

**Board Meeting
Approved Meeting Minutes
ROSS TOWNSHIP
KALAMAZOO COUNTY, MICHIGAN
October 17, 2023, at 6 pm**

Attendee Name	Title	Roll Call Status
Christina Hutchings	Supervisor	Present
Mary Stage	Clerk	Present
Syndee Genung	Treasurer	Present
Diana Langshaw	Trustee	Present
Michael Bekes	Trustee	Present
Lynn Harmon	Trustee	Present
Mike Sulka	Trustee	Present
Rob Thall	Attorney	Present

Also in attendance were about six interested people.

Supervisor Hutchings called the meeting to order at 6:00 pm with all rising to Pledge Allegiance to the Flag.

APPROVAL OF AGENDA

Trustee Langshaw moved to approve the agenda as written. Trustee Bekes supported. The motion carried unanimously.

CONSENT AGENDA

Trustee Bekes moved to approve the consent agenda as presented with a reference to changes offered by Supervisor Hutchings with the October 3rd Town Hall and Special Meeting minutes that will be accepted for the final version as no other changes were identified by board members. Trustee Sulka asked for the Police Report to be removed from the consent agenda and Trustee Bekes amended the motion to accommodate the request. Trustee Langshaw seconded. The motion carried unanimously.

After board discussion on the Police Report including call response times, speed trailer activity, permitting for activity that stresses sound ordinance criteria and fine violation costs due to citations written on issues at the sand bar, Trustee Harmon moved to accept the Police Report as written. Trustee Bekes seconded. The motion carried unanimously.

PUBLIC COMMENT

Supervisor Hutchings opened public comment at 6:19 pm.

Nancy Boyd, on behalf of the Sherman Lake Residents Association, informed the board in an effort to reduce the spread of invasive species at Sherman Lake and in concert with the Michigan Department of Natural Resources a dry boat wash station has been installed at the launch site and is currently in use. A sign to give directions along with the proper tools are available. The hope is for boaters to utilize the station as a normal part of their routine going forward.

With no additional people approaching the podium, Supervisor Hutchings closed public comment at 6:21 PM.

COMMITTEE REPORTS

Larry Stehouwer and Mark Worden of the Kalamazoo County Road Commission reported most of the 185 projects are winding down and time is now available to perform service requests. The issue on G Avenue, discussed during prior Ross Township board meetings, has been submitted as a service request via email by Mr. Stehouwer. Mark Worden explained a County Wide program called 'Streets for All' where many of the area projects considered as a safety problem, including the issue on G Avenue will be presented to their board for review at a meeting next week.

Steve Frisbie of LifeCare Ambulance gave a short presentation on Ross Township response times, emergency calls, call types and Gull Lake memberships. A key recommendation was for residents to join the service at \$42 per year as the costs of ambulance runs are very expensive and members costs are basically covered in full.

Fire Chief Doug Bogema thanked the board for the appreciation dinner for the team. He then discussed new equipment and supplies that were recently obtained, associated training needs of said material and driving hazards that emergency personnel face on the roads today. The \$10,000 grant recently obtained will be used for turnout gear with sizing occurring shortly. Chief then detailed the team's experience as part of the Rescue Task Force mass casualty training which he felt went well. He concluded with a reminder of the Halloween Haunted House activity in the Fire Hall coming up on October 28th and a short discussion on charging high use users of the service, which Supervisor Hutchings declared the effort is recognized with guidance residing with Attorney Thall.

Attorney Rob Thall reported thirteen homes on Sherman Lake still need to connect to the sewer system. Citations on these thirteen owners will be filed by the end of the week so from that point forward it will be moved through the court system. Based on the Township's position being very strong per State Statute, Attorney Thall expects a compliance order from this district court to order people to connect. Board discussion reiterated the history of the initiative, the conclusion the Township's position is very sound in the matter and addressed a potential cost overrun by GLSWA on the project to hook up the homes that participated in the special assessment district project to some point in the future when more information becomes available.

OLD BUSINESS

All old business identified on the agenda had been postponed primarily due to other priorities and will now be advanced as time allows.

NEW BUSINESS

Resolution for Early Voting:

Clerk Mary Stage informed the board that the City of Kalamazoo has offered to help every township with the nine day early voting requirement. There is a two-year agreement that Ross Township could sign where they will take care of the early voting. A grant will be pursued to purchase the necessary equipment and they intend to set up four early voting sites. They will hire people to work at the stations and will offer employment for local election workers too if desired. Upon further discussion, the opportunity was determined to be a cost savings to Ross Township as the cost of buying the equipment and the staffing of the stations for nine days at full expense would be spread over many areas on a per voter basis.

