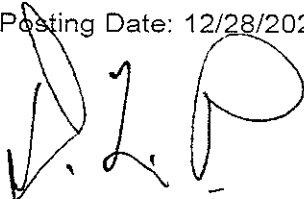


OTISCO TOWNSHIP BOARD REGULAR MEETING
Otisco Township Hall, 9663 W. Button Road, Belding, MI 48809
January 9, 2024 @ 7:00PM
AGENDA

- I. Call to Order. Roll Call. Opening prayer.
- II. Pledge of Allegiance to the Flag
- III. Approval of Agenda
- IV. Brief Public Comment (agenda topics only - 3-minute time limit)
- V. Approval of Minutes –
 - a. December 12, 2023 Board Meeting
- VI. Approval of Payables & Payroll (if applicable)
- VII. Treasurer's Report
- VIII. Communications
- IX. Reports
 - a. Township Deputy
 - b. Assessor
 - c. Cemetery Committee
 - d. County Commissioner
 - e. Planning Commission
 - f. ZBA
 - g. Zoning Administrator
 - h. Hall Expansion Committee
- X. Unfinished Business
 - a. Old Drop Box Disposal Bids
 - b. Luscombe Survey
 - c. Hall Expansion Contractor
- XI. New Business:
 - a. Poverty Exemption Resolution
 - b. Policies – ACH/EFT Policy, Conflict of Interest, Fraud Risk Management, Capital Asset Management, Capital Asset Disposal, and Investment
 - c. Budget Meeting Dates – 1/16/2024, 1/23/2024, and 1/30/2024 at 7:00PM
 - d. Committee Appointments
 - e. Technology – Kore / Hi Com, Inc. Managed Services, Back Up, and Firewall
 - f. METRO Act Right-of-Way Permit Extension Request
 - g. 1099 Recipients
 - h.
 - i.
- XII. Extended Public Comment (any topic - 5-minute time limit)
- XIII. Final Board Comments
- XIV. Adjournment

Posting Date: 12/28/2023



User: DESMOND
DB: Otisco

Calculations as of 03/31/2024

GL NUMBER	DESCRIPTION	2023-24 ACTIVITY THRU 03/31/24	2023-24 ORIGINAL BUDGET
Fund: 101 GENERAL FUND			
Dept 000 - ACCRUED PAYROLL			
101-000-402.000	TAX LEVY	(318)	87,000
101-000-410.000	PERSONAL PROPERTY TAX	7,446	
101-000-411.000	DELQ. REAL TAX		
101-000-412.000	DELQ. PERSONAL TAX		
101-000-425.000	425 AGREEMENT REVENUE	12,545	11,157
101-000-432.000	STATE OWNED LAND TAX		200
101-000-434.000	TRAILER PARK FEE	540	720
101-000-445.000	PENALITIES AND INTEREST ON TAXES		
101-000-445.002	PENALTY & INTERES PERSONAL PROPER		
101-000-447.000	ADMINISTR. FEE- TAXLEVY	11,701	20,000
101-000-447.001	ADMINISTR. FEE ON DELQ.		
101-000-447.002	PENALTY & INTEREST PERSONAL PROPE		
101-000-448.000	SUMMER TAX STATE REIM		
101-000-477.000	CABLE FRANCHISE	4,135	6,000
101-000-479.000	JUNKYARD FEE		50
101-000-490.000	ZONING PERMIT	1,510	3,000
101-000-567.000	CONSUMERS IND. SERVICES		
101-000-571.000	STCOMBINED STATUTORYTX		
101-000-573.000	PERSONAL PROPERTY TAX REIMBURSEME		7,737
101-000-574.000	STATE REVENUE SHARING	160,017	243,485
101-000-575.000	STATE METRO ANNUAL MAINTANCE		
101-000-628.000	GRAVEOPEN/CLOSE FEE	2,625	2,000
101-000-629.000	LAND DIV. APPLICATION FEE	520	910
101-000-642.000	CEMETERY LOT SALES	1,800	1,500
101-000-647.000	SALE ZBOOK & COPIES		
101-000-647.001	NFC		
101-000-655.000	FINES AND FORFEITURES		
101-000-656.000	DEMOLISH OF BUILDING	5,180	250
101-000-665.000	INTEREST - CHECKING	1,423	150
101-000-665.001	INTEREST - SAVING	2,967	300
101-000-665.005	INTEREST - MERCANTILE CD		5,500
101-000-665.009	BUILDING INTEREST	193	150
101-000-665.013	CD.MERCANTILE-ROADS		2,500
101-000-665.014	CD FROM SAV. ACCT.		
101-000-665.015	INTEREST ON CD CEM	16	
101-000-665.017	NEW ACCT. FROM GEN CKING INTERSST	176	
101-000-665.018	BIKE RACE 2022 INT. (ESCROW)		
101-000-669.703	TRANSFER FROM TAX		
101-000-672.000	MISC. REVENUE	221	50
101-000-676.000	REIMBURSE EMSERVICE		
101-000-677.000	REIMBURSE SCHOOL ELEC	1,200	
101-000-678.005	BUILDING ACCT INDEP.BANK		
101-000-687.000	REIMBURSE & REFUNDS	2,281	
101-000-689.000	CASH OVER & SHORT		
101-000-699.001	TRANSFER FROM TAX COL INT		
101-000-699.002	PENSION TRANSFER		
101-000-699.003	TRANSFER FROM ESCROW FD		
101-000-699.101	TRANSFER FROM GENERAL FUND		
101-000-699.209	TRANSFER FROM CEM FUND		
101-000-699.230	TRANSFER FROM ROAD FUND		
101-000-699.500	TRANSFER FROM FIRE FUND		
NET OF REVENUES/APPROPRIATIONS - 000 - ACCRUED PAY		216,178	392,659
Dept 101 - TOWNSHIP BOARD			
101-101-702.000	SALARY & WAGES	6,333	8,600
101-101-707.000	SCHOOL		400
101-101-710.000	CONVENTION		3,000
101-101-712.000	MEALS		300
101-101-716.000	PENSION	5,560	650
101-101-716.002	PENSION PARTICIPATIONFEE	158	200
101-101-802.000	SNOW REMOVAL		
101-101-860.000	MILEAGE	116	500
101-101-950.000	IONIA CO. ASS'N DUES		
101-101-958.000	MI TWP ASS'N DUES		
101-101-959.000	SHERIFF SUPPORT		
101-101-967.000	GRANT PROJECT		
NET OF REVENUES/APPROPRIATIONS - 101 - TOWNSHIP BO		(12,167)	(13,650)
Dept 171 - SUPERVISOR			
101-171-702.000	SALARY & WAGES	14,000	19,000
101-171-703.000	DEPUTY SALARY & WAGES		12,000
101-171-707.000	SCHOOL		1,000
101-171-710.000	CONVENTION		3,000
101-171-712.000	MEALS		300
101-171-740.000	EQUIPMENT & SUPPLIES		1,000

