

Village of Beverly Hills
Regular Village Council Meeting
Tuesday, November 16, 2021

Municipal Building
18500 W. 13 Mile Road
7:30 p.m.

Zoom link: <https://us02web.zoom.us/j/82334423535>

Meeting ID: 823 3442 3535

Dial in: 1-646-876-9923 (US)

AGENDA

Roll Call/Call to order

Pledge of Allegiance

Amendments to Agenda/Approve Agenda

Special Order of Business: Update from State Representative Kyra Harris Bolden

Community Announcements

Public Comments on items not on the published agenda

Consent Agenda

1. Review and consider approval of **minutes** of a regular Council meeting held November 2, 2021.
2. Review and file **bills** recapped as of Monday, November 8, 2021.
3. Review and consider appointing SOCRRRA **representative** and alternate.
4. Review and consider appointing SOCWA **representative** and alternate.

Business Agenda

1. Public hearing to receive comments on the proposed 2022 Community Development Block Grant funding allocation.
2. Review and consider **resolution** authorizing the Village of Beverly Hills' Community Development Block Grant application for program year 2022.
3. Receive and file Fiscal Year 2020-2021 **Audit Presentation** from Plante Moran.
4. Receive and file quarterly **financial statement** date ending September 30, 2021.
5. First reading of **Ordinance #380** to adopt the 2021 International Property Maintenance Code.
6. Review and consider purchase of a **generator** for the Village Office from PM Technologies.
7. **Announcement** of a vacancy on the Zoning Board of Appeals.
8. Review and consider Interim Village Manager **appointment**.

Public comments

Manager's **report**

Council comments

This will be a hybrid meeting held in person in the Village Council Chambers with a remote participation option available via Zoom due to the COVID-19 pandemic.

The Village of Beverly Hills will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audiotapes of printed materials being considered at the meeting, to individuals with disabilities attending the meeting upon three working days' notice to the Village. Individuals with disabilities requiring auxiliary aids or services should contact the Village by writing or phone, 18500 W. Thirteen Mile Beverly Hills, MI 48025 (248) 646-6404.

Adjournment

This will be a hybrid meeting held in person in the Village Council Chambers with a remote participation option available via Zoom due to the COVID-19 pandemic.

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REGULAR COUNCIL MEETING MINUTES – NOVEMBER 2, 2021 – PAGE 1

Present: President George; President Pro-Tem Hrydziuszko; Members: Abboud, Kecskemeti, Mooney, O’Gorman, and Peddie

Absent: None

Also Present: Village Manager, Wilson
Village Clerk / Assistant Manager, Rutkowski
Village Attorney, Ryan
Planning and Zoning Administrator, Lloyd

President George called the regular Village Council meeting to order at 7:30 p.m. in the Village Council Chambers located at 18500 W. Thirteen Mile Road, Beverly Hills, MI 48025. The Pledge of Allegiance was recited by those in attendance.

AMENDMENTS TO AGENDA/APPROVE AGENDA

Motion by Mooney, second by Peddie, to approve the agenda as published.

Motion passed.

COMMUNITY ANNOUNCEMENTS

None.

PUBLIC COMMENTS

None.

CONSENT AGENDA

Motion by Mooney, second by Peddie, be it resolved, the consent agenda is approved as published.

1. Review and consider approval of minutes of a regular Council meeting held October 19, 2021.
2. Review and file bills recapped as of Monday, October 25, 2021.

Roll Call Vote:

Motion passed (7-0)

BUSINESS AGENDA

REVIEW AND CONSIDER REQUEST FROM BEVERLY HILLS LIONS CLUB FOR THEIR CANDY CANE COLLECTION TO BE HELD NOVEMBER 24 – DECEMBER 24, 2021

Village Administration received a request from the Beverly Hills Lions Club regarding their annual Candy Cane Collection to be held November 24 – December 24, 2021. The Lions Club is requesting to conduct a fund solicitation drive during this period, primarily at the Corners Shopping Center and Market Fresh. The Lions Club is also requesting the following notice be placed on the display sign outside of the Village Offices, provided there is no conflict: Support Lions Candy Cane Collection November 24 to December 24.

The funds raised during this drive will be used primarily to support activities and organizations related to sign and hearing-impaired individuals. The Leader Dog School for the Blind in Rochester, Michigan is the primary beneficiary. The Lions Club of Beverly Hills gladly supports

many activities within the Village as well such as the Halloween Hoot, the Memorial Day Fun Run, and the High School Senior Scholarship Award.

The Lions Club will be required to submit a certificate of liability insurance naming the Village as an additional insured for the duration of the collection.

Motion by Abboud, second by Mooney, be it resolved, the Beverly Hills Village Council approves the request from the Beverly Hills Lions Club to solicit donations for their annual Candy Cane Collection from November 24 to December 24, 2021 and the following notice will be placed on the display sign outside of the Village Offices, provided there is no conflict: “Support Lions Candy Cane Collection November 24 to December 24.”

Motion passed.

REVIEW AND CONSIDER DEVELOPMENT AGREEMENT FOR 31655 SOUTHFIELD ROAD, GODDARD SCHOOL

Motion by Mooney, second by Hrydziuszko, Council member Abboud is recused from voting on the Development Agreement for 31655 Southfield Road per his request.

Motion passed.

Wilson gave an introduction to the Development Agreement for the project located at 31655 Southfield Road, Goddard School.

Lloyd provided an overview of the project and proposed agreement. On October 19, 2021, the Village Council approved the site plan for development of a mixed-use development project at 31655 Southfield Road in the B Business District and within the Village Center Overlay District. A copy of the draft Development Agreement associated with the approved site plan was presented to the Village Council for consideration at that time. The Village Council tabled consideration of the Development Agreement to allow additional time for review. Section 22.23.11.d, Development Agreement of the Village Zoning Ordinance states, “Development approved according to this Section shall enter into a development agreement with the Village, in a form acceptable to the Village Attorney that specifies the required improvements, commitments and obligations of the development as it relates to the overall Village Center district. The development agreement shall specify any recognized benefits provided by the developer, flexibility granted by the Village, and maintenance provisions for all site improvements.”

A copy of the October 13, 2021 report and all attachments were included with Lloyd’s report along with the Development Agreement which has been signed by the developer. In addition, a copy of the PowerPoint presentation given at the October 19, 2021, meeting, and subsequently sent via e-mail to the Village Council on October 20, 2021, was also provided and gave an overview of the project and outlines the terms and conditions of the Development Agreement. The Village Attorney prepared a suggested resolution for consideration on this matter.

Ryan stated that the Development Agreement process is new to the Village Overlay District. If the agreement is approved, it will be filed and on record with the Oakland County Register of Deeds for any future potential buyer.

Mooney asked about the negotiation regarding the 6 feet of property along Gould Court. He thought the Village should have the first right to that purchase and that some sort of price should have been set, should an opportunity arise in the future with the property's successor.

Ryan referred to Section 11-ii of the Agreement and stated the negotiating team did not want to leverage an exact property for an adjacent parcel that they do not have any interest in. The Agreement was made in good faith with the applicant and includes language regarding a potential sale that references a comprehensive and compatible redevelopment of Gould Court.

George asked about the terms "reasonably and in good faith." He inquired about the litigation process should this be challenged down the road.

Mooney did not believe that asking for a price for the property was unreasonable. He does not want a future property owner to have a veto power over the future development of Gould Court and the surrounding area.

Kellie McDonald, Goddard School, 935 Silverbell, Lake Orion, Michigan, stated that the 6' offer was made in good faith and she would not care if it belonged to either a future developer or the Village.

Motion by Peddie, second by Hrydziuszko, be it resolved, The Village Council accepts the Planning Commission's recommendation and hereby approves the site plan for development of a child-care center at 31655 Southfield Road located in the B-Business District and within the Village Center Overlay District finding that the project has received required variances from the Zoning Board of Appeals and that the project meets the requirements of the B-Business District and the intent of the Village Center Overlay District. Furthermore, the Village Council hereby approves the associated Development Agreement and authorizes the Village President to execute on behalf of the Village Council.

It was noted that there was an updated suggested resolution provided in the meeting packet prepared by Mr. Ryan that should be read instead.

Peddie withdrew her initial motion.

Motion by Peddie, second by Hrydziuszko, be it resolved, the Beverly Hills Village Council approves the Development Agreement between the Village of Beverly Hills and JMAX Capital, LLC, a Michigan Limited Liability Company doing business as the Goddard School of Beverly Hills to become effective upon the successful completion of the pending litigation in the Oakland County Circuit Court Case No. 21-190294-AA.

Roll Call Vote:

Abboud (recused)

George – Yes

Hrydziuszko – Yes

Kecskemeti – Yes

Mooney – No

O'Gorman – Yes

THESE MINUTES ARE NOT OFFICIAL. THEY HAVE NOT BEEN APPROVED BY THE VILLAGE COUNCIL.

Peddie - Yes
Motion passed (5-1)

REVIEW AND CONSIDER PARKS & RECREATION BOARD'S RECOMMENDATION TO ESTABLISH A COMMERCIAL FILMING FEE FOR PAKRS

Wilson provided an overview of the recommendation. Occasionally, private companies film commercials at parks within Beverly Hills. The Parks & Recreation Board has discussed requiring an application and fee for commercial filming on park property. Board members compared applications and fees from surrounding communities to help come up with a recommendation to Council.

The proposed fee would be for filming for commercial purposes only.

At their October 21, 2021 meeting, the Parks & Recreation Board voted to recommend the Village Council require a fee of \$125.00, an application, and a certificate of insurance to be submitted to the Village of Beverly Hills for any commercial filming on park property.

Kecskemeti asked about the application criteria and if there was an ability to deny an application.

Wilsons stated that the Village is not looking to prohibit filming, rather we are trying to avoid conflicts and that requiring a certificate of insurance is a good idea.

George requested that a restoration provision be included on the application so the property is left how the applicant found it.

Motion by Hrydziuszko, second by Peddie, be it resolved, the Beverly Hills Village Council hereby requires an application, a Certificate of Liability Insurance naming the Village of Beverly Hills as an additional insured, and a fee of \$125.00 to be submitted to the Village of Beverly Hills Administration for approval prior to any commercial filming on Beverly Hills park property.

Roll Call Vote:
Motion passed (7-0)

REVIEW AND CONSIDER PARKS & RECREATION BOARD'S RECOMMENDATION TO HOLD A CONCERT IN THE PARK ON JULY 22, 2022

Wilson provided an overview. At their October 21, 2021 meeting, the Parks & Recreation Board reviewed a request for booking a band at the Village's July 22, 2022 Concert in the Park. Danny D and the Vagabonds are a Rod Stewart tribute band and their performance also includes bits of Motown, 70s, 80s, and 90s hits. They are proposing a 90-minute show with costume changes and an 8-piece band. The price range for this performance is \$1,000.00-1,200.00, depending on whether a sound technician is available.

The Village rents a stage from Oakland County Parks for the Concert in the Park events in the amount of \$550.00. A standard facility/property use agreement has been reviewed by the Village Attorney who found it to be in order. The agreement was provided to Council for review.

The Beverly Hills Parks & Recreation Board recommended the Village Council authorize the Board to host a Concert in the Park featuring Danny D and the Vagabonds on Friday, July 22, 2022 at Beverly Park and to authorize Administration to execute a Facilities/Property Use Agreement with Oakland County Parks for the stage rental in a total amount not to exceed \$1,800.00.

O’Gorman asked why the Parks & Recreation Board requests events, such as the Concert at the Park, individually instead of as a package request.

Hrydziuszko stated that with the COVID-19 pandemic and changing regulations, it became customary for the Board to recommend one event at a time.

Motion by O’Gorman, second by Hrydziuszko, be it resolved, the Beverly Hills Village Council authorizes the Parks & Recreation Board to host a Concert in the Park featuring Danny D and the Vagabonds on Friday, July 22, 2022 at Beverly Park and authorizes Administration to execute a Facilities/Property Use Agreement with Oakland County Parks for the stage rental in an amount not to exceed \$1,800.00. Funds are available in account #101-747-894.00.

Roll Call Vote:
Motion passed (7-0)

REVIEW AND CONSIDER APPROVAL OF BACKFLOW PREVENTER INCENTIVE PROGRAM

Wilson gave an overview of the proposed backflow preventer incentive program. Provided for Council’s review and consideration was a draft proposal for a program that would incentivize and provide reimbursement for homes that met eligibility criteria to receive reimbursement through the Village of up to 50% of the cost of installation of a backflow preventor or other pre-approved device or procedure at their home, up to \$2,500.

Village Administration has worked with Council and our engineers to identify and develop a cost effective program that will provide protection for our residents from potential combined sewer backups in their homes. Village Administration feels this program meets those goals. Village Administration went over with Council the eligibility criteria and operation of the program at the meeting and answered any questions from Council. If Council is in agreement with the terms of the program, Village Administration is prepared to implement the program when approved.

Wilson stated that since the meeting packet was published, Administration has received questions about retroactivity of the program. He also stated that Ryan is in communications regarding municipal and state laws that would allow this program.

Ryan stated that the program would meet the public purpose criteria for spending public money on private property. He would like to be sure the Village is on solid ground and will prepare a memo for an upcoming meeting.

Kecskemeti thought the backflow preventer incentive program would be a good first step and can help protect public health in the short term. She would like the criteria to be very clear. She would like the program to be coupled with a public education campaign. She stated a backflow preventer is a mechanical device in a gravity system, so it will require some maintenance over time.

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Abboud asked how the dedicated budget number of \$250,000 was determined. Wilson stated that it was an estimate of 100 houses at the maximum reimbursement. Wilson does not know what the level of interest will be like from residents at this time.

The Council discussed long-term funding for the program.

Mooney requested the Council and Administration examine the proposal further before voting on it. He was concerned about using taxpayer dollars to improve private residences. He talked about the August 2020 and June 2021 rain events and stated the system is doing what it is supposed to be doing.

The Council discussed liability concerns.

George stated that ditches help during regular rain events and backflow preventers help during peak rain events. He stated that other municipalities have similar programs that are successful.

Keckskemeti stated it is difficult to predict if a backflow preventer installation will impact neighbors. Elevations and storm flows must also be considered. She talked about the mechanics of a backflow preventer, disconnecting drains, and the importance of maintenance.

The Council would like more information from the engineers and Village Attorney before voting on the proposed program

Motion by Mooney, second by O’Gorman, the Beverly Hills Village Council tables the Backflow Preventer Incentive Program to the next meeting.

Motion passed.

REVIEW AND CONSIDER APPROVAL OF CHANGE ORDER NO. 1 FOR 2021 CONCRETE PATCH REPAIR PROGRAM

Wilson gave an overview of the change order request. Village Administration and our engineers have identified additional quantities of concrete replacement that can be done within the funds Council has budgeted for this work this year and are in need of replacement. The majority of this additional work is along White Oaks Trail. The contractor has agreed to do the approximately 700 square yards of work on the existing contract and at those contract prices.

The Village allocated \$500,000 for concrete replacement for this Fiscal Year. The contract amount as awarded was \$372,825. The estimated price for this additional work is \$50,548.50. This would bring the total contract price to \$423,373.50. Village Administration has reviewed this proposal and believes it to be in the best interest of the Village to proceed with the additional work at this time.

Motion by Mooney, second by Hrydziuszko, be it so resolved that the Village Council approve and authorize the Village Manager to execute Change Order No. 1 for the Village of Beverly Hills 2021 Concrete Patch Repair Program in the amount of \$50,548.50. Funds for this work are available in Fund #203-451-810.03.

Roll Call Vote:

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Motion passed (7-0)

REVIEW AND CONSIDER RENEWING LIABILITY AND PROPERTY INSURANCE POLICY WITH MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

Wilson provided an overview. On the agenda for Council to review and consider is the renewal of the Village's Liability Insurance Policy. This policy renews on November 1 of this year.

The terms of this policy are the same as the current policy: A self-insured retention of \$75,000 for liability and, for vehicle and physical damage a self-insured retention of \$15,000 per vehicle and \$30,000 per occurrence. The liability limit is \$10,000,000 with various other limits listed on page 3. There is also a stop loss policy that would limit all liability in any village fiscal year to \$150,000. The cost for retaining this stop-loss policy is \$4,753. The stop-loss policy is detailed on page 8.

The total cost for the liability policy for one year is \$136,266. This is a slight increase of our premium for last year of \$130,034. Our carrier, Michigan Municipal Risk Management Authority (MMRMA) is also requesting a contribution to our loss retention fund of \$40,000 upon renewal. The total premium, stop loss cost and retention fund contribution is \$181,019. With the contribution of \$40,000 to our loss retention fund the Village will have in excess of \$300,000 retained to cover losses.

Upon renewal, the Village will be eligible for a disbursement through MMRMA of \$82,184. Given the current strong position of our retention fund I am recommending that the disbursement amount be allocated back to the General Fund. Village Administration has reviewed the liability insurance renewal and recommends approval at this time.

George stated that having two times the stop loss amount is a good position to be in.

Motion by Abboud, second by Hrydziusko, be it resolved that the Village of Beverly Hills Council approve and authorize the Village Manager to sign the Michigan Municipal Risk Management Authority Liability and Property Insurance renewal effective November 1, 2021 through November 1, 2022 in the amount of \$181,019.00. Funds for these expenditures are available in accounts 101.248.910.00, 205.345.910.00, 205.346.910.00, 592.540.910.00.

Roll Call Vote:

Motion passed (7-0)

ANNOUCEMENT OF A VACANCY ON THE ZONING BOARD OF APPEALS

There is a full-member vacancy on the Zoning Board of Appeals for a partial term ending June 30, 2023.

The ZBA meets the second Monday of the month at 7:30 p.m. as necessary. The ZBA hears appeals of applicants who request exceptions from or official interpretations of the Zoning Ordinance. Members must decide whether or not a physical hardship or practical difficulty exists which justifies the granting of a variance.

All interested and eligible residents of Beverly Hills are encouraged to apply to become a member of the ZBA. Applications are available on the Village website or by emailing the Village Clerk at

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krutkowski@villagebeverlyhills.com. Applications may be submitted to the Clerk's office via email, regular mail, in person, or using the drop box located outside the Village office (18500 W. 13 Mile Road, Beverly Hills, MI 48025).

Applications are due Wednesday, December 1, 2021.

This constitutes an announcement of a vacancy on the Zoning Board of Appeals.

UPDATE ON VILLAGE MANAGER SEARCH PROCESS

George provided an overview of the Village Manager search process. He went over the proposed timeline which included developing a profile, advertisement, review resumes/select finalists, reference checks/interviews, appointment, and start work. The estimated completion date for the entire process is February 23, 2022. George stated there will be a special meeting upcoming for the Council to meet with the Executive Recruiter. He stated that members of the Personnel Committee met with Clerk/Assistant Manager Rutkowski, who would be agreeable to serve in the Interim Manager role.

Mooney said he would like to discuss Council's expectations for a Village Manager at the upcoming Special meeting.

PUBLIC COMMENTS

None.

MANAGER'S REPORT

Planning and Zoning Administrator Position – As Council is aware, Mark Lloyd has resigned his position as Planning and Zoning Administrator effective November 5th. In consultation with the Personnel Committee, I will be appointing current Building Dept. Clerk Carissa Brown to this position on an interim basis as of Monday, November 8th. As I am leaving at the end of November it would be best to allow a new Village Manager to determine how to proceed with this position. Ms. Brown is agreeable to accept the position and understands that it is on an interim basis. Should a different individual be hired to fill this position in the future, Carissa will return to her current position. I am confident that Carissa will perform well in this position. Village Administration is working with Safebuilt to bring in a clerical employee on a temporary basis to assume the duties Carissa is currently performing. We wish Mr. Lloyd the best in his new position as Township Manager in Northfield Township.

American Rescue Plan Act (ARPA) Funds – The Village has received confirmation that our ARPA application has been received and approved. The Village will be receiving \$1,083,529 through the ARPA program. We will receive half of those funds in the next thirty (30) days, with the remainder of the funds coming approximately twelve (12) months later. Finance Director McCarthy has established a separate fund, Fund 257, to account for these funds. The Village will be required to submit our first Project and Expenditure Report by April 30 of next year. The content that will be required in that report is not known at this time. Village Administration will continue to monitor this. Finance Director McCarthy participated in a seminar with the Michigan Department of Treasury regarding guidelines for use of these ARPA funds. Treasury provided a list of four (4) allowable uses of these funds. I have included a brief summary of these categories for your review. Village Administration and Council will need to, prior to the April 30 report date, establish a plan for the allocation of these funds.

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FY 2020-21 Audit – The annual audit presentation will be conducted at the regular meeting of Tuesday, November 16th. This is later than the normal audit presentation, primarily due to the extra work required by the federally funded 13 Mile Rd. project, for which the Village was the lead agency. Village Administration has reviewed the audit figures and found them to be in order and in line with expectations.

Coat Drive – The Village of Beverly Hills will be serving as a drop off location for the Oakland County Sheriff's annual Coat Drive. A drop box will be located in the Village Hall. The Coat Drive will run from November 1 – November 30.

Village Hall Generator – Village Administration has been able to obtain two quotes for the installation of a generator to operate Village Hall in the case of a power outage. The lower of the two bids was \$68,000. This would be with the same firm that Southfield Township is using to install their generator. This price is in line with a quote the Village received a few years ago and with the most recent generator purchased for the Public Safety Building. There will be a couple of months lead time to obtain a generator for installation. If Council does not object, I will move forward and bring the quote before Council for your review and consideration.

Veterans Day – Village and Township offices will be closed on Thursday, November 11th in observance of Veterans Day.

Abboud asked if ARPA funds could be used for the Village Hall generator. He also requested an outline from Wilson regarding pressing issues before he leaves.

O'Gorman asked if Village Hall is considered an Emergency Center, if there would be a benefit to become an Emergency Center, and what the qualifications are. Wilson stated that Village Hall is not an Emergency Center and recommended checking with the Oakland County Health Department.

COUNCIL COMMENTS

Peddie thanked Lloyd for his work at the Village and said he was a pleasure to work with.

Abboud gave updates on SEMCOG, Next, and Senior Advisory Committee meetings. The Oakland County Area on Aging B1 will be sending mailers out regarding COVID vaccines. He expressed sincere gratitude to all veterans.

Hrydziusko stated that the Halloween Hoot was a huge success. She said there were 18 booths and almost 2,000 visitors. She thanked the Parks & Recreation Board and the volunteers for all of their work making the Hoot a success. She said there is a community tree planting event on Saturday, November 6th at Beverly Park at 8:45 a.m. She thanked Kecskemeti and Wilson for their work on the Backflow Preventer Program.

ADJOURNMENT

Motion by Mooney, second by Abboud, to adjourn the meeting at 9:35 p.m.

Motion passed.

John George
Council President

Kristin Rutkowski
Village Clerk



TO PRESIDENT GEORGE & MEMBERS OF THE VILLAGE COUNCIL. THE FOLLOWING IS A LIST OF
EXPENDITURES FOR APPROVAL. ACCOUNTS PAYABLE RUN FROM 10/26/2021 THROUGH 11/08/2021.

ACCOUNT TOTALS:

101	GENERAL FUND	\$75,922.03
202	MAJOR ROAD FUND	\$4,761.09
203	LOCAL STREET FUND	\$36,472.97
205	PUBLIC SAFETY DEPARTMENT FUND	\$49,100.61
592	WATER/SEWER OPERATION FUND	\$63,929.36
701	TRUST & AGENCY FUND	\$129.00
	TOTAL	<u>\$230,315.06</u>
	MANUAL CHECKS- COMERICA	\$2,500.00
	MANUAL CHECKS- INDEPENDENT	\$0.00
	ACCOUNTS PAYABLE	<u>\$232,815.06</u>
	GRAND TOTAL	<u>\$232,815.06</u>

11/05/2021 11:01 AM
User: JAY
DB: Beverly Hills

CHECK REGISTER FOR VILLAGE OF BEVERLY HILLS
CHECK DATE FROM 10/26/2021 - 11/08/2021

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Check Date	Bank	Check	Vendor	Vendor Name	Amount
Bank COM COMERICA					
10/26/2021	COM	84532	31830	ENTERPRISE COMPUTER	2,500.00
11/08/2021	COM	84533	MISC	ALL AMERICAN REMOD LLC	300.00
11/08/2021	COM	84534	51160	ALLIANCE MOBILE HEALTH	296.00
11/08/2021	COM	84535	60217	AMAZON CAPITAL SERVICES	23.98
11/08/2021	COM	84536	59239	ANJU AGGARWAL	250.00
11/08/2021	COM	84537	31164	APOLLO FIRE APPARATUS	218.37
11/08/2021	COM	84538	53284	APPLIED IMAGING	194.71
11/08/2021	COM	84539	59125	APPRIVER, LLC	49.76
11/08/2021	COM	84540	51802	ARROW OFFICE SUPPLY CO.	256.24
11/08/2021	COM	84541	02000	BADGER METER INC	1,265.17
11/08/2021	COM	84542	50913	BEVERLY MCCOTTER	250.00
11/08/2021	COM	84543	52071	BLUE CROSS BLUE SHIELD	35,226.17
11/08/2021	COM	84544	MISC	BONGERO CONSTRUCTION CO	900.00
11/08/2021	COM	84545	MISC	BRANDON ASCROFT LLC	200.00
11/08/2021	COM	84546	59347	CINTAS CORPORATION #31	23.83
11/08/2021	COM	84547	60586	CLAIRE WARD	250.00
11/08/2021	COM	84548	59323	CLEANNET	858.00
11/08/2021	COM	84549	31987	COLMAN-WOLF SANITARY	620.90
11/08/2021	COM	84550	51439	COMCAST	45.01
11/08/2021	COM	84551	04500	COMEAU EQUIPMENT CO INC.	24,641.01
11/08/2021	COM	84552	60585	CYNTHIA MORRILL	250.00
11/08/2021	COM	84553	60593	DANIELLE GRAY	250.00
11/08/2021	COM	84554	51385	DTE ENERGY	6,349.55
11/08/2021	COM	84555	60372	EAGLE LANDSCAPING & SUPPLY	2,380.99
11/08/2021	COM	84556	60189	EGLE	5,863.16
11/08/2021	COM	84557	50722	ELAINE MCLAIN	129.00
11/08/2021	COM	84558	53489	GREAT AMERICA FINANCIAL SVCS.	660.00
11/08/2021	COM	84559	MISC	HINKSON DESIGN BUILD LLC	900.00
11/08/2021	COM	84560	31202	HOME DEPOT CREDIT SERVICES	17.46
11/08/2021	COM	84561	08500	HUBBELL ROTH & CLARK INC	23,578.16
11/08/2021	COM	84562	08500	HUBBELL ROTH & CLARK INC	952.87
11/08/2021	COM	84563	58950	HYDROCOP	290.00
11/08/2021	COM	84564	MISC	IRON ROSE CUSTOM RENOVATIONS	300.00
11/08/2021	COM	84565	59839	J.C. EHRlich	51.00
11/08/2021	COM	84566	60583	JAIME MERLO	250.00
11/08/2021	COM	84567	59423	JAMES HEALY	600.00
11/08/2021	COM	84568	51101	JANICE HAUSMAN	48.64
11/08/2021	COM	84569	59158	JASON'S OUTDOOR SERVICES LLC	200.00
11/08/2021	COM	84570	59324	JCR SUPPLY, INC.	621.98
11/08/2021	COM	84571	60591	JOHN PIER-MARINO RASTELLI	250.00
11/08/2021	COM	84572	59582	JOHNSON THERMOL-TEMP INC.	662.50
11/08/2021	COM	84573	60401	JOI LEO	386.00
11/08/2021	COM	84574	59930	JONATHON DEWINDT	250.00
11/08/2021	COM	84575	60582	JULIA GRAGG	250.00
11/08/2021	COM	84576	60588	KATHERINE HAENGGI	250.00
11/08/2021	COM	84577	MISC	KEN BILDSON	400.00
11/08/2021	COM	84578	60584	KIMBERLY PALTER	280.00
11/08/2021	COM	84579	60497	KONE CHICAGO	204.00
11/08/2021	COM	84580	53316	LANG'S ON-SITE SERVICES	294.00
11/08/2021	COM	84581	60587	LAURA EVANGELISTA	250.00
11/08/2021	COM	84582	60589	LISA FURTON	250.00
11/08/2021	COM	84583	30527	LOCKSMITH INC	112.50
11/08/2021	COM	84584	60590	LUKE BARTON	250.00
11/08/2021	COM	84585	MISC	MAKI, CRAIG	400.00
11/08/2021	COM	84586	MISC	MICHIGAN SOLAR SOLUTIONS	300.00
11/08/2021	COM	84587	59330	MIKE SAVOIE CHEVROLET	701.86
11/08/2021	COM	84588	59055	MOLLY BORGON	32.81
11/08/2021	COM	84589	MISC	MOORE HOME RENOVATIONS	400.00
11/08/2021	COM	84590	51182	NELSON BROTHERS SEWER &	383.00
11/08/2021	COM	84591	59112	NEXT	840.00
11/08/2021	COM	84592	51799	NYE UNIFORM EAST	1,704.75
11/08/2021	COM	84593	59735	OAKLAND COMMUNITY COLLEGE/CREST	250.00
11/08/2021	COM	84594	50830	OAKLAND COUNTY TREASURER'S	6,273.75
11/08/2021	COM	84595	50838	OAKLAND SCHOOLS	143.21
11/08/2021	COM	84596	14100	OBSERVER & ECCENTRIC	195.48
11/08/2021	COM	84597	49769	OFFICE EXPRESS	23.46
11/08/2021	COM	84598	30035	PLANTE & MORAN, PLLC	7,225.00
11/08/2021	COM	84599	60386	PTS COMMUNICATIONS	60.00
11/08/2021	COM	84600	60580	RACHEAL HRYDZIUSZKO	105.66
11/08/2021	COM	84601	59122	RAPID RESPONSE	219.96
11/08/2021	COM	84602	16500	S.O.C.R.R.A.	35,451.00
11/08/2021	COM	84603	16600	S.O.C.W.A.	48,174.81
11/08/2021	COM	84604	MISC	SCHOENHERR HOMES	300.00
11/08/2021	COM	84605	60282	SHARON BENITEZ	250.00
11/08/2021	COM	84606	60592	SHELLEY SOLLARS	250.00
11/08/2021	COM	84607	59763	SIGNS & MORE	135.00
11/08/2021	COM	84608	38145	SOUTHFIELD POSTAL SERVICE	547.39
11/08/2021	COM	84609	58801	STREAM DYNAMICS	390.00

11/05/2021 11:01 AM
User: JAY
DB: Beverly Hills

CHECK REGISTER FOR VILLAGE OF BEVERLY HILLS
CHECK DATE FROM 10/26/2021 - 11/08/2021

Page: 2/2

Check Date	Bank	Check	Vendor	Vendor Name	Amount
11/08/2021	COM	84610	31043	THOMAS J RYAN PC.	8,562.50
11/08/2021	COM	84611	60581	UNITED RENTALS (NORTH AMERICA), INC	1,957.12
11/08/2021	COM	84612	38205	VERIZON WIRELESS MESSAGING	49.00
11/08/2021	COM	84613	53572	WOW! BUSINESS	1,238.34
11/08/2021	COM	84614	20900	ZIP ETC INC	100.00

COM TOTALS:

Total of 83 Checks:	232,815.06
Less 0 Void Checks:	0.00
Total of 83 Disbursements:	232,815.06



To: Honorable President George; Village Council Members

From: Kristin Rutkowski, Village Clerk/Assistant Village Manager

CC: Kevin Lawrence, Public Services Director

Subject: SOCRRA Representative Appointment

Date: November 9, 2021

Article VII of the Articles of Incorporation of SOCRRA provides that each municipality shall annually appoint a representative and an alternate to the Board of Trustees. Chris Wilson currently serves as the Village's representative, and with his upcoming departure from the Village, it is recommended that current alternate, Kristin Rutkowski be appointed to serve as the SOCRRA representative and that Public Services Director, Kevin Lawrence be appointed to serve as alternate representative for the remainder of the fiscal year.

