</u>        | <u>(581)</u>        |
| Net change in plan fiduciary net position                        | (47,476)            | 56,062              | 48,427              | 47,655              |
| Plan fiduciary net position, beginning of year                   | <u>448,828</u>      | <u>392,766</u>      | <u>344,339</u>      | <u>296,684</u>      |
| Plan fiduciary net position, end of year                         | <u>\$ 401,352</u>   | <u>\$ 448,828</u>   | <u>\$ 392,766</u>   | <u>\$ 344,339</u>   |
| Township's net OPEB liability (asset), end of year               | <u>\$ (297,777)</u> | <u>\$ (343,439)</u> | <u>\$ (247,941)</u> | <u>\$ (193,532)</u> |
| Plan fiduciary net position as a percent of total OPEB liability | 387.50%             | 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.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended December 31, 2022

| Actuarially Recommended Contribution (ARC)      | Fiscal Year Ending December 31, |             |             |             |             |
|---|---------------------------------|-------------|-------------|-------------|-------------|
|   | <u>2023</u>                     | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Normal costs                                    | \$ -                            | \$ -        | \$ -        | \$ -        | \$ -        |
| Amortization of unfunded liability              | (42,715)                        | (46,290)    | (30,939)    | (22,602)    | (11,250)    |
| Interest cost                                   | (2,990)                         | (3,420)     | (2,175)     | (1,544)     | (813)       |
| Actuarial determined employer contribution      | (45,705)                        | (49,710)    | (33,114)    | (24,146)    | (12,063)    |
| Employer contributions (benefit payment)        | TBD                             | TBD         | TBD         | TBD         | (8,160)     |
| Contribution deficiency/(excess)                | TBD                             | TBD         | TBD         | TBD         | \$ 3,903    |
| Covered payroll                                 | \$ -                            | \$ -        | \$ -        | \$ -        | \$ -        |
| Contribution as a percentage of covered payroll | NA                              | NA          | NA          | NA          | NA          |

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**COMBINING BALANCE SHEET - nonmajor governmental funds**

December 31, 2022

|  | <u>Special Revenue</u> |                            | <u>Totals</u>     |
|--|------------------------|----------------------------|-------------------|
|  | <u>Parks</u>           | <u>Street<br/>Lighting</u> |                   |
| <b>ASSETS</b>  |                        |                            |                   |
| Cash   | \$ 433,653             | \$ 190,688                 | \$ 624,341        |
| Receivables  | -                      | 125,732                    | 125,732           |
| Beneficial interest in assets held by foundation                     | 44,955                 | -                          | 44,955            |
| Total assets   | <u>\$ 478,608</u>      | <u>\$ 316,420</u>          | <u>\$ 795,028</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> |                        |                            |                   |
| Liabilities - payables   | \$ 27,514              | \$ 62,994                  | \$ 90,508         |
| Unearned special assessment operating revenues                       | -                      | 180,991                    | 180,991           |
| Fund balances:   |                        |                            |                   |
| Restricted for public works  | -                      | 72,435                     | 72,435            |
| Assigned for recreation and culture                                  | 451,094                | -                          | 451,094           |
| Total fund balances  | <u>451,094</u>         | <u>72,435</u>              | <u>523,529</u>    |
| Total deferred inflows of resources<br>and fund balances             | <u>\$ 478,608</u>      | <u>\$ 316,420</u>          | <u>\$ 795,028</u> |

Charter Township of Oshtemo

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

Year ended December 31, 2022

|  | <u>Special revenue</u> |                            |                   |
|--|------------------------|----------------------------|-------------------|
|  | <u>Parks</u>           | <u>Street<br/>Lighting</u> | <u>Totals</u>     |
| <b>REVENUES</b>  |                        |                            |                   |
| Interest and rentals                                     | 74,816                 | 884                        | 75,700            |
| Other  | 244,290                | 176,029                    | 420,319           |
| Total revenues   | <u>319,106</u>         | <u>176,913</u>             | <u>496,019</u>    |
| <b>EXPENDITURES</b>                                      |                        |                            |                   |
| Current:   |                        |                            |                   |
| Public works   | -                      | 130,297                    | 130,297           |
| Recreation and culture                                   | 210,830                | -                          | 210,830           |
| Capital outlay   | 153,094                | 17,238                     | 170,332           |
| Total expenditures                                       | <u>363,924</u>         | <u>147,535</u>             | <u>511,459</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b> | (44,818)               | 29,378                     | (15,440)          |
| <b>OTHER FINANCING SOURCES</b>                           |                        |                            |                   |
| Transfers in   | 250,000                | -                          | 250,000           |
| <b>NET CHANGES IN FUND BALANCES</b>                      | 205,182                | 29,378                     | 234,560           |
| <b>FUND BALANCES - BEGINNING</b>                         | <u>245,912</u>         | <u>43,057</u>              | <u>288,969</u>    |
| <b>FUND BALANCES - ENDING</b>                            | <u>\$ 451,094</u>      | <u>\$ 72,435</u>           | <u>\$ 523,529</u> |

**BALANCE SHEET - component units**

December 31, 2022

|  | <u>Downtown<br/>Development<br/>Authority</u> | <u>South Drake<br/>Road Corridor<br/>Improvement<br/>Authority</u> |
|--|---|--|
| <b>ASSETS</b>  |   |  |
| Cash   | \$ 357,856                                    | \$ 129,779   |
| Receivables  | <u>118,449</u>                                | <u>36,505</u>  |
| Total assets   | <u>\$ 476,305</u>                             | <u>\$ 166,284</u>  |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>   |   |  |
| Liabilities - payables   | \$ 2,817                                      | \$ -   |
| Deferred inflows of resources - property tax revenues levied<br>for the subsequent year                                      | 152,408                                       | 38,035   |
| Fund balance - unassigned  | <u>321,080</u>                                | <u>128,249</u>   |
| Total liabilities, deferred inflows of resources,<br>and fund balances   | <u>\$ 476,305</u>                             | <u>\$ 166,284</u>  |
| Reconciliation of the balance sheet to the statement of net position:  |   |  |
| Total fund balances - <i>component units</i>   | \$ 321,080                                    | \$ 128,249   |
| Amounts reported for the <i>component units</i> in the statement of<br>net position (page 11) are different because:         |   |  |
| Capital assets used in governmental activities are not financial<br>resources and, therefore, are not reported in the funds. | <u>1,353,150</u>                              | <u>-</u>   |
| Net position of <i>component units</i>   | <u>\$ 1,674,230</u>                           | <u>\$ 128,249</u>  |

Charter Township of Oshtemo

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**

**BALANCES - component units**

Year ended December 31, 2022

|   | <u>Downtown<br/>Development<br/>Authority</u> | <u>South Drake<br/>Road Corridor<br/>Improvement<br/>Authority</u> |
|---|---|--|
| <b>REVENUES</b>   |   |  |
| Property taxes  | \$ 220,955                                    | \$ 78,015  |
| Interest  | <u>1,471</u>                                  | <u>664</u>   |
| Total revenues  | <u>222,426</u>                                | <u>78,679</u>  |
| <b>EXPENDITURES</b>   |   |  |
| Current - public works  | 57,186  | 1,175  |
| Capital outlay  | <u>244,494</u>                                | <u>60,000</u>  |
| Total expenditures  | <u>301,680</u>                                | <u>61,175</u>  |
| <b>NET CHANGES IN FUND BALANCES</b>   | (79,254)                                      | 17,504   |
| <b>FUND BALANCES - BEGINNING</b>  | <u>400,334</u>                                | <u>110,745</u>   |
| <b>FUND BALANCES - ENDING</b>   | <u>\$ 321,080</u>                             | <u>\$ 128,249</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>   | \$ (79,254)                                   | \$ 17,504  |
| Amounts reported for the <i>component units</i> in the statement of activities (page 12) are different because:         |   |  |
| Capital assets:   |   |  |
| Asset acquisitions  | 242,453                                       | -  |
| Depreciation provision  | <u>(63,036)</u>                               | <u>-</u>   |
| Changes in net position of <i>component units</i>   | <u>\$ 100,163</u>                             | <u>\$ 17,504</u>   |

Charter Township of Oshtemo

**BUDGETARY COMPARISON SCHEDULE - Downtown Development Authority - component unit**

Year ended December 31, 2022

|                                     | <u>Original<br/>budget</u> | <u>Final<br/>budget</u> | <u>Actual</u>     | <u>Variance with<br/>final budget<br/>positive<br/>(negative)</u> |
|-------------------------------------|----------------------------|-------------------------|-------------------|---|
| <b>REVENUES</b>                     |                            |                         |                   |   |
| Property taxes                      | \$ 200,000                 | \$ 200,000              | \$ 220,955        | \$ 20,955   |
| Interest                            | 1,000                      | 1,000                   | 1,471             | 471   |
| Other                               | 800,000                    | 1,065,619               | -                 | (1,065,619)   |
| Total revenues                      | <u>1,001,000</u>           | <u>1,266,619</u>        | <u>222,426</u>    | <u>(1,044,193)</u>  |
| <b>EXPENDITURES</b>                 |                            |                         |                   |   |
| Public works                        | 52,550                     | 67,058                  | 57,186            | 9,872   |
| Capital outlay                      | 905,000                    | 1,156,111               | 244,494           | 911,617   |
| Total expenditures                  | <u>957,550</u>             | <u>1,223,169</u>        | <u>301,680</u>    | <u>921,489</u>  |
| <b>NET CHANGES IN FUND BALANCES</b> | 43,450                     | 43,450                  | (79,254)          | (122,704)   |
| <b>FUND BALANCES - BEGINNING</b>    | <u>400,334</u>             | <u>400,334</u>          | <u>400,334</u>    | <u>-</u>  |
| <b>FUND BALANCES - ENDING</b>       | <u>\$ 443,784</u>          | <u>\$ 443,784</u>       | <u>\$ 321,080</u> | <u>\$ (122,704)</u>   |

Charter Township of Oshtemo

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

Year ended December 31, 2022

|                                     | <i>Original<br/>budget</i> | <i>Final<br/>budget</i> | <i>Actual</i>     | <i>Variance with<br/>final budget<br/>positive<br/>(negative)</i> |
|-------------------------------------|----------------------------|-------------------------|-------------------|---|
| <b>REVENUES</b>                     |                            |                         |                   |   |
| Property taxes                      | \$ 40,000                  | \$ 40,000               | \$ 78,015         | \$ 38,015   |
| Interest                            | -                          | -                       | 664               | 664   |
| Total revenues                      | <u>40,000</u>              | <u>40,000</u>           | <u>78,679</u>     | <u>38,679</u>   |
| <b>EXPENDITURES</b>                 |                            |                         |                   |   |
| Public works                        | 8,500                      | 9,000                   | 1,175             | 7,825   |
| Capital outlay                      | <u>30,000</u>              | <u>60,000</u>           | <u>60,000</u>     | -   |
| <b>NET CHANGES IN FUND BALANCES</b> | 1,500                      | (29,000)                | 17,504            | 46,504  |
| <b>FUND BALANCES - BEGINNING</b>    | <u>110,745</u>             | <u>110,745</u>          | <u>110,745</u>    | -   |
| <b>FUND BALANCES - ENDING</b>       | <u>\$ 112,245</u>          | <u>\$ 81,745</u>        | <u>\$ 128,249</u> | <u>\$ 46,504</u>  |

# SEBER TANS, PLC

CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

June XX, 2023

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, 2022, and have issued our report thereon dated June XX, 2023. 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 XX, 2023. 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.