User: DESMOND

DB: Otisco

Calculations as of 03/31/2024

GL NUMBER	DESCRIPTION	2023-24 ACTIVITY THRU 03/31/24	2023-24 ORIGINAL BUDGET
Fund: 101 GENERAL FUND			
Dept 171 - SUPERVISOR			
101-171-750.000	SOFTWARE		400
101-171-860.000	MILEAGE		450
NET OF REVENUES/APPROPRIATIONS - 171 - SUPERVISOR		(14,000)	(37,150)
Dept 215 - CLERK			
101-215-702.000	SALARY & WAGES	14,808	20,100
101-215-703.000	SALARY & WAGES - DEPUTY	4,350	12,000
101-215-707.000	SCHOOL		800
101-215-710.000	CONVENTION		3,000
101-215-712.000	MEALS		300
101-215-740.000	EQUIPMENT & SUPPLIES	573	1,000
101-215-750.000	SOFTWARE		500
101-215-860.000	MILEAGE	121	500
NET OF REVENUES/APPROPRIATIONS - 215 - CLERK		(19,852)	(38,200)
Dept 223 - PROFESSIONAL SERVICES			
101-223-801.000	AUDIT	2,963	25,000
101-223-802.000	CPA MANER COSTSERISAN	10,311	
101-223-803.000	LEGAL COUNSEL	15,472	25,000
101-223-805.000	LEGAL PROJECTS		200
101-223-810.000	CONSULTING ENGINEER		10,000
101-223-812.000	CONSULTING PLANNER	4,047	5,000
NET OF REVENUES/APPROPRIATIONS - 223 - PROFESSIONA		(32,793)	(65,200)
Dept 233 - GENERAL SERVICE ADMIN			
101-233-730.000	OFFICE POSTAGE	1,535	3,000
101-233-731.000	TAX RELATED POSTAGE	2,557	2,600
101-233-732.000	NEWSLETTER POSTAGE	310	750
101-233-733.000	VOTER POSTAGE		
101-233-740.000	EQUIPMENT & SUPPLIES	2,660	10,000
101-233-880.000	COMMUNITY CLEAN UP	4,700	6,000
101-233-880.002	RECYCLING	1,100	7,000
101-233-881.000	WEB SITE	5,059	10,000
101-233-900.000	PRENTING	1,099	1,000
101-233-901.000	PUBLISHING	1,753	4,000
101-233-910.000	INSURANCE	653	12,000
101-233-921.000	INTERNET & PHONE	1,163	3,500
101-233-933.000	SOFTWARE-COMPUTER REPAIR	5,191	6,000
101-233-958.000	DUES & SUBSCRIPTIONS	2,136	2,500
101-233-967.000	COPY MACHINE & PAPER	(82)	1,000
NET OF REVENUES/APPROPRIATIONS - 233 - GENERAL SER		(29,834)	(69,350)
Dept 247 - BOARD OF REVIEW			
101-247-702.000	SALARY & WAGES	1,930	3,800
101-247-707.000	SCHOOL		750
101-247-712.000	MEALS		500
101-247-860.000	MILEAGE		400
NET OF REVENUES/APPROPRIATIONS - 247 - BOARD OF RE		(1,930)	(5,450)
Dept 253 - TREASURER			
101-253-702.000	SALARY & WAGES	14,809	20,100
101-253-703.000	SALARY & WAGES -DEPUTY	6,359	12,000
101-253-707.000	SCHOOL		2,500
101-253-710.000	CONVENTION		3,000
101-253-712.000	MEALS		300
101-253-740.000	EQUIPMENT & SUPPLIES		1,000
101-253-750.000	SOFTWARE	237	5,000
101-253-860.000	MILEAGE	105	800
NET OF REVENUES/APPROPRIATIONS - 253 - TREASURER		(21,510)	(44,700)
Dept 257 - ASSESSOR			
101-257-702.000	SALARY & WAGES	21,262	23,400
101-257-703.000	DEPUTY SALARY & WAGES		
101-257-740.000	EQUIPMENT & SUPPLIES		1,000
101-257-750.000	SOFTWARE	760	1,000
101-257-860.000	MILEAGE	346	500
101-257-958.000	DUES & SUBSCRIPTIONS		150
NET OF REVENUES/APPROPRIATIONS - 257 - ASSESSOR		(22,368)	(26,050)
Dept 262 - ELECTIONS - GOVERNMENTAL			
101-262-702.000	SALARY & WAGES	2,447	20,000
101-262-712.000	MEALS		500
101-262-740.000	EQUIPMENT & SUPPLIES	1,796	3,000
101-262-860.000	MILEAGE		200

Calculations as of 03/31/2024

GL NUMBER	DESCRIPTION	2023-24 ACTIVITY THRU 03/31/24	2023-24 ORIGINAL BUDGET
Fund: 101 GENERAL FUND			
Dept 262 - ELECTIONS - GOVERNMENTAL			
	NET OF REVENUES/APPROPRIATIONS - 262 - ELECTIONS -	(4,243)	(23,700)
Dept 263 - ELECTIONS - SCHOOLS			
101-263-702.000	SALARY & WAGES		1,000
101-263-712.000	MEALS		200
101-263-740.000	EQUIPMENT & SUPPLIES	175	1,000
101-263-860.000	MILEAGE		100
	NET OF REVENUES/APPROPRIATIONS - 263 - ELECTIONS -	(175)	(2,300)
Dept 265 - BUILDING AND GROUNDS			
101-265-702.000	SALARY & WAGES HANDYMAN	1,755	
101-265-740.000	EQUIPMENT & SUPPLIES	2,705	10,000
101-265-810.000	MAINTENANCE	2,027	25,000
101-265-920.000	UTILITIES	3,111	5,200
101-265-921.000	MINUTE WRITER	240	
101-265-922.000	LAWN CARE	13,230	14,000
101-265-923.000	SNOW REMOVAL	280	2,000
101-265-924.000	HALL CLEANING	800	2,000
	NET OF REVENUES/APPROPRIATIONS - 265 - BUILDING AN	(24,148)	(58,200)
Dept 272 - ACCRUED PAYROLL			
101-272-955.000	MISCELLANEOUS EXPENDITURE	4,213	23,000
	NET OF REVENUES/APPROPRIATIONS - 272 - ACCRUED PAY	(4,213)	(23,000)
Dept 336 - FIRE PROTECTION			
101-336-766.000	BELDING FIRE DEPT. UTV		
101-336-970.000	FIRE CAPITAL OUTLAY		
101-336-995.206	TRANSFER TO FIRE FUND		50,000
	NET OF REVENUES/APPROPRIATIONS - 336 - FIRE PROTEC		(50,000)
Dept 445 - DRAINS			
101-445-930.000	DRAINS	2,993	2,500
	NET OF REVENUES/APPROPRIATIONS - 445 - DRAINS	(2,993)	(2,500)
Dept 448 - STREET LIGHTING			
101-448-920.000	STREET LIGHTS	547	2,800
	NET OF REVENUES/APPROPRIATIONS - 448 - STREET LIGH	(547)	(2,800)
Dept 450 - ROADS			
101-450-802.000	ROADS OTHER MOWING SIDE OF ROADS	3,161	5,000
101-450-995.204	TRANSFER TO ROAD FUND		
	NET OF REVENUES/APPROPRIATIONS - 450 - ROADS	(3,161)	(5,000)
Dept 567 - CEMETERY			
101-567-678.005	BUILDING INDEP.BANK		
101-567-702.000	SALARY & WAGES CEMETERY	3,150	5,000
101-567-702.002	CEMETERY COMM.IMPROVEMENTS	150	5,000
101-567-702.003	MAINTANACE CEMETERY	29,549	50,000
	NET OF REVENUES/APPROPRIATIONS - 567 - CEMETERY	(32,849)	(60,000)
Dept 651 - AMBULANCE			
101-651-836.000	LIFE EMS	10,726	16,000
	NET OF REVENUES/APPROPRIATIONS - 651 - AMBULANCE	(10,726)	(16,000)
Dept 701 - PLANNING COMMISSION			
101-701-702.000	SALARY & WAGES	3,335	8,000
101-701-707.000	SCHOOL		1,000
101-701-712.000	MEALS		500
101-701-740.000	EQUIPMENT & SUPPLIES		150
101-701-860.000	MILEAGE		500
	NET OF REVENUES/APPROPRIATIONS - 701 - PLANNING CO	(3,335)	(10,150)
Dept 702 - ZONING			
101-702-702.000	SALARY & WAGES	12,907	17,360
101-702-707.000	SCHOOL	326	500
101-702-710.000	CONVENTION		500
101-702-712.000	MEALS	84	150
101-702-740.000	EQUIPMENT & SUPPLIES	64	2,000
101-702-860.000	MILEAGE	1,248	1,250
	NET OF REVENUES/APPROPRIATIONS - 702 - ZONING	(14,629)	(21,760)
Dept 703 - ZONING BOARD OF APPEALS			
101-703-702.000	SALARY & WAGES	485	3,000
101-703-707.000	SCHOOL	300	750
101-703-712.000	MEALS		500