Trustee Sulka moved to authorize the Ross Township participating jurisdiction Clerk to sign and enter the governmental agreement for early voting election services between Kalamazoo County and the associated municipality in any substantial similar amendment to the same agreement. Trustee Bekes supported. Further discussion confirmed it would be for a two-year agreement, the Township would not need to purchase the equipment after the agreement expires as machines could be leased to Ross Township, the burden of storing/maintaining said equipment does not fall on Ross Township and absentee ballots would still be returned to the Township, not one of the four sites. Clerk Stage shared it is a win/win for everyone and Attorney Thall cited in Comstock it was determined the cost to Comstock would be \$100,000 if they were to perform the election on their own and approximately \$20,000 with participation in the agreement. Ross Township would experience similar gains because the agreement passes on the cost by the number of voters from each area on the pro-rata basis. The motion carried unanimously.

Audit and Corrective Action Plan:

Trustee Bekes shared the results of an October 16th meeting between Auditor Jeff Rood, Clerk Stage, Trustee Langshaw and himself regarding the audit responses due to the State of Michigan Treasury by October 25th. A total of six issues were identified in the finding, Auditor Rood was comfortable with the action plans discussed and he shared he can upload the response through his portal to the State to ensure timely delivery. A person from the office needs to sign the response document and Trustee Bekes suggested Clerk Stage be that person. Trustee Bekes explained the Township got cited for a budget that was not adopted for all required funds and having a special revenue fund where \$100 resided from the Gull Lake Enforcement fund that was not budgeted for. The issues cited were from 2022 but need to be addressed as they are impacting 2023 as well. Trustee Bekes offered the board a copy of the response once it is completed if requested.

Trustee Bekes reiterated to the board the importance of having a budget update monthly to review issues as our goal but stated we are still a way away from getting there due to problems with how the

accounting arena had been handled in the recent past. Specifically: (1) every invoice in the current fiscal year had been reviewed and several (over \$50,000 in total) had been applied to wrong general ledger accounts and need to be reversed and re-applied; (2) we found we have journal entries in two data bases that do not communicate with each other so every entry in one needs to be stricken and applied to the correct data base; (3) a full chart of accounts is now in hand for better assignment of costs to respective departments.

Further board discussion confirmed the importance of following the budget manual from the State of Michigan, Clerk Stage has the necessary support for the audit response, a reiteration to reach out to the board if she ever feels she needs additional support and Clerk Stage will be the response document signee from Ross Township.

ARPA Presentation by Trustee Bekes and ARPA Audit/Funding Considerations:

Trustee Bekes gave a prepared presentation on the ARPA Project to date. Highlights of the presentation included:

- The Township started with \$430,023 of ARPA funds.
- The ARPA account at Consumers Credit Union had \$393,458 as of mid-September.
- The suggestion that \$36,565 of ARPA money has been returned to the general fund since inception.
- The 2021 ARPA Report was filed timely by Supervisor Hutchings with \$40,400 of ARPA expenditures reported and the project confirmed the \$40,400 spent with receipts.
- The 2022 ARPA Report was filed timely by Supervisor Hutchings with \$88,000 of ARPA expenditures reported and the project confirmed \$93,140 spent with receipts.
- The ARPA Book explanation included:
 - Sections included 2021, 2022 and 2023 with 2023 broken out by departments.
 - A copy of every ARPA expenditure with the invoice paid was entered into the book.
 - A tally of expenditures by department is and will be continually updated via an excel spreadsheet.
 - If an item had been approved, but not paid for at the time, the entry will not be entered into the ARPA book.
 - The ARPA book does not project, it is a record of approved expenditures that have been paid for only.
- The current program is approval on a piecemeal basis and report to the expenditures on the general ledger as ARPA expenses. This results in:
 - The ARPA fund remains high.
 - The general fund remains low as expenditures will need to be manually swept from the ARPA account after expenditures are made.
 - Some loss of department tracking as the respective ARPA general ledger heading does not describe what is being purchased.
- A recommendation for a future ARPA program was given and included:
 - Approve categories, not individual items.
 - Report all transactions on the general ledger as normal business.
 - The new strategy would result in:

- ARPA fund transfers will be supported and will be transacted on a timely basis.
 - The general fund will build.
 - No loss of department tracking as all expenditures will be allocated to the correct account in the general ledger.
- If the new strategy were adopted (and it was clear the following numbers would be predicated on certain motions being passed at this board meeting) the 2023 update would include:
 - \$84,810 of ARPA expenditures have been supported through September 30th.
 - That did not include all expenditures because some salary, credit card purchases and payments made in October have not yet been credited.
- A numbers recap included:
 - 2021 - \$40,400 of ARPA expenditures.
 - 2022 - \$88,000 or \$93,140 of ARPA expenditures.
 - 2023 - \$84,810 of ARPA expenditures to date.
 - Total - \$213,210 or \$218,350.
 - Amount swept from the ARPA fund to general fund to date - \$36,565.
 - ARPA sweep to the general fund as of the meeting date should now be either \$176,645 or \$181,785.
- Strategy of approving categories included:
 - Avoidance of Germs
 - Bottled water
 - Rug exchange
 - Office cleaning
 - Office Security
 - Equipment
 - Office alarm monitoring
 - Office IT support
 - Police
 - Equipment
 - Supplies
 - Richland contract
 - Car/boat maintenance and gas
 - Salary and benefits
- If these categories were assigned as ARPA expenses, the results include:
 - All ARPA funds are properly used.
 - The general fund gets very healthy very fast.
 - Easy accounting as the ARPA book becomes the documentation for ARPA audits.
 - No loss of understanding the accounting for each department.
 - 20% more shared revenue from the State in 2023.
 - Reduction of ARPA special meetings.
 - Once the money resides in the general fund, it will have no restrictions for use.
 - No need to budget for ARPA in future years.

Trustee Bekes paused the presentation at this point to recap the meeting he held with Auditor Jeff Rood the prior day discussing this material. Auditor Rood suggested that even though this would make it easier, why not make a change to emulate many other communities to make it as simple as one can. His recommendation, based on there being no limit on ARPA restrictions except it cannot be used for debt payments and certain pension payments, is to assign everything as ARPA, sweep the entire ARPA fund into the general fund and be compliant if we were going to spend that money on the Township in that matter regardless.

Trustee Bekes then presented three choices for the board to consider on the strategy of managing the ARPA money going forward. The first option is to change nothing, continue to approve piecemeal, track when we would spend it, determine how much ARPA money is left with the caveat of sweeping the ARPA funds to the general fund timelier. The second option is to follow a program outlined in the presentation which is a hybrid model where categories are tracked without loss of account cost understanding, the ARPA book would be the central document for auditing purposes and will also include ARPA sweeps to the general fund timelier too. The third option is to follow Auditor Rood's suggestion to assign all expenditures as ARPA if the payments are not debt or pension related. This option would be very simple to administer, would pass an ARPA audit and would allow the Township to sweep the entire ARPA balance into the general ledger quickly where there would be no further restrictions on use. Attorney Thall opined the third strategy would qualify the funds as obligated funds, so they would be considered gone, qualifying for the additional shared revenue offered by the State.

Trustee Bekes then further explained once ARPA money is moved to the general fund, it would be considered expended. Then, as it resides in the general fund, when a request is presented to the board for an expenditure that has not been budgeted, the board would need to consider that request as if the ARPA money was not there. The request would need to be considered based on the need, where the Township is on the account float and/or what we might give up in order to approve the request. It was further suggested that considerations of extra spending would be the same in two more years when ARPA money would be gone per the way the board is handling the ARPA expenditures today.

Trustee Bekes canvassed the board for the specific option of the three each would support. Trustee Langshaw, Treasurer Genung and Clerk Stage all supported option three. Trustee Sulka also supported option three with an inquiry about the legality of the option. Attorney Thall supported the option but asked he be given a chance to talk with Auditor Rood first as the idea was just brought to him at this meeting. Trustee Harmon supported option three with a discussion the board be careful to not obligate ourselves with ongoing expenses. The concern is taking on expenses this year with room in the budget and obligates expenses in future years when we might not have the budget to pay the respective expenses.

Trustee Sulka suggested sweeping the ARPA into a contingency fund or keeping track of it in a way to only touch those funds is a way where we are not wasting them. He shared every month there is a new need. Trustee Bekes responded the strategy does not include having the money reside in the general ledger as an 'envelope' of cash. The money will reside in the general fund and all future funding will be administered through our budgeting process and our budget meetings to determine how we spend it.