*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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinions unit's financial statements taken as a whole.

*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 June XX, 2023.

*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, 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

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**Charter Township of Oshtemo**

**Year End: December 31, 2022**

**Adjusting Journal Entries**

---

| <b>Number</b> | <b>Date</b> | <b>Name</b>      | <b>Account No</b> | <b>Debit</b> | <b>Credit</b> |
|---------------|-------------|------------------|-------------------|--------------|---------------|
| 1             | 12/31/2022  | Accounts Payable | 219-000-20200 SLF |              | (43,483.05)   |
| 1             | 12/31/2022  | Street Lighting  | 219-506-92600 SLF | 43,483.05    |               |

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To accrue for unbilled consumers invoices.

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**Budget Amendment Requests**

| Date      | Dept. Head | Fund Name | Funds Requested To |                               |             | Funds Requested From |             |             | Authorization Only (no BA)? | Explanation of Request  | Previously Discussed? | Within Apprvd Budget? |  |
|-----------|------------|-----------|--------------------|-------------------------------|-------------|----------------------|-------------|-------------|-----------------------------|---|-----------------------|-----------------------|--|
|           |            |           | GL Number          | Description                   | Amount      | GL Number            | Description | Amount      |                             |   |                       |                       |  |
| 6/15/2023 | Farmer     | General   | 101-191-90300      | Election Noticing and Program | \$ 8,000.00 | 101-001-40100        | Carryover   | \$ 8,000.00 |                             | This line was not budgeted because there was no expectation for any elections in 2023. These are the costs associated with countywide-shared noticing costs and programming for the tabulators. | No                    | No                    |  |
|           |            |           |                    |                               |             |                      |             |             |                             |   |                       |                       |  |
|           |            |           |                    |                               |             |                      |             |             |                             |   |                       |                       |  |
|           |            |           |                    |                               |             |                      |             |             |                             |   |                       |                       |  |
|           |            |           |                    |                               |             |                      |             |             |                             |   |                       |                       |  |
|           |            |           |                    |                               | \$ 8,000.00 |                      |             | \$ 8,000.00 |                             |   |                       |                       |  |

| Date      | Dept. Head | Fund Name | Funds Requested To |                            |              | Funds Requested From |                        |              | Authorization Only (no BA)? | Explanation of Request   | Previously Discussed? | Within Apprvd Budget? |  |
|-----------|------------|-----------|--------------------|----------------------------|--------------|----------------------|------------------------|--------------|-----------------------------|--|-----------------------|-----------------------|--|
|           |            |           | GL Number          | Description                | Amount       | GL Number            | Description            | Amount       |                             |  |                       |                       |  |
| 6/15/2023 | Farmer     | General   | 101-218-80800      | Grave Openings/Foundations | \$ 20,000.00 | 101-001-63400        | Grave Openings         | \$ 15,000.00 |                             | We budgeted for an expected number of burials. We have exceeded that number. This is not a request from carryover. The expenditures for burials are covered by the related revenue increase. | No                    | Yes                   |  |
|           |            |           |                    |                            |              | 101-001-64500        | Monument Installations | \$ 5,000.00  |                             |  |                       |                       |  |
|           |            |           |                    |                            |              |                      |                        |              |                             |  |                       |                       |  |
|           |            |           |                    |                            |              |                      |                        |              |                             |  |                       |                       |  |
|           |            |           |                    |                            |              |                      |                        |              |                             |  |                       |                       |  |
|           |            |           |                    |                            | <b>Total</b> | \$ 20,000.00         | <b>Total</b>           | \$ 20,000.00 |                             |  |                       |                       |  |

|   |                    |
|---|--------------------|
| Grand Total                                   | \$28,000.00        |
| Total Added to Budget                         | \$8,000.00         |
| Authorization Only                            | \$20,000.00        |
| <b>Total Not Previously Discussed with TB</b> | <b>\$28,000.00</b> |

REVIEW DATE      6/23/2023

SIGNATURE

*Cheri Bee*

# 2023 Milestone Anniversary Recognition

Joe Keck

- 11/05/08
- 15 years

Jared Rice

- 11/30/13
- 10 years

Yale Smith

- 06/18/18
- 5 years

# Charter Township of Oshtemo Board and/or Committee Appointment Application

Submitted on 21 June 2023, 7:29PM  
Receipt number 4  
Related form version 7

## PERSONAL

First name: Michael

Middle initial: J

Last name: Chapman

Date of application: 06/21/2023

Address: 6892 Penny Ln

Phone number: 18107309576

E-mail address: mj48503@yahoo.com

Are you a U.S. citizen? Yes

Are you at least 18 years of age? Yes

Years resided in Oshtemo Township:

Are you registered to vote in Oshtemo Charter Township? Yes

Do you own property/pay property taxes in Oshtemo Charter Township? Yes

Occupation: Physician/Military

## PLEASE CHECK THE SPECIFIC BOARD(S) AND/OR COMMITTEE(S) OF YOUR CHOICE:

**BOARDS:** BOARD OF TRUSTEES: Has overall responsibility for the management and administration of Oshtemo Charter Township.

CAPITAL IMPROVEMENTS COMMITTEE: Coordinates capital improvement projects that make the best use of limited public dollars.

**COMMITTEES:** PARKS COMMITTEE: Oversee the development of the Townships parks, and rental facilities, by responding to public interest and use of

the Recreation Plan.

## OTHER AREAS OF INTEREST:

---

Overall community improvement and engagement.

## WHY WOULD YOU LIKE TO SERVE?

---

You would like to continue that service on a more local level. Of the l g b t q community mundi that is underserved and under represented in politics

## THANK YOU FOR YOUR APPLICATION!

---

Signature:

A handwritten signature in black ink, consisting of a stylized, cursive script.

[Link to signature](#)

Date:

06/21/2023

June 22, 2023

Dear Oshtemo Township Board of Trustees,

My name is Scott Makohn. In 2019, my wife, two children and I became residents of Oshtemo Township. I first moved to Oshtemo from 1989-1991 while completing my BBA from WMU in Human Resource Management and Finance. Throughout those years, I watched Oshtemo grow. As a resident, I'd like to become more involved in the decision process as our community continues to grow. I'm applying to fill the vacant position for Oshtemo Township Trustee.

For the past 20 years, I've owned and operated Shakespeare's Pub. As a small business owner, I understand the importance of communication, respect and being transparent with my staff and customers. Dealing with different thought processes is an exercise that I get to experience. I have found, having a logical, calm demeanor backed with facts and reasonable opinions has always been a successful approach. Whether a compromise can be reached is always a question, but being able to listen and process where the other person is coming from is key point to finding a successful solution.

I love working with the public and being involved with the community. I love where I live. I believe I would be a great addition to the Oshtemo Township decision makers. I can listen, I can communicate, and I will be respectful. I will take all of my previous experiences and put them to use to help better the community of Oshtemo Township.

Thank you,



Scott Makohn



# CHARTER TOWNSHIP OF OSHTEMO

## APPLICATION FOR BOARD AND/OR COMMITTEE APPOINTMENT

NAME SCOTT B. MAKOHN DATE 6/22/23

ADDRESS 1229 BUNKER HILL DR

PHONE (DAY) 269 590 1375 (EVENING) 269 590 1375

EMAIL SMAKOHN@GMAIL.COM

YEARS RESIDED IN TOWNSHIP 4 US CITIZEN?  YES  NO

OCCUPATION BUSINESS OWNER

ARE YOU AT LEAST 18 YEARS OF AGE?  YES  NO

### BOARDS AND COMMITTEES OF OSHTEMO TOWNSHIP Please Check the Specific Board(s) and/or Committee(s) of Your Choice.

#### BOARDS

#### COMMITTEES

**Board of Review:** Hears and acts upon appeals made from determinations and decisions made by the Township Assessor. Do you own property / pay property taxes in the Township?  Yes  No

**Capital Improvements Committee:** Coordinates capital improvement projects that make the best use of limited public dollars.

**Planning Commission:** An advisory Board to the Township Board concerning amendments or change to the Zoning Ordinance. Provides Site Plan Review for Special Exception Uses.

**Zoning Board of Appeals:** Provides interpretation of the Zoning Ordinance and hears and acts upon variance requests, site plan review and questions arising from the administration of the Zoning Ordinance.

**Parks Committee:** Oversee the development of the Townships two parks, and rental facilities, by responding to public interest and use of the Recreation Plan.

**Friends of the Parks:** Citizen volunteers who promote expanded stewardship and preservation of natural features and parks as community resources.

**Other (Area of Interest):**  
 TOWNSHIP BOARD OF TRUSTEES

Why would you like to serve on this Board(s) and or Committee(s)?  
\_\_\_\_\_  
\_\_\_\_\_

Please attach additional resume information, if available.