Suggested Resolution:

RESOLUTION

TO APPOINT A REPRESENTATIVE AND AN ALTERNATE REPRESENTATIVE TO THE SOUTHEASTERN OAKLAND COUNTY RESOURCE RECOVERY AUTHORITY BOARD

WHEREAS, Article VII of the Articles of Incorporation of the Southeastern Oakland County Resource Recovery Authority (SOCRRA) provides that each municipality shall annually appoint a representative and an alternate to the Board of Trustees to serve during the next fiscal year following his/her appointment.

NOW, THEREFORE, BE IT RESOLVED, that the Village Council hereby appoints Kristin Rutkowski as representative and Kevin Lawrence as alternate representative to represent the Village of Beverly Hills on the Board of Trustees of the Southeastern Oakland County Resource Recovery Authority for the remainder of the July 1, 2021/2022 fiscal year.

Passed and approved on this ____ day of November, 2021.



To: Honorable President George; Village Council Members

From: Kristin Rutkowski, Village Clerk/Assistant Village Manager

CC: Kevin Lawrence, Public Services Director

Subject: SOCWA Representative Appointment

Date: November 9, 2021

Article VII of the Articles of Incorporation of the Southeastern Oakland County Water Authority provides that each municipality shall annually appoint a representative and an alternate to the Board of Trustees. Chris Wilson currently serves as the Village's representative, and with his upcoming departure from the Village, it is recommended that Kevin Lawrence be appointed to serve as the SOCWA representative for the remainder of the fiscal year. There is no change to the alternate representative.

Suggested Resolution:

RESOLUTION
TO APPOINT A REPRESENTATIVE AND AN ALTERNATE REPRESENTATIVE TO THE SOUTHEASTERN
OAKLAND COUNTY WATER AUTHORITY BOARD

WHEREAS, Article VII of the Articles of Incorporation of the Southeastern Oakland County Water Authority (SOCWA) provides that each municipality shall annually appoint a representative and an alternate to the Board of Trustees to serve during the next fiscal year following his/her appointment.

NOW, THEREFORE, BE IT RESOLVED, that the Village Council hereby appoints Kevin Lawrence as representative and Kristin Rutkowski as alternate representative to represent the Village of Beverly Hills on the Board of Trustees of the Southeastern Oakland County Water Authority for the remainder of the July 1, 2021/2022 fiscal year.

Passed and approved on this ____ day of November, 2021.



To: Honorable President George; Village Council Members
Chris Wilson, Village Manager

From: Kristin Rutkowski, Village Clerk/Assistant Manager

Subject: Program Year 2022 Community Development Block Grant Application

Date: November 10, 2021

Beverly Hills has participated in the federally funded Community Development Block Grant (CDBG) program for more than 25 years. We are currently in a three-year subrecipient contract with Oakland County to participate in this program.

The Village's estimated allocation for Program Year 2022 is \$13,347.00. The annual CDBG allocation is based on a formula that uses several objective measures of community needs. The U.S. Department of Housing and Urban Development (HUD) has established three national objectives, at least one of which must be met, to determine eligibility for a community to engage in any specific program. Additionally, the Village must comply with several rules, including a limit on our allocation for public service projects to a maximum of 30% of the total 2022 allocation and a minimum of allocation of \$3,500 for each project.

This year Council is being asked to consider allocating funds for Minor Home Repair services and Public Services - Yard Services for low-income and low-moderate-income level citizens. A description of each service is attached. This year we are recommending allocating \$9,343 for minor home repair and \$4,004 for yard services through the CDBG program. The Village outsources the administration of these programs through a bid process, and Next has been the service provider for many years. Next continues to be a valued partner and ensures the program is administered per the extensive CDBG requirements.

The Village has received a request from HAVEN seeking a contribution for their program that provides services for victims of domestic violence, dating violence, sexual assault, or stalking. Due to CDBG requirements and limitations for project funding, we cannot allocate funds to both the Yard Services program and to HAVEN. Therefore, without Council objection, administration is recommending the Village make a General Fund contribution for the same amount, \$4,004.00, to HAVEN, as it has done in the past to support their program.

Recommendation

The following is a breakdown of the proposed allocation:

Minor Home Repair	\$ 9,343
Public Services – Yard Services	<u>\$ 4,004</u>
TOTAL	\$13,347

Resolution

Whereas, Oakland County is preparing an Annual Action Plan to meet application requirements for the Community Development Block Grant (CDBG) program, and other Community Planning and Development (CPD) programs; and

Whereas, Oakland County has requested CDBG-eligible projects from participating communities for inclusion in the Action Plan; and

Whereas, the Village of Beverly Hills has duly advertised and conducted a public hearing as follows:

President George opened the Public Hearing at _____ p.m.

(Any comments will be recorded here)

President George closed the Public Hearing at _____ p.m. on November 16, 2021 for the purpose of receiving public comments regarding the proposed use of PY 2022 Community Development Block Grant (CDBG) funds in the approximate amount of \$13,347.00; and

Whereas, the Village of Beverly Hills found that the following projects meet the federal objectives of the CDBG program and are prioritized by the community as high priority need.

Account	Project Name	Amount
172170-731227	Minor Home Repair	\$9,343
172160-732170	Public Services – Yard Services	\$4,004

Therefore, be it resolved, that the Village of Beverly Hills' Community Development Block Grant application is hereby authorized to be submitted to Oakland County for inclusion in Oakland County's Annual Action Plan to the U.S. Department of Housing and Urban Development, and that the Council President is hereby authorized to execute all documents, agreements, or contracts which result from this application to Oakland County.

Attachments

HUD INCOME LIMITS

Income Limits - CDBG relies on HUD annual area median income (AMI) data to determine the eligibility for activities that directly benefit a person or household and to determine area wide benefit. The income limits below are effective as of 04/02/2021. The maximum income level for CDBG is Low-Income or 80% of AMI based on household size.

Persons Per Household	Extremely Low- Income (30%)	Very Low-Income (50%)	Low-Income (80%)
1	\$16,800	\$28,000	\$44,800
2	\$19,200	\$32,000	\$51,200
3	\$21,960	\$36,000	\$57,600
4	\$26,500	\$40,000	\$64,000
5	\$31,040	\$43,200	\$69,150
6	\$35,580	\$46,400	\$74,250
7	\$40,120	\$49,600	\$79,400
8	\$44,660	\$52,800	\$84,500

04/20/21

NOTE: Oakland County is part of the **Detroit-Warren-Livonia, MI HUD Metro Fair Market Rent Area** which contains the following areas: Lapeer County, MI; Macomb County, MI; Oakland County, MI; St. Clair County, MI; and Wayne County, MI. Income limits are subject to change.

MINOR HOME REPAIR (REHAB; SINGLE UNIT RESIDENTIAL)

Program/Account #	172170-731227
Eligible Uses	Use this code for loans and grants for the rehabilitation of privately-owned homes. NOTE: Under CDBG, single family means one-unit structures. Less extensive repairs (no more than \$5,000) to a home that do not necessarily bring it up to Universal Property Condition Standards (UPCS).
Project Delivery Costs	Project Service Delivery Costs including staff timesheets, other direct costs, and service costs directly related to carrying out this activity are eligible. Cost reasonableness standards apply.
Notes	Minor Home Repairs must conform to Oakland County guidelines and State of MI Lead Based Paint requirements. This is a strictly income qualified project. Documentation of income eligibility must be kept on file. A current HOUSEHOLD DBA REPORT must be submitted with each invoice. If an agency is hired to administer this activity, contracts must be executed specifying services, duration, cost, etc. Contact Contract Compliance at (248) 858-0196 when compiling bids/specs
Environmental Code	Categorically Excluded
HUD Matrix Code	14A
Authority	24 CFR 570.202(a)(1) or 42 USC 5305(a)(4)
National Objective Codes	Contact Planning & Evaluation at (248) 858-5312 to determine National Objective. Options include: LMH – Low-income housing benefit: activities that are carried out for providing or improving permanent residential structures that will be occupied by low-income households.
Accomplishment Type	Housing Units
Performance Objective	Provide Decent Affordable Housing
Performance Outcome	Affordability
Minor Home Repairs include the following:	
Clean, adjust, test and replace furnaces	Replace defective windows (see LBP provisions)
Replace water heaters	Install storm doors and/or storm windows
Replace garbage disposals	Replace roofs, downspouts, gutters and siding
Replace toilets	Tuckpoint chimneys
Replace shower heads and tub/laundry/kitchen faucets	Paint interior & exterior of homes built after 1978 (see LBP provisions)
Repair water and waste lines	Remove large items or large amounts of debris from and around home
Rod sewer lines	Remove architectural barriers
Change electrical services	Correct single code violations
Replace defective light fixtures	Repair sidewalk and driveway tripping hazards
Install switches and light at entry ways	Replace wall/ceiling plaster/drywall (See LBP provisions)
Replace accessible defective wiring	Connect residences to municipal water and/or sewer
Replace entrance doors (see LBP provisions)	Install battery operated or hard-wired smoke detectors
Replace porch decks, stairs and handrails	One-time insect/vermin extermination
Reinforce porches	Dangerous tree or limb removal

OTHER PUBLIC SERVICES NOT LISTED IN 03T AND 05A-05Y

Program	172160		
HUD Matrix Code	05Z		
Eligible Uses	Only use code when an activity does not fall under a more specific 05A-05Y code. An example of a legitimate use of this code is when a public service activity that does not have a more specific matrix code, provides services to multiple groups of clients such as seniors, persons with disabilities and homeless persons. For instance, for a “meals on wheels” program for seniors and persons with disabilities, use 05Z. If this program had been available to only seniors, the correct matrix code is 05A.		
Account #	Safety & Repair - 731665		
Small jobs that are less than \$600 and can be completed in a reasonable time. A permit typically is not required. A local maintenance/ handyperson can complete the jobs.			
Safety Devices		Repair Services	
Bed Aide/Commode	Jell Cushion	Cabinets & Countertops	Roof repair
Bells/Whistles/Monitors/Amps	Large Button Phone	Caulk Tub/Toilets/ Windows	Siding < 20 sq. ft.
Blood Pressure Monitors	Magnifying Glass/Sheet	Chimney	Sinks/Faucets installed
Bottle/Jar Openers	Non-skid Tub	Elec Outlets/Switches/Cover Plates	Smoke/CO detectors installed
Canes	Mat/Strips	Floor repair	Stairs & Handrail
Laundry/Shopping Carts	Pill Boxes	Gutter/Downspout	Storm Doors installed
Clapper	Power Outlet Strip	Duct work/Pipe/Water heater insulation	Supply Lines
CO Detectors	Raised Toilet Seats	Light Bulbs change	Thermostats installed
Diapers/Pads	Reachers	Lock Sets & Dead Bolts installed	Toilets installed
First Aid Kits	Shower Chair/Transfer Bench	Patch < 2 sf holes in drywall/plaster	Tree Trimming
Flashing Telephones	Smoke Detector	Porch & Deck < 20 sf	Waste Lines
Flashlights/Night Lights	Talking Clock/ Watch/Keychain		
Grab Bars installed	Wheelchairs/Walkers		
Handheld Showers			
Housekeeping - 730880		Yard Services - 732170	
Projects to clean the interior of a home.		Lawn service, snow removal, spring/fall yard clean up, gutter cleaning, tree trimming, and dangerous tree	
Authority	24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)		
Environmental Code	Exempt		
Project Delivery Costs	Project Service Delivery Costs including staff timesheets, other direct costs, and service costs directly related to carrying out this activity are eligible. Cost reasonableness standards apply.		
Notes	This activity can be designed to serve clients who are presumed benefit, income qualified or clients who are presumed benefit and income qualified. Communities must develop an application and advertise availability of services. A current PERSON DBA REPORT must be submitted with each invoice which indicates the income eligibility or presumed benefit eligibility of clients served. Supporting documentation must be provided to the County to receive reimbursement. If an agency is hired to administer the activity, contracts must be executed specifying services, duration, cost, etc.		
National Objective Codes	Contact Planning & Evaluation at (248) 858-5312 to determine National Objective. Options include: LMC – Low-income limited clientele benefit: activities that benefit a limited clientele, at least 51% of which are low-income.		
Accomplishment Type	People		
Performance Objective	Suitable Living Environment		
Performance Outcome	Improved Availability/Accessibility		



HAVEN

LIVE WITHOUT FEAR

November 10, 2021

Ms. Ellen Marshall
Village of Beverly Hills
18500 W 13 Mile Rd
Beverly Hills, MI 48025-5267

Dear Ms. Marshall,

Violence in families is everywhere, crossing racial, ethnic, cultural, social, and economic boundaries. The impact of this violence invades our schools, places of worship, offices, businesses, factories, and throughout our neighborhoods.

Since 1982, HAVEN has been dedicated to building violence-free communities where everyone can live without fear. HAVEN maintains a 24-hour emergency shelter exclusively for domestic violence victims and their children and sexual assault survivors who are afraid to stay in their own homes. HAVEN offers counseling and education that help families stop the violence, begin the process of healing, and create the hope that their future will be free from abuse. The agency steps out into the community – over the phone, in courtrooms, police stations, hospitals, schools, the workplace, and at community meetings – to provide crisis intervention and education to help victims and families prevent violence in future generations. HAVEN staff manage a Personal Protection Order Office exclusively for victims of domestic violence and sexual assault located in the Circuit Court system, helping victims with the creation and filing of Personal Protection Orders, at no charge, as the first step in their safety plan.

HAVEN, through its comprehensive work, serves to break the silence that has kept the crimes of domestic violence and sexual assault behind closed doors. This silence has only served to allow these crimes to flourish. From July 1, 2020 through June 30, 2021, 11 individuals utilized our program services and 12 crisis calls were received from families in the Village of Beverly Hills who took the first step to break their own silence by contacting HAVEN.

Our agency is again reaching out to you for support of our work with an even greater need as we assume the burden of increased clientele and additional staff to maintain these vital services. We ask that you continue to support these families through a Community Development Block Grant of \$5000 for fiscal year 2021-2022. Please remember that the federal government presumes that domestic violence victims are considered to be low-income and therefore qualify for inclusion in block grant public service requests.

HAVEN looks forward to the opportunity to meet with you this year to provide further information on this request and answer any questions you may have. In the meantime, if you wish to speak with me, I can be reached at (248) 334-1284, Ext. 319, or you may contact our Executive Assistant, Patricia Hoskins at Ext. 305.

Sincerely,

Marianne Dwyer

Marianne Dwyer
Director of Finance



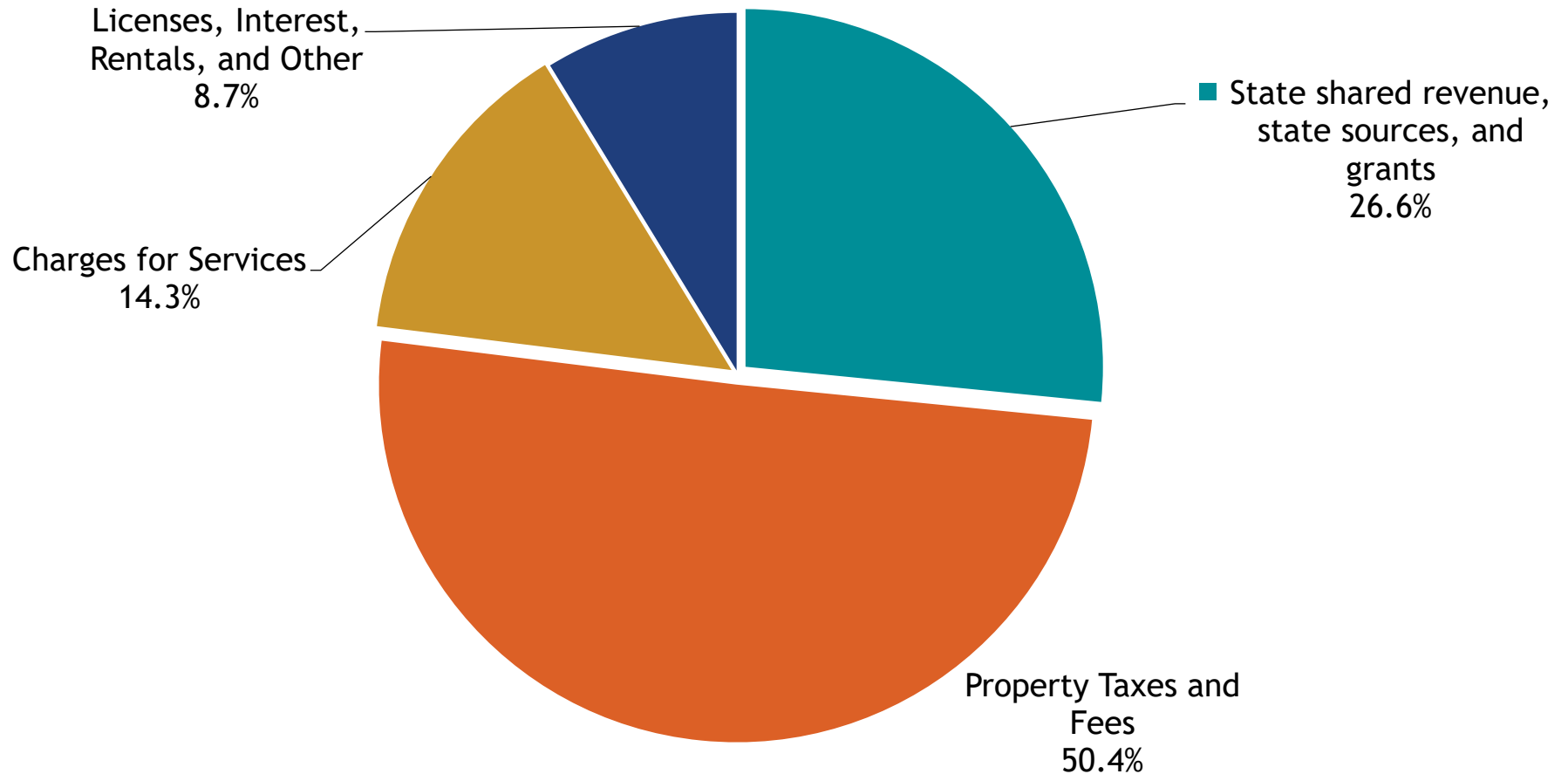
plante moran | Audit. Tax. Consulting.
Wealth Management.

Village of Beverly Hills Audit Presentation to the Village Council

For Year Ended June 30, 2021



Village of Beverly Hills General Fund Revenue Fiscal Year Ended June 30, 2021



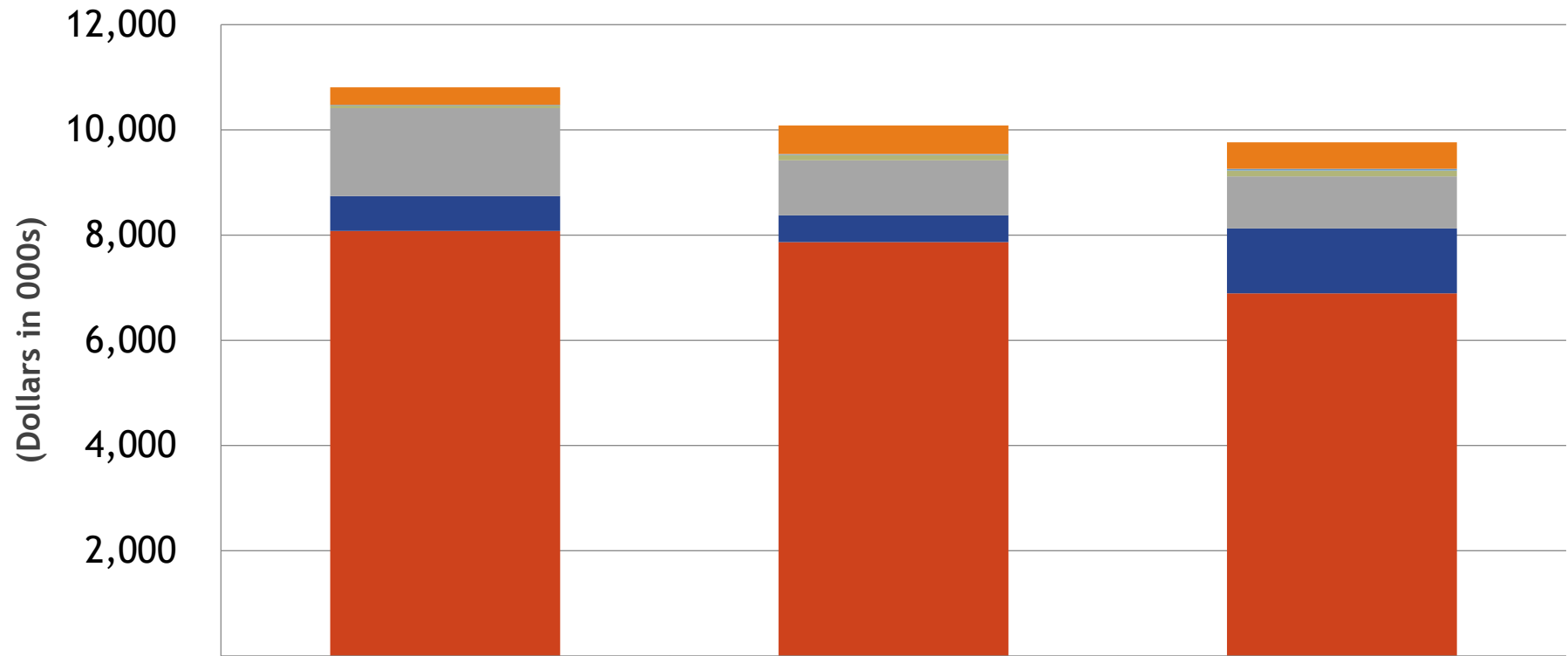
* General Fund activity excludes Sick Pay Severance and Vacation Reserve funds



Village of Beverly Hills

General Fund, Public Safety Fund, Library Fund - Revenue (in thousands)

Years Ended June 30



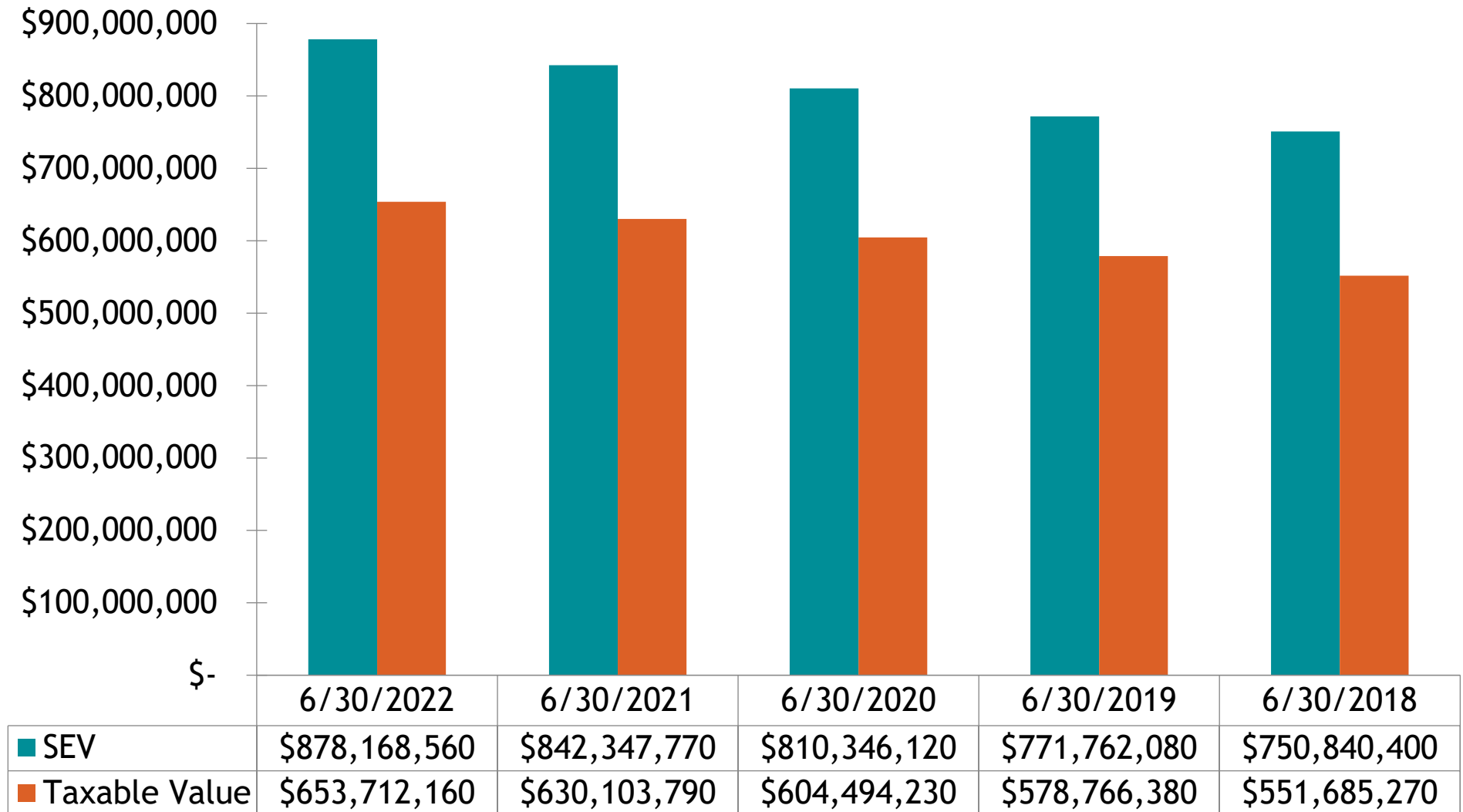
	2021	2020	2019
Interest, Rentals, and Other	335	543	504
Business Licenses and Permits	14	16	33
Fines and Forfeitures	48	105	111
State shared revenue, state sources, and grants	1,672	1,045	988
Charges for Services	662	509	1,234
Property Taxes	8,079	7,867	6,894