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Calculations as of 03/31/2024

GL NUMBER	DESCRIPTION	2023-24 ACTIVITY THRU 03/31/24	2023-24 ORIGINAL BUDGET
Fund: 101 GENERAL FUND			
Dept 703 - ZONING BOARD OF APPEALS			
101-703-740.000	EQUIPMENT & SUPPLIES		100
101-703-860.000	MILEAGE		400
NET OF REVENUES/APPROPRIATIONS - 703 - ZONING BOAR		(785)	(4,750)
Dept 858 - PAYROLL EXPENSE			
101-858-720.000	SOCIAL SEC & MEDICARE	8,149	15,000
NET OF REVENUES/APPROPRIATIONS - 858 - PAYROLL EXP		(8,149)	(15,000)
Dept 872 - MISCELLANEOUS			
101-872-699.002	PENSION TRANSFER		
101-872-964.000	REFUNDS		200
101-872-995.001	TRANSFER TO ESCROW FD		
101-872-995.002	TRAILERPARKFEE TO COUNTY	600	700
NET OF REVENUES/APPROPRIATIONS - 872 - MISCELLANEO		(600)	(900)
Dept 890 - CONTINGENCY			
101-890-806.000	EMERGENCIES		26,490
NET OF REVENUES/APPROPRIATIONS - 890 - CONTINGENCY			(26,490)
ESTIMATED REVENUES - FUND 101		216,178	392,659
APPROPRIATIONS - FUND 101		265,007	622,300
NET OF REVENUES/APPROPRIATIONS - FUND 101		(48,829)	(229,641)
BEGINNING FUND BALANCE		1,431,234	1,431,234
ENDING FUND BALANCE		1,382,405	1,201,593
Fund: 204 MUNICIPAL ROAD FUND			
Dept 000 - ACCRUED PAYROLL			
204-000-400.000	STATE ROAD RIGHT AWAYS	7,229	
204-000-402.000	TAX LEVY	22,108	181,504
204-000-409.000	SPECIAL DELQ.		
204-000-546.000	TELECOM REVENUE SHARE		
204-000-573.000	LOCAL COMMUNITY STABILIZATION	17,261	
204-000-665.000	INTEREST - CHECKING	691	180
204-000-665.001	INTEREST IND. BANK ROADS	179	
204-000-699.101	TRANSFER FROM GENERAL FUND		
204-000-699.209	TRANSFER FROM CEM FUND		
204-000-995.101	TRANSFER TO GEN FUND		
204-000-995.204	TRANSFER TO NEW FUND LK MI CU		
NET OF REVENUES/APPROPRIATIONS - 000 - ACCRUED PAY		47,468	181,684
Dept 450 - ROADS			
204-450-805.000	MAINTENANCE	35,408	100,000
204-450-807.000	NEW PROJECTS		
204-450-808.000	BRINE	56,491	50,000
204-450-809.000	GRADALL - ROADS	17,278	6,000
204-450-809.001	GRAVEL	123,964	50,000
204-450-809.002	BRIDGES		100,000
204-450-809.003	LIMESTONE		150,000
NET OF REVENUES/APPROPRIATIONS - 450 - ROADS		(233,141)	(456,000)
ESTIMATED REVENUES - FUND 204		47,468	181,684
APPROPRIATIONS - FUND 204		233,141	456,000
NET OF REVENUES/APPROPRIATIONS - FUND 204		(185,673)	(274,316)
BEGINNING FUND BALANCE		666,154	666,154
ENDING FUND BALANCE		480,481	391,838
Fund: 206 FIRE FUND			
Dept 000 - ACCRUED PAYROLL			
206-000-402.000	TAX LEVY	11,053	90,748
206-000-409.000	SPECIAL DELQ.		
206-000-573.000	LOCAL COMMUNITY STABILIZATION		
206-000-665.000	INTEREST - CHECKING	123	
206-000-669.703	TRANSFER FROM TAX		
206-000-699.101	TRANSFER FROM GEN FUND		50,000
206-000-836.000	BELDING CONTRACT	37,676	116,649
206-000-959.000	CAPITAL OUTLAY		
206-000-995.101	TRANSFER TO GEN FUND		
NET OF REVENUES/APPROPRIATIONS - 000 - ACCRUED PAY		(26,500)	24,099
ESTIMATED REVENUES - FUND 206		11,176	140,748
APPROPRIATIONS - FUND 206		37,676	116,649
NET OF REVENUES/APPROPRIATIONS - FUND 206		(26,500)	24,099
BEGINNING FUND BALANCE		61,038	61,038
ENDING FUND BALANCE		34,538	85,137