June 22, 2023

Oshtemo Charter Township Board  
7275 W. Main Street  
Kalamazoo, MI 49009

Dear Members of the Board,

Please consider this letter and application as an expression of my desire for appointment to the Trustee opening on the Oshtemo Township Board.

For many years, I have demonstrated a strong commitment to our community, and pledge to continue that as a Trustee. While I have served on the boards of large and small, governmental and non-governmental organizations, my main commitment will always be to Oshtemo Township, and I bring unique experiences and qualifications to the Township Board.

For example, over the many years I have lived in Oshtemo, I have lived in a condominium on the populous eastern third of our township; I've lived in a plat on the south border of our township; and I now live in the more rural area on the western side of the township. Each location is different when considering planning, zoning, roads, developmental pressures, environmental concerns, police and fire protection, parks, sewer and water, and many others. This background gives me a better understanding of the different perspectives our residents have on these issues.

My commitment to Oshtemo government started out by serving on appointed Boards and Committees. For just a few examples, I have chaired the Planning Commission, the Zoning Board of Appeals, the Board of Review, and serve as the chairperson for Election Precinct #2. I was elected and served as an Oshtemo Trustee from 2004-2008. These roles help me to understand the role of Township Government in our lives.

Additionally, I have been a long-time member of the Oshtemo Historical Society and facilitated the application process to obtain our 501(c) (3) nonprofit organization status in 2007. I also served for several years as President of this all-volunteer organization.

I moved to the area in 1982 to accept a position with The Upjohn Company and retired from Pfizer seven years ago. I can devote the time and energy needed to the Trustee position.

While things continue to change, I believe that my extensive involvement in Oshtemo Township should allow me to get up to speed quickly to participate as an Oshtemo Township Trustee.

Thank you for your kind consideration of this information and my enclosed application.

Sincerely,



Neil G. Sikora

# CHARTER TOWNSHIP OF OSHTEMO

## APPLICATION FOR BOARD AND/OR COMMITTEE APPOINTMENT

NAME NEIL SIKORA DATE 6/23/2023

ADDRESS 9643 W. KL AVE 49009

PHONE (DAY) 269-760-6769 (EVENING)                     

EMAIL NTWSIKORA@GMAIL.COM

YEARS RESIDED IN TOWNSHIP > 30 US CITIZEN?  YES  NO

OCCUPATION RETIRED

ARE YOU AT LEAST 18 YEARS OF AGE?  YES  NO

### BOARDS AND COMMITTEES OF OSHTEMO TOWNSHIP

Please Check the Specific Board(s) and/or Committee(s) of Your Choice.

#### BOARDS

**Board of Review:** Hears and acts upon appeals made from determinations and decisions made by the Township Assessor. Do you own property / pay property taxes in the Township?  Yes  No

**Capital Improvements Committee:** Coordinates capital improvement projects that make the best use of limited public dollars.

**Planning Commission:** An advisory Board to the Township Board concerning amendments or change to the Zoning Ordinance. Provides Site Plan Review for Special Exception Uses.

**Zoning Board of Appeals:** Provides interpretation of the Zoning Ordinance and hears and acts upon variance requests, site plan review and questions arising from the administration of the Zoning Ordinance.

#### COMMITTEES

**Parks Committee:** Oversee the development of the Townships two parks, and rental facilities, by responding to public interest and use of the Recreation Plan.

**Friends of the Parks:** Citizen volunteers who promote expanded stewardship and preservation of natural features and parks as community resources.

**Other (Area of Interest):**  
TOWNSHIP TRUSTEE

Why would you like to serve on this Board(s) and or Committee(s)?

TO PROVIDE MY EXPERIENCES AND TALENTS TO HELP MAKE OSHTEMO TOWNSHIP A BETTER PLACE TO LIVE, TO WORK, TO SHOP, AND TO VISIT.

Please attach additional resume information, if available.



# Memorandum

**Date:** 05 June 2023  
**To:** Township Board  
**From:** Greg McComb, Fire Chief  
**Subject:** Fire Department - Fire and Emergency Services Fees Ordinance

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## **Objectives**

Review and approve the proposed Ordinance changes to establish fees for certain Township Emergency Services, provide methods for collection of fees, exemptions and repeal all or parts of Ordinances in conflict.

## **Background**

To help cover the increasing costs of responding to emergency calls, we request that the Fire and Emergency Services Fees Ordinance changes be adopted. The costs of responding to calls – including fuel and maintenance to the vehicles, are increasing and this will supplement the budget. Our Township taxpayers will not be affected by the Ordinance changes, as the changes are designed for people traveling through or visiting the Township.

## **Information Provided**

See proposed - Fire and Emergency Services Fees Ordinance.

## **Core Values**

Respect, Responsibility, Pride

OSHTEMO CHARTER TOWNSHIP ORDINANCE NO. \_\_\_\_\_

ADOPTED: \_\_\_\_\_, 2023

EFFECTIVE: \_\_\_\_\_, 2023

An Ordinance to establish fees for certain Township emergency services; to provide methods for the collection of such fees; to provide for exemptions therefrom; and to repeal all ordinances or parts of ordinances in conflict herewith.

THE CHARTER TOWNSHIP OF OSHTEMO  
KALAMAZOO COUNTY, MICHIGAN

ORDAINS:

**SECTION I. TITLE OF ORDINANCE.**

This Ordinance shall be entitled the "Oshtemo Charter Township Fire and Emergency Services Fee Ordinance."

**SECTION II. PURPOSE.**

This Ordinance is adopted for the purpose of partially financing certain specified types of fire and emergency services enumerated herein furnished to persons who are neither residents nor owners of real property in Oshtemo Charter Township, and therefore not subject to taxes or special assessments, and to also help defray the costs of providing certain other specified types of fire and emergency services from those receiving direct benefits from those services.

**SECTION III. FIRE AND EMERGENCY SERVICES FEE.**

A recipient or beneficiary of any of the enumerated fire emergency services set forth in Section IV of this Ordinance rendered in Oshtemo Charter Township by or on behalf of the Oshtemo Charter Township Fire Department (hereinafter "Fire Department") in Oshtemo Charter Township shall be responsible for payment to Oshtemo Charter Township of a fire and emergency services fee for the actual cost of providing such services in accordance with the provisions of this Ordinance, including, but not limited to, costs incurred for incident abatement, mitigation, clean-up, mutual aid, and stand-by service for the scene or incident. Such costs shall include, but are not limited to:

- A. All personnel costs of all personnel attending on behalf of and with the authority of the Township including their current hourly rate, fringe benefits, and salary apportioned to the length of time in attendance, calculated commencing one (1) hour after receipt of the signal to respond and continuing for each personnel until that personnel has concluded his or her incident related responsibilities.
- B. The equipment costs of all equipment attending as established by an itemized resolution of the Township Board setting forth the costs attributable to each piece of Township equipment which might be involved in such a response. This resolution may be amended from time to time to reflect changes in equipment, inflation factors, and accounting records of past occurrences.
- C. Other expenses incurred by the Township, including but not limited to, rental or purchase of additional machinery or equipment, retention of consultants,

medical and hospitalization costs, replacement costs related to disposable personnel protective equipment required to be disposed of, extinguishing chemicals, supplies and water purchased from water systems, and meals and refreshments for emergency personnel while responding to the incident.

D. Additional charges imposed by any other local, state or federal government entities, related to the incident.

E. Administrative costs incurred in accounting for all expenditures and for billing and collection of such expenditures, which shall not exceed 25% of the foregoing costs.

**SECTION IV. SERVICES FOR WHICH FIRE AND EMERGENCY SERVICES FEE IS IMPOSED.**

A fire and emergency services fee calculated in accordance with Section III of this Ordinance shall be imposed for Fire Department and other Township services rendered in response to the following types of emergency incidents causing attendance of Fire Department personnel and/or equipment:

A. Incident involving spills onto a public or private road by a vehicle or trailer of non-hazardous materials [i.e., materials that are not "hazardous materials" as defined by Section 20101 of the Natural Resources and Environmental Protection Act, 1994 PA 451, of 198 and as thereafter amended] of such quantity as to require Fire Department assistance in either removing the material from the road or in limiting access to the road until the material is removed.

- B. Fires caused by the illegal presence at the site of (1) methamphetamine or any other controlled substance as defined under MCL 333.7104(2) or (2) chemicals and/or equipment being used for the illegal production of such a controlled substance.
- C. Emergency Fire Department stand-by requested by the Kalamazoo County Sheriff's Department or other law enforcement agency at a site where methamphetamine or any other controlled substance as defined under MCL 333.7104(2) is being illegally kept or produced.
- D. A vehicle accident involving an at fault driver who neither resides in the Township, nor owns real property within the Township. Notwithstanding Section VIII, the imposition of a fire emergency services fee for response to this type of incident shall be limited to those beneficiaries that neither own real property within the Township nor reside within the Township.
- E. A grass, brush or debris fire or bonfire not authorized or permitted by Township ordinance or by any required permit from the Fire Department.
- F. A fire or potential fire caused by a firework's display not authorized or permitted by township ordinance or state statute.
- G. A fire caused by proven or admitted arson by the owner of the premises or item subject to the fire.
- H. Emergency Fire Department standby requested by a public utility.



**SECTION V. BILLING PROCEDURES.**

Following the conclusion of the emergency incident, the Township Fire Chief shall submit a detailed listing of all known expenses and shall prepare an invoice to the responsible party(ies) for payment. The invoice shall demand full payment within forty-five (45) days of the receipt of the bill. Any additional expenses that become known to the Township Fire Chief following the transmittal of the bill to the responsible party(ies) shall be billed in the same manner on a subsequent bill to the responsible party(ies). For any amounts due that remain unpaid after forty-five (45) days, the Township shall impose a late charge of one percent (1%) per month or fraction thereof.

**SECTION VI. EXEMPTIONS.**

- A. Fires caused by railroad trains, which are the specific statutory responsibility of railroad companies.
- B. Fire involving Township buildings, grounds, and/or property.
- C. Fire or other emergency service performed outside the jurisdiction of the Township, unless the Township and the other municipalities have each adopted an ordinance to impose fees for fire and emergency service runs respective territories under MCL 41.806a.

