

**Special Board Meeting
Budget and ARPA Discussion
ROSS TOWNSHIP
KALAMAZOO COUNTY, MICHIGAN
August 15, 2023 at 5:30 pm**

Attendee Name	Title	Roll Call Status
Christina Hutchings	Supervisor	Present
Alexander Harris	Clerk	Absent without notice
Syndee Genung	Treasurer	Present
Diana Langshaw	Trustee	Present
Michael Bekes	Trustee	Present
Lynn Harmon	Trustee	Absent with notice
Mike Sulka	Trustee	Present
Rob Thall	Attorney	Absent with notice

Also in attendance were about 20 interested people.

Supervisor Hutchings called the meeting to order at 5:30 pm with all rising to Pledge Allegiance to the Flag.

APPROVAL OF AGENDA:

Trustee Bekes motioned to approve the agenda with the budget review as the first item followed by the ARPA discussion as the second item. Trustee Sulka seconded, and the motion passed unanimously.

Public Comment:

Tim Walters asked the board to reduce the clerk's pay and remove the benefits as the clerk is refusing to show up to meetings and his workload diminished dramatically with others picking up the slack. He asked the board to be good stewards of the Ross Township's resources.

There being no others approaching the podium, Supervisor Hutchings closed the Public Comment at 5:35 pm.

Budget Discussion:

Community Volunteer Phoebe Moreo explained the contents of the budget package she prepared and delivered to the board. The approved budget was input into the document and the actual expenditures from April 1, 2023 through August 15, 2023 were also entered. Expenses not input included the current payroll. Phoebe shared additional changes were needed to bring all in order as expenses have been assigned to the wrong areas and the ARPA accounting is not consistent. She said the reporting would be easier and money can be saved if all Township paid positions would go to direct deposit for their payroll.

Phoebe shared the Township is 37.5% through the year so far with only 11% of expected revenues received and with costs approaching 45% of the 2023/2024 budget. She shared at this burn rate, we'd blow through our budget by the end of December, some three months early. Some of concerns are misclassifications between accounts, and the benefit costs for payroll as Social Security and Medicare costs to the Township have not been truly budgeted for across the years as only salaries are input as the actual expense. The Township pays their portion of Social Security and Medicare without having a matching budget item. Upon question from Trustee Sulka, Phoebe clarified that the numbers in her reports are all for 2023/2024 budget as any expense prior to March 31, 2023 are considered the prior year and reside in last year's financial reports.

Phoebe would like to take the next couple of weeks to shore up the accounts and remove what she referred to as the clutter. She would like to have the respective reports truly report salaries, including all associated costs like pension, benefits, Social Security, Medicare, etc., in the future as well as clean park accounting so we know exactly how the park is performing financially as her starting point. The goal is to get reports to the board at future meetings that are accurate and help manage the Township's budget expectations.

Phoebe was asked to prepare the next version of her document set in time for the September board meeting. The board thanked Phoebe for her work! She asked the board members to review what she put together to date and to share with her any observations that might need attention.

At this point in the meeting, Attorney Thall arrived and stated if we need to amend the budget it should be done so as a resolution and/or motion to amend the budget with support and a roll call vote. It should not be done in any other manner.

ARPA:

Trustee Bekes provided an overview of ARPA expenditures and commitments to date. He stated the six expenses attributed to ARPA that we could not determine the beneficial department back in May were still not investigated by the Clerk. Therefore, those six expenses remain as 'spent not assigned' in the spreadsheet but should still be identified as to what exactly the expenditure was for and what department benefited from it the most.

Trustee Bekes explained the ARPA spreadsheets he created to the Board. Included are expenses already made and those where board approval to spend has already occurred. In addition, there is an overlay of the board's prior work to define to which areas ARPA funds will be spent and how much ARPA money overall is allocated across the years. Trustee Bekes explained that when approved expenses are paid, the spreadsheets will need updating as the amount spent will need to replace the amount approved to be spent to avoid the possibility of double counting errors.

The Township's budget this year for ARPA expenditures is \$131,000 and to date we've spent or committed to \$129,000.

Trustee Bekes then explained a new opportunity to get an additional 1% increase in shared revenue from the State of Michigan as a onetime deal if the Township allocates all the ARPA funds by the end of the 2023 year. Treasurer Genung was asked to put a number on that 1% for the board's consideration before we decide to allocate all ARPA funds this year or not. Trustee Bekes shared if the 1% was only \$600, then

it might be prudent to plod along as many unexpected items come up over time but on the other hand if the extra 1% was \$9000, then it would be prudent to allocate now as the \$9000 would be a very nice gain to the Township funds.

Trustee Bekes finished the presentation by sharing his concern of the accuracy of the numbers on his spreadsheets because they are only as good as the underlying numbers from the Township's records. He suggested it would be a good idea for Community Volunteer Phoebe to go through the records with a fine-tooth comb approach to shore up this part of our accounting. And, if we understand the shared revenue increase by our September meeting, then we can make an informed decision about allocating the balance of our ARPA funds to areas/projects by the end of this year or not. If not, we've already spent our ARPA budget for this year.

Trustee Bekes then moved to adjourn with Trustee Langshaw in support. The motion passed unanimously, and the meeting adjourned at 5:57 pm.

Submitted by:

Michael Bekes
Ross Township Trustee
Temporary Acting Recording Secretary