User: DESMOND

DB: Otisco

Calculations as of 03/31/2024

GL NUMBER	DESCRIPTION	2023-24 ACTIVITY THRU 03/31/24	2023-24 ORIGINAL BUDGET
Fund: 207 POLICE FUND			
Dept 000 - ACCRUED PAYROLL			
207-000-402.000	TAX LEVY	2,860	45,121
207-000-409.000	SPECIAL DELQ.		
207-000-573.000	LOCAL COMMUNITY STABILIZATION		
207-000-665.000	INTEREST - CHECKING	51	20
207-000-669.703	TRANSFER FROM TAX	5	
207-000-673.001	INTEREST INDEP. BANK SHERIFF		
207-000-699.101	TRANSFER FROM GENERAL FUND		
207-000-959.000	SHERIFF SUPPORT	28,911	44,000
NET OF REVENUES/APPROPRIATIONS - 000 - ACCRUED PAY		(25,995)	1,141
ESTIMATED REVENUES - FUND 207		2,916	45,141
APPROPRIATIONS - FUND 207		28,911	44,000
NET OF REVENUES/APPROPRIATIONS - FUND 207		(25,995)	1,141
BEGINNING FUND BALANCE		90,788	90,788
ENDING FUND BALANCE		64,793	91,929
Fund: 209 CEMETERY FUND			
Dept 000 - ACCRUED PAYROLL			
209-000-699.101	TRANSFER FROM GENERAL FUND		
209-000-740.000	EQUIPMENT & SUPPLIES		
NET OF REVENUES/APPROPRIATIONS - 000 - ACCRUED PAY			
Dept 200			
209-200-665.002	INTEREST- CD CEM		
209-200-813.000	GRAVE OPENING& CLOSING	525	
209-200-995.101	TRANSFER TO GENERAL FUND		
NET OF REVENUES/APPROPRIATIONS - 200 -		(525)	
ESTIMATED REVENUES - FUND 209			
APPROPRIATIONS - FUND 209		525	
NET OF REVENUES/APPROPRIATIONS - FUND 209		(525)	
BEGINNING FUND BALANCE		(2,109)	(2,109)
ENDING FUND BALANCE		(2,634)	(2,109)
ESTIMATED REVENUES - ALL FUNDS		277,738	760,232
APPROPRIATIONS - ALL FUNDS		565,260	1,238,949
NET OF REVENUES/APPROPRIATIONS - ALL FUNDS		(287,522)	(478,717)
BEGINNING FUND BALANCE - ALL FUNDS		2,247,104	2,247,104
ENDING FUND BALANCE - ALL FUNDS		1,959,582	1,768,387

OTISCO TOWNSHIP POVERT/HARDSHIP GUIDELINES FOR 2024

RESOLUTION PASSED: _____ RESOLUTION #: _____

In order to comply with the General Property Tax Act, P.A. 206 of 1893 as amended, Section 211.7u, which reads: "The real and personal property of persons who, in the judgement of the supervisor and Board of Review, by reason of poverty, are unable to contribute toward the public charges, is exempt from taxation under this act", the following policy for applicants requesting consideration for poverty exemptions will be followed:

1. Applicants must obtain the property applications from the assessor's office. Handicapped or infirmed applicants may call the assessor's office to make necessary arrangements for assistance. The Board will consider all revenue and non-revenue producing assets during its deliberation as to whether relief shall be granted.
2. Applicants will not be eligible for consideration if they do not meet the Federal Poverty Guidelines (see Attached 2024 Federal Guidelines: Bulletin 18 OF 2023)
3. All applicants must be owners of the property they reside therein. Only homestead property is eligible for a poverty/hardship exemption.
4. All applicants must fill out the application forms (including the Asset Test) in its entirety as required by the State of Michigan and return it, in person to the assessor's office, except as noted in Item 1 above.
5. All applications must be filed with the assessing office beginning February 1 and no later than the first day of the March Board of Review (the Tuesday after the 1st Monday in March) or 30 days prior to the July or December Board of Review (the Tuesday following the 3rd Monday in July and the Tuesday following the 2nd Monday in December)
6. Applications may be reviewed by the Board of Review without the applicant being present; however, the Board of Review may request that any or all applicants be physically present to respond to any questions the Board of Review may have. This means that an applicant may be called to appear on short notice.
7. The applicants may have to answer questions regarding financial affairs, health, the status of people living in their home before the board, at a meeting which is open to the public at large.
8. All applicants will be evaluated based on:
 - a. Data submitted to the board by the petitioner
 - b. Testimony taken form petitioner and information gathered from any source the board may wish to use

Date of Board APPROVAL: _____

Lynda Sower, Clerk: _____



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RACHAEL EUBANKS
STATE TREASURER

Bulletin 18 of 2023
November 14, 2023
Procedural Changes for 2024

TO: Assessing Officers and County Equalization Directors
FROM: Michigan State Tax Commission
SUBJECT: Procedural Changes for the 2024 Assessment Year

The purpose of this Bulletin is to provide information on statutory changes, procedural changes and reminders for the 2024 assessment year. Additional guidance may be issued later if any pending legislation is enacted by the end of the year.

A. Inflation Rate Used in the 2024 Capped Value Formula

The inflation rate, expressed as a multiplier, to be used in the 2024 Capped Value Formula is 1.05.

The 2024 Capped Value Formula is as follows:

$$\text{2024 CAPPED VALUE} = (\text{2023 Taxable Value} - \text{LOSSES}) \times 1.05 + \text{ADDITIONS}$$

The formula includes 1.05 because the inflation rate multiplier of 1.051 is higher than 1.05.

B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2024

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons shall not be set lower than \$24,860 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than \$24,860. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2024 assessments:

Size of Family Unit	Poverty Guidelines
1	\$14,580
2	\$19,720
3	\$24,860

Size of Family Unit	Poverty Guidelines
4	\$30,000
5	\$35,140
6	\$40,280
7	\$45,420
8	\$50,560
For each additional person	\$5,140

Note: MCL 211.7u states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Please see STC Bulletin 3 of 2021 for more information on poverty exemptions.

Note: MCL 211.7u allows an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This includes the owner of the property who is filing for the exemption.

OTISCO TOWNSHIP

ACH/EFT POLICY

GENERAL

The following policy shall govern the ACH/EFT arrangements for the Township.

DEFINITIONS

"Automated clearing house" or "ACH" means a national and governmental organization that has no authority to process electronic payments, including, but not limited to, the national automated clearing house association and the Federal Reserve System.

An "ACH arrangement" means the agreement between the originator of the ACH transaction and the receiver of an ACH transaction.

An "ACH transaction" means an electronic payment, debit, or credit transfer processed through an automated clearinghouse.

An "ACH policy" means the procedures and internal controls as determined under this written policy developed and adopted by the Township Treasurer.

INTERNAL CONTROLS

The Treasurer may enter into an ACH/EFT agreement as provided by Public Act 738 of 2002, effective December 30, 2002. The Treasurer shall be responsible for the establishment of ACH/EFT agreements, and for maintaining a list of vendors authorized to be paid by ACH/EFT or electronic transfers. This list of vendors must be shared with the Clerk's office.

ACH or electronic fund transfers will be presented to the Township Board for approval in the same way that expenditures by check are presented.

The Clerk or Deputy Clerk shall initiate the transaction through the bank website. At this time, an email requesting approval will be sent to the Treasurer or Deputy Treasurer, in the Treasurer's absence, via the banking website.

The Treasurer or Deputy Treasurer will review the related documentation and, if approved, will indicate that approval through the banking website, which retains all such approvals. Approval of the documentation will be printed by the Treasurer or Deputy Treasurer and provided to the Clerk.

All documentation shall be retained by the Clerk by attaching the electronic documentation to the related invoice.

OVERSIGHT AUTHORITY

Otisco Township shall not be a party to an ACH arrangement unless the Otisco Township Board has adopted a resolution to authorize electronic transactions and the Otisco Township Treasurer has presented a written ACH policy to the Township Board.

An ACH arrangement under PA 738 of 200 is not subject to the Revised Municipal Finance Act, Public Act .34 of 2001 (MCL 141.2101, et seq.), or to provisions of law or charter concerning the issuance of debt by a local unit.

RESPONSIBILITY FOR ACH AGREEMENTS

The Otisco Township Treasurer, or designee, is responsible for Otisco Township's ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy.