All federal, state, county, municipal and other public bodies shall be exempt from the foregoing fee.

**SECTION VII. NON-EXCLUSIVE FEE.**

The foregoing fee shall not be exclusive of the charges that may be made by the Township for the costs and expenses of maintaining a Fire Department, but shall only be supplemental

thereto.

**SECTION VIII. MULTIPLE BENEFICIARIES.**

When a particular emergency service of the type enumerated in Section IV benefits more than one person or property, the owner of each property so benefited and each person so benefited shall be liable for the payment of the full charge for such service hereinbefore outlined. The interpretation and application of the within section is hereby delegated to the Fire Chief subject only to appeal, within the time limits for payment, to the Oshtemo Charter Township Board and shall be administered so that fees shall only be collected from the beneficiary(ies) of the service. A "beneficiary" shall be defined for purposes of this Ordinance as any individual, corporation, association, partnership, joint venture or other legal entity that received the Fire Department services.

**SECTION IX. VIOLATION AND SANCTIONS.**

Any person or entity who neglects or refuses to pay the foregoing fire and emergency services fee within forty-five (45) days of the billing for the same shall be deemed to have committed a municipal civil infraction as defined by Michigan statute and shall be punished by a civil fine in addition to the payment of the required fee in accordance with the following schedule:

\$100.00 for each day that the aforesaid fee remains unpaid after the due date thereof but not to exceed \$500.

Additionally, the violator shall pay costs which may include all expenses direct and indirect which the Charter Township of Oshtemo has incurred in connection with the

municipal civil infraction. In no case, however, shall costs of less than \$9.00 be ordered.

In addition to the above, the Township may pursue any other remedy, or may institute any appropriate action or proceeding, in a court of competent jurisdiction to collect fees imposed under this Ordinance. The recovery of fees imposed under this Ordinance does not limit the further liability of responsible parties under local ordinance or state or federal law, rule or regulation.

**SECTION X.           SEVERABILITY.**

Should any provision or part of the within Ordinance be declared by any court of competent jurisdiction to be invalid or unenforceable, the same shall not affect the enforceability of the balance of this Ordinance which shall remain in full force and effect.

**SECTION XI.         REPEAL.**

All ordinances or parts of ordinances in conflict herewith are hereby repealed

**SECTION XII.       EFFECTIVE DATE.**

This Ordinance shall take effect immediately upon publication after adoption.

DUSTY FARMER, CLERK  
OSHTEMO CHARTER TOWNSHIP

OSHTEMO CHARTER TOWNSHIP PLANNING COMMISSION

RECOMMENDATION OF THE OSHTEMO CHARTER TOWNSHIP PLANNING COMMISSION RESULTING FROM A PUBLIC HEARING CONDUCTED ON THURSDAY, JUNE 8, 2023

The Oshtemo Charter Township Planning Commission hereby recommends APPROVAL of the following addition to the Township Zoning Ordinance:


The addition of Article 58, Airport Zoning Ordinance of the Township Zoning Ordinance, to read, in summary, as follows:

SEE ATTACHMENT

A copy of the draft Meeting Minutes from the June 8, 2023 Public Hearing is attached to this Recommendation.

OSHTEMO CHARTER TOWNSHIP PLANNING COMMISSION

Date: June 13, 2023

By:   
Iris Lubbert  
Township Planning Director

Final Action by Oshtemo Charter Township Board

\_\_\_\_\_ APPROVED \_\_\_\_\_

\_\_\_\_\_ DENIED \_\_\_\_\_

\_\_\_\_\_ REFERRED BACK TO PLANNING COMMISSION

**OSHTEMO CHARTER TOWNSHIP  
PLANNING COMMISSION**

**DRAFT MINUTES OF A MEETING HELD JUNE 8, 2023**

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**Agenda**

**PUBLIC HEARING: Article 58 Airport Zoning Ordinance**

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A meeting of the Oshtemo Charter Township Planning Commission was held Thursday, June 8, 2023, commencing at approximately 6:00 p.m. at the Oshtemo Township Hall, 7275 West Main Street.

MEMBERS PRESENT: Anna Versalle, Chair  
Phil Doorlag  
Deb Everett  
Zak Ford, Township Board Liaison  
Scot Jefferies

MEMBERS ABSENT: Micki Maxwell, Vice Chair  
Alistair Smith

Also present: Iris Lubbert, Planning Director, James Porter, Attorney, Martha Coash, Recording Secretary and four guests.

**Call to Order and Pledge of Allegiance**

Chairperson Versalle called the meeting to order and invited those present to join in the Pledge of Allegiance.

**Approval of Agenda**

The Chair asked if there were any changes to the agenda. Hearing none, she moved to the next agenda item.

**Public Comment on Non-Agenda Items**

Mr. Curt Aardema, 4200 W. Centre Avenue, said he was present to listen and observe the zoning changes underway. He told the group that AVB has a couple of mixed use projects underway, one in downtown Kalamazoo including 101 apts. and one in Portage including 180. He said AVB is looking forward to when Oshtemo completes the zoning changes that would allow mixed use projects in the Township and noted the timing is right for such a project and they are anxious begin.

## **Approval of the Minutes of the Meeting of May 25, 2023**

Chairperson Versalle asked if there were additions, deletions, or corrections to the Minutes of the Meeting of May 25, 2023.

Hearing none, she asked for a motion.

Mr. Ford **made a motion** to approve the Minutes of the Meeting of May 25, 2023 as presented. Mr. Doorlag **seconded the motion**. The **motion was approved** unanimously.

Chairperson Versalle moved to the next item on the agenda.

## **PUBLIC HEARING: Article 58 – Airport Zoning Ordinance**

Attorney Porter presented and reviewed for Commissioners a new proposed Zoning Ordinance to protect the flight patterns and landing area of Newman's Field, a public use airport, as was described and discussed at the May 25 meeting. He noted it had been streamlined from the first draft and was limited in scope. The main focus is the two mile zone around the airport and mainly addresses height restrictions. He said there is no direct conflict with the zoning ordinance as the area is designated RR.

He explained any future concerns regarding the airport would be addressed first by the appropriate federal agencies before they would be brought to the Planning Commission, and that it was not likely there would be more than one application every five years regarding height limitations, but the ordinance was being suggested just to be on the safe side. He indicated there are no hard prohibitions included, but that the ordinance would provide an alert.

Attorney Porter said Mr. Mein has been talking to neighbors and noted it is important to have airports open and available for emergency services. The scope for potential use is much bigger than just residential use.

The Chair asked if the applicant wished to speak.

Mr. Bernie Mein said he was pleased to have worked with Attorney Porter on this issue. Airport users try not to impact neighbors as much as possible. He noted it is a public airport and they do get some transient traffic.

Ms. Dale Edwards, 173 S. Skyview, said he had been working with Mr. Mein and echoed the safety aspect of providing an ordinance to address height restrictions. He also indicated they are speaking with neighbors to inform them of this development.

Ms. Everett **made a motion** to forward the Airport Zoning Ordinance as proposed to the Township Board for approval. Chairperson Versalle **seconded the motion**. The **motion was approved** unanimously.

Chairperson Versalle moved to the next item on the agenda.

**OTHER UPDATES AND BUSINESS**

Ms. Lubbert explained there is no current maximum height restriction for single family homes or duplexes in the Township and that she is working on bringing a recommendation, likely for 35 or 40 feet, to the Commission for consideration at an upcoming meeting.

She also said she has been approached by commercial property owners regarding interest in allowing restaurant pick-up windows, different from drive throughs, in that one can order and pay prior to arrival. The time spent at the window is much shorter than a traditional drive-through. She asked if there was interest in having her pursue the request.

The general consensus was that it was worth pursuing, but not prior to addressing other higher priority items.

Chairperson Versalle told the group she will be getting married and moving to Germany in September. She will leave her position on the Planning Commission by the end of July, noting that it is an exciting, but bittersweet time for her.

Commissioners wished her luck but said she would be greatly missed.

Mr. Ford noted the seat on the Township Board vacated by new Township Supervisor Cheri Bell had been filled, but as a conflict was determined, the seat is now open again. The Township Board will address how to fill it at their next meeting.

**ADJOURNMENT**

With there being no further business to consider, Chairperson Versalle adjourned the meeting at approximately 6:28 p.m.

Minutes prepared:  
June 9, 2023

Minutes approved:  
\_\_\_\_\_, 2023

# Memorandum

**Date:** 22 June 2023  
**To:** Township Board  
**From:** James Porter – Legal Department  
**Subject:** Airport Zoning Ordinance



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## **Objectives**

To accept for First Reading the Airport Zoning Ordinance to add Article 58 to the Township Zoning Ordinance and set the Airport Zoning Ordinance for Second Reading.

## **Recommended Motion**

I make the motion to accept for First Reading the Airport Zoning Ordinance adding Article 58 to the Township Zoning Ordinance and set for Second Reading for July 11, 2023.

## **Background**

Because Newman’s Field is a public use airport, it is necessary for compliance with the requirements of the Michigan Aeronautics Commission to have Airport Zoning Regulations in place for public safety. Public safety for those accessing the airport, as well as those individuals living around the airport. Using the Model Airport Zoning Ordinance prepared by the Michigan Aeronautics Commission and working with the Planning Department, I tailored the proposed Ordinance to provide the necessary safety measurements, with the least amount of impact on property owners within the Township. The Ordinance provides two basic safety protections. The first is a Hazard Zone Area which is two miles in circumference around the airport and this simply places certain height limitations on tall structures. In addition, there is the Airport Safety Zones immediately surrounding the airport, which limit high density residential development and place certain height limitations within the safety zones surrounding the airport.

## **Information Provided**

I have attached a copy of the Ordinance amending this Zoning Ordinance, to include Article 58 entitled “Airport Zoning Ordinance”. Additionally, attached are the Maps that provide the visual diagrams necessary for implementation.



OSHTEMO CHARTER TOWNSHIP ORDINANCE NO.