* General Fund activity excludes Sick Pay Severance and Vacation Reserve funds



Village of Beverly Hills

Property Taxes - SEV vs. Taxable Value

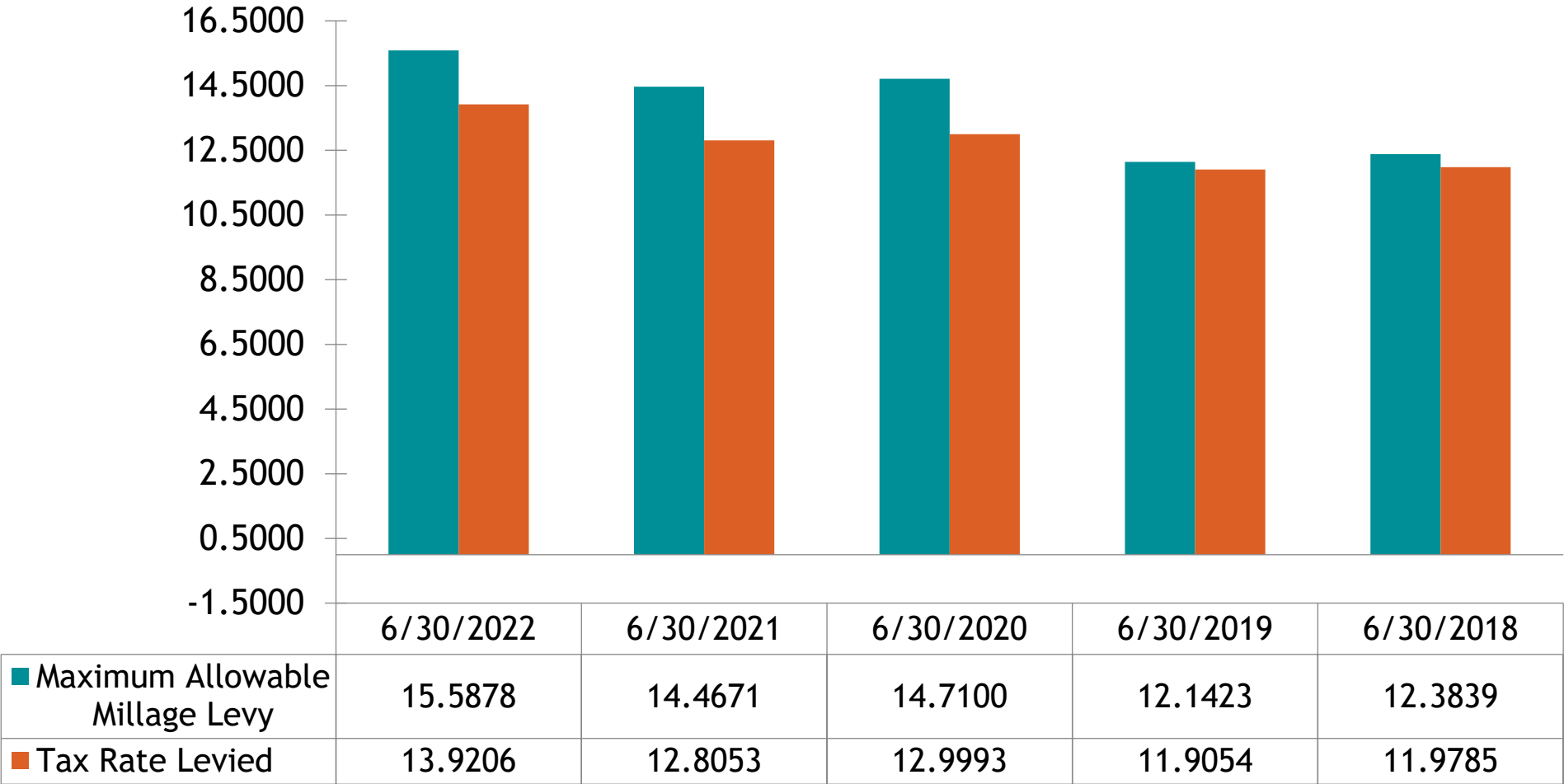




Village of Beverly Hills

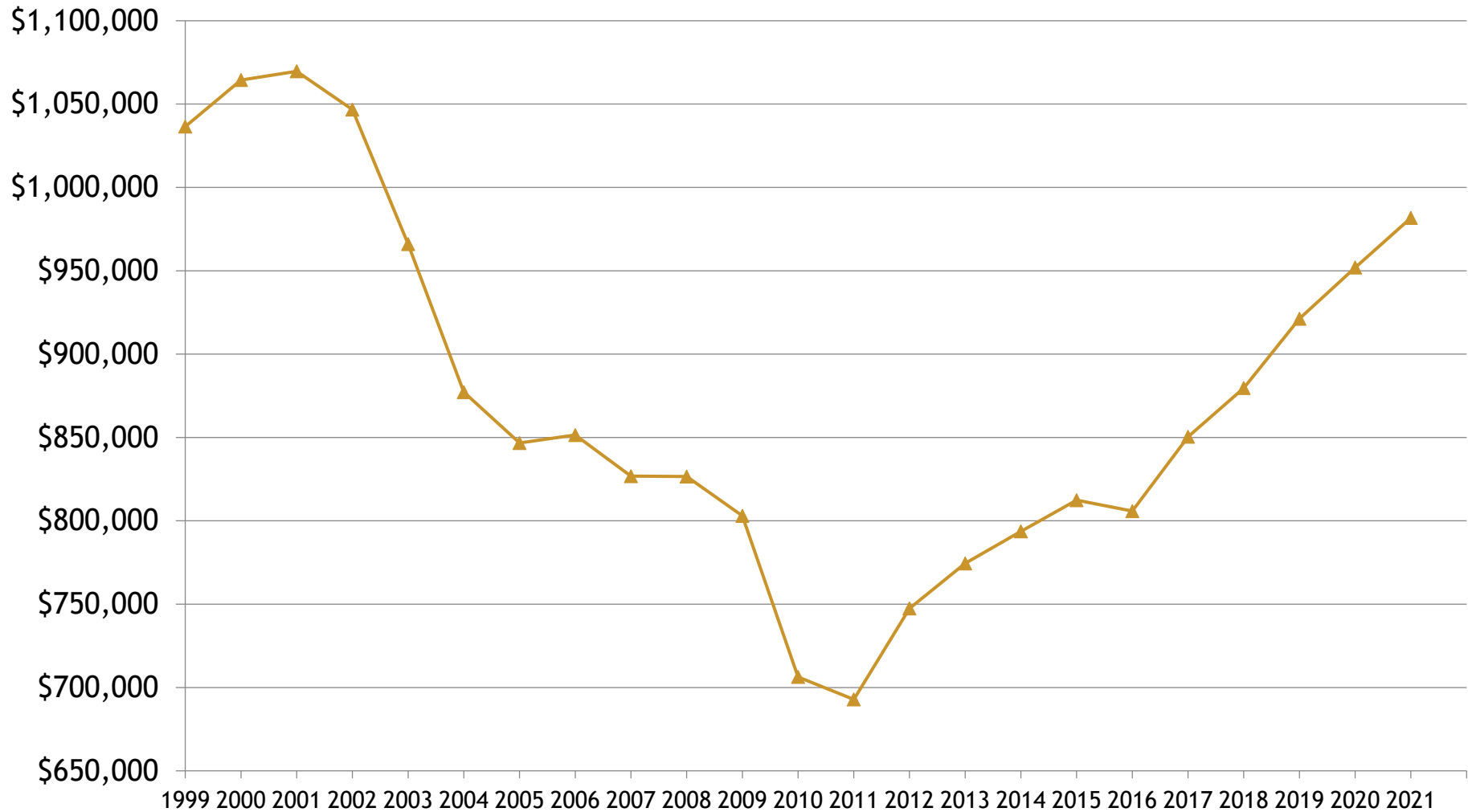
Property Taxes

Headlee Maximum Millage versus Actual Levy



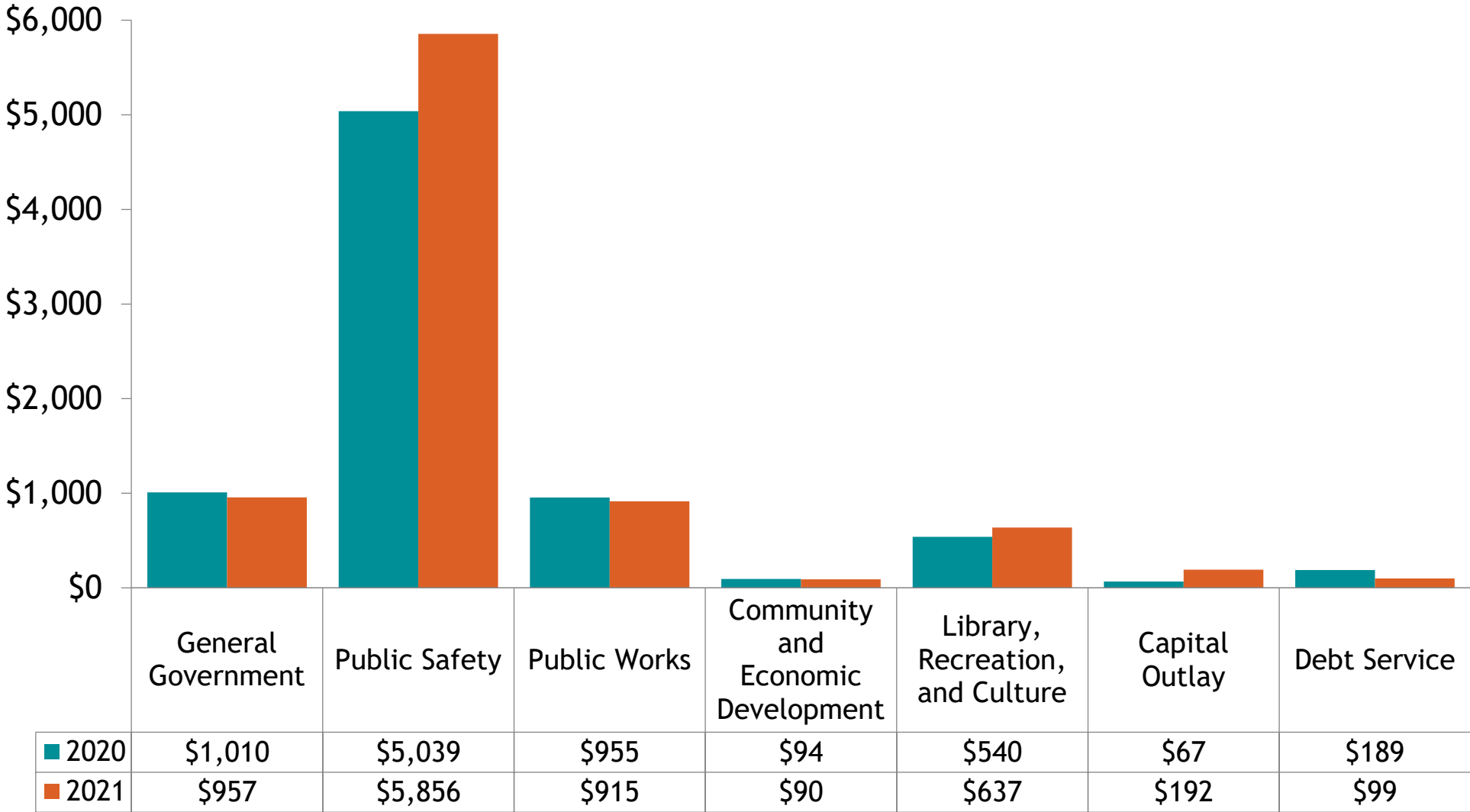


Village of Beverly Hills State Shared Revenue Fiscal Year Ended June 30





Village of Beverly Hills
General Fund, Public Safety Fund, and Library Fund –Expenditures (in thousands)
Years Ended June 30



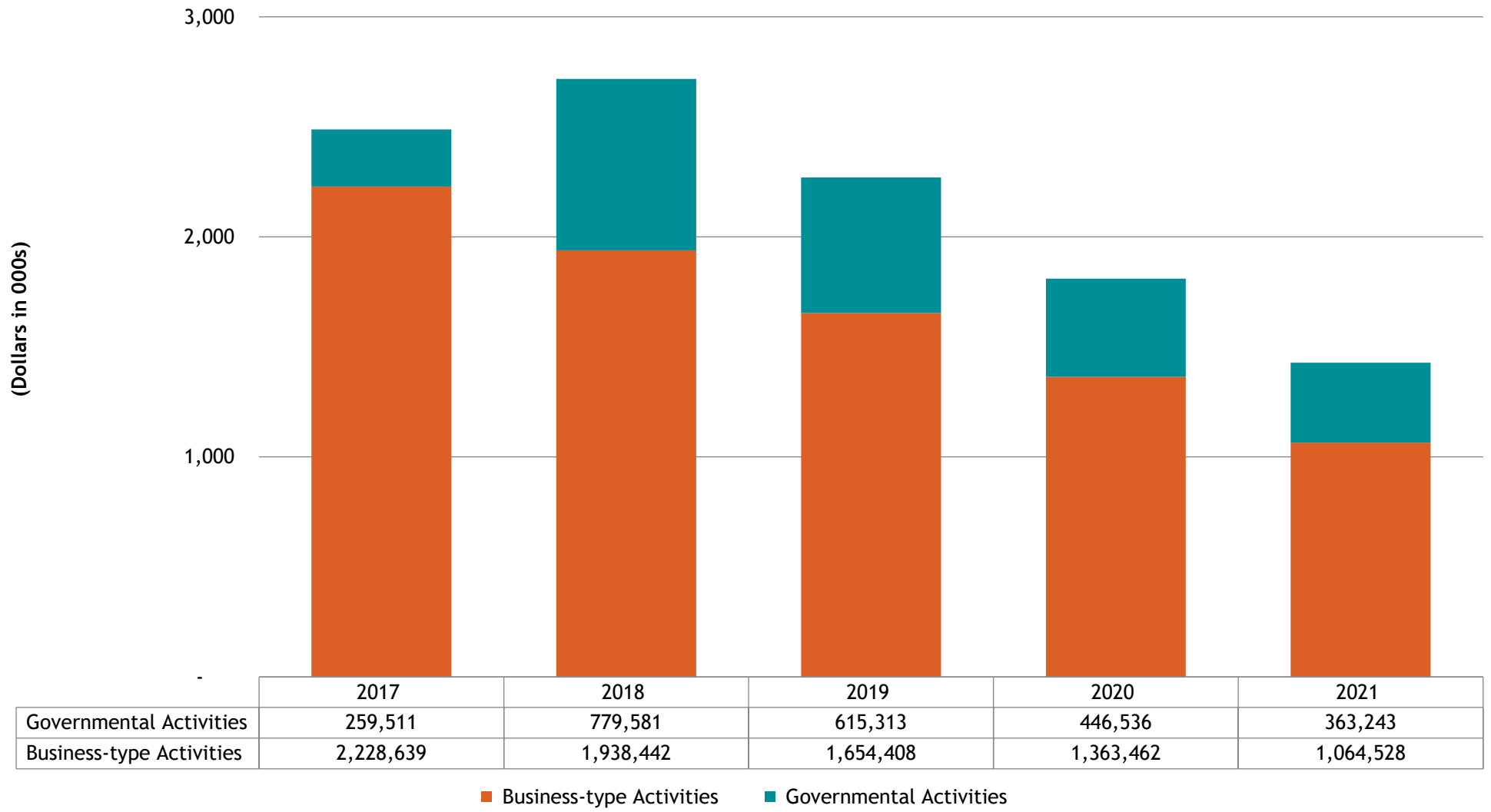
* General Fund activity excludes Sick Pay Severance and Vacation Reserve funds



Village of Beverly Hills

Long-term Debt Obligations

Years Ended June 30

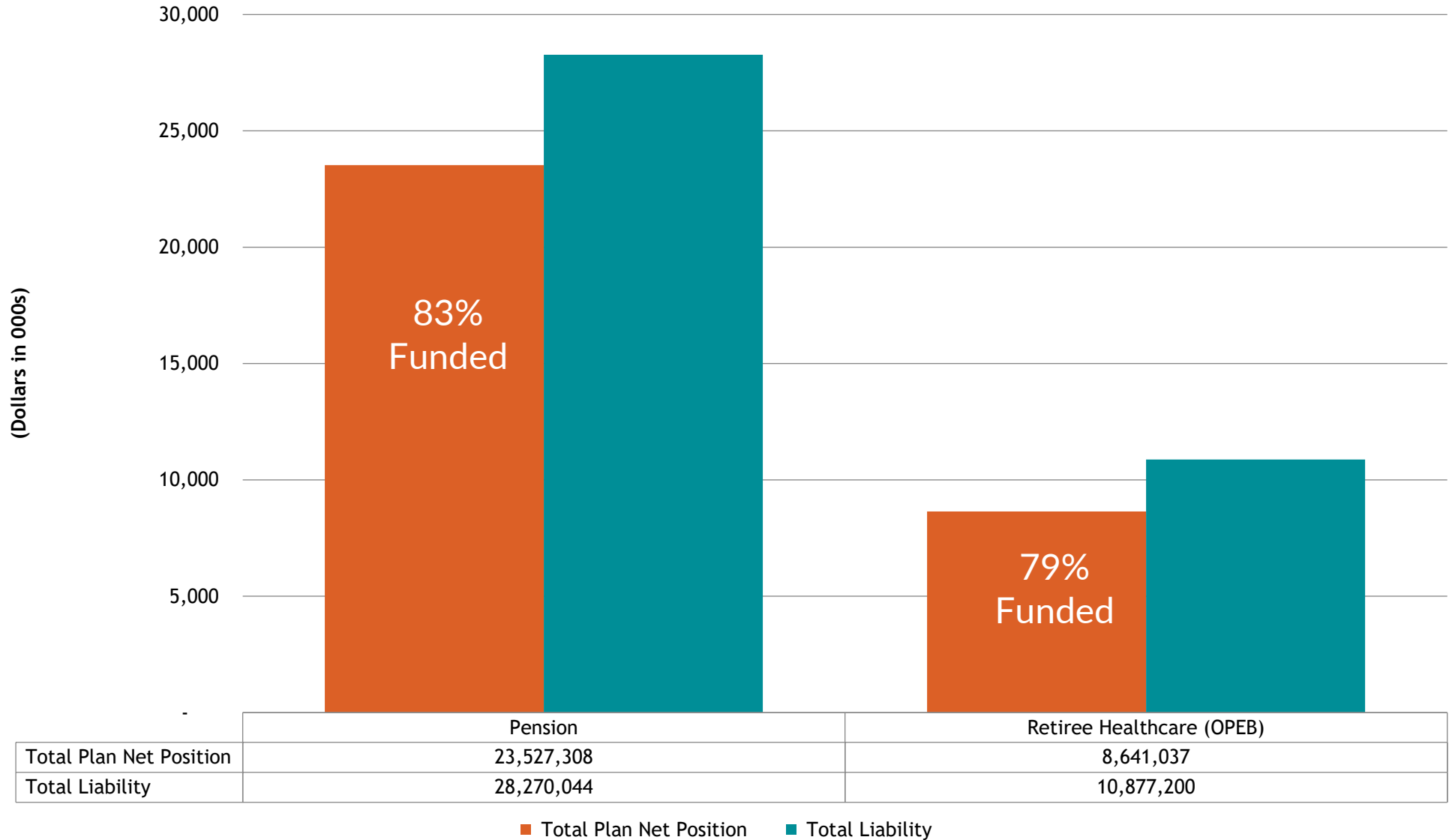




Village of Beverly Hills

Pension and Retiree Healthcare Funding

June 30, 2021





THANK YOU

**For more information
contact:**

Martin Olejnik, Partner
(248) 223-3662

Rumzei Abdallah, Manager
(313) 496-7232

October 31, 2021

To the Village Council
Village of Beverly Hills, Michigan

We have audited the financial statements of the Village of Beverly Hills, Michigan (the "Village") as of and for the year ended June 30, 2021 and have issued our report thereon dated October 31, 2021. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Other Recommendations and Related Information

Section III - Legislative and Informational Items

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the Village Council of the Village of Beverly Hills, Michigan.

Section II presents recommendations related to internal control, procedures, and other matters noted during our current year audit. These comments are offered in the interest of helping the Village in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

Section III contains updated legislative and informational items that we believe will be of interest to you.

We would like to take this opportunity to thank the Village's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the Village Council and management of the Village and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

A handwritten signature in black ink, appearing to read "Martin J. Olejnik".

Martin J. Olejnik, CPA
Partner

A handwritten signature in black ink, appearing to read "Rumzei A. Abdallah".

Rumzei A. Abdallah, CPA

Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 1, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the Village. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter related to planning matters dated June 1, 2021.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Village are described in Note 1 to the financial statements. As described in Note 1, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. As a result of adopting this standard, the balances and activity of the Other Post-Employment Benefits MERS RHFV investment, which were not previously reported in the financial statements, now meet the definition of a fiduciary activity and are reported as such.

We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 estimates affecting the financial statements include the recorded net pension liability and related expenses, the liability and expense associated with other postemployment benefits (OPEB), and the estimated unbilled water and sewer charges in the Water and Sewer Fund.

Management's estimates of the long-term cost of pensions and OPEB benefits is based on actuarial valuations, historical data, and other information. Management's estimate of the unbilled water and sewer charges is based on historical billings. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken 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.

Section I - Required Communications with Those Charged with Governance (Continued)

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of 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 trivial, and communicate them to the appropriate level of management.

In the fiduciary funds, we noted that restricted net position and expenses were understated by \$410,123 and \$163,062, respectively, and current liabilities were overstated by \$247,061, related to assets held in the custodial fund. This is the result of the adoption of GASB Statement No. 84. Management has determined that the effects of this misstatement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Village, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Village's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 31, 2021.

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 Village's financial statements or a determination of the type of auditor's 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.

Section II - Other Recommendations and Related Information

During our audit, we noted an area where we believe there are opportunities for the Village to further strengthen internal control or to increase operating efficiencies. Our observations on that area are presented below for your consideration:

Information Technology and Segregation of Duties Controls

During our review of the Village's information technology general controls and controls over reconciliations, we noted key controls over general ledger access that were not in place. Although the Village does have mitigating controls in place for the items noted, we recommend the Village implement these controls as a best practice measure. The controls include the following:

- Individuals with full administrative access to the general ledger system should not have access to post transactions.
- Individuals with the ability to authorize journal entries should not have the ability to post journal entries, and individuals with the ability to post transactions should not have the ability to modify general ledger account characteristics.

Section III - Legislative and Informational Items

COVID-19 Resource Center and ARPA

Throughout the COVID-19 pandemic, Plante & Moran, PLLC's COVID-19 task force of leaders across the firm has monitored, addressed, and provided insight related to the virus and the unique challenges our local governments have faced while continuing to provide essential services to their communities through our COVID-19 resource center at <https://www.plantemoran.com/explore-our-thinking/areas-of-focus/covid-19-government-resource-center>. This will continue as our nation emerges from this crisis.

In March 2021, the president signed the American Rescue Plan Act (ARPA) into law, which included federal stimulus funding for state and local governments of all sizes. The largest of all funding streams, the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) represents a \$350 billion top-line allocation for state and local governments. Funding began to be distributed nationwide in May 2021, although smaller municipalities will need to wait for the funding to pass through their state governments. The U.S. Department of Treasury recently published the interim final rule (IFR), which establishes a framework for determining the types of programs and services that are eligible uses of the CSLFRF funding.

The ARPA award terms provide that payments from the Fiscal Recovery Funds as a general matter will be subject to the provision of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200, the Uniform Guidance), including the cost principles and restrictions on general provisions for selected items of cost. The Village will need to understand these reforms and may be required to evaluate, document and monitor internal procedures around compliance, including maintaining certain required policies.

The COVID-19 resource center is being continuously updated for the latest guidance and strategy related to CSLFRF and will help keep the Village running smoothly through our nation's recovery.

Want to receive relevant content directly to your email? Subscribe at <https://www.plantemoran.com/subscribe> where you can customize your subscription preferences based on your specific interests and industry selection.

2021 Public Sector Webinar Series - Insight to Help You Prepare for What is Next

Plante & Moran, PLLC is proud to be hosting a six-session CPE-eligible webinar series, [Public Sector Webinar Series](#), in which our experts will break down what you need to know about regulatory updates, the impact of COVID-19 funds, and more. The webinar series will cover the following topics:

- Charting GASB's course - Available on demand
- Preparing for your single audit: A roadmap for funding compliance - Available on demand
- Navigating the AICPA's revised *State and Local Government Client Affiliates* independence guidance - Available on demand
- GASB 87: Your advanced implementation questions answered - Available on demand
- 2021 Compliance Supplement and single audit update - Available on demand
- Financial sustainability: A framework to address budgetary and operational challenges - Available on demand

We welcome the Village's participation in what we hope are very informative programs.

Michigan's COVID-19 Updates and Related Grant Programs

The Michigan Department of Treasury has developed a webpage with numbered letters, memoranda, webinars, and resources regarding COVID-19 updates and related grant programs: https://www.michigan.gov/treasury/0,4679,7-121-1751_98769---,00.html.

Section III - Legislative and Informational Items (Continued)

Cybersecurity and Information Technology Controls

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, municipalities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. Communities potentially can also be subject to financial and legal liabilities. Managing this issue is especially challenging because even a municipality with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner. We understand that the technology department continues to monitor and evaluate this risk, which are critical best practices. Additionally, periodic assessments of the system in order to verify that the control environment is working as intended are key parts of measuring associated business risk. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

Michigan's Virtual Meeting Legislation (PA 228 of 2020)

Public Act 228 of 2020 was adopted on October 16, 2020 by Governor Whitmer, providing authorization for virtual meetings for certain circumstances. For virtual meetings, each member of the public body that is meeting remotely must announce the county, city, township, or village and state from which the member is attending remotely, and this must be included in the meeting minutes. Specifically, this legislation provides the following circumstances for virtual meetings:

- March 31, 2021 - December 31, 2021 - For only those circumstances requiring accommodation of members absent due to military duty, a medical condition, or a statewide or local state of emergency (SOE) or state of disaster. If absence is due to military duty or a medical condition, the accommodation only applies to that individual, and the other members must be physically present at the meeting.
- After December 31, 2021, only for reason of military duty

On April 19, 2021, the Michigan Department of Health and Human Services amended its Gatherings and Face Mask Order, continuing the exemption subject to certain limitations for gatherings of public bodies and attendees of meetings held by public bodies in compliance with the Open Meetings Act from the indoor and outdoor gatherings limits on number of persons through May 24, 2021.

The Village should ensure it is familiar with this legislation to ensure compliance.

Act 51 Report Due Date

The Michigan Department of Transportation has granted an automatic 60-day extension to cities and villages that are required to file the Act 51 report. The updated policy will extend the Act 51 report deadline to be due within six months of the fiscal year end date, which will align with the due date for the audited financial statements. For cities and villages whose most current fiscal year ends before July 1, the Act 51 report must be submitted by December 31 to be included in the snow payment calculation (if eligible and qualified).

This extension does not apply to counties. Counties are required to submit the Act 51 report to MDOT by May 1 every year, regardless of their fiscal year end.

Section III - Legislative and Informational Items (Continued)

Updated Uniform Chart of Accounts

In April 2017, the State released an updated Uniform Chart of Accounts. Originally, local units of government were expected to comply with the changes beginning with June 30, 2018 year ends. However, the State has extended the deadline for compliance. On April 20, 2020, the State issued a memo that sets an implementation date for fiscal years ending on October 31, 2022 and thereafter. The State has committed to releasing various tools to help local units with implementation, including FAQs and clarification on which accounts should be used when implementing GASB 84. A final release of the chart of accounts was issued in November 2020 and is available at this link: https://www.michigan.gov/documents/uniformchart_24524_7.pdf. This final version follows various exposure drafts and revisions in order to comply with changing GASB standards and statutory changes and reformats the document to make it more user-friendly. The Treasury will provide alerts for any guidance and resources, and local units can sign up for alerts at this link: https://public.govdelivery.com/accounts/MITREAS/subscriber/new?qsp=MITREAS_1.