OTISCO TOWNSHIP
CONFLICT OF INTEREST POLICY

GENERAL

The purpose of this policy is to establish a standard set of guidelines that are essential to describing the conduct of Township employees and Elected Officials, in order for them to hold the respect and confidence of the general public. Township employees and Elected Officials must, therefore, avoid conduct which is in violation of the public trust or which creates a justifiable impression among the public that such trust is being violated. To ensure propriety and preserve public confidence, persons employed by the Township should have the benefit of specific standards to guide their conduct and some disciplinary mechanism to ensure the uniform maintenance of those standards. All respective individuals shall perform their duties in a manner free from conflicts of interest to assure the proper performance of Township business as well as to earn and keep public confidence. This policy is intended to supplement but not replace any applicable state and federal laws or local ordinances governing conflict of interest that might be applicable.

DEFINITIONS

Conflict of Interest is where there exists a situation whenever a person misuses, or gives the appearance of misusing, a position of public trust for private benefit or personal advantage. A conflict may occur anywhere along a broad spectrum of actions ranging from overtly criminal conduct to behavior that could potentially lead to a perception of ethical impropriety.

Potential Conflict of Interest is where there is a circumstance that creates a reasonable doubt of a conflict of interest.

Related Party/Related Party Transaction is where a party has a close connection (i.e., employee, Elected Official, contractor, etc.) to the Township and to the organization that the Township is potentially going to do business with. This close association with both entities might be through themselves or a family member (related through blood, marriage, or adoption) having a financial interest or personal interest in the transaction.

Financial Interest is any financial interest in or relationship or prospective relationship with an entity, including, but not limited to, ownership of stocks, bonds, partnerships or other equity interests, rights to patent or lease payments, receipt of consulting fees, salary, loans, gifts, compensation for serving on boards of directors, or other forms of remuneration.

Personal Interest is to one person's interest or advantage. The pursuit of one's interest, i.e., self-interest.

POLICY/PROCEDURES

The Township recognizes that its employees occupy a position of trust and, therefore, accepts an unequivocal obligation to preclude the occurrence of legal and ethical impropriety, including the appearance of impropriety, on the part of its employees. The Township forbids any conduct that places, or appears to place, an employee's personal, financial, propriety, or familial interests in conflict with the Township's best interests or the Township's contractual obligations. Elected Officials shall not knowingly condone a clear conflict of interest and will be held accountable for enforcing this policy. To facilitate compliance, the Township requires self-disclosure of an existing conflict or potential conflict.

This policy applies to all Township employees, volunteers and individuals holding an elected or appointed position within the Township.

The examples outlined below are offered to illustrate a few of the types of conflict that require both self-disclosure by the individual involved and corrective action. The following items are to be understood as illustrative guidelines, and not as a comprehensive or exhaustive list of prohibitions:

- Unauthorized use of Township information, findings, facilities, property or derivative tangible or intangible products for private financial advantage, direct or indirect;
- Unauthorized use of privileged, proprietary Township information, gained through a position with the Township, including any affiliated vendor, for use in private business or in private, non-Township-affiliated endeavors;
- Exerting intentional, direct or indirect influence in contractual matters or other operational matters between the Township (including its vendors) and any private entity in which a personal, financial, proprietary and/or familial interest is involved;
- Pursuing and/or maintaining any non-Township business interest and/or professional endeavor that significantly interferes with the employee's commitment of time and professional energy to the Township;
- Unauthorized acceptance or extension of monetary, personal, or other reasonably discernible favors or benefit from or to a private entity with which the Township conducts business or persons with whom the Township conducts business (this includes accepting any money, gift or exchange of services between a Township employee and any resident, client or member of the public who is seeking service/assistance from the Township);
- Undisclosed familial relationships with vendors or employees where one party to the relationship holds either decisional authority, recommending authority, or significant influence over the economic and/or employment standing of the other party; and/or;
- Solicitation or acceptance of personal favors (including sexual favors) from employees or a private entity in exchange for favorable treatment, which includes, but is not limited to, financial consideration, improvement in employment status, or other significant consideration related to Township operations.

Some conflicts of interest may arise unintentionally. Other situations, though not constituting an actual conflict of interest, may carry an appearance of impropriety. This policy applies to both unintentional conflicts and the appearance of a conflict.

Full disclosure to the Supervisor is required in all cases. Some situations may be amenable to Township authorization, or to practices insulating the Township and/or the employee from conflicts of interest or appearances of impropriety. Certain potential conflict situations may be managed in an acceptable manner through scrutiny and strict adherence to prescribed conditions, at the approval of the Township Board.

Any potential conflict that is not disclosed as set forth above shall be deemed unauthorized.

It is not the intent of this policy to authorize or encourage needless intrusion upon any individual's personal behavior or endeavors. It requires self-disclosure. While vigilant enforcement is expected, reckless or malicious disclosure of alleged conflict or rumormongering by third parties is discouraged and may be subject to discipline as prescribed by the Supervisor.

Self-disclosure must be immediately provided in writing to the Supervisor. This is not only the least intrusive means of ensuring compliance with this policy but also affords the opportunity for mutually compatible resolution of actual or potential conflicts of interest. The responsibility for full self-disclosure rests with each employee.

All employees who are named in any capacity in a Power of Attorney, Will or other legal document of any non-relative, as of the implementation of this policy, must immediately disclose same if the person so named met or formed a relationship by way of their Township employment.

The Supervisor is available for consultation by any employee who is uncertain as to whether a specific set of circumstances constitutes a conflict or potential conflict in violation of this policy. Such consultation will be treated as confidential to the greatest degree practicable in conformity with Township policy and applicable law. Following consultation, responsibility for formal self-disclosure remains with each individual employee. If concerns arise regarding conflicts of interest involving the Supervisor, the employee or Elected Official in question is to bring the concern to another Board member.

RELATED PARTY TRANSACTIONS

The Township recognizes that related party transactions present a heightened risk of conflicts of interest (or the perception thereof) and therefore those transactions will be subject to approval/resolution in accordance with this policy.

DISCLOSURE OF CONFLICTS

Elected Officials and employees shall disclose conflicts as they arise as well as disclose those situations that are evolving that may result in a conflict of interest. Advance disclosure must occur so that a determination may be made as to the appropriate plan of action to manage the conflict. Employees should disclose to an Elected Official. Elected Officials should disclose any conflicts of interest to the Supervisor as soon as the person with the conflict is aware of the conflict/potential conflict or appearance of a conflict exists.

ANNUAL STATEMENT

Each employee/Elected Official shall annually sign a statement which affirms they have received a copy of the conflict-of-interest policy, they have read and understand the policy, and they agree to comply with the policy.

DISCIPLINARY MEASURES

Disciplinary measures consistent with existing law, Township policy, and collective bargaining agreements, etc., when applicable, may be taken if there is a violation of this policy. Refer to the personnel handbook and policies for specific measures to be taken.

RESOLUTION OF A CONFLICT-OF-INTEREST SITUATION

Disclosed conflicts will be managed in a manner acceptable to the Township and the employee wherever feasible and warranted. Undisclosed conflicts may result in discipline ranging from notice to discontinuing a specific activity to termination of employment.