Adopted: \_\_\_\_\_, 2023

Effective: \_\_\_\_\_, 2023

An Ordinance to amend the Oshtemo Township Zoning Ordinance to add Article 58

Airport Zoning Ordinance

THE CHARTER TOWNSHIP OF OSHTEMO  
KALAMAZOO COUNTY, MICHIGAN  
ORDAINS:

**OSHTEMO CHARTER TOWNSHIP AIRPORT ZONING ORDINANCE**

**FOREWARD**

The principal objective is to provide additional safety and protection to the users of Newman's airport and to the people who live and work in its vicinity.

The Ordinance recognizes the Federal Communications Commissions (FCC) regulations on land within a 10-mile radius of the Newman's Airport (a public use airport). This Ordinance establishes an air bowl with a minimum height limitation above ground at some locations in the approaches to the runways immediately adjacent to the airport (2 miles) increasing to a maximum height limitation of 500 feet above the established elevations of the airport as the distance from the airport is increased. The purpose of this Ordinance is to protect the flight pattern and landing area of Newman's Field. Subject to the jurisdictional limitations of the Township.

Structures and trees which project above the height limitations are considered hazards to flying and endanger lives and property. The prescribed height limits are based on studies made by the Aeronautics Commission of the State of Michigan and by the Federal Aviation Administration. Height limits are based upon the established elevation of the airport or upon the elevation of the end of the nearest runway.

This Ordinance does not affect existing structures, the height of which exceeded the limits imposed by this Ordinance at the time it became effective. New construction, and construction increasing the height of existing structures, within the airport area, must conform to the provisions on height. The Ordinance also restricts such uses of land within the vicinity of the airport as would unreasonably interfere with radio communication systems and other navigational aids or devices used by the airport and aircraft, or would reduce visibility, or would create confusing lights, or would be subject to undesirable effects that may be caused by the operation of aircraft.

The Township is charged with the responsibility of administering and enforcing the provisions of the Ordinance with the understanding that it will seek the close cooperation of, and work through, the Planning Commission and Township Planning Department Director.

To effectively administer the Ordinance, the Township establishes application heights which are below the allowable height limits of the Ordinance. This was done to make it easier for the local Planning Commission, Zoning Board of Appeals, and the general public, to decide whether an application for permit must be filed with the Township Planning Department Director. This was also done to give added insurance to those who are constructing the higher, more costly structures. The establishment of application heights reduces the number of those who must make application.

The Ordinance contains provisions for the variance of the regulations in the event of practical difficulty or unnecessary hardship if the relief granted would not be contrary to the public interest and safety. It is the intent of the Township, with the cooperation of the public, to have the Ordinance administered in a reasonable and just manner in keeping with the responsibilities involved.

The preceding is by way of explanation only and is not to be considered a part of the Ordinance. Information regarding height limits and copies of the Ordinance are available at the offices of the Oshtemo Charter Township, Kalamazoo, Michigan. A copy of the Ordinance is on file with the Clerk of Oshtemo Charter Township.

## OSHTEMO CHARTER TOWNSHIP AIRPORT ZONING ORDINANCE

An Ordinance establishing airport zoning regulations restricting the height of structures and objects of natural growth and otherwise regulating the use of property in the vicinity of the Newman's Airport (a public use airport); providing for the allowance of variances from such regulations; designating the Administrator charged with the administration and enforcement of such regulations; providing for enforcement; and imposing penalties for violation of this Ordinance.

Pursuant to the authority conferred by the provisions of the Airport Zoning Act, being Act No. 23 of the Public Acts of the State of Michigan for the year 1950 (Extra Session) and for the purpose of promoting the health, safety, and general welfare of the inhabitants of the Oshtemo Charter Township by preventing the establishment of the airport hazards and thereby protecting the general public, users of Newman's Airport, and occupants of land in its vicinity, and preventing the destruction and impairment of the utility of said airports and the public investment therein.

The Oshtemo Charter Township under the provisions of Section 13, 14, 17 of Act No. 23 of the Public Acts of the State of Michigan for the year 1950 (Extra Session), does hereby ordain as follows:

### **SECTION 1 PURPOSE AND LIMITATIONS**

#### **1.1 Title**

This Ordinance includes all airport zoning plans attached hereto and is to be known and may be cited as the "Oshtemo Charter Township Airport Zoning Ordinance."

### 1.2 Objective

The principle objective of this Ordinance is to prevent the creation or establishment of airport hazards and thereby to provide additional safety and protection to the users of the airport and to the people who live and work in its vicinity.

### 1.3 Hazard Area

The Ordinance establishes regulations on land within a two-mile radius of Newman's Airport subject to the jurisdictional boundaries of the Township. This Ordinance establishes an air bowl with a maximum height limitation of 500 feet above the established elevation of the airport at the outer edge and has a minimum height limitation of 25 feet above the ground at some locations in the approaches to the runways immediately adjacent to the airports. The height limitations of this Ordinance become less severe as the distance from the airport is increased. See Map A.

The Township recognizes the FCC's 10 mile and 6.32-mile height restrictions and has established its hazard area, in furtherance of the FCC regulations, as well as the Michigan Aeronautics Commissions general rules.

### 1.4 Hazards

Structures and trees which project above the height limitations under this Ordinance are considered hazards to flying and endanger lives and property. The prescribed height limits are not arbitrarily set, but are based on studies made by the Michigan Aeronautics Commission and by the Federal Aviation Administration. Height limits are based upon the established elevation of the airport or upon the elevation of the end of the nearest runway.

### 1.5 Existing Non-Conforming Objects

The Ordinance does not affect existing non-conforming use structures, the height of which exceeded the limits imposed by this Ordinance at the time it became effective. New construction, and construction increasing the height of existing structures, within the hazard area, must conform to the provisions on height limitations. The Ordinance also restricts such uses of land within the vicinity of the airport as will unreasonably interfere with radio communications systems, navigational aids, or other devices used by the airport and aircraft, or would reduce visibility or would create confusing lights, or would be subject to undesirable effects that may be caused by the operation of aircraft.

### 1.6 Administration

The Administrator shall administer and enforce the provisions of the Ordinance and shall seek the close cooperation of and work through the local County, Township Planning Commission, and Zoning Board of Appeals.

### 1.7 Heights Requiring Permits

To effectively administer the Ordinance, the Township hereby establishes application requirement for all new structures over 50 ft in height within the Hazard Area Map or for new uses or changes in use within the Accident Safety Zones (see Map B). This is done to make it easier for the local Planning Commission, Zoning Board of Appeals, and the general public to decide whether an application for permit must be filed with the Oshtemo Township Planning Department. This was also done to give added insurance to those who are constructing the higher, more costly structures. The establishment of application heights reduces the number of those who must make application.

### 1.8 Land-Use Types Requiring Permits

To promote the general purpose and objectives of this Ordinance and its effective administration, all persons making use of land within the areas shown on Land-Use Guidelines Table 1-5 of the zoning plans are advised to consult Section 3.07 of this Ordinance as to undesirable land uses within designated airport Land-Use guidance zones.

### 1.9 Provisions for Variance

The Ordinance contains provisions for the variance of the regulations in event of practical difficulty or unnecessary hardship if the relief granted would not be contrary to the public interest and safety. It is the intent of the Administrator with the cooperation of the public, to have the Ordinance administered in a reasonable and just manner in keeping with the responsibilities involved.

### 1.10 Where to Obtain Copies of this Ordinance

Information regarding height limits and copies of the Ordinance are available at the Oshtemo Charter Township offices at 7275 West Main St Kalamazoo, Michigan, 49009. A copy of the Ordinance is on file with the Oshtemo Charter Township Clerk.

## **SECTION 2 DEFINITIONS**

For the purposes of this Ordinance, the words, terms and phrases set forth in Sections 2.1 through 2.13 inclusive, shall have the meanings prescribed in those sections.

### 2.1 Above Mean Sea Level

The term "above mean sea level" denotes elevations above sea level based upon and determined by reference to United States Coast and Geodetic Survey datum.

## 2.2 Accident Safety Zones:

Those areas as outlined in the Accident Safety Zones Map with the 20:1 ratio surrounding the immediate area of the airport (see Map B).

## 2.3 Administrator

"Administrator" means the Planning Director of Oshtemo Charter Township, or their designee, who is designated and charged with the administration and enforcement of this Ordinance.

## 2.4 Airport

The term "Airport" means the Newman's Airport and all appurtenances used or acquired for airport buildings or other airport facilities, and all other adjacent rights of way or other existing or future interests.

## 2.5 Airport Hazard

"Airport Hazard" means any structure or tree within the airport hazard area which exceeds the height limitations established by this Ordinance, or any use of land or appurtenances within the airport hazard area which interferes with the safe use of the airport by aircraft.

## 2.6 Airport Hazard Area

The term "airport hazard area" means any area of land or water, or both, lying within a two-mile radius from the established center of Newman's Airport in which an airport hazard might exist if not prevented by this Ordinance (see Map A).

## 2.7 Airport Zoning Act

The term "Airport Zoning Act" refers to Act No. 23 of the Public Acts of the State of Michigan for the year 1950 (Extra Session).

## 2.8 Board

The term "Board" means the Zoning Board of Appeals as hereinafter created and designated below.

## 2.9 Land-Use Guidance Zone

The term "land-use guidance zone" means an area or zone in which certain types of land uses are recommended due to noise, vibrations, fumes, dust, fuel particles and other effects that may be caused by the operation of aircraft landing at, or taking off from, or operating at Newman's Airport.

#### 2.10 Non-Conforming Use

The term "non-conforming use" means any structure, tree or use of land which does not conform to a regulation prescribed in this Ordinance or any amendment as of the effective date of such regulation.

#### 2.11 Person

The term "person" means any individual, firm, partnership, corporation, company, association, joint stock association, municipal corporation or other body politic, including any trustee, receiver, assignee or other similar representative.

#### 2.12 Structure

The term "structure" means any object constructed or installed by man, including but without limitation, buildings, towers, smokestacks, overhead transmission lines, and radio and television aerials and antennae, but not including highways and their appurtenances.

#### 2.13 Tree

The term "tree" means any object of natural growth.