Revenue Sharing

The fiscal year 2021 governor's budget recommendation includes \$1.4 billion for revenue sharing. Further details of the breakdown of this amount are available at https://www.michigan.gov/treasury/0,,7-121-1751_2197---,00.html.

In order to receive the City, Village, and Township Revenue Sharing (CVTRS) payments in FY 2021, qualified local units will once again need to comply with the same best practices as they did last year, as follows:

- A citizen's guide to local finances with disclosure of unfunded liabilities
- Performance dashboard
- Debt service report
- Two-year budget projection

Rules Governing Management of Federal Programs

The Office of Management and Budget (OMB) issued significant reforms to the compliance requirements that must be followed by nonfederal entities receiving federal funding related to awards on or after December 26, 2014. While these revisions were not too recent, the revisions were the most significant change to occur to federal grants management in recent history. While many communities have historically been below the \$750,000 single audit threshold, recent legislation provides for an increase in federal spending and, therefore, may be subject to an audit requirement; the Village will need to understand these reforms and may be required to make changes to internal procedures, processes, and controls.

- **Cost Principles** - There were certain changes made to allowable costs and significant changes in the area of time and effort reporting and indirect costs.
- **Administrative Requirements** - Nonfederal entities receiving federal funding must adhere to revised rules related to administering federal awards. Most notably, the requirements may impact the Village's procurement systems, including maintaining written conflict of interest policies and disclosures.

The Village will need to ensure that consideration of the implementation of these regulations has occurred; if it has not, the Village needs to work quickly to put the requirements into practice. Plante & Moran, PLLC has many experts in this area and welcomes any questions or needs you may have.

Section III - Legislative and Informational Items (Continued)

Federal Procurement Threshold Changes

The Office of Management and Budget has issued significant reforms to the compliance requirements that must be followed by nonfederal entities. The Office of Management and Budget recently issued Memorandum M-18-18, which provides guidance on changes to micropurchases and simplified acquisition threshold requirements. The key changes are as follows:

- Threshold for micropurchases is increased to \$10,000.
- Threshold for simplified acquisitions (small purchase procedures limit) increased to \$250,000.

Key adoption considerations for micropurchase and simplified acquisition thresholds include the following:

- During the original adoption of the Uniform Guidance (UG) procurement standards, were specific amounts included within the Village's procurement policy, or were references to the UG sections or amounts as adjusted referenced? If specific amounts were referenced, the procurement policy will need to be updated to take advantage of the changes.
- If the Village's procurement policy was written to allow for changes in amounts, the procedures will need to be updated to conform.
- If this change is inconsistent with other procurement policies within the organization, the Village must decide how the policy will be enacted. Remember local ordinances in place may limit full utilization of changes.
- If the Village has chosen not to fully adopt the change and maintain a lower threshold, then the Village is not required to use these thresholds but cannot exceed them.

Pension/OPEB Bonds

Originally, the public act allowing for the issuance of pension/OPEB borrowings was set to sunset effective December 31, 2015, but it was extended until December 31, 2018 through Public Act 46 of 2015. Therefore, communities meeting certain criteria, such as maintaining a credit rating of AA or higher and closing or freezing plans, were able to issue bonds up until December 31, 2018. This was further extended through December 31, 2023 by Public Act 575 of 2018. This public act has additional stipulations that can be found in more detail at <http://www.legislature.mi.gov/documents/2017-2018/publicact/pdf/2018-PA-0575.pdf>.

Launch of MI Community Financial Dashboard

The Michigan Department of Treasury launched the MI Community Financial Dashboard. This dashboard will provide you and your community members with easy-to-use visual data regarding your municipality. The data presented on the dashboard is pulled from the Annual Local Fiscal Report (F65) submitted by your local unit. The dashboard will present data from fiscal years 2010 forward. You can sign in and review the dashboard here: <http://micommunityfinancials.michigan.gov/#!/dashboard/COUNTY/?lat=44.731431779455505&lng=-83.018211069625&zoom=5>.

Administrative Charges

The services provided by employees that are traditionally charged to the General Fund, like treasury, finance, HR, etc., oftentimes significantly benefit other funds. As a result, it is a fairly common practice to allocate a portion of these costs via an administrative charge to other funds of the government. Administrative charges can take many forms, such as interfund allocations, chargebacks, and payment in lieu of taxes to other funds (such as a golf courses). While the practice of charging for administrative services provided to other funds may certainly be justified, there seems to be a heightened focus lately on the methodology and amount of charges. Given the fact that many cost allocation methodologies were implemented several years ago, it would be prudent to revisit your current methodology and the related inputs to ensure that any administrative charges are fully substantiated.

Section III - Legislative and Informational Items (Continued)

Legacy Cost Reporting

Public Act 530 of 2016

On December 31, 2016, the governor signed Public Act 530 of 2016, which amends Public Act 314 of 1965, also known as Public Employee Retirement System Investment Act (PERSIA). This act was effective on March 29, 2017.

Under the prior act, communities were required to publish a summary annual report setting forth key information related to pension and retiree health care plans. The amendment requires that this summary annual report also be submitted to the Michigan Department of Treasury within 30 days of publication.

In addition, for any system (either pension or retiree health care) that is not funded at a level of at least 60 percent, the community must now post a report to its website indicating steps that are being undertaken to address the liability. In addition, this report must be submitted to the Department of Treasury within a reasonable time frame.

The legislation calls for the Department of Treasury to accumulate all of the reports and publish a summary of funding levels throughout the state.

Public Act 202 of 2017

On January 5, 2018, the Michigan Department of Treasury released initial reporting requirements under Public Act 202 of 2017 (the "Act"), which were primary components of the Act. These reporting requirements apply to all local units of government that offer or provide defined benefit pension and/or defined benefit OPEB retirement benefits.

Local units began reporting funded ratios and contributions in accordance with these uniform assumptions starting with their fiscal year 2019 if their audited financial statements were based on an actuarial valuation issued after December 31, 2018. If their fiscal year 2019 audited financial statements were based on an actuarial valuation issued prior to December 31, 2018, the local units will begin reporting on these uniform assumptions starting with their fiscal year 2020.

On October 21, 2019, the Michigan Department of Treasury released the updated uniform assumptions to be used for fiscal year 2020. Beginning with fiscal year 2020 reporting, all local governments must utilize the updated fiscal year 2020 uniform assumptions. Each year moving forward, the annual uniform assumptions will be updated and are expected to be utilized within Form 5572, where indicated, for that fiscal year. Local governments may utilize roll-forward procedures in nonvaluation years utilizing any updates to the uniform assumptions to calculate the data.

This means that the local unit potentially may need three calculations: a funding valuation (if the local unit chooses to have different assumptions for funding purposes), a valuation that complies with GAAP to be used for financial statement reporting, and a calculation that complies with the State's new uniform assumptions.

The releases by the Department of Treasury include the letters titled "Public Act 202: Selection of the Uniform Assumptions" and "Public Act 202: Selection of the Uniform Assumptions for Fiscal Year 2020," Numbered Letter 2018-1, Form 5572, detailed instructions for completion of Form 5572, and a listing of frequently asked questions. All documents can be located at http://www.michigan.gov/treasury/0,4679,7-121-1751_51556_84499---,00.html.

Form 5572 is due annually for both pension and OPEB plans provided by an employer no later than six months after the end of the fiscal year.

In addition to submitting this new form to the Department of Treasury, a local unit must also post this information either on its website or in a public place if it does not have a website. The governing body of a local unit will also need to receive a copy of this form, in accordance with the Act, but the Act does not require approval by the governing body before submission to the Treasury.

Section III - Legislative and Informational Items (Continued)

Public Act 202 defines that a local unit of government is in underfunded status if any of the following apply:

1. OPEB - Total plan assets are less than 40 percent of total plan liabilities according to the most recent annual report, and, for primary units of government*, the annual required contribution for all of the retirement health systems of the local unit is greater than 12 percent of the local unit of government's governmental funds operations revenue.
2. Retirement pension plans - Total plan assets are less than 60 percent of total plan liabilities according to the most recent annual report, and, for primary units of government, the annual required contribution for all of the retirement pension systems of the local unit is greater than 10 percent of the local unit of government's governmental funds operations revenue.

*Primary units of government are cities, villages, townships, and counties.

If, after submission of Form 5572, the Treasury determines your community to have underfunded status, you will have the opportunity to file a waiver under Section 6 of the Act. The waiver needs to provide a plan for how the underfunding is being addressed. This waiver will then be submitted to the Treasury.

In the event that a local unit has underfunded plans and does not submit a waiver or the waiver is not approved, the Treasury will perform an internal review. The local unit will also need to submit a corrective action plan to the Municipal Stability Board (under Section 7 of the Act). The local unit will be responsible for creating the corrective action plan (CAP) and must begin implementation within 180 days of CAP approval. The corrective action plan will be monitored by the Municipal Stability Board for substantial compliance with the Act every two years, which will require the local unit to complete the CAP Monitoring Form. If, at any time after a CAP has been approved, the local unit determines its previous submission is no longer substantially in effect, the local unit may file an updated CAP.

For governments with OPEB plans, Section 4(l)(a)(i)(ii) of Public Act 202 of 2017 requires the local unit to pay retiree insurance premiums for the year, as well as the normal costs for the new employees hired after June 30, 2018. The actuary likely will need to calculate this number in order for governments to comply. In addition, if communities must essentially prefund this additional cost, those communities without a qualifying OPEB trust will need to consider where these contributions will go.

Questions should be directed via email to the Treasury offices at LocalRetirementReporting@michigan.gov or by visiting its website at www.Michigan.gov/LocalRetirementReporting.

Numbered Letter 2018-3

On March 13, 2020, the Treasury issued Numbered Letter 2018-3 (Revised) as a revision to Numbered Letter 2018-3 that was first issued in September 2018. This revised numbered letter provides additional clarity and guidance for compliance with Public Act 202 related to the calculation and reporting of the actuarial determined contribution (ADC) for other postemployment benefit (OPEB) systems. The revision emphasized the following two key points:

1. The ADC, regardless of funding policy, must be calculated as the normal cost plus the amortization of the unfunded liability.
2. The ADC, calculated in accordance with the Act, must be reported in the audited financial statements. Note that OPEB plans that are not administrated through a trust are not required by GAAP to disclose the ADC in the required supplemental information section of the audited financial statements, but those plans should disclose this information in the footnotes to the financial statements, as required by this revised numbered letter.

Failure to calculate the ADC in compliance with this Numbered Letter 2018-3 (Revised) will be considered statutory noncompliance and shall be reported in the notes to the financial statements and result in an auditor finding for statutory noncompliance. Failure to report a compliance ADC in audited financial statements may result in the rejection of Form 5572 submissions and noncompliance with the Act and/or rejection of the local government's audited financial statements.

Section III - Legislative and Informational Items (Continued)

Other New Legislation

Opportunity Zones

The Tax Cuts and Jobs Act of 2017 (TCJA) introduced opportunity zones, a new incentive to encourage investment in low-income communities by providing tax benefits to investors. The new law shares some similarities with other incentives by focusing on specific disadvantaged geographic areas, but, unlike other programs that provide tax credits or accelerated deductions for making investments or creating jobs in distressed areas, the opportunity zone program allows taxpayers to defer and possibly exclude gains from taxable income. To realize the benefits of the program, investments must be made into a new type of investment vehicle known as a qualified opportunity fund (QOF). Any entity, group, or organization can establish a QOF as long as it follows the proper guidelines. The QOFs use these funds to respond to the needs of the community, allowing for investment in businesses, equipment, and/or real property. Opportunity zones were established through a nomination by the State, followed by a certification from the secretary of the U.S. Treasury, via his delegation authority to the IRS. We encourage you to become familiar with where these opportunity zones are located and the potential impact on your community. Local units that will be affected should start to consider a plan for the designated opportunity zone and what types of developments they would like to see come to the area. For more information, please refer to the IRS website at <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions> or to Plante & Moran, PLLC's article at <https://www.plantemoran.com/explore-our-thinking/insight/2018/05/opportunity-zones-offer-tax-benefits-to-invest-in-new-qof>, which addresses some of the details and complexities of the program.

Transformational Brownfields (PA 46-50 of 2017)

This reintroduced legislation became Public Acts 46-50 of 2017 with immediate effect. Public Act 46 of 2017 has created a new type of brownfield, while Public Acts 47-50 of 2017 amend prior acts for this change. The acts grant the ability to create transformational brownfields allowing the capture of income taxes and exemption of sales and use tax from certain personal property. In order to qualify, projects must obtain approval from the local brownfield redevelopment authority, the local governing body, and the Michigan Strategic Fund (MSF).

Projects should have a transformational impact on local economic development and community revitalization. Each project must meet the definition of a large-scale investment. This definition varies based upon population. The minimum is \$15 million for communities under 25,000 but increases based upon population (for example, the City of Detroit, Michigan, at over 600,000 in population, would have a minimum of \$500 million).

During the construction, renovation, or improvement phases, projects could capture up to 50 percent of income taxes (state and city, if applicable) related to the wages paid for those physically present and working on the project. Upon completion, the project would capture up to 50 percent of income taxes related to those domiciled within the property. The limit for total tax capture over the life of the bill is \$1 billion, with a maximum of \$40 million per year and a further limit of five projects in any one community prior to December 31, 2022. In addition, in one calendar year, the MSF may not approve more than five transformational brownfield plans (with the exception that, if fewer than five are approved in a year, the unused quota can carry over to the next calendar year). Tax captures per parcel are limited to 20 years.

Public Act 47 amends the Income Tax Act to allow for the income tax captures noted above. Public Act 48 amends the General Sales Tax Act to exempt from sales tax the sale of goods for use in eligible projects. Public Act 49 amends the Use Tax Act and would not apply to goods used in the project. Public Act 50 amends the Michigan Renaissance Zone Act so that income tax exemptions would not apply.

LCSA Act Amendments

Public Acts 247 and 248 of 2018 were signed into law on June 27, 2018 by Governor Snyder. These acts significantly impact the Local Community Stabilization Authority (LCSA) Act, including how personal property tax (PPT) reimbursements are calculated.

Section III - Legislative and Informational Items (Continued)

The State Department of Treasury issued a summary of the amendments in July 2018, which can be found at the following link: https://www.michigan.gov/documents/treasury/Overview_of_2018_LCSA_Act_Amendments_627459_7.pdf.

This summary document lists the following changes that resulted from these acts:

1. Accelerate some reporting deadlines and add two new reporting requirements.
2. Change the calculation of the millage rate to be used in the calculation of the PPT reimbursements.
3. Change the calculation of the personal property exemption loss and eliminate the requirements to recalculate prior year taxable values.
4. Change the millage rate to be used in the calculation of a tax increment finance authority's (TIFA) PPT reimbursement.
5. Make the local community stabilization authority responsible for distributing the fire protection services payments.
6. Create a process for correcting PPT reimbursements.
7. Allow for a one-time PPT advance for prior year underpayments of \$500,000 or more.
8. Change the payment dates of the PPT reimbursements to allow for corrections to current year reimbursements and delay the payment of qualified loss in excess of 100 percent until May 20.
9. Change how municipalities are required to record and allocate the revenue.

While we strongly recommend reviewing the link provided above for an in-depth look at the changes, highlighted below are the more significant changes:

- PPT reimbursement calculations are changing as follows:
 - The requirements for recalculation of prior year taxable value have changed. Going forward, prior year property tax values for commercial and industrial personal property will only be modified for municipality boundary changes and to exclude any property that was classified in the municipality where it is currently located as utility personal property or real property after 2012.
 - The calculation of PPT reimbursements that are based on the acquisition cost of eligible personal property for two years has been delayed until 2021.
 - Reimbursement for 100 percent of the calculated qualified loss going forward will be received in either October or February.
 - Each year, any remaining balance of the local community stabilization share fund revenue for the calendar year will be distributed to counties, cities, townships, villages, and community colleges. The allocation will be based on each municipality's share of the total reimbursement based on the acquisition cost of all eligible personal property and qualified loss. These reimbursement payments will be a separate payment that will be reimbursed in May. This allows time for any errors in that year's PPT reimbursement calculation to be identified and corrected.
 - There are also changes to the tax increment finance authority PPT reimbursement calculation; please refer to the link above for more details.
- Fire protection service payments were distributed by LCSA to municipalities starting in 2018. The payment distributions will continue to occur by November 30 each year. Each municipality is to continue to complete and submit the required questionnaire to the Michigan Department of Licensing and Regulatory Affairs (LARA) in order to qualify.

Section III - Legislative and Informational Items (Continued)

- The timing of PPT reimbursements has changed as follows:
 - Tax increment finance authorities - For a TIFA that previously received payments in November, reimbursements will be issued on October 20 of each year. Corrections for the underpayment of a prior year PPT reimbursement or a current year reimbursement will be issued on May 20 of each year.
 - Municipalities, excluding school districts, intermediate school districts, and TIFAs - For a municipality that previously received payments in November, reimbursements for essential services, small taxpayer exemption loss, and qualified loss up to 100 percent will be issued on October 20 of each year. For municipalities that previously received payments in February, reimbursements for essential services, small taxpayer exemption loss, and qualified loss up to 100 percent will continue to be issued on February 20 of each year. Corrections for the underpayment of a prior year PPT reimbursement or a current year reimbursement will be issued on May 20 of each year, as will the portion of qualified loss exceeding 100 percent reimbursement.

The table below provides a schedule of payment dates for all municipalities.

Description of PPT Reimbursement	Date of Reimbursement
Payment of calculated current year PPT reimbursements up to 100 percent of the calculated losses for county-allocated millage to municipalities that do not levy millage 100 percent in December and TIFAs (payment must be allocated to the funds based on millages)	October 20 (each year)
Payment of calculated current year PPT reimbursements up to 100 percent of the calculated losses for townships, county extra-voted millage, and to municipalities that levy millage 100 percent in December	February 20 (each following year)
Payment of prior year underpayment that was not advanced and current year underpayment and prorated qualified loss in excess of 100 percent. (Note that the payment does not need to be allocated based on millages. If the local unit chooses, this can be fully recorded in the General Fund.)	May 20 (each following year)

- Changes to the requirement to restrict revenue - To date, the previous LCSA act had only required a municipality to use the reimbursement amount received for debt millage to pay for debt and to use the essential service reimbursement to pay for the cost of essential services. The newly signed amendment now also requires that each municipality allocate and record the payments received in the same manner as the millage levied, up to 100 percent reimbursement. The October payment represents the 100 percent reimbursement and should be allocated by millages. The May payment does not represent reimbursement and can be receipted into the General Fund at the discretion of the local unit.

In addition, for county road millages levied under Section 20b of 1909 PA 283, MCL 224.20b, a formula for allocating a portion of the PPT reimbursement to each city and village must be decided by March 31 by the cities, villages, and road commission. If this does not occur, a formula for allocating payments will be determined by the Department of Treasury.

As a reminder, the LCSA reimbursements should not be reported on the financial statements with property taxes; instead, they should be included with other intergovernmental revenue from the State (state-shared revenue, grants, and other). The State has created a new account number for the revenue, 573, and titled it "Local Community Stabilization Share Appropriation." As always, communities should follow the State's guidance related to the Uniform Chart of Accounts.

Section III - Legislative and Informational Items (Continued)

Upcoming Accounting Standards Requiring Preparation

GASB Statement No. 87 - Leases

This new accounting pronouncement will be effective for reporting periods beginning after December 15, 2019 (June 15, 2021 after extension within GASB Statement No. 95). This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

We recommend beginning to accumulate information now related to all significant lease agreements in order to more efficiently implement this new standard once it becomes effective.

Plante & Moran, PLLC will be providing trainings and other resources to our clients in the coming months to help prepare for the implementation of all these new standards. In the interim, please reach out to your engagement team for assistance in getting started.

Significant GASB Proposals Worth Watching

The GASB is working on three interrelated projects that result in a comprehensive look at financial reporting for state and local governments. Of these three efforts, two are likely to result in significant changes to governmental financial statements in the future.

The Financial Reporting Model is currently in exposure draft stage and is expected to be issued as a final statement next year. While this standard proposes changes to many aspects of the Village's financial statements, this proposed standard will most significantly impact the Village's governmental fund financial statements.

The Revenue and Expense Recognition project aims to develop a comprehensive accounting and financial reporting model for transactions that result in revenue and expenses. Currently, the GASB has issued a preliminary views document that proposes a new categorization framework that replaces the exchange/nonexchange transaction notion with a four-step process for classifying a transaction. In addition to this new framework, the proposal also addresses recognition and measurement of revenue and expense transactions.

Plante & Moran, PLLC has spent significant time digesting these new proposed standards and recently testified to the GASB about our feedback. We strongly encourage the Village to monitor developments with these standards, as the potential impacts are quite broad.

Village of Beverly Hills, Michigan

Oakland County, Michigan

Financial Report with Supplemental Information June 30, 2021

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Independent Auditor's Report

To the Village Council
Village of Beverly Hills, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Beverly Hills, Michigan (the "Village") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Village of Beverly Hills, Michigan's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Beverly Hills, Michigan as of June 30, 2021 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2021, the Village adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which gives guidance on the identification and reporting of fiduciary activities. As a result of this standard, the Village of Beverly Hills Retiree Health Care Plan trust has been included as a fiduciary component unit. Our opinion is not modified with respect to this matter.

To the Village Council
Village of Beverly Hills, Michigan

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Beverly Hills, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, 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. Such 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 other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moreau, PLLC

October 31, 2021

As management of the Village of Beverly Hills, Michigan (the "Village"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2021.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Village's basic financial statements. The Village's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes supplemental information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private sector business. The statement of net position presents financial information on all of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., the cost of pension and other postemployment benefits).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, public works, community and economic development, and culture and recreation. The business-type activities of the Village include providing water and sewage disposal.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Village's funds can be divided into the following three categories:

- **Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. The Village adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.
- **Proprietary Funds** - The Village maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its water and sewage disposal activities.
- **Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village's fiduciary funds include the other postemployment benefit trust fund (OPEB) and a custodial fund.

Village of Beverly Hills, Michigan

Management's Discussion and Analysis (Continued)

Notes and Other Information

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information concerning the Village's progress in funding its obligation to provide pension and other postemployment benefits (OPEB) to its employees. The combining statements in connection with nonmajor governmental funds and fiduciary funds are presented immediately following the required supplemental information on pensions and OPEB.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows by approximately \$31 million at the close of the most recent fiscal year.

For fiscal year 2021, the net decrease of total revenue in excess of total expenses of governmental activities is \$320,703. The decrease is composed of increases of roughly \$700,000 in federal and state CARES Act grants offset by higher public safety employee expenses due to COVID-19, increases of \$345,000 in capital grants representing the federal portion of the 13-mile road project, increases in taxes of \$228,000, and increases in permit revenue offset by higher permit expenses. Investment earnings and other revenue decreased over prior year by \$243,000.

The Village's Net Position

	Governmental Activities			
	2020	2021	Change	Percent Change
Assets				
Current and other assets	\$ 7,732,240	\$ 9,281,394	\$ 1,549,154	20.0
Capital assets	12,903,018	13,390,953	487,935	3.8
Total assets	20,635,258	22,672,347	2,037,089	9.9
Deferred Outflows of Resources	1,474,821	607,641	(867,180)	(58.8)
Liabilities				
Current liabilities	1,161,638	844,302	(317,336)	(27.3)
Noncurrent liabilities	9,873,175	7,791,962	(2,081,213)	(21.1)
Total liabilities	11,034,813	8,636,264	(2,398,549)	(21.7)
Deferred Inflows of Resources	190,434	2,224,793	2,034,359	1,068.3
Net Position				
Net investment in capital assets	12,456,482	13,027,710	571,228	4.6
Restricted	2,453,555	3,483,660	1,030,105	42.0
Unrestricted	(4,025,205)	(4,092,439)	(67,234)	1.7
Total net position	<u>\$ 10,884,832</u>	<u>\$ 12,418,931</u>	<u>\$ 1,534,099</u>	14.1

Village of Beverly Hills, Michigan

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2020	2021	Change	Percent Change
Assets				
Current and other assets	\$ 1,491,704	\$ 1,848,300	\$ 356,596	23.9
Capital assets	18,650,091	18,115,758	(534,333)	(2.9)
Total assets	20,141,795	19,964,058	(177,737)	(0.9)
Liabilities				
Current liabilities	309,469	352,918	43,449	14.0
Noncurrent liabilities	1,392,362	1,089,728	(302,634)	(21.7)
Total liabilities	1,701,831	1,442,646	(259,185)	(15.2)
Net Position				
Net investment in capital assets	17,286,629	17,051,230	(235,399)	(1.4)
Unrestricted	1,153,335	1,470,182	316,847	27.5
Total net position	<u>\$ 18,439,964</u>	<u>\$ 18,521,412</u>	<u>\$ 81,448</u>	0.4

The Village's Changes in Net Position

	Governmental Activities			
	2020	2021	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	\$ 473,103	\$ 634,295	\$ 161,192	34.1
Operating grants	1,144,985	1,845,334	700,349	61.2
Capital grants	248,859	593,936	345,077	138.7
General revenue:				
Taxes	7,850,790	8,079,209	228,419	2.9
State-shared revenue and grants	932,496	918,916	(13,580)	(1.5)
Investment earnings	113,423	5,597	(107,826)	(95.1)
Other revenue	444,405	323,088	(121,317)	(27.3)
Total revenue	11,208,061	12,400,375	1,192,314	10.6
Expenses				
General government	1,237,986	1,206,849	(31,137)	(2.5)
Public safety	5,239,997	6,755,925	1,515,928	28.9
Public works	2,222,970	2,162,626	(60,344)	(2.7)
Community and economic development	95,666	91,143	(4,523)	(4.7)
Recreation and culture	538,869	635,496	96,627	17.9
Debt service	17,771	14,237	(3,534)	(19.9)
Total expenses	9,353,259	10,866,276	1,513,017	16.2
Change in Net Position	1,854,802	1,534,099	(320,703)	(17.3)
Net Position - Beginning of year	9,030,030	10,884,832	1,854,802	20.5
Net Position - End of year	<u>\$ 10,884,832</u>	<u>\$ 12,418,931</u>	<u>\$ 1,534,099</u>	14.1

Village of Beverly Hills, Michigan

Management's Discussion and Analysis (Continued)

	Business-type Activities			
	2020	2021	Change	Percent Change
Revenue				
Charges for services	\$ 4,812,449	\$ 5,183,979	\$ 371,530	7.7
Investment income	1,393	53	(1,340)	(96.2)
Total revenue	4,813,842	5,184,032	370,190	7.7
Expenses	4,815,875	5,102,584	286,709	6.0
Change in Net Position	(2,033)	81,448	83,481	(4,106.3)
Net Position - Beginning of year	18,441,997	18,439,964	(2,033)	-
Net Position - End of year	<u>\$ 18,439,964</u>	<u>\$ 18,521,412</u>	<u>\$ 81,448</u>	0.4

Financial Analysis of Individual Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements.

The General Fund pays for the Village's governmental services, including all administrative departments (excluding public safety) and rubbish collection and disposal services.

The Public Safety Fund covers all public safety department costs. This represents the largest cost group, which incurred expenses of approximately \$5.54 million in fiscal year 2020-2021.

The Major and Local Streets funds are predominately funded by state-shared revenue and grants in addition to contributions from the General Fund. For fiscal year 2021, the General Fund contributed \$100,000 to the Major Streets Fund and \$200,000 to the Local Streets Fund.

New to the financial statements this year is the inclusion of the MERS retiree health care in the fiduciary funds per GASB Statement No. 84, *Fiduciary Activities*. This fund represents assets for the use of eligible retiree health care held by MERS. Previously, this information was presented in the footnotes.

General Fund Budgetary Highlights

Over the course of the year, the Village amended the budget to take into account events during the year. General Fund total revenue in excess of total expenditures was \$68,460 greater than the amended budget, with variances spread out over the accounts.

The Major Streets Fund excess of revenue over expenditures was roughly \$268,000 greater than the amended budget due to the timing of road expenses, relating to the 13 Mile project, which will be reflected in fiscal year 2022.