I have received the Conflict-of-Interest policy and confirm that I agree with the provisions and requirements therein:

NAME: _____

DATE: _____

OTISCO TOWNSHIP
FRAUD RISK MANAGEMENT POLICY

GENERAL

The Township recognizes the importance of protecting the Township, its operations, its employees and its assets against financial risks, operational breaches, and unethical activities. This policy is intended to advise employees and Elected Officials about activities which may be fraudulent, corrupt, illegal or otherwise unethical.

The Township will not tolerate such activities and disciplinary measures will be implemented as appropriate.

This policy applies to permanent and temporary employees as well as Elected Officials, consultants, vendors, contractors, outside agencies doing business with the Township, and any other parties with a business relationship with the Township. Each permanent or temporary employee and Elected Official of the Township is responsible for reporting any observed or suspected fraud or fraudulent activity to the Supervisor. Any concerns that arise involving the Supervisor are to be brought to another Elected Official.

Fraud and fraudulent activities as herein defined are strictly prohibited.

DEFINITIONS

Fraud is defined as the intentional, false representation or intentional concealment of a material fact for the purpose of inducing another to act or upon it to his/her injury.

A material fact is one which constitutes substantially the consideration of a contract, document or agreement involving or related to the Township, or one without which the contract, document or agreement would not have been made.

The following are examples of prohibited acts:

- Forgery or alteration of documents including but not limited to checks, promissory notes, time sheets, personnel records, independent contractor agreements, purchase orders, and budgets.
- Willful misrepresentation of information on or in documents.
- Appropriation of funds, supplies or other assets for personal gain or benefit.
- Impropriety in the handling or reporting of money or financial transactions to the detriment of the Township or for personal gain or benefit.
- Disclosing confidential and proprietary information to outside parties for personal gain (either directly or indirectly).
- Unauthorized destruction, removal or use of records, furniture, fixtures and/or equipment for personal gain (either directly or indirectly).
- Misuse of Local, State, or Federal funds for other than their designated purposes.
- Accepting or seeking anything of material value for personal gain or benefit from contractors, vendors or persons providing services/materials to Township.
- Use of position for personal gain or benefit.
- Failure to disclose information when there is a legal duty to do so.

The above are by way of example only and not intended to represent all activity within the definition of fraud or fraudulent activity.

DETECTION

The Township directs employees and Elected Officials to report any suspected fraud or fraudulent activities by contacting the Supervisor as soon as fraud is suspected. If the suspected fraud or fraudulent activity involves the Supervisor, the employee or Elected Official should bring their concerns to another Elected Official.

CONFIDENTIALITY

To the extent permitted by law, the Township will treat reports of suspected fraud in a confidential and sensitive manner. The identity of the individual may be kept confidential provided this does not hinder or frustrate any investigation. However, there will be occasions where the identity of the individual needs to be revealed. For example, where the individual is required to give a witness statement or give evidence at a formal hearing, where allegations of misconduct or criminal activity are involved. Applicable fraudulent activities will be referred to law enforcement for potential criminal investigation. This does not apply to items under the Freedom of Information Act, which has specific rules and requirements that the Township will adhere to.

EMPLOYEES RESPONSIBILITIES

The key to a successful Anti-Fraud Policy is training and awareness. It is expected that employees and Elected Officials read, understand and comply with this policy and any procedures that apply to them. Disregard of these policies and procedures may lead to formal disciplinary action, up to and including termination of employment when applicable.

DISCIPLINARY MEASURES

Disciplinary measures consistent with existing law, Township policy, and collective bargaining agreements, etc., when applicable, may be taken if there is a violation of this policy. Refer to the personnel handbook and policies for specific measures to be taken.

OTISCO TOWNSHIP

CAPITAL ASSET MANAGEMENT POLICY

GENERAL

The purpose of this policy is: (1) to describe the policies and procedures utilized in the Township's capital asset management system; (2) put in place guidelines for accounting for and depreciating the Township's capital assets.

The primary goals of this policy are:

- To ensure that the Township's capital assets are accounted for in conformance with generally accepted accounting principles; and
- To establish a consistent and cost-effective method for accounting of the Township's capital assets.

This capital asset policy is in accordance with generally accepted accounting principles and closely conforms to capital asset accounting practices as recommended by the Government Finance Officers Association. The Government Finance Officers Association (GFOA) recommends that every state and local government consider the following applicable guidelines in establishing capitalization thresholds for capital assets:

- Capital assets should be capitalized only if they have an estimated useful life of at least one year following the date of acquisition.
- Capitalization thresholds should be applied to individual assets rather than to groups of similar items (e.g., desks, tables).
- Governments should exercise control over their non-capitalized assets by establishing and maintaining adequate internal control procedures at the department level.

DEFINITIONS

Capital Assets – Capital assets include land, land improvements, buildings, building improvements, construction in progress, machinery and equipment, vehicles, infrastructure, easements, intangible assets (such as computer software), works of art, and historical treasures.

Capitalization – Capitalization of an asset occurs when the cost of the asset meets the “threshold” and the “estimated useful life” set in the organizational guidelines.

Depreciation – Depreciation is the process of allocating the cost of property over a period of time, rather than recognizing the cost as an expense in the year of acquisition. Generally, at the end of an asset's life, the sum of the amounts charged for depreciation in each accounting period (accumulated depreciation) will equal the original cost less salvage value, if any.

Donated Capital Asset – Donated assets are those assets contributed to the Township. The donated assets are treated like any other capital asset (using the estimated acquisition cost on the date received as its basis).

Estimated Useful Life – Estimated useful life means the estimated number of months or years that an asset will be able to be used for the purpose for which it was purchased. In determining useful life, consideration is given to the asset's present condition, use of the asset, construction type, maintenance policy, and how long it is expected to meet service demands.

Fair Market Value – The amount that would be paid if the item were sold currently in a transaction between a willing buyer and a willing seller.

Historical Cost – The historical cost of a capital asset includes the cost or estimated cost at the time of acquisition, freight charges, installation, and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs.

Infrastructure Asset – Infrastructure assets are long-lived capital assets that normally can be preserved for a significantly greater number of years than most capital assets (non- infrastructure assets). Infrastructure assets are normally stationary in nature and are of value only to the government entity. Examples include the water and sewer lines.

Estimated Useful Life – Estimated useful life means the estimated number of years that an asset will be able to be used for the purpose for which it was purchased. In determining useful life, consideration is given to the asset's present condition, use of the asset, construction type, maintenance policy, and how long it is expected to meet service demands.

Salvage Value – The salvage value of an asset is the value it is expected to have when it is no longer useful for its intended purpose.

Straight-line Method – The straight-line method of depreciation is the simplest and most commonly used method for calculating depreciation. It can be used for any depreciable property. Under the straight-line method, the basis of the asset is written off evenly over the useful life of the asset. The same amount of depreciation is taken each year. In general, the amount of annual depreciation is determined by dividing an asset's depreciable cost by its estimated life

Capitalization Threshold – The capitalization threshold is the dollar amount that an asset must equal or exceed if that asset is to be capitalized. Otherwise, the item would be considered as an expense at the time of acquisition.

POLICY/PROCEDURES

Threshold – effective with the implementation of this policy, the Township will capitalize individual assets other than Buildings, Building Improvements and Land Improvements, and Infrastructure that cost \$5,000 or more and have an estimated useful life of more than one (1) year. Assets acquired with debt proceeds may be capitalized regardless of cost. In addition, assets acquired prior to the implementation date of this policy that were capitalized at a lower threshold may continue to be depreciated on the basis of past practice.