### **SECTION 3 ZONES**

#### 3.1 Airport Hazard Areas

An airport hazard area is established, which area or zone consists of all the lands within Kalamazoo County lying beneath the approach, transitional, 149 feet horizontal, conical and 500 feet horizontal surfaces, said land being located within a circle having a radius extending horizontally two miles (see Map A) from the established center of the usable landing areas of the airport, known as the airport reference point. No person shall erect or add to the height of or replace an object within an area two miles from the nearest boundary of Newman's Field which will result in an object height extending higher than the height determined by the ratio of 20:1 between the nearest boundary of the airport and the object. The boundaries of the hazard areas are shown on the Land-Use Guideline Tables numbered 1-5, which are attached and made a part of this Ordinance.

### 3.2 Airport Zoning Plans

The height limitations shown on the attached airport Land-Use Guideline Tables numbered 1-5 of zoning plans are imposed on the lands in the airport hazard areas, the same being based upon the elevations above mean sea level at the ends of the respective airport runways and the established Elevation of the airport, which elevations are shown on Land-Use Guideline Tables 1-5 of the zoning plans.

### 3.3 Height Limitation

No person may erect or maintain any structure to a height in excess of the limitations prescribed by the terms of this Ordinance and the attached maps, or to plant or allow any tree to grow to a height in excess of the limitations prescribed by the terms of this Ordinance and the attached maps; or to establish any use of lands contrary to the provisions of this Ordinance.

### 3.4 Unlawful Land Use

Notwithstanding any other provisions of this Ordinance, no person may use any lands within any airport hazard area which:

- (a) Would create electrical interference with radio communications between the airport and aircraft or create interference with navigational aids employed by aircraft;
- (b) Would make it difficult for flyers to distinguish between airport lights and others or result in glare to the eyes of flyers using the airport;
- (c) Would create air pollution in such amounts as to impair the visibility of flyers in the use of the airport;
- (d) Would locate or permit the operation of a dump, waste disposal site, sanitary landfill, hazardous waste facility, solid waste transfer station or recycling facility within 10,000 feet of any runway at the airport, unless the construction, location and operation of the site is approved or authorized by the Federal Aviation Administration as not being in violation of its orders, rules or regulations applicable to the airport, or unless a waiver is issued by the Federal Aviation Administration.
- (e) Would otherwise endanger the landing, taking off, or maneuvering of aircraft;
- (f) Would attract birds.
- (g) Would raise the descent minimums of any instrument approach procedure to the airport, or otherwise limit operations at the airport, as determined by an airspace study conducted by the Federal Aviation

Administration.

### 3.5 Non-Conforming Existing Uses

The provisions of Section 3.3 of this Ordinance shall not apply to structures, trees or other nonconforming uses existing in an airport hazard area on the effective date of this Ordinance, unless the Administrator determines it to be damaged or should be abandoned as set forth in Section 63.30 and 63.40 of the Zoning Ordinance.

### 3.6 Alterations to Non-Conforming Land Use

The provisions of Section 3.3 of this Ordinance shall apply to changes or alterations which increase the height of existing structures, trees or other non-conforming uses after the effective date of this Ordinance, with the same force and effect as though the same were new uses.

### 3.7 Land-Use Guidance Zone

- (a) Purpose. The purpose of Land-Use Guidance Zones defined in Section 2.7, is to designate areas in which certain types of land uses are recommended due to undesirable effects that may be caused by the operation of aircraft. See the Land-Use Guidance Chart I, as shown on Land-Use Guideline Tables 1-5 of the airport zoning plans, for recommended land uses.
- (b) Acceptable Land-Use. The uses of land within the areas shown on the zoning plans are acceptable land-uses as outlined in land-use guidance chart II, as shown on Land-Use Guideline Tables 1-5 of the airport zoning plans.

## SECTION 4 ORDINANCE ADMINISTRATION

### 4.1 Approach Standards

The approach, transitional, conical and inner horizontal surfaces which establish the height limitations under this Ordinance are denoted on Land-Use Guideline Tables 1-5 of the zoning plans, and are established in conformance with approach standards or regulations of the Michigan Aeronautics Commission or the Federal Aviation Administration. In acting upon applications for permits, the Administrator will arrive at proper height limitations by interpolating between contours shown on the zoning plans.



#### 4.2 The Administrator

The Administrator is charged with the duty of administering and enforcing this Ordinance. The Administrator shall act as the "administrative agency" referred to in the Airport Zoning Act. The duties of the Administrator shall include those of issuing permits as provided below, but the Administrator shall not have or exercise any of the powers or duties delegated to the Zoning Board of Appeals. The Administrator is granted sole authority to approve land uses on airport property in accordance with State and Federal guidelines. The Administrator may adopt such rules of procedure as may be necessary in connection with the administration and enforcement of this Ordinance.

#### 4.3 Board of Appeals

The Zoning Board of Appeals has the powers set forth in Section 28 of the Airport Zoning Act and shall exercise such powers as are conferred upon it in the Airport Zoning Act and Article 69 of this Ordinance.

### **SECTION 5 PERMITS**

#### 5.1 Permit Maps

There is attached hereto as Land Use Guideline Tables 1-5 of the Airport Zoning Maps, a "permit map" showing applicable height limitations within the airport hazard areas above which permits are required under this Ordinance. For objects that exceed 50' within 2 miles of the airport. The permit maps are affixed to this Ordinance for the information of and consultation by all persons proposing to make uses of land within the airport hazard areas, whether the same be new uses or changes in existing uses, and it shall not be a defense in any action that a person charged with violation of this Ordinance, whether in a criminal or civil action, failed to consult this Ordinance or the permit maps prior to the action giving rise to the violation.

#### 5.2 Application for Permits

Applications for permits shall be made to the Administrator upon forms furnished by the Administrator. Within 15 days from the application, the Administrator will determine whether the height limitations as designated by the Airport Zoning Map (A) and Airport Safety Map (B) and this Ordinance, would or would not be violated if the application were granted and shall grant or deny the application accordingly (the Administrator not being vested with authority to permit a variance). In the event of a

denial, the applicant may apply to the Zoning Board of Appeals for a Certificate of Variance. Prior to applying for a Certificate of Variance, the person proposing to undertake such development, shall first apply and receive approval from the Michigan Aeronautics Commission and the Federal Communication Commission. The Administrator is authorized and directed to approve all applications for permits for uses not exceeding 50 feet in height above the existing ground level which meets all other requirements of the Zoning Ordinance as the same may exist on the effective date of this Ordinance, notwithstanding anything to the contrary herein contained, it being intended that the maximum height limitation to be imposed by this Ordinance shall be 50 feet above ground level existing on the date of this Ordinance. The issuance of a permit shall not be construed to permit a use that violates Section 3.5 of this Ordinance or any General Zoning Ordinance or regulations of any political subdivision applicable to the same area.

### 5.3 Permit Procedures

Persons wishing to create new uses or to change existing uses requiring site plan approval, must designate on their site plan application if the proposed use or change in use, is within the Airport Safety Zones set forth on the Accident Safety Zone Map (B), is greater than 50 feet in height and lies within the Hazard Area of Newman's Field (see Map A) or is within the accident safety zones of Newman's Field (see Map B).

If the proposed use or changing use, meets any of the three conditions outlined above, an Airport Safety Review Permit Application must be filed with the Administrator.

If it appears, after consulting the permit maps, that the proposed new use or changing use will violate the provisions of this Ordinance, then no such use or change in use shall be undertaken unless and until the person proposing to undertake such development, shall first apply and receive approval from the Michigan Aeronautics Commission and the Federal Communication Commission. If such approval is granted, the applicant shall apply to the Zoning Board of Appeals for a variance, in accordance with the procedures and standards contained in this Ordinance.

### 5.4 Exception for Emergency Repairs

No permit is required for the emergency repair or emergency replacement of nonconforming public utility structures, other than buildings, when the height of such structures will not be increased by such repairs or replacement. It is intended that in the application of this provision any combination of circumstances calling for immediate action or remedy in the repair or replacement of such non-conforming public utility structures shall be deemed an emergency.

## **SECTION 6 JUDICIAL ACTION**

### **6.1 Appeals to Circuit Court**

Any person, including the Michigan Aeronautics Commission on behalf of and in the name of the State, aggrieved by any decision of the Zoning Board of Appeals, may appeal to Circuit Court of the County of Kalamazoo as provided in Section 30 of the Airport Zoning Ordinance.

### **6.2 Penalties**

Any person who violates this Ordinance or any regulations, orders or rulings made pursuant to this Ordinance, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than \$500.00 or imprisoned for a term not to exceed 90 days, or both. Each day a violation continues to exist after notice shall constitute a separate offense. Such notice may be given by the Zoning Administrator by certified mail, return receipt requested, addressed to the person maintaining the violation at the last known address.

### **6.3 Appearance Ticket Authorization**

Unless prohibited by state law, the following persons are empowered to issue and serve appearance tickets for violations of this Ordinance, pursuant to PA 246 of 1965, as amended, PA 181 of 1951, as amended, and PA 50 of 1919, as amended.

The Oshtemo Charter Township Ordinance Enforcement Officer pursuant to Ordinance No. 58

### **6.4 Civil Action Available**

The Township may in addition to any criminal action taken, institute in the Circuit Court of Kalamazoo County, an action to prevent, restrain, correct or abate any violation of this Ordinance or the Airport Zoning Act, or of airport zoning regulations adopted under this Ordinance or under the Airport Zoning Act, or of any order or ruling made in connection with their administration or enforcement, and the court shall adjudge to the plaintiff such relief, by way of injunction (which may be mandatory) or otherwise, as may be proper under all the facts and circumstances of the case, in order to effectuate fully the purposes of this Ordinance or the Airport Zoning Act and the regulations adopted and orders and rulings made pursuant thereto

**SECTION 7  
FEDERAL LAWS  
FEDERAL AVIATION REGULATIONS**

**7.1 Federal Laws (Part 77, 14 C.F.R. §77.1 et seq.)**

The Airport Zoning Ordinance is not intended to conflict with existing federal approach protection laws. The Federal Aviation Administration requires that it be given notice of any construction or alteration:

- (a) That would be more than 200 feet above ground level at its site.
- (b) That would be above an imaginary surface extending outward and upward at 100:1 slope within 20,000 feet of the nearest point of a runway more than 3,200 feet in length.
- (c) That would be above an imaginary surface extending outward and upward at 50:1 slope within 10,000 feet of the nearest point of a runway less than 3,200 feet in length.