Capital Assets and Debt Administration

At June 30, 2021, the Village had more than \$31.5 million invested in a broad range of capital assets, including buildings, furniture, equipment, roads and bridges, and water and sewer mains (see Note 5 for detail). During the current year, the Village added approximately \$1,103,000 of governmental capital assets (net of disposals). The majority of the additions related to improvements to village infrastructure. A major road project for the Village that began in fiscal year 2020 was 96 percent completed at the end of fiscal year 2021. The reconstruction of 13 Mile Rd. from Evergreen to Southfield Rd., including the intersection of 13 Mile Rd. and Southfield Rd., is a federally funded project, with the local matching share paid by the City of Southfield, Michigan; the Village of Beverly Hills, Michigan; and the Road Commission for Oakland County. Total cost for this project, including the federal spending, is roughly \$3.27 million. The Village's portion of the project is estimated to be approximately \$600,000.

The debt level of the Village is low. At the end of fiscal year 2021, total debt was \$1,427,771 million, comprising \$363,243 for governmental activities (public safety fire truck) and \$1,064,528 for business-type activities (water and sewer bonds). The majority of the debt will be paid off by the end of fiscal year 2026.

Economic Factors and Next Year's Budgets and Rates

The Village's budget for next year will be similar to the current fiscal year. The General Fund has continued to increase its unassigned fund balance and monitors revenue and expenditure variances. The General Fund covers the Village Council, village manager, clerk, finance department, building and planning department, and public services department.

The successful renewal of the millage by voters in November 2020 allows the Village to continue the path of stabilizing operations and continuing to invest in infrastructure, roads, and community. The tax rate of 13.9206 levied for fiscal year 2022 includes 1.8512 mills for the general operating fund, 9.7485 for public safety, 0.8058 for the library, 0.3151 for park improvement, and 1.2 for refuse collection.

The Village is 79.4 percent funded for retiree health care and 83.2 percent funded for the defined benefit pension, which puts the Village in a select group of municipalities with high rates of funding and sets up the Village for future financial stability. Both plans are closed to new hires. Retiree health care closed as of the end of fiscal year 2006, and defined benefit pension closed as of the end of fiscal year 2013. For the next several years, the Village will fund retiree health care in the amount of \$400,000 annually, with the remainder coming out of the trust. Defined benefit pension payments are set by MERS and are approximately \$760,000 for fiscal year 2022.

Future Economic Factors

The Village of Beverly Hills has moderately increasing property values. The taxable value for fiscal year 2022 is 3.75 percent higher than the taxable value for fiscal year 2021. However, due to Proposal A, Headlee rollbacks limit the property tax increase to the rate of inflation by reducing the overall millage rate. The taxable value for fiscal year 2022 is \$653,712,000 compared to the State Equalized Value (roughly the market value) of \$878,169,000. State revenue sharing, a major source of revenue, increased over fiscal year 2020 but is tied to sales tax receipts and is always at risk of further cuts. The current state budget includes an increase in road funding for state roads, but the impact on local roads will be minimal. Future increases in road funding would require increased contributions from the General Fund to the Local and Major Streets funds.

The Village has received the ARPA (American Rescue Plan Act) notice of approval and anticipates receiving approximately \$1.084 million in total. This money must be obligated by December 31 of 2024 and spent by December 31 of 2026. Final guidance on the details of ARPA funds are still being drafted by the Department of Treasury. The first payment, equal to 50 percent of the total award amount, will be distributed at the end of November 2021, and the remaining 50 percent will be distributed approximately 12 months after the first payment.

Contacting the Village's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office. This report, village budgets, and other financial information are available on the Village's website at www.villagebeverlyhills.com.

Village of Beverly Hills, Michigan

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 3)	\$ 8,155,406	\$ 160,706	\$ 8,316,112
Receivables - Net (Note 4)	673,877	1,563,973	2,237,850
Inventory	-	106,276	106,276
Prepaid expenses and other assets	452,111	17,345	469,456
Capital assets:			
Assets not subject to depreciation (Note 5)	232,835	-	232,835
Assets subject to depreciation - Net (Note 5)	13,158,118	18,115,758	31,273,876
Total assets	22,672,347	19,964,058	42,636,405
Deferred Outflows of Resources			
Deferred pension costs (Note 9)	297,320	-	297,320
Deferred OPEB costs (Note 10)	310,321	-	310,321
Total deferred outflows of resources	607,641	-	607,641
Liabilities			
Accounts payable	491,909	334,284	826,193
Accrued liabilities and other	352,393	18,634	371,027
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 7)	222,444	-	222,444
Current portion of long-term debt (Note 7)	86,198	289,093	375,291
Due in more than one year:			
Compensated absences (Note 7)	148,296	-	148,296
Provision for claims (Note 8)	75,700	25,200	100,900
Net pension obligation (Note 9)	4,742,736	-	4,742,736
Net retiree health care obligation (Note 10)	2,239,543	-	2,239,543
Long-term debt (Note 7)	277,045	775,435	1,052,480
Total liabilities	8,636,264	1,442,646	10,078,910
Deferred Inflows of Resources			
Deferred pension cost reductions (Note 9)	1,063,813	-	1,063,813
Deferred OPEB cost reductions (Note 10)	1,160,980	-	1,160,980
Total deferred inflows of resources	2,224,793	-	2,224,793
Net Position			
Net investment in capital assets	13,027,710	17,051,230	30,078,940
Restricted for:			
Streets and highways	1,203,275	-	1,203,275
Drug law enforcement	52,519	-	52,519
Library	22,538	-	22,538
Public safety	2,205,328	-	2,205,328
Unrestricted	(4,092,439)	1,470,182	(2,622,257)
Total net position	<u>\$ 12,418,931</u>	<u>\$ 18,521,412</u>	<u>\$ 30,940,343</u>

Village of Beverly Hills, Michigan

		Program Revenue		
		Charges for	Operating	Capital Grants
	Expenses	Services	Grants and	and
			Contributions	Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	\$ 1,206,849	\$ 12,142	\$ -	\$ -
Public safety	6,755,925	564,539	602,402	-
Public works	2,162,626	4,879	1,178,857	593,936
Community and economic development	91,143	52,735	23,424	-
Recreation and culture	635,496	-	40,651	-
Interest on long-term debt	14,237	-	-	-
Total governmental activities	10,866,276	634,295	1,845,334	593,936
Business-type activities - Water and sewer	5,102,584	5,183,979	-	-
Total primary government	\$ 15,968,860	\$ 5,818,274	\$ 1,845,334	\$ 593,936
General revenue:				
Property taxes and related fees				
State-shared revenue and grants				
Unrestricted investment income				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2021

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,194,707)	\$ -	\$ (1,194,707)
(5,588,984)	-	(5,588,984)
(384,954)	-	(384,954)
(14,984)	-	(14,984)
(594,845)	-	(594,845)
(14,237)	-	(14,237)
(7,792,711)	-	(7,792,711)
-	81,395	81,395
(7,792,711)	81,395	(7,711,316)
8,079,209	-	8,079,209
918,916	-	918,916
5,597	53	5,650
323,088	-	323,088
9,326,810	53	9,326,863
1,534,099	81,448	1,615,547
10,884,832	18,439,964	29,324,796
\$ 12,418,931	\$ 18,521,412	\$ 30,940,343

Village of Beverly Hills, Michigan

Governmental Funds Balance Sheet

June 30, 2021

	General Fund	Major Streets Fund	Local Streets Fund	Public Safety Fund	Nonmajor Funds	Total Governmental Funds
Assets						
Cash and investments (Note 3)	\$ 4,611,594	\$ 609,426	\$ 438,978	\$ 2,133,064	\$ 362,344	\$ 8,155,406
Receivables - Net (Note 4)	264,422	260,513	67,501	81,441	-	673,877
Due from other funds (Note 6)	16,889	-	-	-	-	16,889
Prepaid expenses and other assets	10,445	1,733	-	93,642	-	105,820
Total assets	\$ 4,903,350	\$ 871,672	\$ 506,479	\$ 2,308,147	\$ 362,344	\$ 8,951,992
Liabilities						
Accounts payable	\$ 174,456	\$ 128,114	\$ 29,873	\$ 159,466	\$ -	\$ 491,909
Due to other funds (Note 6)	-	-	16,889	-	-	16,889
Accrued liabilities and other	306,984	-	-	39,605	-	346,589
Total liabilities	481,440	128,114	46,762	199,071	-	855,387
Deferred Inflows of Resources -						
Unavailable revenue	194,046	-	767	-	-	194,813
Fund Balances						
Nonspendable	10,445	1,733	-	93,642	-	105,820
Restricted:						
Roads	-	741,825	458,950	-	-	1,200,775
Public safety	-	-	-	2,015,434	96,252	2,111,686
Drug law enforcement	-	-	-	-	52,519	52,519
Library	-	-	-	-	22,538	22,538
Assigned:						
Capital projects	-	-	-	-	191,035	191,035
Sick pay severance	162,557	-	-	-	-	162,557
Vacation reserve	102,094	-	-	-	-	102,094
Scholarship fund	67,838	-	-	-	-	67,838
Unassigned	3,884,930	-	-	-	-	3,884,930
Total fund balances	4,227,864	743,558	458,950	2,109,076	362,344	7,901,792
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,903,350	\$ 871,672	\$ 506,479	\$ 2,308,147	\$ 362,344	\$ 8,951,992

Village of Beverly Hills, Michigan

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2021

Fund Balances Reported in Governmental Funds	\$ 7,901,792
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	13,390,953
The funds defer recognition of revenue of any amounts not collected within 60 days of the end of the year	194,813
Amounts on deposit with the insurance authority (MMRMA) are not reported as fund assets	346,291
Installment purchase agreements are not due and payable in the current period and are not reported in the funds	(363,243)
Accrued interest is not due and payable in the current period and is not reported in the funds	(5,804)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(370,740)
Pension benefits	(5,509,229)
Retiree health care benefits	(3,090,202)
Other long-term liabilities, such as claims and judgments, do not present a claim on current financial resources and are not reported as fund liabilities	(75,700)
Net Position of Governmental Activities	<u>\$ 12,418,931</u>

Village of Beverly Hills, Michigan

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2021

	General Fund	Major Streets Fund	Local Streets Fund	Public Safety Fund	Nonmajor Funds	Total Governmental Funds
Revenue						
Taxes	\$ 1,988,825	\$ -	\$ -	\$ 5,573,644	\$ 516,895	\$ 8,079,364
State-shared revenue and grants:						
Federal grants	23,424	-	-	599,837	-	623,261
State sources	1,025,251	795,530	383,327	21,893	1,691	2,227,692
Charges for services:						
Construction code fees	466,539	-	-	-	-	466,539
Charges to other funds	98,000	-	-	-	-	98,000
Other charges	-	-	-	97,624	-	97,624
Fines and forfeitures	-	-	-	48,334	-	48,334
Licenses and permits	13,618	-	-	-	-	13,618
Interest income	3,264	113	218	1,797	205	5,597
Other revenue	362,069	6,589	14,246	1,762	-	384,666
Total revenue	3,980,990	802,232	397,791	6,344,891	518,791	12,044,695
Expenditures						
Current services:						
General government	1,016,335	-	-	-	-	1,016,335
Public safety	589,958	-	-	5,266,925	-	5,856,883
Public works	915,411	513,440	501,420	-	-	1,930,271
Community and economic development	89,859	-	-	-	-	89,859
Recreation and culture	125,219	-	-	-	511,561	636,780
Capital outlay	16,277	-	-	175,311	317,718	509,306
Debt service	-	-	-	98,861	-	98,861
Total expenditures	2,753,059	513,440	501,420	5,541,097	829,279	10,138,295
Excess of Revenue Over (Under) Expenditures	1,227,931	288,792	(103,629)	803,794	(310,488)	1,906,400
Other Financing Sources (Uses)						
Transfers in (Note 6)	-	100,000	200,000	-	311,000	611,000
Transfers out (Note 6)	(400,000)	-	-	(211,000)	-	(611,000)
Total other financing (uses) sources	(400,000)	100,000	200,000	(211,000)	311,000	-
Net Change in Fund Balances	827,931	388,792	96,371	592,794	512	1,906,400
Fund Balances - Beginning of year	3,399,933	354,766	362,579	1,516,282	361,832	5,995,392
Fund Balances - End of year	\$ 4,227,864	\$ 743,558	\$ 458,950	\$ 2,109,076	\$ 362,344	\$ 7,901,792

Village of Beverly Hills, Michigan

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2021

Net Change in Fund Balances Reported in Governmental Funds	\$ 1,906,400
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(987,005)
Donated assets	575,183
Capital outlay	899,757
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(86,928)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	83,293
Interest expense is recognized in the government-wide statements as it accrues	1,331
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(914,620)
Claims and similar costs that do not use current financial resources are not reported as expenditures in the governmental funds	11,000
Increase in amount on deposit with the insurance authority (MMRMA) is reported as an expenditure on the fund statements but as a reclassification of current to long-term asset at the government-wide level	45,688
Change in Net Position of Governmental Activities	\$ 1,534,099

Village of Beverly Hills, Michigan

Enterprise Fund - Water and Sewer Statement of Net Position

June 30, 2021

Assets

Current assets:

Cash and investments (Note 3)	\$ 160,706
Receivables - Net (Note 4)	1,563,973
Inventory	106,276
Prepaid expenses and other assets	17,345

Total current assets 1,848,300

Noncurrent assets - Capital assets - Assets subject to depreciation (Note 5) 18,115,758

Total assets 19,964,058

Liabilities

Current liabilities:

Accounts payable	334,284
Accrued liabilities and other	18,634
Current portion of long-term debt (Note 7)	289,093

Total current liabilities 642,011

Noncurrent liabilities:

Provision for claims	25,200
Long-term debt (Note 7)	775,435

Total noncurrent liabilities 800,635

Total liabilities 1,442,646

Net Position

Net investment in capital assets	17,051,230
Unrestricted	1,470,182

Total net position \$ 18,521,412

Village of Beverly Hills, Michigan

Enterprise Fund - Water and Sewer Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2021

Operating Revenue

Sale of water	\$ 956,263
Sewage disposal charges	2,653,257
Debt service charges	336,833
Other sales to customers	1,171,052
Interest and penalty charges	30,521
Connection fees	4,884
Meter and other charges	31,169

Total operating revenue 5,183,979

Operating Expenses

Cost of water	738,055
Cost of sewage treatment	2,403,875
Billing and administrative costs	170,938
Repairs and maintenance	1,143,238
Other expenses	82,773
Depreciation	534,333

Total operating expenses 5,073,212

Operating Income

110,767

Nonoperating Revenue (Expense)

Investment income	53
Interest expense	(29,372)

Total nonoperating expense (29,319)

Change in Net Position

81,448

Net Position - Beginning of year

18,439,964

Net Position - End of year

\$ 18,521,412

Village of Beverly Hills, Michigan

Enterprise Fund - Water and Sewer Statement of Cash Flows

Year Ended June 30, 2021

Cash Flows from Operating Activities

Receipts from customers	\$ 5,056,297
Payments for interfund services and reimbursements	(156,353)
Payments to suppliers	(4,342,127)
Payments to employees and fringes	(72,223)
Other receipts	5,087

Net cash and cash equivalents provided by operating activities 490,681

Cash Flows Used in Financing Activities - Principal and interest paid on capital debt (330,028)

Cash Flows Provided by Investing Activities - Interest income 53

Net Increase in Cash and Cash Equivalents 160,706

Cash and Cash Equivalents - Beginning of year -

Cash and Cash Equivalents - End of year **\$ 160,706**

Reconciliation of Operating Income to Net Cash from Operating Activities

Operating income	\$ 110,767
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	534,333
Changes in assets and liabilities:	
Receivables	(122,595)
Due to and from other funds	(58,353)
Inventories	623
Prepaid and other assets	(15,565)
Net pension or OPEB asset	715
Accounts payable	44,456
Estimated claims liability	(3,700)

Total adjustments 379,914

Net cash and cash equivalents provided by operating activities **\$ 490,681**

Village of Beverly Hills, Michigan

Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2021

	Pension and Other Employee Benefits - Retiree Healthcare Trust Fund	Custodial Fund - Birmingham Area Cable Board	Total Fiduciary Funds
Assets			
Cash and cash equivalents	\$ 228,171	\$ 403,112	\$ 631,283
Investments - MERS Retiree Health Funding Vehicle	8,412,858	-	8,412,858
Receivables - Accrued interest receivable	8	-	8
Total assets	8,641,037	403,112	9,044,149
Liabilities			
Accounts payable	3,150	151,332	154,482
Due to Birmingham Area Cable Board	-	251,780	251,780
Total liabilities	3,150	403,112	406,262
Net Position - Postemployment benefits other than pension	\$ 8,637,887	\$ -	\$ 8,637,887

Village of Beverly Hills, Michigan

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

	Pension and Other Employee Benefits - Retiree Healthcare Trust Fund	Custodial Fund - Birmingham Area Cable Board
Additions		
Investment income:		
Interest and dividends	\$ 340	\$ -
Net increase in fair value of investments	1,915,065	-
Cable fees collected	-	724,570
Net investment income	1,915,405	724,570
Contributions:		
Employer contributions	384,037	-
Employee contributions	20,413	-
Total contributions	404,450	-
Total additions	2,319,855	724,570
Deductions		
Benefit payments	778,797	-
Administrative expense	14,046	-
Cable board expenses	-	724,570
Total deductions	792,843	724,570
Net Increase in Fiduciary Net Position	1,527,012	-
Net Position - Beginning of year, as restated (Note 1)	7,110,875	-
Net Position - End of year	\$ 8,637,887	\$ -

June 30, 2021

Note 1 - Significant Accounting Policies

Reporting Entity

The Village of Beverly Hills, Michigan (the "Village") is governed by an elected seven-member council. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Jointly Governed Organization

Jointly governed organizations are discussed in Note 11.

Accounting and Reporting Principles

The Village of Beverly Hills, Michigan follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Village:

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. 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 primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (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. Taxes and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Village's water and sewer function and various other functions of the Village. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Fund Accounting

The Village accounts for its various activities in several different funds in order to demonstrate accountability for how it has spent certain resources; separate funds allow it to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The Village reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Major Streets Fund accounts for the resources of state gas and weight tax revenue that are restricted for use on major streets.
- The Local Streets Fund accounts for the resources of state gas and weight tax revenue that are restricted for use on local streets.
- The Public Safety Fund accounts for the resources of property tax revenue that are restricted for use on public safety.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The Village reports the following fund as a major enterprise fund:

- The Water and Sewer Fund accounts for the activities of the water distribution system and sewage collection system. The fund is financed primarily by a user charge for the provided service.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include the following:

- The Pension and Other Employee Benefits - Retiree Healthcare Trust Fund accounts for resources accumulated for postemployment benefit payments to qualified employees and for accumulated resources that have been set aside in a trust to fund postretirement health care costs.
- The custodial fund accounts for assets held by the Village in a trustee capacity, consisting of fees collected on behalf of the Birmingham Area Cable Board.

June 30, 2021**Note 1 - Significant Accounting Policies (Continued)****Interfund Activity**

During the course of operations, the Village has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Village considers amounts collected within two months of year end to be available for recognition. The following major revenue sources meet the availability criterion: property taxes and related fees, licenses and permits, federal grants, charges for services, fines and forfeitures, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Specific Balances and Transactions**Bank Deposits and Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. 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.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of more than \$500 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 estimated acquisition value at the date of donation.

In accordance with GASB Statement No. 89, interest incurred during the construction of capital assets is expensed in the period it is incurred.

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Roads and bridges	10-50
Water and sewer lines	50-100
Meters	20
Buildings and improvements	50
Furniture and equipment	5-10
Vehicles	5-20

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The General Fund, Public Safety Fund, and Capital Projects Fund are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The Village reports deferred outflows of resources related to the defined benefit pension plan and OPEB plan, which are disclosed in more detail in Notes 9 and 10, respectively. These deferred outflows of resources are reported in the government-wide financial statements.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

The Village has two items that qualify for reporting in this category. The first is unavailable revenue, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: state-shared revenue, intergovernmental revenue, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. At year end, the Village reported deferred inflows of \$194,046 in the General Fund related to unavailable state-shared revenue and \$767 in the Local Streets Fund for unavailable special assessments revenue. The Village also reports deferred inflows of resources related to the defined benefit pension plan and OPEB plan, which are disclosed in more detail in Notes 9 and 10, respectively.

Net Position Flow Assumption

The Village will sometimes 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 and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The Village will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Village's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Village Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Village has, by resolution, authorized the finance director to assign fund balance. The Village Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

June 30, 2021**Note 1 - Significant Accounting Policies (Continued)****Property Tax Revenue**

Property taxes are levied on each July 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent after the third Monday in September of the following year, at which time penalties and interest are assessed. Taxes unpaid on February 28 of the following year are added to the county tax rolls.

The Village's 2020 property tax revenue was levied and collectible on July 1, 2020 and is recognized as revenue in the year ended June 30, 2021 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2020 taxable valuation of the Village totaled 630.1 million, on which taxes levied consisted of 1.8783 mills for operating purposes, 0.8213 mills for the library, 1.250 mills for refuse collection, and 8.8557 mills for public safety. This resulted in \$1,188,000 for operating, \$517,000 for the library, \$787,000 for refuse collection, and \$5,574,000 for public safety. These amounts are recognized in the General, Library, and Public Safety funds financial statements as taxes receivable or tax revenue, net of delinquent tax revenue and administrative fees. Refuse collection is recognized in a charges for services - rubbish account within the General Fund. Personal property taxes that are still unpaid as of June 30, 2021 will be recognized as revenue in the future as they are collected.

Pension

The Village offers a defined benefit pension plan to eligible employees hired before July 1, 2013. The Village records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension 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.

Other Postemployment Benefit Costs

The Village offers retiree health care benefits to eligible administrative retirees hired before July 1, 2006 and eligible public safety retirees hired before July 1, 2013. The Village records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose 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 OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the Village's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the Village will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation (the General Fund and Public Safety Fund, primarily) are used to liquidate the obligations.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer Fund is charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncement

During the current year, the Village adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the following activities not previously reported in the financial statements now meet the definition of a fiduciary activity and are reported as such: the Other Post-Employment Benefits MERS RHFV investment.

The effect of this new standard on net position was as follows:

	Pension and Other Employee Benefits - Retiree Healthcare Trust Fund
Net position - June 30, 2020 - As previously reported	\$ 246,967
Adjustment for GASB Statement No. 84 - To add MERS Retiree Health Funding Vehicle investment	6,863,908
Net position - June 30, 2020 - As restated	<u>\$ 7,110,875</u>

Upcoming Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the Village's financial statements for the year ended June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt; provides a single method of reporting conduit debt obligations by issuers; and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the Village's financial statements for the June 30, 2023 fiscal year.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Village does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. With the London Interbank Offered Rate (LIBOR) expecting to cease existence in its current form at the end of 2021, this statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) in hedging derivative instruments and leases. The removal of LIBOR as an appropriate benchmark interest rate for a hedging derivative instrument is effective for the Village's financial statements for the June 30, 2022 fiscal year. All other requirements of the statement are effective for the Village's financial statements for the June 30, 2021 fiscal year. Lease modification requirements are effective one year later.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the Village's financial statements for the year ending June 30, 2023.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending June 30, 2023.

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or other type of employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the Village's financial statements for the year ending June 30, 2022.

June 30, 2021

Note 2 - Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations in Budgeted Funds

The Village had expenditure budget variances in the following funds:

General Fund

Public safety expenditure - Building, planning, and zoning expenditures were greater than the amended budget. The budget was originally reduced due to the COVID-19 pandemic. Activity during the current fiscal year returned to higher-than-anticipated levels as restrictions on construction-related work were lifted.

Public works - Public services - Expenditures were over budget due to various projects being higher than originally anticipated.

Local Streets Fund

Actual expenditures were approximately \$7,800 over budget due to various projects being higher than originally anticipated.

Public Safety Fund

Actual expenditures were greater than budgeted by approximately \$35,000 due to purchases being pulled forward to take advantage of pricing and other differences spread across the accounts.

Construction Code Fees

The Village oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes, through February of the current year. The Village charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2020		\$	(1,415,007)
Current year permit revenue			466,538
Related expenses:			
Direct costs	\$	589,444	-
Estimated indirect costs		4,649	(594,093)
Cumulative shortfall June 30, 2021		\$	<u>(1,542,562)</u>

Note 3 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Fiduciary Funds
Deposits with financial institutions	\$ 8,155,406	\$ 160,706	\$ 631,283
Interest in pooled investment	-	-	8,412,858
Total	<u>\$ 8,155,406</u>	<u>\$ 160,706</u>	<u>\$ 9,044,141</u>

June 30, 2021

Note 3 - Deposits and Investments (Continued)

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension trust fund and the retiree health care fund are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Village has designated six banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above. The Village's deposits and investment policies are in accordance with statutory authority. The Village has not adopted an investment policy for the retiree health care fund; however, the Village has by resolution set aside advanced funding of this obligation in the Municipal Employees' Retirement System Retiree Health Funding Vehicle (RHFV), which is held in a separate reserve but invested on a pooled basis by MERS with other governmental units.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

The Village's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. At year end, the Village had \$1,301,929 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Village believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Village evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Village's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. At year end, the Village did not hold any investments subject to interest rate risk.

June 30, 2021

Note 3 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Village has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Comerica - J Fund	\$ 6,380,031	Noted rated	N/A

External Investment Pool

The Village has \$0 invested with the Oakland County Local Government Investment Pool (the "Pool"). The Pool is not registered with the SEC and does not issue a separate report. The Pool reports its investments at fair market value. For withdrawal purposes, shares of the Pool will be redeemed at original cost. There are no limitations or restrictions on withdrawals.

Fair Value Measurements

The Village 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, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Village's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Village did not have any investments valued with Level 1, 2, or 3 inputs at June 30, 2021.

Investments in Entities that Calculate Net Asset Value per Share

The Village holds an interest in the MERS Retiree Health Funding Vehicle Total Market Portfolio, whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investments as a practical expedient.

At June 30, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MERS Retiree Health Funding Vehicle Total Market Fund	\$ 8,412,858	\$ -	N/A	N/A

The MERS Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. The Municipal Employees' Retirement System (MERS) manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Portfolio.

June 30, 2021

Note 4 - Receivables

Receivables as of June 30, 2021 for the Village's individual major funds and the nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Primary Government					Business-type Activities
	Governmental Activities					
	General Fund	Major Streets Fund	Local Streets Fund	Public Safety Fund	Total Governmental Activities	Water and Sewer Fund
Receivables:						
Special assessments	\$ -	\$ -	\$ 767	\$ -	\$ 767	\$ -
Customer billings	-	-	-	-	-	1,563,023
Accrued interest	203	-	-	110	313	-
Other receivables	70,173	-	3,968	81,331	155,472	-
Intergovernmental	194,046	260,513	62,766	-	517,325	950
Net receivables	\$ 264,422	\$ 260,513	\$ 67,501	\$ 81,441	\$ 673,877	\$ 1,563,973

Note 5 - Capital Assets

Capital asset activity of the Village's governmental and business-type activities was as follows:

Governmental Activities

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 209,936	\$ -	\$ -	\$ -	\$ 209,936
Construction in progress	172,616	(172,616)	22,899	-	22,899
Subtotal	382,552	(172,616)	22,899	-	232,835
Capital assets being depreciated:					
Buildings and improvements	3,449,581	-	11,104	-	3,460,685
Roads and bridges	17,515,140	120,860	980,202	-	18,616,202
Equipment	3,720,585	-	269,021	(311,349)	3,678,257
Improvements other than buildings	1,540,668	51,756	191,714	(38,178)	1,745,960
Subtotal	26,225,974	172,616	1,452,041	(349,527)	27,501,104
Accumulated depreciation:					
Buildings and improvements	1,635,705	-	78,622	-	1,714,327
Roads and bridges	8,703,856	-	626,119	-	9,329,975
Equipment	2,088,616	-	220,971	(311,349)	1,998,238
Improvements other than buildings	1,277,331	-	61,293	(38,178)	1,300,446
Subtotal	13,705,508	-	987,005	(349,527)	14,342,986
Net capital assets being depreciated	<u>12,520,466</u>	<u>172,616</u>	<u>465,036</u>	<u>-</u>	<u>13,158,118</u>
Net governmental activities capital assets	<u>\$ 12,903,018</u>	<u>\$ -</u>	<u>\$ 487,935</u>	<u>\$ -</u>	<u>\$ 13,390,953</u>

June 30, 2021

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets being depreciated:				
Water mains	\$ 7,046,211	\$ -	\$ -	\$ 7,046,211
Sanitary sewers and drains	22,216,842	-	-	22,216,842
Service buildings	42,163	-	-	42,163
Meters	823,042	-	-	823,042
Motor vehicles	36,740	-	-	36,740
Furniture and equipment	10,334	-	-	10,334
Subtotal	30,175,332	-	-	30,175,332
Accumulated depreciation:				
Water mains	1,564,149	71,447	-	1,635,596
Sanitary sewers and drains	9,343,357	421,734	-	9,765,091
Service buildings	42,163	-	-	42,163
Meters	528,498	41,152	-	569,650
Motor vehicles	36,740	-	-	36,740
Furniture and equipment	10,334	-	-	10,334
Subtotal	11,525,241	534,333	-	12,059,574
Net business-type activities capital assets	<u>\$ 18,650,091</u>	<u>\$ (534,333)</u>	<u>\$ -</u>	<u>\$ 18,115,758</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 99,886
Public safety	261,000
Public works	626,119
Total governmental activities	<u>\$ 987,005</u>
Business-type activities - Water and sewer	\$ 534,333

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Local Streets Fund	\$ 16,889

June 30, 2021

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Local Streets Fund	\$ 200,000
	Capital Projects Fund (a nonmajor governmental fund)	100,000
	Major Streets Fund	100,000
	Total General Fund	400,000
Public Safety Fund	Capital Projects Fund (a nonmajor governmental fund)	211,000
	Total	\$ 611,000

The transfers from the General Fund to the Major Streets Fund and the Local Streets Fund represent the use of unrestricted resources to finance those programs in accordance with budgetary authorizations. The transfers from the General Fund and Public Safety Fund to the Capital Projects Fund represent the use of unrestricted and restricted resources to finance capital improvements.