Effective with the implementation of this policy, infrastructure projects and improvements shall be capitalized in accordance with this policy so as to substantially account for the Township's investment in infrastructure and consider related debt.

Individual assets that cost less than \$5,000, but that operate as part of a network system may be capitalized in the aggregate, using the group method, if the estimated average useful life of the individual asset is greater than one (1) year. A network is determined to be where individual components may be below \$5,000 but are interdependent and the overriding value to the Township is on the entire network and not the individual assets (e.g., computer systems and telephone systems).

Valuation – in accordance with generally accepted accounting principles, the Township will value its capital assets at historical cost. Historical cost includes the cost or estimated cost at the time of acquisition, freight charges, installation and site preparation charges, and the cost of any subsequent additions or improvements, excluding repairs. If a capital asset is donated to the Township the asset will be valued based on the estimated acquisition cost at the time the asset is donated.

Depreciation – the Township will use the Straight-Line Method as its “basic approach” (standard approach) to depreciate capital assets.

Capital Assets Inventory Report – as part of the financial audit, the Clerk’s office shall submit a capital asset report to the Township’s external auditor on an annual basis. This report will include, but not be limited to, the following information:

- Type of asset (i.e., land, building, infrastructure)
- Date of acquisition
- Acquisition cost
- Estimated useful life
- Annual depreciation
- Accumulated depreciation

Estimated Useful Lives – the following ranges are guidelines in setting estimated useful lives for depreciating assets.

Building & Improvements	10 – 50 years
Land Improvements	15 -20 years
Machinery & Equipment	5 – 30 years
Vehicles	2 – 8 years
Sewer system and improvements	15 – 40 years
Flowage rights	50 years

Capital vs. Repair and Maintenance Expense – the following criteria are the basis for distinguishing costs as either capital or repair and maintenance expense:

With respect to improvements on non-infrastructure and infrastructure capital assets, under the basic approach, costs should be capitalized if the useful life of the asset is substantially extended, or the cost results in a substantial increase in the capacity or efficiency of the assets. Otherwise, the cost should be expensed as repair and maintenance.

Inventory – for internal control purposes, the Township may maintain an inventory listing of certain assets (controlled equipment) that do not meet the above reference capitalization amounts. Controlled equipment includes items that should be specifically accounted for and inventoried periodically due to the high re-sale value of the equipment and potential risk of theft. Controlled equipment may include items such as computers, construction equipment, and other office equipment.

Disposal and Transfer of Township’s Assets – Disposition of Township assets will be performed in a manner that is in the best interest of the Township and in accordance with the Township’s Capital Asset Disposal Policy.

OVERSIGHT AUTHORITY

Oversight authority for capitalization and categorization of potential capital assets is the responsibility of the Clerk as ultimately directed by the Township Board.

OTISCO TOWNSHIP
CAPITAL ASSET DISPOSAL POLICY

GENERAL

The Capital Asset Disposal Policy outlines the procedures and guidelines for the disposal of capital assets owned by Otisco Township. The purpose of this policy is to ensure that the disposal of capital assets is conducted in a transparent, responsible, and compliant manner, while maximizing the value of assets and minimizing financial risk.

DEFINITIONS

Disposal: The process of selling, transferring, donating, or otherwise removing capital assets from the local government's ownership.

Surplus: Capital assets that are no longer needed for operational purposes.

Fair Market Value: The price at which the asset would change hands between a willing buyer and a willing seller, both having reasonable knowledge of the relevant facts.

Obsolete: Capital assets that are no longer useful due to technological advancements or changes in operational needs.

Selling Authority: The designated individual or department responsible for overseeing and approving capital asset disposals. Otisco Township has designated the Supervisor as the Selling Authority.

POLICY/PROCEDURES

Identification of Surplus Assets: The department or unit responsible for the management of assets shall identify surplus capital assets that are no longer needed for operational purposes. Surplus assets may include items that are obsolete, damaged beyond repair, or have exceeded their useful life.

Evaluation and Valuation: The Supervisor shall determine the fair market value of surplus assets through appropriate methods, which may include appraisals, market research, or expert assessments. The value assessment shall consider the asset's condition, age, market demand, and any other relevant factors.

Disposal Methods: The local government may dispose of surplus capital assets through the following methods:

- Public Auction: Selling assets through a public auction to obtain competitive bids.
- Sealed Bids: Inviting sealed bids from interested parties and selecting the highest bidder.
- Negotiated Sale: Negotiating with potential buyers to achieve the best possible value.
- Donation: Donating assets to charitable organizations or other governmental entities if deemed appropriate.
- Trade-In: Exchanging surplus assets for new assets with a supplier or vendor.

Approval Process: Prior to initiating the disposal process, the department or unit seeking to dispose of assets must submit a disposal request to the Supervisor. The Supervisor will review the request and ensure compliance with this policy before granting approval.

Documentation: All capital asset disposals must be well-documented. This documentation should include details such as the asset description, disposal method, fair market value, buyer information (if applicable), approval records, and reasons for disposal.

REPORTING AND ACCOUNTABILITY:

The local government shall maintain records of all capital asset disposals, including details of the assets, disposal methods, and financial transactions. These records shall be periodically reviewed to ensure adherence to policy guidelines.

COMPLIANCE AND LEGAL CONSIDERATIONS:

All capital asset disposals shall comply with federal, state, and local laws, regulations, and guidelines. The local government shall seek legal counsel when necessary to ensure compliance.

OTISCO TOWNSHIP

INVESTMENT POLICY

GENERAL

It is the policy of the Township to invest public funds in a manner which will provide the highest investment return with the maximum security while enabling the Township to meet its daily cash flow demands. All investments must conform to state statutes governing the investment of public funds.

This investment policy applies to all financial assets held by the Township.

This policy does not apply to the investment of employees' retirement funds which is governed by the Michigan Public Employee Retirement System Act, that being PA 314 of 1965. Nor does it apply to the investment of eligible deferred compensation plan funds which meet the requirements of section 457 of the internal revenue code. In addition, proceeds from certain bond issues are covered by a separate policy.

Cash may be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average daily balances relative to the total pooled balance in the investment portfolio. This process is further described in the internal control section below.

PRUDENCE

The standard of prudence to be used for managing the Township's assets is the Michigan Prudent Investor Rule, found in Section 700.1502 of Act 386 of 1998. It states, "A fiduciary shall invest and manage assets held in a fiduciary capacity as a prudent investor would, taking into account the purposes, terms, distribution requirements expressed in the governing instrument, and other circumstances of the fiduciary estate. To satisfy this standard, the fiduciary must exercise reasonable care, skill, and caution."

The Township's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The Township recognizes that no investment is totally riskless and that the investment activities of the Township are a matter of public record. Accordingly, the Township recognizes that occasional measured losses may be desirable in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the Township.

The Treasurer and other authorized persons acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the Township Board and appropriate action is taken to control adverse developments.