**SECTION 8  
SEVERABILITY OF PROVISIONS**

**8.1 Severability of Provisions**

If any of the provisions of this Ordinance or its application to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provisions or applications of the Ordinance, and to that end the provisions of this Ordinance are declared to be severable.

**SECTION 9  
AMENDMENTS**

**9.1 Amendments**

This Ordinance, and the regulations prescribed herein, may be amended by the Township after a Public Hearing is held in relation to the proposed amendment, pursuant to Section 19 of the Airport Zoning Act.

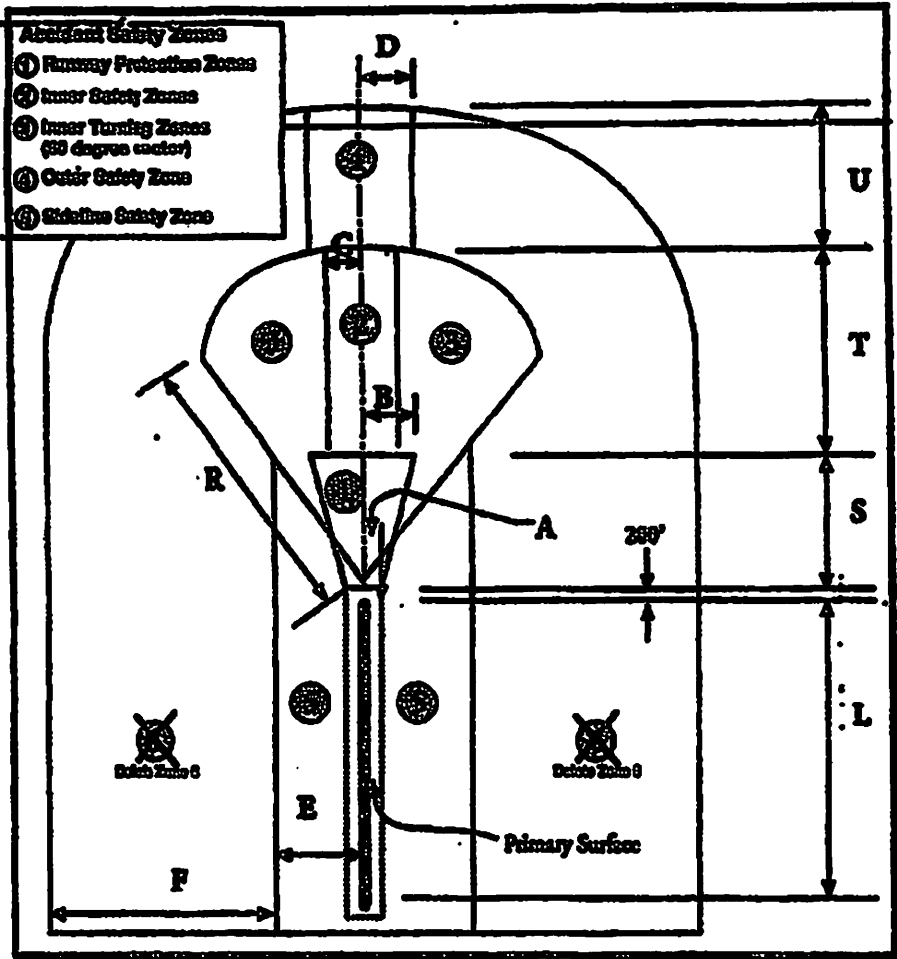
**SECTION 10**  
**EFFECTIVE DATE**

10.1 Effective Date

This Ordinance will take effect upon Publication after Adoption in accordance with state law. Ordinances, or parts Ordinances, are in conflict herewith are hereby suspended until the Moratorium provisions of this Ordinance are otherwise amended, or repealed.

DUSTY FARMER, CLERK  
OSHTEMO CHARTER TOWNSHIP

# AIRCRAFT ACCIDENT SAFETY ZONE DIAGRAM



## SAFETY ZONE DIMENSION (IN FEET)

**Note:**  
 Data Source: NTSB  
 accident investigations  
 1984-1991. Illustration  
 Source: Hodges and  
 Shum, Institute of  
 Transportation Studies,  
 University of California,  
 Berkeley, 1993.

| Dimension      | Runway Length Category (L) |
|----------------|----------------------------|
|                | Runway less than 4,000     |
| A              | 125                        |
| B              | 225                        |
| C              | 225                        |
| D              | 225                        |
| E              | 500                        |
| F              | 4,000                      |
| R (90° Sector) | 2,500                      |
| S              | 1,000                      |
| T              | 1,500                      |
| U              | 2,500                      |

**ACCIDENT SAFETY ZONES, LAND USE GUIDELINES AND  
PLANNING STRATEGIES FOR NEW DEVELOPMENT**

| <b>Accident Safety Zone</b>         | <b>Land Use Characteristics</b>                 | <b>Land Use Guidelines</b>  | <b>Land Use Planning Strategies</b><br><br>*All aviation uses are acceptable   |
|-------------------------------------|---|---|--|
| <b>Zone 1</b><br>(See Special Note) | <b>Population Density</b>                       | <b>Avoid land uses which concentrate people indoors or outdoors.</b>  | <ol style="list-style-type: none"> <li>1. 0-5 people/acre.</li> <li>2. Airport sponsor should purchase property if possible.</li> <li>3. Zone land uses, which by their nature, will be relatively unoccupied by people (i.e. mini-storage, small parking lots).</li> </ol>  |
|                                     | <b>Residential vs. Non-Residential Land Use</b> | <b>Limit residential uses. All non-residential land uses permitted outright subject to the Population Density and Special Function Land Use guidelines.</b> | <ol style="list-style-type: none"> <li>1. Create a height hazard overlay ordinance around the airport.</li> <li>2. Airport sponsor should purchase property if possible.</li> <li>3. Airport sponsor should obtain aviation and obstruction easements.</li> <li>4. During the site development process, shift all structures away from the runway centerlines if possible.</li> <li>5. Landscaping requirements shall establish only low growing vegetation.</li> <li>6. Prohibit high overhead outdoor lighting.</li> <li>7. Require downward shading of lighting to reduce glare.</li> <li>8. Evaluate all possible permitted conditional uses to assure compatible land use.</li> </ol> |
|                                     | <b>Special Function Land Use</b>                | <b>Discourage all Special Function Land Uses.</b>   | <ol style="list-style-type: none"> <li>1. Prohibit overhead utilities and all noise sensitive land uses.</li> <li>2. Zone land for uses other than for schools, play fields, hospitals, nursing homes, daycare facilities and churches.</li> <li>3. Limit storage of large quantities of hazardous or flammable material.</li> <li>4. Ensure permitted uses will not create large areas of standing water, or generate smoke/steam, etc.</li> </ol>  |

**Special Note:** Since the dimensions of Zone 1 correspond to the dimensions of the Runway Protection Zone (RPZ), those airports receiving Federal grant dollars from the FAA's Airport Improvement Program, should strongly consider purchasing the RPZ, or otherwise acquire rights to the property for the RPZ.

## COMPATIBLE LAND USE MATRIX

| Accident Safety Zone | Land Use Characteristics  | Land Use Guidelines  | Land Use Planning Strategies<br><i>*All aviation uses are acceptable</i>   |
|----------------------|---|--|--|
| <b>Zone 2</b>        | <p><b>Population Density</b></p> <p><b>Residential vs. Non-Residential Land Use</b></p> <p><b>Special Function Land Use</b></p> | <p><b>Avoid land uses which concentrate people indoors or outdoors.</b></p> <p><b>Limit residential land uses. All non-residential land uses permitted outright subject to the Population Density and Special Function Land Use guidelines.</b></p> <p><b>Discourage all Special Function Land Uses.</b></p> | <p><b>1. 0-5 people/acre.</b></p> <p><b>2. Zone land uses, which by their nature, will be relatively unoccupied by people (i.e. mini-storage, small parking lots).</b></p> <p><b>1. Create a height hazard overlay ordinance around the airport.</b></p> <p><b>2. Obtain aviation and obstruction easements.</b></p> <p><b>3. During site development process, shift all structures away from the runway centerlines if possible.</b></p> <p><b>4. Prohibit mobile home parks.</b></p> <p><b>5. Landscaping requirements shall establish only low growing vegetation.</b></p> <p><b>6. Prohibit high overhead outdoor lighting.</b></p> <p><b>7. Require downward shading of lighting to reduce glare.</b></p> <p><b>8. Evaluate all possible permitted conditional uses to assure compatible land use.</b></p> <p><b>1. Prohibit overhead utilities and all noise sensitive land uses.</b></p> <p><b>2. Zone land for uses other than for schools, play fields, hospitals, nursing homes, daycare facilities and churches.</b></p> <p><b>3. Limit storage of large quantities of hazardous or flammable material.</b></p> <p><b>4. Ensure permitted uses will not create large areas of standing water, or generate smoke/steam, etc.</b></p> |