Note 7 - Long-term Debt

Long-term debt activity for the year ended June 30, 2021 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -					
Direct borrowings and direct					
placements -					
2018 fire truck installment					
purchase agreement, maturing					
through 2025, with interest rate					
of 3.49 percent	\$ 446,536	\$ -	\$ (83,293)	\$ 363,243	\$ 86,198
Compensated absences	367,473	223,751	(220,484)	370,740	222,444
Total governmental activities					
long-term debt	\$ 814,009	\$ 223,751	\$ (303,777)	\$ 733,983	\$ 308,642

June 30, 2021

Note 7 - Long-term Debt (Continued)

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:					
Direct borrowings and direct placements -					
2003 Drinking Water Revolving Fund Loan, maturing through April 2025, with interest at 2.125 percent \$	1,047,055 \$	- \$	(195,000) \$	852,055 \$	205,000
County contractual obligations:					
1998 North Arm Relief Drain Contract with the City of Royal Oak, Michigan (to support the Village's portion of Royal Oak bonds)	21,759	-	(21,759)	-	-
2000 George W. Kuhn Drain Bond Series A, maturing through April 2022, with interest at 2.5 percent	17,951	-	(8,853)	9,098	9,098
2001 George W. Kuhn Drain Bond Series C, maturing through April 2024, with interest at 2.5 percent	161,101	-	(38,781)	122,320	39,758
2001 George W. Kuhn Drain Bond Series D, maturing through April 2024, with interest at 2.5 percent	4,245	-	(1,015)	3,230	1,056
2003 Rummel Relief Drainage District Drain Bonds - Series 2003, maturing through May 2023, with interest ranging from 2.6 percent to 4.7 percent	40,271	-	(20,134)	20,137	20,137
2005 George W. Kuhn Drain Bond Series 2005, maturing through April 2026, with interest at 1.625 percent	4,200	-	(660)	3,540	701
2007 George W. Kuhn Drain Bond Series G, maturing through April 2028, with interest at 1.625 percent	6,394	-	(742)	5,652	784
2007 George W. Kuhn Drain Bond Series 2007, maturing through April 2024, refunding 2000B and 2001E (August 2007), with interest ranging from 4.25 percent to 4.375 percent	28,061	-	(8,731)	19,330	9,219
2008 George W. Kuhn Drain Bond Series 2008H, maturing through April 2029, with interest at 2.50 percent	32,425	-	(3,259)	29,166	3,340
Total business-type activities long-term debt	\$ 1,363,462	\$ -	\$ (298,934)	\$ 1,064,528	\$ 289,093

June 30, 2021

Note 7 - Long-term Debt (Continued)

County Contractual Obligations

The above contractual obligations include county contractual obligations payable to Oakland County, Michigan (the "County") and are the result of the issuance of bonds by Oakland County, Michigan on the Village's behalf. The Village has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the obligations. In addition, it has pledged to raise property taxes, to the extent permitted by law, if necessary to fund the obligation to repay the County. Proceeds from the county bonds provided financing for the construction of the George W. Kuhn Drain. The remaining principal and interest to be paid on the bonds total \$203,327. During the current year, net expenses of the system, excluding depreciation, were \$403,226, compared to the annual debt requirements of \$68,935.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities			Business-type Activities		
	Direct Borrowings and Direct Placements			Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 86,198	\$ 12,663	\$ 98,861	\$ 289,093	\$ 24,965	\$ 314,058
2023	89,203	9,658	98,861	262,099	17,913	280,012
2024	92,312	6,548	98,860	267,976	11,115	279,091
2025	95,530	3,330	98,860	226,844	5,139	231,983
2026	-	-	-	5,234	306	5,540
2027-2031	-	-	-	13,282	239	13,521
Total	\$ 363,243	\$ 32,199	\$ 395,442	\$ 1,064,528	\$ 59,677	\$ 1,124,205

Assets Pledged as Collateral

Direct Borrowings and Direct Placements

The Village's outstanding installment purchase obligations are secured with collateral of the fire trucks purchased through the agreements.

Note 8 - Risk Management

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Village has purchased commercial insurance for medical claims and participates in the Michigan Municipal League Workers' Compensation for claims relating to workers' compensation and the Michigan Municipal Risk Management Authority for general liability claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the Village.

June 30, 2021

Note 8 - Risk Management (Continued)

The Village is self-insured for a portion of its health care reimbursement for the drug program. Active employees are not eligible. Under the plan, eligible retirees are assigned a drug card and pay a \$2, \$3, or \$10 copay. The Village is billed for the amounts exceeding the copay. As of June 30, 2021, all related claims have been accrued.

The Village estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	General Liability	
	2021	2020
Unpaid claims - Beginning of year	\$ 115,600	\$ 50,000
Reported claims	4,931	5,884
Current year change in estimated claims incurred but not reported	(14,700)	65,600
Claim payments	(4,931)	(5,884)
Estimated liability - End of year	\$ 100,900	\$ 115,600

Note 9 - Pension Plans

Plan Description

The Village participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan that covers the administrative staff and public safety officers (see below) of the Village. MERS was established as a state-wide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers general employees (closed to new hires), command and public safety officers (closed to new hires), and general nonunion employees (closed to new hires).

Retirement benefits are calculated as 2.50 percent of the employee's final 2-year average compensation times the employee's years of service. Normal retirement age is 60, with early retirement at 50 with 25 years of service (reduced benefits) or at 55 with 15 years of service (reduced benefits). Vesting period is 10 years. To be eligible for nonduty disability benefits, employees must have a minimum of 10 years of service, and employees are eligible for duty-related benefits upon hire. The benefits also include nonduty disability benefits and disability retirement benefits in limited situations. An employee who leaves village service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are one-half of the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2 percent for general employees and 3 percent for public safety employees.

Benefit terms are generally established and amended by authority of the Village Council, generally after negotiations of these terms with the affected unions. Police and fire employees benefit terms may be subject to binding arbitration in certain circumstances.

June 30, 2021

Note 9 - Pension Plans (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2020
Inactive plan members or beneficiaries currently receiving benefits	58
Inactive plan members entitled to but not yet receiving benefits	12
Active plan members	16
Total employees covered by MERS	86

Contributions

State law requires public employers to make pension contributions in accordance with an actuarial valuation. The Village hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Village's required contribution is determined after consideration of the required contribution rate of employees. Eligible public safety employees contribute 5 percent of annual pay. Eligible village administration employees do not contribute to the plan. For the year ended June 30, 2021, the Village contributed \$545,736 for eligible public safety employees and \$49,068 for eligible general administrative employees.

Net Pension Liability

The Village has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The June 30, 2021 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2020 measurement date. The December 31, 2020 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 26,570,395	\$ 21,430,415	\$ 5,139,980
Changes for the year:			
Service cost	258,596	-	258,596
Interest	1,963,965	-	1,963,965
Differences between expected and actual experience	272,445	-	272,445
Changes in assumptions	920,735	-	920,735
Contributions - Employer	-	530,242	(530,242)
Contributions - Employee	-	362,296	(362,296)
Net investment income	-	2,963,399	(2,963,399)
Benefit payments, including refunds	(1,716,092)	(1,716,092)	-
Administrative expenses	-	(42,952)	42,952
Net changes	1,699,649	2,096,893	(397,244)
Balance at December 31, 2020	\$ 28,270,044	\$ 23,527,308	\$ 4,742,736

June 30, 2021

Note 9 - Pension Plans (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the Village recognized pension expense of \$1,569,135.

At June 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (1,063,813)
Employer contributions to the plan subsequent to the measurement date	297,320	-
Total	<u>\$ 297,320</u>	<u>\$ (1,063,813)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2022	\$ (245,235)
2023	(19,331)
2024	(515,225)
2025	(284,022)
Total	<u>\$ (1,063,813)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.00 percent, and an investment rate of return (net of investment expenses) of 7.60 percent.

The actuarial assumptions used in the December 31, 2020 actuarial valuation date valuation were based on the results of a five-year actuarial experience study from 2013 to 2018 dated February 14, 2020.

Mortality Table

The base mortality tables used are constructed as described below and are based on amount-weighted sex-distinct rates:

Preretirement mortality:

- 100 percent of Pub-2010 Juvenile Mortality Tables for Ages 0-17
- 100 percent of PubG-2010 Employee Mortality Tables for Ages 18-80
- 100 percent of PubG-2010 Healthy Retiree Tables for Ages 81-120

Nondisabled retired plan members and beneficiaries:

- 106 percent of Pub-2010 Juvenile Mortality Tables for Ages 0-17
- 106 percent of PubG-2010 Employee Mortality Tables for Ages 18-49
- 106 percent of PubG-2010 Healthy Retiree Tables for Ages 50-120

June 30, 2021

Note 9 - Pension Plans (Continued)

Disabled retired plan members:

- 100 percent of Pub-2010 Juvenile Mortality Tables for Ages 0-17
- 100 percent of PubNS-2010 Disabled Retiree Tables for Ages 18-120

Future mortality improvements are assumed each year using scale MP-2019 applied fully generationally from the Pub-2010 base year of 2010.

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a model in which best estimate ranges of expected future real rates of return (expected returns, net of pension 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 as of the December 31, 2020 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Village, calculated using the discount rate of 7.60 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60 percent) or 1 percentage point higher (8.60 percent) than the current rate:

	1 Percentage Point Decrease (6.60%)	Current Discount Rate (7.60%)	1 Percentage Point Increase (8.60%)
Net pension liability of the Village	\$ 7,980,901	\$ 4,742,736	\$ 2,037,135

June 30, 2021**Note 9 - Pension Plans (Continued)*****Pension Plan Fiduciary Net Position***

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

The following assumption changes were reflected in the 2020 valuation:

- During the year, there were changes to demographic assumptions as a result of the experience study for the period from 2013 through 2018. The changes related to mortality, retirement, disability, and termination rates.

Defined Contribution Pension Plans

The Village of Beverly Hills, Michigan contributes to the Municipal Employees' Retirement System Defined Contribution Plan for Public Safety Officers Union and Command Union employees hired after July 1, 2013 who meet the eligibility requirements. MERS acts as the plan administrator pursuant to the terms and conditions of the plan. Benefit terms, including contribution requirements, for the Municipal Employees' Retirement System Defined Contribution Plan for Public Safety Officers Union and Command Union are established by and may be amended by the Village Council. For each employee in the plan, the Village is required to contribute 12 percent of annual salary, exclusive of overtime pay, to an individual employee account. Employees are vested in their own contributions and earnings on those contributions and become vested in village contributions and earnings on village contributions after completion of five years of creditable service with the Village. Nonvested village contributions are forfeited upon termination of employment. As of June 30, 2021, there were 18 members in the plan. During the year ended June 30, 2021, the Village contributed \$116,207 into the plan, and \$48,420 was contributed to the plan by plan participants.

The Village of Beverly Hills, Michigan also contributes to the Municipal Employees' Retirement System Defined Contribution Plan for General Administration employees hired after July 1, 2013 who meet the eligibility requirements. MERS acts as the plan administrator pursuant to the terms and conditions of the plan. Benefit terms, including contribution requirements, for the Municipal Employees' Retirement System Defined Contribution Plan for General Administration employees are established by and may be amended by the Village Council. For each employee in the plan, the Village is required to contribute 10 percent of annual salary to an individual employee account. Employees are vested in their own contributions and earnings on those contributions, and vesting in village contributions and earnings is immediate. As of June 30, 2021, there were 11 members in the plan (10 active participants and one terminated employee with balances). During the year ended June 30, 2021, the Village contributed \$43,671 into the plan, and \$22,075 was contributed to the plan by plan participants.

Note 10 - Other Postemployment Benefit Plan***Plan Description***

The Village provides OPEB for all administrative employees hired before July 1, 2006 and all public safety employees hired before July 1, 2013 who meet eligibility requirements. The benefits are provided through the Village of Beverly Hills Retiree Health Care Plan, a single-employer plan administered by the Village of Beverly Hills, Michigan.

June 30, 2021

Note 10 - Other Postemployment Benefit Plan (Continued)

The financial statements of the OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the OPEB plan is vested with the Village's administration.

Benefits Provided

The OPEB plan provides health care and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Village of Beverly Hills Retiree Health Care Plan
Date of member count	June 30, 2021
Inactive plan members or beneficiaries currently receiving benefits	41
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	8
Total plan members	52

Contributions

The Village requires eligible municipal employees to contribute 2 percent of their salary to the retiree health care program. Retiree health care costs are recognized when paid by the Village on a pay-as-you-go basis. The Village has no obligation to make contributions in advance of when the insurance premiums are due for payment. The Village made contributions of \$384,037 into the plan to advance fund these benefits, as determined by the Village Council through annual budget resolutions.

Net OPEB Liability

The Village has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2021 measurement date. The June 30, 2021 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2021.

June 30, 2021

Note 10 - Other Postemployment Benefit Plan (Continued)

Changes in the net OPEB liability during the measurement year were as follows:

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2020	\$ 10,943,722	\$ 7,111,236	\$ 3,832,486
Changes for the year:			
Service cost	81,148	-	81,148
Interest	782,215	-	782,215
Differences between expected and actual experience	(771,500)	-	(771,500)
Changes in assumptions	620,642	-	620,642
Contributions - Employer	-	384,037	(384,037)
Contributions - Employee	-	20,413	(20,413)
Net investment income	-	1,918,194	(1,918,194)
Benefit payments, including refunds	(778,797)	(778,797)	-
Administrative expenses	-	(17,196)	17,196
Net changes	(66,292)	1,526,651	(1,592,943)
Balance at June 30, 2021	<u>\$ 10,877,430</u>	<u>\$ 8,637,887</u>	<u>\$ 2,239,543</u>

The plan's fiduciary net position represents 79.4 percent of the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Village recognized OPEB expense of \$321,233.

At June 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (385,865)
Changes in assumptions	310,321	-
Net difference between projected and actual earnings on OPEB plan investments	-	(775,115)
Total	<u>\$ 310,321</u>	<u>\$ (1,160,980)</u>

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

Years Ending June 30	Amount
2022	\$ (228,743)
2023	(136,150)
2024	(203,859)
2025	(281,907)
Total	<u>\$ (850,659)</u>

June 30, 2021

Note 10 - Other Postemployment Benefit Plan (Continued)***Actuarial Assumptions***

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using an inflation assumption of 2.5 percent; assumed salary increases (including inflation) of 3.00 and 3.75 percent; an investment rate of return (net of investment expenses) of 7.35 percent; a health care cost trend rate of 8.0 percent for 2022, decreasing by 0.5 percent per year to an ultimate rate of 4.5 percent for 2029 and later years; and the SOA Pub-2010 Headcount Weighted Mortality Table fully generational using Scale MP-2020, which is listed in detail below. These assumptions were applied to all periods included in the measurement.

Mortality

The following tables were used in the determination of the total OPEB liability:

- General Employees and Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020
- Public Safety Employees and Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020
- Disabled Employees and Retirees: SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table full generational using Scale MP-2020
- Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020

Discount Rate

The discount rate used to measure the total OPEB liability was 7.35 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that village contributions to the OPEB trust will be \$400,000 annually.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return on OPEB 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 OPEB 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 return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2021 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	5.25 %
Global fixed income	1.25
Private investments	7.25

June 30, 2021

Note 10 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Village, calculated using the discount rate of 7.35 percent, as well as what the Village's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.35%)	Current Discount Rate (7.35%)	1 Percentage Point Increase (8.35%)
Net OPEB liability of the Village of Beverly Hills Retiree Health Care Plan	\$ 3,589,973	\$ 2,239,543	\$ 1,125,270

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the Village, calculated using the health care cost trend rate of 8.00 percent, decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent, as well as what the Village's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Net OPEB liability of the Village of Beverly Hills Retiree Health Care Plan	\$ 1,114,467	\$ 2,239,543	\$ 3,592,610

Assumption Changes

The following assumptions have been updated since the last full valuation:

- Mortality table for healthy retirees has been updated from the RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018 to the following: General Employees and Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020; Public Safety Employees and Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020; Disabled Employees and Retirees: SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table full generational using Scale MP-2020; Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020. This change has caused a slight decrease in liabilities.
- Health care trend rates have been reset to an initial rate of 8.0 percent decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent. This change has caused an increase in liabilities.
- The payroll growth rate has been updated to the most recent rates found in the MERS valuation as of December 31, 2019. This change causes a slight increase in liabilities.
- The health care coverage election rate for active and deferred vested employees with current coverage was updated from 85 percent to 95 percent to more accurately reflect recent experience. This change has caused an increase in liabilities.

June 30, 2021

Note 10 - Other Postemployment Benefit Plan (Continued)

Investment Policy

The Village has by resolution set aside advanced funding of this obligation in the Municipal Employees' Retirement System Retiree Health Funding Vehicle, which is held in a separate reserve, but invested on a pooled basis by MERS with other governmental units. The balance as of June 30, 2021 in this restricted plan is \$8,641,029. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

The following was the OPEB board's adopted asset allocation policy as of June 30, 2020:

Asset Class	Target Allocation
Global equity	60.00 %
Global fixed income	20.00
Private assets	20.00
Total	100.00 %

Concentrations

At June 30, 2021, the plan held 100 percent of its investment portfolio in MERS RHFV.

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 28.12 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 11 - Joint Ventures

Birmingham Area Cablecasting Board

The Village is a member of the Birmingham Area Cablecasting Board (BACB), which provides cable program coordinating services to the residents of Birmingham, Bingham Farms, Beverly Hills, and Franklin Village. The Village has no explicit and measurable equity interest in the joint venture. The Village is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the BACB can be obtained from the administrative offices at P.O. Box 165, Birmingham, MI 48012.

Southeastern Oakland County Water Authority

The Village is a member of the Southeastern Oakland County Water Authority (the "Water Authority"), which provides a water supply system serving 11 member municipalities in Oakland County. The Village appoints one member of the joint venture's governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2021, the Village expensed \$725,888 of payments made to the Water Authority. The Village has no explicit and measurable equity interest in the joint venture. The Southeastern Oakland County Water Authority's operations are financially independent of the Village. The Village is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Southeastern Oakland County Water Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

June 30, 2021

Note 11 - Joint Ventures (Continued)

Southeastern Oakland County Resource Recovery Authority

The Village is a member of the Southeastern Oakland County Resource Recovery Authority (the "Authority"), which consists of 12 municipalities in Oakland County and provides refuse disposal services for the benefit of member municipalities. The Village appoints one member of the joint venture's governing board, which approves the annual budget. The participating communities provide funding for its operations. During the year ended June 30, 2021, the Village expensed \$796,461 of payments to the Authority. The Village has no explicit and measurable equity interest in the joint venture. The Southeastern Oakland County Resource Recovery Authority's operations are financially independent of the Village. The Village is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Southeastern Oakland County Resource Recovery Authority can be obtained from the administrative offices at 3910 Webster Road, Royal Oak, MI 48073.

Required Supplemental Information

Village of Beverly Hills, Michigan

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 1,955,518	\$ 1,988,567	\$ 1,988,825	\$ 258
State-shared revenue and grants:				
Federal grants	18,000	19,055	23,424	4,369
State sources:				
State-shared revenue	783,627	973,627	981,684	8,057
Local Community Stabilization Authority	2,000	63,623	43,567	(20,056)
Charges for services	392,500	520,500	564,539	44,039
Licenses and permits	19,100	15,100	13,618	(1,482)
Interest income	30,000	2,000	3,154	1,154
Other revenue	361,390	327,890	328,069	179
Total revenue	3,562,135	3,910,362	3,946,880	36,518
Expenditures				
Current services:				
General government:				
Village Council	29,265	21,265	14,834	6,431
Village manager	251,637	229,137	224,464	4,673
Village finance and accounting	243,327	232,527	224,460	8,067
Village clerk	120,159	115,159	109,614	5,545
Buildings and grounds	56,144	51,144	46,489	4,655
General administration	351,090	355,404	336,864	18,540
Public safety - Building, planning, and zoning	501,177	571,177	589,443	(18,266)
Public works - Public services	1,067,669	911,887	915,411	(3,524)
Community and economic development	124,875	91,875	89,859	2,016
Recreation and culture - Parks and recreation	36,301	126,301	125,219	1,082
Capital outlay	24,000	19,000	16,277	2,723
Total expenditures	2,805,644	2,724,876	2,692,934	31,942
Excess of Revenue Over Expenditures	756,491	1,185,486	1,253,946	68,460
Other Financing Uses - Transfers to other funds	(200,000)	(400,000)	(400,000)	-
Net Change in Fund Balance	556,491	785,486	853,946	68,460
Fund Balance - Beginning of year	3,109,267	3,109,267	3,109,267	-
Fund Balance - End of year	\$ 3,665,758	\$ 3,894,753	\$ 3,963,213	\$ 68,460

Village of Beverly Hills, Michigan

Required Supplemental Information Budgetary Comparison Schedule Major Special Revenue Funds Major Streets Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 645,383	\$ 794,325	\$ 795,530	\$ 1,205
Investment income	5,500	1,500	113	(1,387)
Other revenue	1,000	5,665	6,589	924
Total revenue	651,883	801,490	802,232	742
Expenditures - Current - Public works	1,367,926	780,296	513,440	266,856
Excess of Revenue (Under) Over Expenditures	(716,043)	21,194	288,792	267,598
Other Financing Sources (Uses)				
Transfers in	-	100,000	100,000	-
Transfers out	(150,000)	-	-	-
Capital contribution	538,736	-	-	-
Total other financing sources	388,736	100,000	100,000	-
Net Change in Fund Balance	(327,307)	121,194	388,792	267,598
Fund Balance - Beginning of year	354,766	354,766	354,766	-
Fund Balance - End of year	<u>\$ 27,459</u>	<u>\$ 475,960</u>	<u>\$ 743,558</u>	<u>\$ 267,598</u>

Village of Beverly Hills, Michigan

Required Supplemental Information Budgetary Comparison Schedule Major Special Revenue Funds (Continued) Local Streets Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	\$ 311,165	\$ 381,165	\$ 383,327	\$ 2,162
Interest income	10,000	1,000	218	(782)
Other revenue	-	2,500	14,246	11,746
Total revenue	321,165	384,665	397,791	13,126
Expenditures - Current - Public works	851,127	493,600	501,420	(7,820)
Excess of Expenditures Over Revenue	(529,962)	(108,935)	(103,629)	5,306
Other Financing Sources - Transfers in	350,000	200,000	200,000	-
Net Change in Fund Balance	(179,962)	91,065	96,371	5,306
Fund Balance - Beginning of year	362,579	362,579	362,579	-
Fund Balance - End of year	<u>\$ 182,617</u>	<u>\$ 453,644</u>	<u>\$ 458,950</u>	<u>\$ 5,306</u>

Village of Beverly Hills, Michigan

Required Supplemental Information Budgetary Comparison Schedule Major Special Revenue Funds (Continued) Public Safety Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 5,515,932	\$ 5,573,644	\$ 5,573,644	\$ -
State-shared revenue and grants	4,000	616,695	621,730	5,035
Charges for services	103,605	103,605	97,624	(5,981)
Fines and forfeitures	102,300	39,300	48,334	9,034
Interest income	25,000	2,000	1,797	(203)
Other revenue	19,000	1,000	1,762	762
Total revenue	5,769,837	6,336,244	6,344,891	8,647
Expenditures				
Current services - Public safety	5,254,964	5,287,591	5,266,925	20,666
Capital outlay	250,500	140,500	175,311	(34,811)
Debt service	98,861	98,861	98,861	-
Total expenditures	5,604,325	5,526,952	5,541,097	(14,145)
Excess of Revenue Over Expenditures	165,512	809,292	803,794	(5,498)
Other Financing Uses - Transfers out	(211,000)	(211,000)	(211,000)	-
Net Change in Fund Balance	(45,488)	598,292	592,794	(5,498)
Fund Balance - Beginning of year	1,516,282	1,516,282	1,516,282	-
Fund Balance - End of year	<u>\$ 1,470,794</u>	<u>\$ 2,114,574</u>	<u>\$ 2,109,076</u>	<u>\$ (5,498)</u>

Village of Beverly Hills, Michigan

Required Supplemental Information

Schedule of Changes in the Net Pension Liability and Related Ratios

(Schedule is built prospectively upon implementation of GASB 68)

Last Seven Years
(Measurement Dates Ended December 31)

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 258,596	\$ 254,845	\$ 251,631	\$ 243,363	\$ 341,278	\$ 395,718	\$ 410,029
Interest	1,963,965	1,955,756	1,928,824	1,888,095	1,939,231	1,821,548	1,756,681
Differences between expected and actual experience	272,445	24,511	(147,490)	329,825	(1,065,216)	527,126	-
Changes in assumptions	920,735	861,687	-	-	-	955,924	-
Benefit payments, including refunds	(1,716,092)	(1,691,826)	(1,704,038)	(2,208,579)	(1,402,509)	(1,621,661)	(1,124,891)
Net Change in Total Pension Liability	1,699,649	1,404,973	328,927	252,704	(187,216)	2,078,655	1,041,819
Total Pension Liability - Beginning of year	26,570,395	25,165,422	24,836,495	24,583,791	24,771,007	22,692,352	21,650,533
Total Pension Liability - End of year	\$ 28,270,044	\$ 26,570,395	\$ 25,165,422	\$ 24,836,495	\$ 24,583,791	\$ 24,771,007	\$ 22,692,352
Plan Fiduciary Net Position							
Contributions - Employer	\$ 530,242	\$ 453,554	\$ 466,194	\$ 611,972	\$ 459,837	\$ 378,302	\$ 364,160
Contributions - Member	362,296	167,465	46,821	89,673	65,122	74,509	826,364
Net investment income (loss)	2,963,399	2,654,422	(826,011)	2,682,871	2,195,311	(313,771)	1,274,423
Administrative expenses	(42,952)	(45,719)	(41,816)	(42,650)	(43,366)	(45,714)	(46,937)
Benefit payments, including refunds	(1,716,092)	(1,691,826)	(1,704,038)	(2,208,579)	(1,402,509)	(1,621,661)	(1,124,891)
Other	-	-	-	-	(132,415)	-	-
Net Change in Plan Fiduciary Net Position	2,096,893	1,537,896	(2,058,850)	1,133,287	1,141,980	(1,528,335)	1,293,119
Plan Fiduciary Net Position - Beginning of year	21,430,415	19,892,519	21,951,369	20,818,082	19,676,102	21,204,437	19,911,318
Plan Fiduciary Net Position - End of year	\$ 23,527,308	\$ 21,430,415	\$ 19,892,519	\$ 21,951,369	\$ 20,818,082	\$ 19,676,102	\$ 21,204,437
Village's Net Pension Liability - Ending	\$ 4,742,736	\$ 5,139,980	\$ 5,272,903	\$ 2,885,126	\$ 3,765,709	\$ 5,094,905	\$ 1,487,915
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	83.22 %	80.66 %	79.05 %	88.38 %	84.68 %	79.43 %	93.44 %
Covered Payroll	\$ 1,441,719	\$ 1,465,257	\$ 1,431,207	\$ 1,423,915	\$ 1,905,227	\$ 2,157,414	\$ 2,309,827
Village's Net Pension Liability as a Percentage of Covered Payroll	328.96 %	350.79 %	368.42 %	202.62 %	197.65 %	236.16 %	64.42 %

Village of Beverly Hills, Michigan

Required Supplemental Information Schedule of Pension Contributions

Last Ten Fiscal Years Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 594,840	\$ 465,444	\$ 441,900	\$ 490,488	\$ 393,492	\$ 511,879	\$ 257,429	\$ 265,305	\$ 117,566	\$ 101,274
Contributions in relation to the actuarially determined contribution	594,840	465,444	441,900	490,488	462,900	511,879	365,940	265,305	117,566	101,274
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ 69,408	\$ -	\$ 108,511	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,441,719	\$ 1,465,257	\$ 1,431,207	\$ 1,423,915	\$ 1,905,227	\$ 2,157,414	\$ 2,309,827	\$ 1,512,729	\$ 655,135	\$ 739,859
Contributions as a Percentage of Covered Payroll	41.26 %	31.77 %	30.88 %	34.45 %	24.30 %	23.73 %	15.84 %	17.54 %	17.95 %	13.69 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll - Closed
Remaining amortization period	19 years
Asset valuation method	5-year smoothed
Inflation	2.50 percent
Salary increase	3.00 percent
Investment rate of return	8.00 percent - Net of investment expenses
Retirement age	60, or 50 with 25 years of service or 55 with 15 years of service
Mortality	50 percent female/50 percent male RP-2014 Healthy Annuitant Mortality Tables

Village of Beverly Hills, Michigan

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios (Schedule is built prospectively upon implementation of GASB 74)

	Last Five Fiscal Years				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 81,148	\$ 72,131	\$ 91,548	\$ 153,337	\$ 154,954
Interest	782,215	795,159	779,157	877,479	719,701
Differences between expected and actual experience	(771,500)	(166,909)	273,635	(2,394,561)	-
Changes in assumptions	620,642	453,126	(108,614)	-	2,412,873
Benefit payments, including refunds	(778,797)	(780,970)	(837,639)	(904,286)	(720,855)
Net Change in Total OPEB Liability	(66,292)	372,537	198,087	(2,268,031)	2,566,673
Total OPEB Liability - Beginning of year*	10,943,722	10,571,185	10,373,098	12,641,129	12,350,198
Total OPEB Liability - End of year	\$ 10,877,430	\$ 10,943,722	\$ 10,571,185	\$ 10,373,098	\$ 14,916,871
Plan Fiduciary Net Position					
Contributions - Employer	\$ 384,037	\$ 418,461	\$ 994,646	\$ 1,227,868	\$ 1,151,735
Contributions - Active and inactive plan members not yet receiving benefits	20,413	19,797	19,872	22,704	26,417
Net investment income	1,918,194	162,321	205,204	463,537	643,833
Administrative expenses	(17,196)	(12,580)	(14,197)	(15,289)	(13,009)
Benefit payments, including refunds	(778,797)	(780,970)	(837,639)	(904,286)	(720,855)
Net Change in Plan Fiduciary Net Position	1,526,651	(192,971)	367,886	794,534	1,088,121
Plan Fiduciary Net Position - Beginning of year	7,111,236	7,304,207	6,936,321	6,141,787	5,053,666
Plan Fiduciary Net Position - End of year	\$ 8,637,887	\$ 7,111,236	\$ 7,304,207	\$ 6,936,321	\$ 6,141,787
Net OPEB Liability - Ending	\$ 2,239,543	\$ 3,832,486	\$ 3,266,978	\$ 3,436,777	\$ 8,775,084
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	79.4 %	65.0 %	69.1 %	66.9 %	41.2 %
Covered-employee Payroll	\$ 825,566	\$ 1,223,272	\$ 1,179,057	\$ 1,350,903	\$ 1,337,528
Net OPEB Liability as a Percentage of Covered-employee Payroll	271.3 %	313.3 %	277.1 %	254.4 %	656.1 %

*Beginning of year total OPEB liability for the fiscal year ended June 30, 2018 was restated upon the implementation of GASB Statement No. 75 to align with assumptions used in the June 30, 2018 actuarial valuation.