OBJECTIVES

The following primary objectives, in priority order, shall be applied in the management of the Township's funds:

Safety - Safety of principal being the foremost objective of the Township's investment program, Township funds shall be invested in a manner which seeks to ensure the protection of the public funds invested. To attain this objective the Township will diversify its investments by security type, institution, and maturity and utilize the following measures:

- A. Credit Risk - the Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:
- Limiting investments to types of securities listed below in this policy and allowed by law.
 - Pre-Qualifying the financial institutions, broker/dealers, intermediaries, third-party custodians, and advisers with which the Township will do business with. The Township will limit custodial credit risk, which is the risk that in the event of a bank failure, the Township's deposit may not be returned or in the case of investments, if there is a failure of the counterparty, the Township will not be able to recover the value of the investments or collateral securities that are in the possession of the outside party.
 - Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- B. Interest Rate Risk- the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates by:
- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
 - Investing normal operational funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.
- C. Concentration of Credit Risk -The Township will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, by diversifying the investment portfolio by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- D. Foreign Currency Risk. The Township is not authorized to invest in investments which have this type of risk.

Liquidity - The investment portfolio shall remain sufficiently liquid to enable the Township to meet all cash flow requirements which might be reasonably anticipated.

Return on Investment - Subject to the foregoing constraints, the Township will strive to maximize the rate of return on the portfolio with the goal of attaining a market average rate of return throughout budgetary and economic cycles.

DELEGATION OF AUTHORITY

In accordance with MCL 41.77, the Treasurer is designated as Investment Officer of the Township and is responsible for managing the township's investment program and shall establish written procedures and internal controls for the operation of the Township's investment program, designed to prevent loss of public funds due to fraud, error, misrepresentation, and imprudent actions.

ETHICS AND CONFLICTS OF INTEREST

Elected Officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their impartiality. They shall disclose to the Township Board any material financial interests in financial institutions that conduct business within their jurisdiction, or that could be related to the performance of the Township. This will be done by reviewing and signing the Conflict-of-Interest policy on an annual basis.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Township Treasurer shall maintain a list of financial institutions that are approved for investment purposes. Financial institutions shall be added to or deleted from the approved list by the Township Board. The list of approved financial institutions shall be periodically reviewed by the Treasurer to ensure that they are still financially sound. No public deposit shall be made except in a qualified public depository as established by State law.

AUTHORIZED AND SUITABLE INVESTMENTS

Investments for the Township shall be made in accordance with Act 20 of 1943 as amended, MCL 129.91-129.96, Investment of Surplus Funds of Political Subdivisions, and Act 40 of 1932, as amended, MCL 129.12-129.14, Depositories for Public Moneys. Any revisions or extensions of these statutes will be assumed to be part of this Investment Policy immediately upon being enacted. This Investment Policy further restricts the investment of Township funds to the following types of securities and transactions:

- US Treasury obligations which carry the full faith and credit guarantee of the United States government, including Treasury Bills, Treasury Bonds, Treasury Notes, Treasury STRIPS and other securities or obligations of the United States, or an agency or instrumentality of the United States;
- Certificates of Deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the FDIC or a credit union which is insured by the NCUA, but only if the bank, S&L, or credit union is eligible to be a depository of surplus funds belonging to the state as defined in PA 105 of 1855;
- Commercial paper, rated in the highest tier by a nationally recognized rating agency;
- Banker's acceptances;
- Investment-grade obligations of the State of Michigan, or any of its political subdivisions, as rated by at least one standard rating service;
- Repurchase agreements whose underlying purchased securities consist of the aforementioned instruments;
- Money market mutual funds regulated by the SEC and permitted for direct investment by local units of government in Michigan and whose portfolios consist of only dollar-denominated securities; and
- Obligations described in the previous first seven bullets as included in PA 20 as revised, if purchased through an interlocal agreement under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512 *(Added by amendment 7/8/08)*
- Local government investment pools organized under the local investment pool act, PA 121 of 1985, MCL 129.141 to 129.150. *(Corrected by amendment 7/8/08)*

INVESTMENT POOLS/MUTUAL FUNDS

The Treasurer may, where appropriate, pool cash of various funds to maximize earnings. A thorough investigation of the pool/fund is required prior to investing, and on an annual continual basis.

SAFEKEEPING AND CUSTODY

The Township Board shall approve one or more banks to provide safekeeping and custodial services for the Township. A Township approved safekeeping agreement shall be executed with each custodian bank. To be eligible, a bank must be eligible to be a depository of funds belonging to the State of Michigan.

All security transactions shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts.

INTERNAL CONTROLS

As indicated above, the Treasurer's office is responsible for establishing and documenting appropriate internal controls over the investments of the Township.

The responsibilities for initiating, evaluating, and approving transactions are separate from detail accounting and general ledger functions, as the Treasurer office is responsible for making investment decisions, but the Clerk's office reviews the bank reconciliation and appropriately posts any related journal entries to ensure that changes in the valuation of investments and derivatives are properly recorded. The Township adjusts investments to fair market value on an annual basis.

Investment documents are in the Township's name and kept in a secured area within the Treasurer's office. The Township maintains authorized lists of signatures, securities dealers, and counter parties, and those lists are authorized by the governing board and updated periodically. Any changes in investment accounts or transfers between accounts are properly documented and recorded in BS&A.

The Board periodically reviews investments via the Treasurer's report to ensure that the Township meets any restrictions or limitations imposed by funding sources or the Township.

INVESTMENT PERFORMANCE AND REPORTING

The Treasurer shall provide quarterly investment reports to the Township Board which should provide a clear picture of the status and type of investments of the current portfolio.

INVESTMENT POLICY ADOPTION

The Township's investment policy shall be adopted by resolution of the Township Board. The policy shall be reviewed periodically by the Treasurer and any modifications made thereto must be approved by the Township Board.



December 20, 2023

Township of Otisco
9663 Button Rd
Belding, MI 48809-9795

Re: METRO Act Right-of-Way Permit Extension Request

Dear Sir or Madam:

This is a letter agreement which extends the existing METRO Act Permit issued by the Township of Otisco to Point Broadband Fiber Holding, LLC¹ ("Point Broadband") which expires on February 7, 2024. The extension is for an additional five (5) year term to end on February 7, 2029.

If this is agreeable, please execute below in the space provided and return to Point Broadband at john.kemp@point-broadband.com and/or joshua.white@point-broadband.com. Upon receipt, we will acknowledge and return the countersigned copy for your files.

We would appreciate your return of the executed request within thirty (30) days of receipt.

Please feel free to contact us at (334) 524-0335 or john.kemp@point-broadband.com for John Kemp and legal questions or (989) 330-6384 or joshua.white@point-broadband.com for Josh White and operational questions. We work as a team, so you are welcome to contact either of us. Thank you.

Agreed to by and on behalf of the
Township of Otisco

Point Broadband Fiber Holding, LLC
acknowledges receipt of this Permit
Extension granted by the Municipality.

By: _____
Print Name: _____

By: _____
John A. Kemp

Its: _____

Its: Associate General Counsel

Date: _____

Date: _____

¹ The METRO Act Permit was originally issued to Crystal Automation Systems, Inc. d/b/a Casair, Inc. ("Casair"). Casair assigned and transferred the METRO Act Permit to Point Broadband Fiber Holding, LLC ("Point"), effective as of October 2020. Point previously provided your municipality with additional notice of the transaction and transfer of the METRO Act Permit. Point has and holds all rights and interests, and shall perform all duties and obligations of Casair under the METRO Act Permit.