### COMPATIBLE LAND USE MATRIX

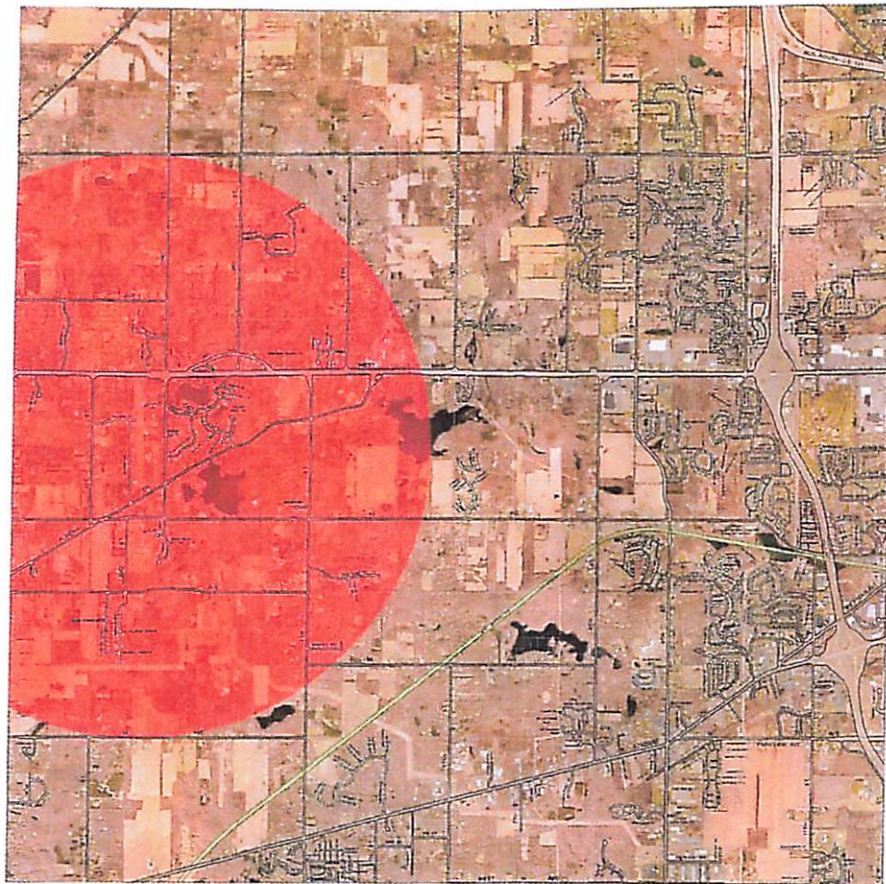
| Accident Safety Zone | Land Use Characteristics                 | Land Use Guidelines   | Land Use Planning Strategies<br><i>*All aviation uses are acceptable</i>   |
|----------------------|--|---|--|
| Zone 3               | Population Density                       | Avoid land uses which concentrate people indoors or outdoors.   | <ol style="list-style-type: none"> <li>1. &lt; 25 people/acre.</li> <li>2. Zone land uses, which by their nature, will be relatively unoccupied by people (i.e. mini-storage, small parking lots).</li> </ol>  |
|                      | Residential vs. Non-Residential Land Use | <p><u>Runway</u> &lt; <u>4,000 feet</u> - Limit residential land uses.</p> <p>All non-residential land uses permitted outright subject to the Special Function Land Use guidelines.</p> <p>Discourage all Special Function Land Uses.</p> | <ol style="list-style-type: none"> <li>1. Create a height hazard overlay ordinance around the airport.</li> <li>2. Obtain aviation and obstruction easements.</li> <li>3. During the development process, shift all structures away from the runway centerlines if possible.</li> <li>4. Prohibit mobile home parks.</li> <li>5. Landscaping requirements shall establish only low growing vegetation.</li> <li>6. Prohibit high overhead outdoor lighting.</li> <li>7. Require downward shading of lighting to reduce glare.</li> <li>8. Evaluate all possible permitted conditional uses to assure compatible land use.</li> </ol> |
|                      | Special Function Land Use                |   | <ol style="list-style-type: none"> <li>1. Prohibit overhead utilities and all noise sensitive land uses.</li> <li>2. Zone land for uses other than for schools, play fields, hospitals, nursing homes, daycare facilities and churches.</li> <li>3. Limit storage of large quantities of hazardous or flammable material.</li> <li>4. Ensure permitted uses will not create large areas of standing water, or generate smoke/steam, etc.</li> </ol>  |

### COMPATIBLE LAND USE MATRIX

| Accident Safety Zone | Land Use Characteristics  | Land Use Guidelines  | Land Use Planning Strategies<br>• All aviation uses are acceptable  |
|----------------------|---|--|---|
| Zone 4               | <p><b>Population Density</b></p> <p><b>Residential vs. Non-Residential Land Use</b></p> <p><b>Special Function Land Use</b></p> | <p>Limit population concentrations.</p> <p><u>Runway &lt; 4,000 feet</u> - Limit residential development to Low Density housing standards</p> <p>All non-residential land uses permitted outright subject to the Special Function Land Use guidelines.</p> <p>Discourage all Special Function Land Uses.</p> | <p>1. &lt; 40 people/acre in buildings, &lt; 75 persons/acre outside buildings.</p> <p>1. Create a height hazard overlay ordinance around the airport.</p> <p>2. Obtain aviation easements.</p> <p>3. Clustered development to maintain density as long as open space remains unbuilt. Place clustered development away from extended runway centerline.</p> <p>4. Prohibit mobile home parks.</p> <p>5. Require downward shading of lighting to reduce glare.</p> <p>6. Evaluate all possible permitted conditional uses to assure compatible land use.</p> <p>1. Evaluate noise sensitive land uses in light of aircraft noise contour lines (if available) when establishing new zoning.</p> <p>2. Prohibit high overhead utilities and all noise sensitive land uses.</p> <p>3. Zone land for uses other than for schools, play fields, hospitals, nursing homes, daycare facilities and churches.</p> <p>4. Limit storage of large quantities of hazardous or flammable material.</p> <p>5. Ensure permitted uses will not create large areas of standing water, or generate smoke/steam, etc.</p> |

## COMPATIBLE LAND USE MATRIX

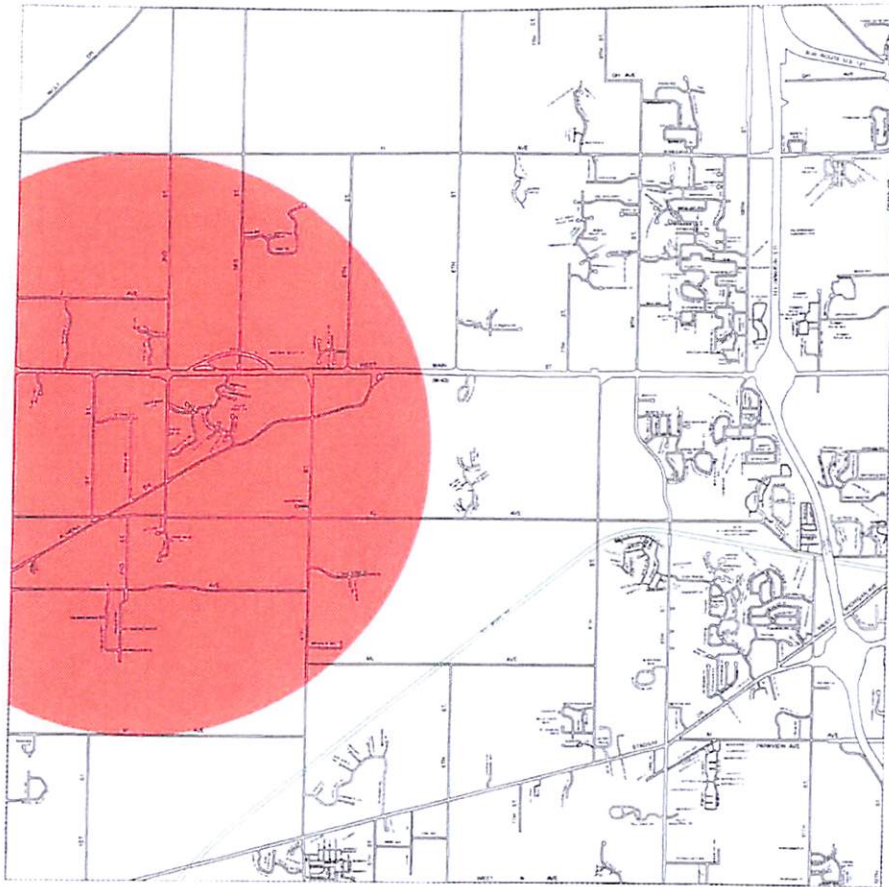
| <b>Accident Safety Zone</b> | <b>Land Use Characteristics</b>   | <b>Land Use Guidelines</b>   | <b>Land Use Planning Strategies</b><br>*All aviation uses are acceptable   |
|-----------------------------|---|--|--|
| <b>Zone 5</b>               | <p><b>Population Density</b></p> <p><b>Residential vs. Non-Residential Land Use</b></p> <p><b>Special Function Land Use</b></p> | <p><b>Avoid land uses which concentrate people indoors or outdoors.</b></p> <p><b>Limit residential land uses. All non-residential land uses permitted outright subject to the Population Density and Special Function Land Use guidelines.</b></p> <p><b>Discourage all Special Function Land Uses.</b></p> | <p>1. 0-5 people/acre.</p> <p>2. Zone land uses, which by their nature, will be relatively unoccupied by people (i.e. mini-storage, small parking lots).</p> <p>1. Airport sponsor should purchase property if possible.</p> <p>2. Create a height hazard overlay ordinance around the airport.</p> <p>3. Obtain aviation and obstruction easements.</p> <p>4. During site development process, shift all structures away from the runway centerlines if possible.</p> <p>5. Landscaping requirements shall establish only low growing vegetation.</p> <p>6. Prohibit high overhead outdoor lighting.</p> <p>7. Require downward shading of lighting to reduce glare.</p> <p>8. Evaluate all possible permitted conditional uses to assure compatible land use.</p> <p>1. Prohibit overhead utilities and all noise sensitive land uses.</p> <p>2. Zone land for uses other than for schools, play fields, hospitals, nursing homes, daycare facilities and churches.</p> <p>3. Limit storage of large quantities of hazardous or flammable material.</p> <p>4. Ensure permitted uses will not create large areas of standing water, or generate smoke/steam, etc.</p> |



**Charter Township of Oshtemo**  
Kalamazoo County, Michigan  
**Land Use Guideline**  
**Map 1: Hazard Area**  
Planning Department  
2022



- Legend**
- Hazard Area
  - Right of Way
    - Public ROW
    - Private ROW
    - Abandoned ROW
    - Railroad ROW



**Charter Township of Oshtemo**  
Kalamazoo County, Michigan  
**Land Use Guideline**  
**Map 1: Hazard Area**  
Planning Department  
2008



- Legend**
- Hazard Area
  - Right of Way
    - Public ROW
    - Private ROW
    - Abandoned ROW
    - Railroad ROW