Village of Beverly Hills, Michigan

Required Supplemental Information Schedule of OPEB Contributions

Last Ten Fiscal Years Years Ended June 30										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 415,419	\$ 360,238	\$ 837,639	\$ 808,536	\$ 720,855	\$ 1,317,680	\$ 1,319,382	\$ 873,022	\$ 873,022	\$ 873,022
Contributions in relation to the actuarially determined contribution	384,260	418,461	994,646	1,227,868	1,151,735	1,140,973	1,089,343	873,467	873,467	1,214,011
Contribution (Deficiency) Excess	\$ (31,159)	\$ 58,223	\$ 157,007	\$ 419,332	\$ 430,880	\$ (176,707)	\$ (230,039)	\$ 445	\$ 445	\$ 340,989
Covered-employee Payroll	\$ 825,566	\$ 1,223,272	\$ 1,179,057	\$ 1,350,903	\$ 1,337,528	\$ 2,154,252	\$ 2,154,252	\$ 2,296,226	\$ 2,296,226	\$ 2,476,185
Contributions as a Percentage of Covered-employee Payroll	46.5 %	34.2 %	84.4 %	90.9 %	86.1 %	53.0 %	50.6 %	38.0 %	38.0 %	49.0 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	23 years
Asset valuation method	Market value
Inflation	2.50 percent
Health care cost trend rates	8.00 percent trend for the first year, then gradually decreasing to an ultimate trend of 4.50
Salary increase	3.00 to 10 percent
Investment rate of return	7.35 percent
Retirement age	55 years of age
Mortality	SOA Pub-2010 with Scale MP-2020 generational mortality improvement

Village of Beverly Hills, Michigan

Required Supplemental Information Schedule of OPEB Investment Returns (Schedule is built prospectively upon implementation of GASB 74)

	Last Five Fiscal Years Years Ended June 30				
	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	28.12 %	2.32 %	3.09 %	7.68 %	12.99 %

June 30, 2021***Budgetary Information***

The annual budget is prepared by village management and adopted by the Village Council; subsequent amendments are approved by the Village Council. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2020 has not been calculated. During the current year, the budget was amended in a legally permissible manner. The budget process begins in January when each department head calculates its appropriation request. This is due by the first Monday in March. The budget is submitted to the Village Council at the first meeting in April. During the next month, the Village Council reviews the budget and considers any changes. After a public hearing, the final budget is adopted by resolution no later than the second regular meeting in May.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers and debt proceeds have been included in the revenue and expenditures categories rather than as other financing sources (uses), and the budgetary schedules include the use of fund balance as revenue. Also, in accordance with Governmental Accounting Standards Board Statement No. 54, the Tax Collection Fund, Sick Pay Severance Fund, and Vacation Reserve Fund are presented within the General Fund for financial reporting purposes but are not budgeted in that manner.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level. If any department exceeds budget appropriations, the Village Council may, by resolution, amend the department's appropriation. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

A reconciliation of the General Fund budgetary comparison schedule to the fund-based statement of revenue, expenditures, and changes in fund balance is as follows:

	Total Revenue	Total Expenditures	Fund Balance
Amounts per operating statement	\$ 3,980,990	\$ 2,753,059	\$ 4,227,864
Sick Pay Severance Fund	(10,069)	(30,814)	(162,557)
Vacation Reserve Fund	(24,041)	(29,311)	(102,094)
Amounts per budget statement	<u>\$ 3,946,880</u>	<u>\$ 2,692,934</u>	<u>\$ 3,963,213</u>

Pension Information**Changes in Assumptions**

The following assumption changes were reflected in the 2020 valuation:

- Changes to demographic assumptions as a result of the experience study for the period from 2013 through 2018. The changes related to mortality, retirement, disability, and termination rates.

The following assumption changes were reflected in the 2019 valuation:

- The investment rate of return, net of pension plan investment expense, including inflation, was decreased from 7.75 to 7.35 percent.
- The rate of wage inflation was changed from 3.75 to 3.0 percent.

The following assumption changes were reflected in the 2015 valuation:

- The inflation adjustment was decreased from 3.0 to 2.5 percent.
- Salary increases were adjusted.
- The investment rate of return, net of pension plan investment expense, including inflation, was decreased from 8.00 to 7.75 percent.

June 30, 2021

OPEB Information

Changes in Assumptions

The following assumption changes were reflected in the 2021 full valuation:

- Mortality table for healthy retirees has been updated to the SOA Pub-2010 weighted mortality tables fully generational using Scale MP-2020.
- Health care trend rates have been reset to an initial rate of 8.0 percent, decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent.
- The payroll growth rate has been updated to the most recent rates found in the MERS valuation as of December 31, 2019.
- The health care coverage election rate for active and deferred vested employees with current coverage was updated from 85 percent to 95 percent to more accurately reflect recent experience.

The following assumption changes were reflected in the 2020 interim valuation:

- The investment rate of return, net of OPEB plan investment expense, including inflation, was decreased from 7.75 to 7.35 percent.

The following assumption changes were reflected in the 2019 full valuation:

- Mortality table for healthy retirees has been updated from RPH-2016 Total Dataset Mortality Table fully generational using Scale MP-2016 to SOA RPH-2018 Total Dataset Mortality Table fully generational using Scale MP-2018. This change has caused a decrease in liabilities.
- Health care trend rates have been reset to an initial rate of 8.0 percent, decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent. This change has caused a slight increase in liabilities.

The following assumption changes were reflected in the 2017 full valuation:

- Mortality table was updated from RP-2000 Combined Mortality Table fully generational using Scale AA to SOA RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015. The impact of this change is an increase in liabilities.
- Retirement, termination, salary scale, and disability rates for general employees were updated to reflect the most recent tables from the Municipal Employees' Retirement System as of December 31, 2015. The net impact of these changes was a slight increase in liabilities.
- The health care coverage election rate was changed for this valuation based on village experience. The net impact of these changes was a decrease in liabilities.

Other Supplemental Information

Village of Beverly Hills, Michigan

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2021

	Special Revenue Funds		Capital Project Funds			Total Nonmajor Governmental Funds
	Drug Law Enforcement	Library	Capital Projects	Coryell/ Hummel SAD	Special Park Millage	
Assets - Cash and investments	\$ 52,519	\$ 22,538	\$ 225,770	\$ 54,629	\$ 6,888	\$ 362,344
Fund Balances						
Restricted:						
Public safety	\$ -	\$ -	\$ 96,252	\$ -	\$ -	\$ 96,252
Drug law enforcement	52,519	-	-	-	-	52,519
Library	-	22,538	-	-	-	22,538
Assigned	-	-	129,518	54,629	6,888	191,035
Total liabilities and fund balances	\$ 52,519	\$ 22,538	\$ 225,770	\$ 54,629	\$ 6,888	\$ 362,344

Village of Beverly Hills, Michigan

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2021

	Special Revenue Funds		Capital Project Funds			Total Nonmajor Governmental Funds
	Drug Law Enforcement	Library	Capital Projects	Coryell/ Hummel SAD	Special Park Millage	
Revenue						
Taxes	\$ -	\$ 516,895	\$ -	\$ -	\$ -	\$ 516,895
State-shared revenue and grants	-	1,691	-	-	-	1,691
Interest income	-	82	94	26	3	205
Total revenue	-	518,668	94	26	3	518,791
Expenditures						
Current services - Recreation and culture	-	511,561	-	-	-	511,561
Capital outlay	-	-	317,718	-	-	317,718
Total expenditures	-	511,561	317,718	-	-	829,279
Excess of Revenue Over (Under) Expenditures	-	7,107	(317,624)	26	3	(310,488)
Other Financing Sources - Transfers in	-	-	311,000	-	-	311,000
Net Change in Fund Balances	-	7,107	(6,624)	26	3	512
Fund Balances - Beginning of year	52,519	15,431	232,394	54,603	6,885	361,832
Fund Balances - End of year	<u>\$ 52,519</u>	<u>\$ 22,538</u>	<u>\$ 225,770</u>	<u>\$ 54,629</u>	<u>\$ 6,888</u>	<u>\$ 362,344</u>



From: Sheila McCarthy, Finance Director

Subject: Cash and Investment Summary as of September 30, 2021
Revenue and Expenditure Report for the 3 months ended September 30, 2021

Date: November 10, 2021

Presented is the *Cash and Investment Summary* which includes all cash accounts and CD's as of September 30, 2021, for all funds.

Also presented is the *Revenue and Expenditure Report* which includes revenue and expenditures for the General Fund, Major Road Fund, Local Street Fund, Public Safety Department, Park Improvement Fund, Library Fund and Water/Sewer Operation Fund for the 3 months ended September 30, 2021. The *Revenue and Expenditure Report* does not include prepaid and accrual adjustments that are reflected in the year end audited financial statements. Actual compared to budget financial results are monitored and budget amendments presented for approval, as necessary.

11/09/2021

CASH SUMMARY BY FUND FOR VILLAGE OF BEVERLY HILLS

FROM 06/30/2021 TO 09/30/2021

FUND: 101 202 203 205 208 265 268 285 287 290 295 301 392 393 401 402 404 408 592 593 701 703 732 737 806 814 815 900 901

CASH AND INVESTMENT ACCOUNTS

Fund	Description	Beginning Balance 06/30/2021	Total Debits	Total Credits	Ending Balance 09/30/2021
101	GENERAL FUND	4,167,124.83	2,648,987.85	1,933,486.17	4,882,626.51
202	MAJOR ROAD FUND	609,423.97	683,296.08	53,605.54	1,239,114.51
203	LOCAL STREET FUND	440,590.14	537,976.98	148,482.41	830,084.71
205	PUBLIC SAFETY DEPARTMENT	2,124,748.98	6,330,545.11	1,690,847.24	6,764,446.85
208	PARK IMPROVEMENT FUND	0.00	198,227.40	0.00	198,227.40
265	DRUG LAW ENFORCEMENT FUND	52,518.27	1.00	0.00	52,519.27
268	LIBRARY	22,538.20	506,954.61	130,738.50	398,754.31
285	RETIREE HEALTH CARE FUND	231,741.69	5,117.48	13,639.58	223,219.59
290	VACATION RESERVE FUND	102,937.23	24,003.45	33,667.60	93,273.08
295	SICK PAY FUND	163,243.86	12,005.87	688.96	174,560.77
401	CAPITAL PROJECTS FUND	225,768.20	542,009.12	0.00	767,777.32
408	SPECIAL PARK MILLAGE FUND	6,887.59	0.25	0.18	6,887.66
592	WATER/SEWER OPERATION FUND	187,041.20	1,271,683.92	1,305,246.64	153,478.48
701	TRUST & AGENCY FUND	403,112.48	156,333.71	154,694.04	404,752.15
814	STAFFORD SAD	(16,888.70)	24,255.87	16,888.70	(9,521.53)
815	HUMMELL/CORYELL SAD	54,623.43	451.08	440.51	54,634.00
	TOTAL - ALL FUNDS	8,775,411.37	12,941,849.78	5,482,426.07	16,234,835.08

11/09/2021

REVENUE AND EXPENDITURE REPORT FOR VILLAGE OF BEVERLY HILLS
PERIOD ENDING 09/30/2021

GL NUMBER	DESCRIPTION	YTD BALANCE 09/30/2021 NORMAL (ABNORMAL)	2021-22 ORIGINAL BUDGET
Fund 101 - GENERAL FUND			
Net - Dept 000 - FUND REVENUE		2,082,904.03	3,770,797.00
Net - Dept 101 - VILLAGE COUNCIL		(12,011.76)	(33,662.00)
Net - Dept 171 - VILLAGE MANAGER		(49,460.45)	(239,085.00)
Net - Dept 200 - CLERK		(24,596.98)	(118,159.00)
Net - Dept 215 - VILLAGE FINANCE		(51,965.46)	(259,688.00)
Net - Dept 248 - GENERAL ADMINISTRATION		(112,441.69)	(377,134.00)
Net - Dept 265 - BUILDING & GROUNDS MAINTENANCE		(10,264.88)	(59,771.00)
Net - Dept 371 - BUILDING, PLAN, ZONING DEPT		(127,478.40)	(590,301.00)
Net - Dept 440 - PUBLIC SERVICES		(201,780.88)	(974,509.00)
Net - Dept 747 - COMMUNITY ACTION PROGRAMS		(65,108.05)	(118,285.00)
Net - Dept 751 - PARKS & RECREATION		(36,765.11)	(147,070.00)
Net - Dept 900 - CAPITAL EXPENDITURES		(3,561.32)	(19,000.00)
Net - Dept 965 - TRANSFER TO OTHER FUNDS		(1,100,000.00)	(1,100,000.00)
Fund 101 - GENERAL FUND:			
TOTAL REVENUES		2,082,904.03	3,770,797.00
TOTAL EXPENDITURES		1,795,434.98	4,036,664.00
NET OF REVENUES & EXPENDITURES		287,469.05	(265,867.00)
Fund 202 - MAJOR ROAD FUND			
Net - Dept 000 - FUND REVENUE		552,351.57	1,194,934.00
Net - Dept 451 - CONSTRUCTION		(1,948.33)	(825,000.00)
Net - Dept 463 - ROUTINE MAINTENANCE		(21,039.37)	(171,116.00)
Net - Dept 474 - TRAFFIC SERVICES		(7,756.45)	(75,063.00)
Net - Dept 478 - WINTER MAINTENANCE		(2,540.06)	(90,000.00)
Net - Dept 482 - GENERAL ADMINISTRATION & ENG		(9,551.73)	(9,782.00)
Fund 202 - MAJOR ROAD FUND:			
TOTAL REVENUES		552,351.57	1,194,934.00
TOTAL EXPENDITURES		42,835.94	1,170,961.00
NET OF REVENUES & EXPENDITURES		509,515.63	23,973.00

11/09/2021

REVENUE AND EXPENDITURE REPORT FOR VILLAGE OF BEVERLY HILLS
PERIOD ENDING 09/30/2021

GL NUMBER	DESCRIPTION	YTD BALANCE 09/30/2021 NORMAL (ABNORMAL)	2021-22 ORIGINAL BUDGET
Fund 203 - LOCAL STREET FUND			
Net - Dept 000 - FUND REVENUE		473,505.72	782,977.00
Net - Dept 451 - CONSTRUCTION		(5,190.87)	(500,000.00)
Net - Dept 463 - ROUTINE MAINTENANCE		(118,990.73)	(368,176.00)
Net - Dept 474 - TRAFFIC SERVICES		(2,482.70)	(26,249.00)
Net - Dept 478 - WINTER MAINTENANCE		0.00	(57,245.00)
Net - Dept 482 - GENERAL ADMINISTRATION & ENG		(1,673.64)	(8,623.00)
Fund 203 - LOCAL STREET FUND:			
TOTAL REVENUES		473,505.72	782,977.00
TOTAL EXPENDITURES		128,337.94	960,293.00
NET OF REVENUES & EXPENDITURES		345,167.78	(177,316.00)
Fund 205 - PUBLIC SAFETY DEPARTMENT			
Net - Dept 000 - FUND REVENUE		6,168,557.80	6,570,223.00
Net - Dept 345 - PUBLIC SAFETY DEPARTMENT		(1,251,408.65)	(5,402,826.00)
Net - Dept 346 - SCHOOL LIAISON OFFICER		(26,893.51)	(135,154.00)
Net - Dept 900 - CAPITAL EXPENDITURES		(243,291.00)	(605,861.00)
Fund 205 - PUBLIC SAFETY DEPARTMENT:			
TOTAL REVENUES		6,168,557.80	6,570,223.00
TOTAL EXPENDITURES		1,521,593.16	6,143,841.00
NET OF REVENUES & EXPENDITURES		4,646,964.64	426,382.00
Fund 208 - PARK IMPROVEMENT FUND			
Net - Dept 000 - FUND REVENUE		198,227.40	205,496.00
Net - Dept 900 - CAPITAL EXPENDITURES		0.00	(7,000.00)
Fund 208 - PARK IMPROVEMENT FUND:			
TOTAL REVENUES		198,227.40	205,496.00
TOTAL EXPENDITURES		0.00	7,000.00
NET OF REVENUES & EXPENDITURES		198,227.40	198,496.00
Fund 268 - LIBRARY			
Net - Dept 000 - FUND REVENUE		506,954.39	523,954.00
Net - Dept 790 - LIBRARY		(130,738.50)	(522,954.00)
Fund 268 - LIBRARY:			
TOTAL REVENUES		506,954.39	523,954.00

11/09/2021

REVENUE AND EXPENDITURE REPORT FOR VILLAGE OF BEVERLY HILLS
PERIOD ENDING 09/30/2021

GL NUMBER	DESCRIPTION	YTD BALANCE 09/30/2021 NORMAL (ABNORMAL)	2021-22 ORIGINAL BUDGET
TOTAL EXPENDITURES		130,738.50	522,954.00
NET OF REVENUES & EXPENDITURES		376,215.89	1,000.00
Fund 592 - WATER/SEWER OPERATION FUND			
Net - Dept 000 - FUND REVENUE		1,287,329.82	5,079,369.00
Net - Dept 536 - DIRECT CHARGES		(583,500.84)	(3,153,148.00)
Net - Dept 537 - CAPITAL OUTLAY		0.00	(100,000.00)
Net - Dept 540 - OFFICE/ADMINISTRATION CHARGES		(56,546.71)	(241,496.00)
Net - Dept 543 - REPAIR & MAINTENANCE		(315,987.01)	(1,253,144.00)
Net - Dept 550 - OTHER EXPENSES		(1,416.98)	(53,061.00)
Net - Dept 559 - DEPRECIATION EXPENSE		0.00	(538,500.00)
Fund 592 - WATER/SEWER OPERATION FUND:			
TOTAL REVENUES		1,287,329.82	5,079,369.00
TOTAL EXPENDITURES		957,451.54	5,339,349.00
NET OF REVENUES & EXPENDITURES		329,878.28	(259,980.00)
TOTAL REVENUES - ALL FUNDS		11,269,830.73	18,127,750.00
TOTAL EXPENDITURES - ALL FUNDS		4,576,392.06	18,181,062.00
NET OF REVENUES & EXPENDITURES		6,693,438.67	(53,312.00)



To: Honorable President George; Village Council Members

From: Kristin Rutkowski, Village Clerk/Assistant Village Manager

Subject: International Property Maintenance Code

Date: November 12, 2021

Chapter 29 of the Village of Beverly Hills Municipal Code includes the International Property Maintenance Code adopted by reference. The Village currently uses the 2006 edition and at this time Administration is recommending the Council adopt the most recent version of the International Property Maintenance Code, 2021 edition.

Attorney Ryan has drafted an ordinance for the first reading (attached). Procedurally, the second reading and possible adoption will take place at the first meeting in December and the Ordinance would then go into effect 20 days after publication.

Attachment

VILLAGE OF BEVERLY HILLS

ORDINANCE NO. 380

THE INTERNATIONAL PROPERTY MAINTENANCE CODE

AN ORDINANCE OF THE VILLAGE OF BEVERLY HILLS ADOPTING THE 2021 EDITION OF THE INTERNATIONAL PROPERTY MAINTENANCE CODE, REGULATING AND GOVERNING THE CONDITIONS AND MAINTENANCE OF ALL PROPERTY, BUILDINGS AND STRUCTURES; BY PROVIDING THE STANDARDS FOR SUPPLIED UTILITIES AND FACILITIES AND OTHER PHYSICAL THINGS AND CONDITIONS ESSENTIAL TO ENSURE THAT STRUCTURES ARE SAFE, SANITARY AND FIT FOR OCCUPATION AND USE; AND THE CONDEMNATION OF BUILDINGS AND STRUCTURES UNFIT FOR HUMAN OCCUPANCY AND USE, AND THE DEMOLITION OF SUCH EXISTING STRUCTURES IN THE VILLAGE OF BEVERLY HILLS; PROVIDING FOR THE ISSUANCE OF PERMITS AND COLLECTION OF FEES THEREFOR; REPEALING CHAPTER 29 OF THE VILLAGE OF BEVERLY HILLS MUNICIPAL CODE AND ALL OTHER ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT THEREWITH.

The Village of Beverly Hills Ordains:

Section 1.01. That a certain document, three (3) copies of which are on file in the office of the Village Clerk of Village of Beverly Hills, being marked and designated as the International Property Maintenance Code, 2021 edition, as published by the International Code Council, be and is hereby adopted as the Property Maintenance Code of the Village of Beverly Hills, in the State of Michigan for regulating and governing the conditions of all property, buildings and structures; by providing the standards for supplied utilities and facilities and other physical things and conditions essential to ensure that structures are safe, sanitary and fit for occupation and use; and the condemnation of buildings and structures unfit for human occupancy and use, and the demolition of such existing structures as herein provided; providing for the issuance of permits and collection of fees therefore; and each and all of the regulations, provisions, penalties, conditions and terms of said Property Maintenance Code on file in the Clerk's office of the Village of Beverly Hills are hereby referred to, adopted and made a part hereof, as if fully set out in this Ordinance, with the additions, insertions, deletions and changes, if any, prescribed in Section 2.01 of this Ordinance.

Section 2.01. The following sections are hereby revised:

Section 101.1. Title. These regulations shall be known as the Property Maintenance Code of the Village of Beverly Hills, hereinafter referred to as "this code".

Section 103.5. Fees. The fees for activities and services performed by the department in carrying out its responsibilities under this code shall be as indicated in a schedule adopted by Village Council Resolution.

Section 302.4. Weeds. All premises and exterior property shall be maintained free from weeds or plant growth in excess of eight (8) inches in height. All noxious weeds shall be prohibited. Weeds shall be defined as all grasses, annual plants and vegetation, other than trees or shrubs provided; however, this term shall not include cultivated flowers and gardens.

Upon failure of the owner or agent having charge of a property to cut and destroy weeds after service of a notice of violation, they shall be subject to prosecution in accordance with Section 106.3 and as prescribed by the authority having jurisdiction. Upon failure to comply with the notice of violation, any duly authorized employee of the jurisdiction or contractor hired by the jurisdiction shall be authorized to enter upon the property in violation and cut and destroy the weeds growing thereon, and the costs of such removal shall be paid by the owner or agent responsible for the property.

Section 304.14. Insect screens. During the period from April 1st to October 31st, every door, window and other outside opening required for ventilation of habitable rooms, food preparation areas, food service areas or any areas where products to be included or utilized in food for human consumption are processed, manufactured, packaged or stored shall be supplied with approved tightly fitting screens of not less than 16 mesh per inch (16 mesh per 25 mm), and every screen door used for insect control shall have a self-closing device in good working condition.

Exception: Screens shall not be required where other approved means, such as air curtains or insect repellent fans, are employed.

Section 602.3. Heat supply. Every owner and operator of any building who rents, leases or lets one or more dwelling units or sleeping units on terms, either expressed or implied, to furnish heat to the occupants thereof shall supply heat during the period from October 1st to April 30th to maintain a temperature of not less than 68 degrees F (20 degrees C) in all habitable rooms, bathrooms, and toilet rooms.

Exceptions:

1. When the outdoor temperature is below the winter outdoor design temperature for the locality, maintenance of the minimum room temperature shall not be required provided that the heating system is operating as its full design capacity. The winter outdoor design temperature for the locality shall be as indicated in Appendix D of the International Plumbing Code.
2. In areas where the average monthly temperature is above 30 degrees F (-1 degree C) a minimum temperature of 65 degrees F (18 degrees C) shall be maintained.

Section 602.4. Occupiable work spaces. Indoor occupiable work spaces shall be supplied with heat during the period from October 1st to April 30th to maintain a temperature of not less than 65 degrees F (18 degrees C) during the period the spaces are occupied.

Exceptions:

1. Processing, storage and operation areas that require cooling or special temperature conditions.
2. Areas in which persons are primarily engaged in vigorous physical activities.

Section 3.01. REPEALER. That Chapter 29 of the Village of Beverly Hills Municipal Code and all other Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

Section 4.01. SAVINGS CLAUSE. That nothing in this Ordinance or in the Property Maintenance Code hereby adopted shall be construed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed as cited in Section 3.01 of this Ordinance; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this Ordinance.

Section 5.01. SEVERABILITY CLAUSE. That if any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance. The Village of Beverly Hills hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional.

Section 6.01. PENALTIES. Any persons violating the provisions of this Ordinance shall be responsible for a municipal civil infraction and upon a finding of responsibility thereof shall be fined not exceeding \$500.00.