With the overall board support for option three along with Auditor Rood's commitment to guide Ross Township through the process if passed, Trustee Bekes moved to do a budget amendment for all prior approved ARPA expenditures and all ARPA eligible expenses applied to ARPA for fiscal year 2023/2024

with the caveat that Attorney Thall and Auditor Rood approves the initiative after their noted discussion. Trustee Bekes then shared his opinion that with those two supporting the motion Ross Township can have all ARPA money swept over to the general fund inside of three months and then be done managing ARPA without a need to budget for ARPA in our next fiscal year budget. Clerk Stage supported. A roll call vote was taken with Trustee Sulka Aye, Trustee Harmon Aye, Trustee Langshaw Aye, Supervisor Hutchings Aye, Treasurer Genung Aye, Clerk Stage Aye and Trustee Bekes Aye. The motion passed with a unanimous vote.

Supervisor Hutchings shared current issues with our accounting system and told the board her plan to have a board meeting on November 21st to discuss the Township's finances, then take our winter break from meetings in December and then meet in January with the BS&A data base issue resolved and our having a solid grip on ARPA to begin our budgeting process for our next fiscal year.

Trustee Sulka inquired about our data storage and recommended our data should be backed up properly and available to reload should a database crash occur at any point in time.

SECOND CITIZEN COMMENT:

With no citizens approaching the podium, Supervisor Hutchings closed citizen comment.

TRUSTEE UPDATES:

Supervisor Hutchings shared the news that the Utility Policy Committee approved our application for municipal water to Ross Township and the City of Kalamazoo is moving forward to source a grant for the project. Attorney Thall is currently working on the master agreement.

Trustee Harmon suggested a newsletter insert to the winter tax bill mailings that will be sent around the 30th of November per Treasurer Genung and reminded the board of the October 30th meeting on PFAS at the Biological Station. Supervisor Hutchings took the ball on creating the newsletter. Trustee Harmon also complimented the recent Town Hall meeting of October 3rd.

Trustee Langshaw, citing a conversation she had with an interested citizen, asked for fewer acronyms in agendas and written materials as many in the community do not know what the acronyms stand for nor is there a glossary on the website for educational purposes. Members of the board agreed to spell out an acronym initially and then write the acronym later in the document as a start for improvement.

Trustee Bekes recounted an issue Trustee Harmon brought to attention at the last board meeting regarding a conversation she had with an interested party who felt AGS was asking for more than necessary on a building project. Without the name of the party forwarded to him, Trustee Bekes followed up with Bert Gale and supplied Trustee Harmon with an email from Mr. Gale that stated the plan reviewer has the ability to add, modify or delete from the template as necessary for each project. The code sections used in each document will reflect the applicable State Code. Currently the mandated code from the State of Michigan is from the 2015 Michigan Residential Code which is the code that the State of Michigan has adopted for use in all political

subdivisions. No political subdivision, pursuant to P.A. 230/1972 as amended, can make alterations to the state codes. Trustee Harmon will follow up with the concerned citizen accordingly.

Trustee Bekes then inquired about the request for proposal (RFP) for a Township Planner as the current effort reached one year in duration without a decision. His interest was to get permission from the board to offer a two-year contract for Planning Services to Rebecca Harvey. Further board discussion resulted in a decision for the RFP Committee (Supervisor Hutchings and Trustees Langshaw and Sulka) to continue with the RFP initiative.

Trustee Bekes finished with compliments to Clerk Stage. She has been wonderful for the first four weeks of her service and her work is very appreciated. Further board discussion clarified Clerk Stage can come in during off hours to work, but the office cannot be open for business unless there are a minimum of two people present. Supervisor Hutchings agreed to review the policy to determine if changes may be necessary regarding being in the office alone and planned to cover the result at the next board meeting.

Supervisor Hutchings thanked Trustee Langshaw and Trustee Bekes for coming into the office every week and helping out.

Treasurer Genung announced she hired a new Deputy Treasurer, Amanda Wiersma and to date she has been awesome in the role. Treasurer Genung shared her plans to retire in March 2024, the end of the current fiscal year. Further board discussion confirmed the board can post or can hire for the vacant position, dependent upon the current board policy at the time and the hired role would only last until the end of the current term (November 2024).

ADJOURNMENT

Clerk Stage motioned to adjourn. Trustee Bekes supported. The motion to adjourn was carried unanimously.

Respectfully submitted,

Michael Bekes

Township Trustee

Temporary Acting Recording Secretary