Section 7.01. EFFECTIVE DATE. The provisions of this Ordinance shall become effective 20 days following its publication in The Eccentric, a newspaper circulated within the Village of Beverly Hills.

Made and passed by the Village Council of the Village of Beverly Hills this _____ day of _____, 2021.

JOHN GEORGE, Village President

KRISTIN RUTKOWSKI, Village Clerk

I, Kristin Rutkowski, being the duly appointed and qualified Clerk of the Village of Beverly Hills, Oakland County, Michigan, do hereby certify and declare that the foregoing is a true and correct copy of an Ordinance adopted by the Village Council of the Village of Beverly Hills at a regular meeting thereof held on the _____ day of _____, 2021.

KRISTIN RUTKOWSKI, Village Clerk

Memorandum

To: Honorable John George, Village President; Village Council
From: Chris D. Wilson, Village Manager
CC: Kevin Lawrence, Public Services Director; Kristin Rutkowski, Clerk/Asst. Manager; Sheila McCarthy, Finance Director
Date: 11/12/2021
Re: Village Hall Generator

Village Administration has investigated the cost and feasibility of a generator for the Village Hall for a while. Given the frequency of power outages this last summer it is the recommendation of Village Administration to move forward with a generator. A generator would prevent the interruptions of Village Hall operations that occurred this past summer, including the interruption of a Village Council meeting. It would also enable the Village to utilize the Village Hall space as a cooling or warming shelter in the event of future prolonged outages.

The Village sought quotes from companies for the provision and installation of a generator at Village Hall. We were able to procure two bids, the lowest of which was from PM Technologies. PM Technologies did an analysis by meter of the peak energy demands of the Village and is also the firm that Southfield Township has selected for the installation of a generator on their property. The total costs will be \$68,000 for the purchase and installation of a generator. I would also recommend the additional \$1,000 for the upgraded sound protection and \$1,200 for the 3 year maintenance plan. The Village should also be eligible for a credit of \$1,500 for the costs of the peak demand analysis. Delivery and installation of the generator is estimated to be 120 days. Half of the cost is due upon signing the agreement with the remainder due upon installation. Village Administration has reviewed the bid and PM Technologies and recommends moving forward at this time.

Recommendation -- ...be it so resolved that the Village Council approve and authorize the Village Manager to execute the agreement for purchase and installation of a generator for Village Hall with PM Technologies at a price not to exceed \$72,000. Funds for this purchase are available in Fund #401-905-982.00.

Wixom, MI

Grand Rapids, MI

New Carlisle, OH

800-419-5199
Fax: 248.374.6402
www.pmtech.org
Village of Beverly Hills

18500 W 13 Mile Road

Beverly Hills, MI 48025

Chris Wilson 248-646-6404
cwilson@villagebeverlyhills.com

Subject: Automatic Standby Generator Proposal

At PM Technologies, we strive to provide our customers with the best automatic standby solution and by offering a variety of automatic standby generators, which allows us to offer the generator and transfer switch option that meets your unique requirements.

Based on our job site walk, we are pleased to offer you the following options.

Cummins – 50KW Liquid Cooled. <ul style="list-style-type: none"> - 600AMP Transfer Switch outside rated - Sound Enclosure - Block Heater Cold Weather Kit (installed) - Battery - LOAD BANK - Set-up Start up and tutorial run through. - Installation - START TO FINNISH - Reinforced Concrete Pad - Includes shipping and delivery - 	Includes: Installation & MI Sales Tax	<u>(\$68,000)</u>
NEED TO FIELD VERIFY BEFORE PROCEEDING FORWARD AFTER ACCEPTING		
- OPTIONAL IF REQUIRED -		
Electrical Permit Any upgrades deemed necessary by the inspector will be charged separately.	BUDGETARY ONLY FINAL INVOICE WILL REFLECT TIME, INSPECTION, & PERMIT COST	\$250.00
Rental Generator for down time if required	TO KEEP THE LIGHTS ON THERE WILL BE A 12 PLUS HOUR WINDOW POWER WILL BE DOWN	\$3,500
UPGRADED SOUND ENCLOSER	REDUCES NOISE BY APX 10 DBA	\$1,000
OMNIMETRIX CELLULAR MONITORING	INCLUDES EQUIPMENT AND FIRST YEAR MONITERING,	\$2,500
3Yr PMA MANTINACE PLAN	PER YEAR \$400	\$1,200

PRICING DOES NOT INCLUDE GAS METER UPGRADE. WE DON'T THINK YOU WILL NEED ONE. THE COST FROM THE GAS METER COMPANY IS GOING TO BE ABOUT \$500-\$1,000 IF YOU NEED ONE, WE WILL GET EVERYTHING ON THE GENERATOR AND SEE HOW THE GAS CONSUMPTION HOLDS.

Generator Installation notes:

- Please be aware we will need to have your power out on each panel for about 2-3 hours during the installation so we can change the electrical panels over to the transfer switch.
- Electrical run is less than 20' from existing electrical meter.
- Gas run is More than 20' from existing gas connection.
- PMT is not responsible for Landscaping around the Generator. We will do our best to clean up the yard to have it look the same way we arrived.

Your new Generator **WILL** require scheduled maintenance to maintain optimum performance. PM Technologies offers a number of maintenance options based on industry standards, and manufacturer recommendations.

Once the proposal is signed, a PMT representative will be sending information and pricing on our maintenance packages designed to keep your system in top running condition.

Terms and Conditions:

We ask for a 50% down payment and the remainder due Net 20 from completed install. Once approval is received, the equipment will be ordered and delivered to our Jenison office. When equipment is confirmed in stock, scheduling will be determined at that time. Typical turnaround from approval to completed installation is about 60-120 calendar days.

(PLEASE CHECK)

- I WOULD LIKE TO MOVE FORWARD (PLEASE CHECK)
- I WOULD LIKE PERMITS PULLED (PLEASE CHECK)
- I WOULD LIKE A RENTAL GENERATOR FOR DOWN TIME (PLEASE CHECK)
- I WOULD LIKE TO UPGRADE TO THE BETTER SOUND ENCLOSER (PLEASE CHECK)
- I WOULD LIKE TO ADD OMNIMETRIX CELLULAR MONITORING (PLEASE CHECK)
- I WOULD LIKE TO ADD 3Yr PMA MANTINACE PLAN (PLEASE CHECK)

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

To approve this proposal please sign and date below.

Customer Signature

Today's Date

Thank you for the opportunity to offer an automatic standby generator to protect your home during a power outage. Please feel free to contact us to answer any additional questions or concerns regarding the installation of your automatic standby generator.

Sincerely,

Brian Davis

Brian Davis
PM Technologies

Commercial / Industrial Sales

Office: 800-419-5199

Cell: (248)-826-0016

Bdavis@pmtech.org



To: Honorable President George; Village Council Members
Chris Wilson, Village Manager

From: Kristin Rutkowski, Village Clerk/Assistant Village Manager

Subject: Announcement of a Zoning Board of Appeals Vacancy

Date: November 10, 2021

There is a full-member vacancy on the Zoning Board of Appeals for a partial term ending June 30, 2023.

The ZBA meets the second Monday of the month at 7:30 p.m. as necessary. The ZBA hears appeals of applicants who request exceptions from or official interpretations of the Zoning Ordinance. Members must decide whether or not a physical hardship or practical difficulty exists which justifies the granting of a variance.

All interested and eligible residents of Beverly Hills are encouraged to apply to become a member of the ZBA. Applications are available on the Village website or by emailing the Village Clerk at krutkowski@villagebeverlyhills.com. Applications may be submitted to the Clerk's office via email, regular mail, in person, or using the drop box located outside the Village office (18500 W. 13 Mile Road, Beverly Hills, MI 48025).

Applications are due Wednesday, December 1, 2021.

This constitutes an announcement of a vacancy on the Zoning Board of Appeals.



To: Honorable President George; Village Council Members

From: Kristin Rutkowski, Village Clerk/Assistant Village Manager

Subject: Interim Village Manager Appointment

Date: November 12, 2021

Village Manager Chris Wilson's last day with the Village is November 30, 2021. The Village Council has hired the Michigan Municipal League to assist with a manager search, however the process is not scheduled to be complete until February or March 2022. The Personnel Committee has met and is recommending the appointment of Village Clerk/Assistant Village Manager Kristin Rutkowski to serve as the Interim Village Manager until a new Village Manager is hired. Ms. Rutkowski will retain her position as Village Clerk/Assistant Village Manager during the interim appointment and will return to that role full time once the new Village Manager is hired.

Suggested resolution:

Be it resolved, the Beverly Hills Village Council appoints Kristin Rutkowski as Interim Village Manager effective December 1, 2021.

VILLAGE MANAGER'S REPORT
CHRIS D. WILSON
NOVEMBER 12, 2021

Backflow Preventor Incentive Program – At the last Council meeting there was significant discussion on establishing a Residential Backflow Preventor Program for the Village. There were issues arising from that discussion that Village Attorney Tom Ryan is investigating. Additionally, Councilmember Kecskemeti will be out of town for the meeting of November 16. Ms. Kecskemeti has been instrumental in development of this program and should be present for any further discussion. Given the ongoing work of Mr. Ryan and absence of Councilmember Kecskemeti, President George asked that this matter be held and placed back on the Business Agenda for the first meeting in December.

Leaf Pickup – Curbside collection of bagged leaves is ongoing and will continue through the week of December 13. Leaves are falling later than normal this year. In past years, the Village has worked with SOCRRA and our hauler, Car Trucking, to extend leaf collection by a couple of weeks, at the Village's expense. I cannot guarantee that we will be able to do so again this year. Residents should plan to have all leaves for curbside collection bagged and to the curb by no later than December 13. After that date, residents will be able to take bagged leaves to the SOCRRA facility on Coolidge. There is a limit of ten (10) bags for residential drop off.

ARPA Funds – As an update, The Village has received the first ARPA payment (50% of the total) of \$541,764.50. We anticipate receiving the additional payment in the same amount in approximately 180 days. Finance Director McCarthy has spelled out the current guidelines on how these funds may be used and the upcoming reporting requirements in a memo to all administrative staff. Village Administration will need to work with Council in the coming months to plan for allocation of these funds.

Offices Closed – Village Offices will be closed on Thursday, November 25th and Friday, November 26th in observance of the Thanksgiving Holiday. Trash service will not be interrupted.

Thank You – As I wrap up the last two weeks of my time here at the Village, I am working with staff to try and have a smooth transition. I want to thank you for the opportunity to serve in this role for the last 13+ years. I am proud of the positive accomplishments Village Council has been able to achieve during my tenure and I am confident that the Village's best days are in front of it. Again, thank you.

Beverly Hills Public Safety **Activity Report**

Oct. 28-Nov. 10, 2021

- The Public Safety Department is currently looking for applicants for Public Safety Officer. Please visit our website, www.beverlyhillspolice.com to see if you qualify.
- For more information on Coronavirus Disease and vaccine please visit;
<https://www.cdc.gov/coronavirus/2019-ncov/index.html> <https://www.ready.gov/>
<https://www.Michigan.gov/coronavirus>
<https://www.oakgov.com/covid/Pages/default.aspx>
<https://oaklandcountyvaccine.com>

Please remember to slow down as school is back in session. The crossing guards are out there, too. Kudos to them and all that make this a safe community.

CALLS FOR SERVICE

- 193 Calls for Service.
- 100 Tickets issued.
- 14 Arrests.
- Beverly School morning drop off.
- Greenfield School morning drop off.
- Misc. Detail at the station.
- Fire Alarm on Glencoe Street.
- Assist Citizen on Beverly Road.
- Traffic Enforcement at Beaconsfield and Saxon.
- Wires Down on Beverly Road.
- Assist Southfield PD on 13 Mile.
- Lift Assist on Lauderdale.
- Natural Gas Leak on Old Post Road.

- Larceny on 13 Mile.
- Trunk or Treat at Groves High School.
- Suspicious Person at Market Fresh Center.
- Radar Detail on Metamora Street.
- Radar Detail at Pierce and 14 Mile.
- Suspicious Person on Marguerite.
- Radar Detail on Beaconsfield and Riverside.
- Suspicious Person on 13 Mile and Lahser.
- Extra Patrol in the Churchill Sub.
- Beverly School drop off.
- Greenfield School drop off.
- Operation Medicine Cabinet.
- Assist Citizen on Kirkshire,
- Operation Medicine Cabinet.
- Extra Patrol at Market Fresh Center.
- Greenfield School pick up.
- Assist Citizen on McKenzie.
- Disorderly Person at Mission Point.
- Medical at Mission Point.
- Suspicious Person on Nottingham.
- Two subjects arrested for Drag Racing/ Reckless Driving taken into custody without incident.
- Alarm at Berkshire School after hours.
- Radar Detail at 14 Mile and Eastlady.
- Extra Patrol at Pierce and Kirkshire.
- Crime Prevention at the Corners Shopping Center.
- Radar Detail Evergreen and Riverside.
- Medical on Verona Circle.
- Traffic Accident in Huntley Square Apartments.
- Graceful Gears Parade Detail at 14 Mile/Evergreen.
- Welfare Check at Mission Point.
- Operating While Intoxicated arrest taken into custody without incident at Greenfield and 13 Mile.
- Citizen Assist on Old Coach.
- Medical on Kirkshire.
- Injured Deer complaint on Birwood.
- Traffic Accident at 13 Mile and Greenfield.
- Found Cell Phone on Old Stage.
- Driving While License Suspended Arrest taken into custody without incident on 13 Mile and Evergreen.
- Fire Truck Checks at the station.
- Beverly School drop off.
- Greenfield School drop off.
- Suspicious Circumstance at Detroit Country Day.

- Fraud on 13 Mile.
- Fraud on Foxboro Way.
- Operation Medicine Cabinet.
- Beverly School pick up.
- Greenfield School pick up.
- Medical on Dunblaine Street.
- Fraud on Corsaut Lane.
- Wild Turkey Complaint at the Corners Center.
- Medical on Westlady Street.
- Warrant Arrest taken into custody without incident transported from Detroit PD to Birmingham PD.
- Extra Patrol at Evergreen and Elwood.
- Extra Patrol at Hill Crest and Riverside.
- Radar Detail at Kirkshire and Greenfield.
- Assist Motorist on Corsaut Lane.
- Medical on Locherbie.
- Larceny from Automobile on 14 Mile Road.
- Vehicle Lockout at Detroit Country Day.
- Suspicious Person on Wetherby.
- Driving While License Suspended Arrest taken into custody without incident at Greenfield and Beverly Road.
- Fraud Report on 13 Mile.
- Operation Medicine Cabinet.
- Improper License Plate Confiscated on 13 Mile.
- Hit and Run Accident on Greenfield and 14 Mile.
- Extra Patrol on Robinhood by resident's request.
- Found Cell Phone on Amherst.
- Fire Alarm on 14 Mile.
- Suspicious Person at Beverly and Southfield.
- Knox Box installed on Beverly Road.
- Lift Assist on McKenzie Court.
- Alarm on Valley Oaks Drive.
- Radar Detail on Saxon and Southfield.
- Extra Patrol at Medical Village Complex.
- Radar Detail at Pierce and 14 Mile.
- Open Garage found on Old Post early morning.
- Beverly School morning drop off.
- Civil Matter on Wetherby.
- Assist Oakland County SWAT with search warrant.
- Alarm on Fox Run.
- Hit and Run Traffic Accident on 14 Mile and Southfield.
- Solicitor Complaint on Sheridan Drive.

- Extra Patrol on Robinhood by request.
- Extra Patrol on Robinhood by request again.
- Medical on Birwood Street.
- Beverly School pick up.
- Suspicious Circumstance at Get Some Fitness.
- Assist Birmingham PD at Southfield and 14 Mile.
- Parking Complaint on Breezewood.
- Medical on Rivers Edge Court.
- Radar Detail on Evergreen.
- Beverly Park closed down for the night.
- Suspicious Person on Vallen Court.
- Traffic Detail on 14 Mile and Southfield.
- Extra Patrol in the Chelton sub.
- Extra Patrol at 13 Mile and Rutland.
- Extra Patrol in the Huntley Square Apartments.
- Crossing Guard Detail at Beverly School.
- Alarm on 13 Mile.
- Driving While License Suspended Arrest taken into custody without incident on 13 Mile and Embassy.
- Hit and Run Traffic Accident on Pierce Road.
- Medical on Dover Court.
- Fraud Report on Huntley Square East.
- Assist Birmingham PD with a Hit and Run Report.
- Suspicious Vehicle on Saxon and Beaconsfield.
- Suspicious Person/Felonious Assault on Stellamar and 13 Mile.
- Medical on Kirkshire Drive.
- Reckless Driving Complaint on 13 Mile and Lahser.
- Extra Patrol on Stellamar and 13 Mile.
- Improper Plate Confiscated on Ventura and 13 Mile.
- Noise Complaint on Amherst.
- Beverly Park closed down for the night.
- Traffic Detail on 14 Mile and Southfield.
- Radar Detail on Evergreen and Waltham.
- Operation Medicine Cabinet.
- Radar Detail on Southfield Road.
- Extra Patrol in the Nottingham Sub.
- Extra Patrol in the Norchester and Riverside area.
- Driving While License Suspended arrest taken into custody without incident on Southfield and 13 Mile Road.
- Fire Training apparatus driving.
- Radar Detail on Southfield and 13 Mile.
- Medical on Kirkshire Drive.

- Beverly School morning drop off.
- Fire Alarm on Bellvine Trail.
- Traffic Accident on Hill Crest.
- Suspicious Circumstances on Wetherby.
- Solicitor Complaint on Ronsdale.
- Traffic Detail on Beverly Road.
- Greenfield School pick up.
- Assist Child Protective Services in Huntley Square Apartments.
- Medical at Mission Point.
- Suspicious Person on Beverly and Mayfair.
- Welfare Check on Huntley Square West.
- Suspicious Person on Plumwood Lane.
- Medical on Verona Circle.
- Open Door on vacant property on Wendbrook Lane.
- Vehicle Lockout on Nixon Street.
- Mental Health Call on Elizabeth.
- Assist Birmingham PD on Warwick.
- Extra Patrol on Sylvan Lane.
- Medical on Camelot Court.
- Animal Complaint on Allerton.
- Medical on Camelot Court.
- Noise Complaint on Locherbie.
- Lift Assist at Mission Point.
- Medical at Mission Point.
- Suspicious Person at Mission Point.
- Fire Truck Checks.
- Beverly School morning drop off.
- Greenfield School morning drop off.
- Extra Patrol in Churchill sub.
- Lost Property Report at Berkshire School.
- Medical on Kirkshire.
- Radar Detail on evergreen and Waltham.
- Extra Patrol at Market Fresh complex.
- Crossing Guard Detail at Beverly School.
- Extra Patrol at T.J.MAXX Complex.
- Driving While License Suspended Arrest taken into custody without incident at Southfield and 13 Mile Road.
- Assist Royal Oak PD with traffic accident.
- Driving while License Suspended arrest taken into custody without incident at 14 Mile and Southfield Road.
- Extra Patrol in the Area of Marimoor and Stellamar.

- Disoriented Person assisted on Bedford Street.
- Extra Patrol in the area of Chelton and Walmer.
- Extra Patrol at Groves High School after hours.
- Extra Patrol in the area of Kirkshire and Bates.
- Beverly School morning drop off.
- Greenfield School morning drop off.
- Driving While License Suspended arrest taken into custody without incident at 13 Mile and Pierce Street.
- Medical on Kirkshire.
- Warrant Arrest taken into custody without incident and lodged at Birmingham PD.
- Beverly School pick up.
- Suspicious Person in Huntley Square Apartments.
- Customer Trouble at KFC.
- Fire Alarm on Lahser Road.
- Suspicious Vehicle at Southfield and 14 Mile.
- Driving While License Suspended arrest taken into custody without incident at Southfield and Kirkshire Drive.
- Driving While License Suspended arrest taken into custody without incident on Lahser and Hillview Lane.
- Assist Royal Oak PD with a high priority traffic stop at 14 Mile and Woodward.
- Extra Patrol at Acacia Cemetery after hours.
- Extra Patrol in Rutland Sub.
- Extra Patrol in that area of Norchester and Devonshire.

DETECTIVE BUREAU

- CFS Closed and Reviewed-197
- Walk in arraignment-OWI and Possession of Narcotics
- Served Subpoena for 46th District Court
- Walk in arraignment-OWI and CCW
- In custody arraignment-OWI high BAC-VOP
- Assist patrol on alarm run
- Swear to for Felony UDAA
- In custody arraignment-Larceny in a building
- Picked up evidence at Oakland County Computer Crimes
- Subpoena requested and obtained for fraud case
- MSP sex offender registry training
- Traffic Conference at the 46th District Court

- Detroit Country Day Suspicious Circumstances investigation
- Conducted a Photo Lineup for Id Theft case
- Sent OUID case to Oakland County Prosecutor

FIRE & EMERGENCY MEDICAL SERVICES

- 33 Fire/EMS reports reviewed.
- 9 Fire training hours entered into ISO records.
- 5 EMS training hours entered into continuing education records.
- Supervise Platoon 3 and 4
- Bi-Weekly NFIRS data export uploaded to FEMA.
- Award Committee review.
- 2022 Letter of Compliance submitted to Base Hospital for Review.
- Complete Round 3 of County Training Committee allocation survey.
- Complete and submit EQIP verification for to Oakland County Medical Control Authority.
- Elderly/Infirmed Program residential Knox Box installed on Beverly Road
- Attend and Chair Fire Governance Committee.
- Complete Round 4 of County Training Committee allocation survey.
- Prepare C/E sponsorship renewal application.



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QUARTERLY REPORT October 2021

BOARD OF TRUSTEES	
Representative	Municipality
D. Schueller	City of Berkley
C. Wilson	Village of Beverly Hills
T. Markus	City of Birmingham
T. Zablocki	City of Clawson
D. Antosik	City of Ferndale
A. LeCureaux	City of Hazel Park
R. Fortura	City of Huntington Woods
S. Mitchell Theriot	City of Lathrup Village
K. Yee	City of Oak Park
J. Breuckman	City of Pleasant Ridge
A. Filipski	City of Royal Oak
K. Bovensiep	City of Troy

OFFICERS	
Chairman:	C. Wilson
Vice Chair:	D. Schueller
Secretary:	K. Bovensiep
Advisory Committee:	K. Bovensiep R. Fortura D. Schueller C. Wilson

J. A. McKeen	General Manager
R. Jackovich	Operations Manager

Board of Trustees
SOCRRA

Subject: Quarterly Report - October 2021

Board Members:

Attached is a copy of SOCRRA's Quarterly Report covering the first three months operation of the fiscal year 2021/22. The report contains a financial statement of the Authority's operation and an outline of projects in progress or completed during the quarter. The report also contains statistical information and other information of general interest to the members of this Authority.

BOARD OF TRUSTEES

The governing body of the Authority is a Board of Trustees, consisting of one representative from each constituent municipality. The Board held its Organization Meeting on July 14, 2021, and members were elected to serve as Officers for the fiscal year beginning July 2021. Following is a list of the current officers:

Chair:	Chris Wilson
Vice Chair:	Derrick Schueller
Secretary:	Kurt Bovensiepe

Representatives on the Board are entitled to one vote for each 3,000 tons, or fraction thereof, of material delivered to the Authority during the preceding fiscal year. The number of votes of each constituent member for the fiscal year, beginning July 2021, is as follows:

Municipality	Votes
Berkley	4
Beverly Hills	3
Birmingham	6
Clawson	3
Ferndale	5
Hazel Park	4
Huntington Woods	2
Lathrup Village	2
Oak Park	6
Pleasant Ridge	1
Royal Oak	14
Troy	15
Total:	65

The Board meets in regular session once each month for the purpose of conducting all business coming before the Board.

The Authority is responsible for collecting recyclables, refuse and yard waste from the member communities and then recycling, disposing, or composting these materials. The Authority has entered into contracts with the individual members for a period extending to July 1, 2027. These contracts obligate the Authority to handle this material, charging rates sufficient to pay the operating costs and capital improvements.

FINANCIAL STATEMENT

The total net income for the first three months of 2021/22 was \$1,268,881, before depreciation. This was \$657,050 higher than planned and is an increase from the net income of \$502,181 for the same period of 2020/21.

	<u>Actual</u>	<u>Compared to Budget</u>
Revenue	\$6,944,496	+ \$ 359,382
Expenses	\$5,675,616	- \$ 297,667
Net Income	\$ 1,268,881	+ \$ 657,050

The increase in revenue was due primarily to higher proceeds from the sale of recycled material (+\$328,000), higher member services revenue (+\$89,000), higher than planned non-member refuse from Car Trucking, GFL, Tringali Sanitation and our other cash customers (+\$15,000), and higher miscellaneous revenue (+\$7,000), which were partially offset by decreases in revenue for recycling for other communities (-\$61,000), lower non-member yard waste revenue (\$-13,000) and lower interest on investments (\$-6,000).

Expenses were lower than budget due to reduced costs for labor (-\$161,000), non-labor Administrative and General expenses (-\$87,000), maintenance (-\$40,000) and supplies (-\$37,000) and utilities (-\$9,000), which were partially offset by increases in contract expenses (+\$39,000). Additional financial detail is attached.

MATERIAL HANDLED

SOCRRA processed 58,997 tons of refuse, yard waste and recyclables during the first three months of the current fiscal year. This represents an increase of 3.0% or 1,747 total tons compared to the same period last year. The amount of refuse from the member communities decreased by 321 tons (1.1%) and the amount of recycling from the member communities decreased by 177 tons (2.9%). Non-member refuse increased by 2,576 tons (26.1%) from the prior year. Non-member recycling decreased by 30% as Auburn Hills, which had been collected by Waste Management, changed contractors to GFL, which is handling that recycling at their own facilities. Our recent history of tonnage handled is displayed in the table below:

	2017/18	2018/19	2019/20	2020/21	2021/22
Member Refuse	27,911	26,381	27,465	30,284	29,963
Non-Member Refuse	12,027	7,555	7,736	9,859	12,435
Member Recycling	5,838	5,904	5,996	6,183	6,006
Non-Member Recycling	384	135	1,590	2,352	1,650
Yard Waste	6,831	8,096	7,911	8,572	8,942
TOTAL	52,607	48,071	50,698	57,250	58,997

CAPITAL EXPENDITURES

Capital expenditures totaled \$16,517 for the first quarter and were for payments made for the new compost screener at the Compost Site.

MAJOR PROJECTS

RECYCLING OPERATIONS

Overall, the new MRF continues to operate very well. Commodity markets continue to be very strong with the prices for all recycled commodities except glass being at or near record levels during the first quarter. Prices are much higher than what we budgeted for 2021/22. We are continuing to have to pay to have our glass recycled. Recycling revenue for the first quarter was 76% greater than budget and over 300% greater than the first quarter of 2020/21.

Leadpoint, our supplier of sorter labor at the MRF has had a continuing problem providing a sufficient number of sorters. They have changed their on-site supervisor and we increased the wages we pay the sorters in May. These changes have resulted in some additional sorters, but we are still consistently below our requested staffing level. This has resulted in several operational problems. We are working with Leadpoint to increase staffing levels. We have also applied to the Michigan Department of Environment, Great Lakes and Energy (EGLE) and to the Polypropylene Recycling Coalition for grant funding for the installation of robotic sorting equipment on the MRF container sort line.

All our recycled paper and cardboard is being purchased by GFL under a three-year agreement that ends on October 31, 2021. This contract pays us a premium over market-based prices for all of our paper products. Having the GFL facility located so close to our MRF also enables us to promptly remove our completed materials when required, which is a significant advantage. Pratt Industries opened a new papermill in western Ohio that is using large quantities of recycled cardboard and mixed paper. While our paper products are under contract to GFL, having a large, new outlet for recycled paper in western Ohio has improved market pricing in the Midwest. We are currently conducting an RFP process for paper brokering services starting on November 1, 2021.

Our glass is being recycled by Strategic Materials, which is located near Chicago. We continue to have to pay the cost of transporting our glass to Chicago for recycling and there is no payment or cost for the glass recycling.

We are continuing to process recyclables from other communities. We are charging a tip fee for this service and we sell the recycled products that result from this material. During the first quarter we lost several communities that were providing recycling to our MRF as they switched their collection contracts to GFL, which processes recyclables in their own facilities. We have not tried to replace this tonnage due to the sorter staffing issues discussed above.

PANDEMIC RESPONSE

SOCRRA's operations have been fairly normal throughout the first quarter. Our collection contractors were on schedule with a couple of minor exceptions although collection is running significantly later into the evening than in prior years. All three collection contractors are reporting that it has become very difficult to hire and maintain employees. We expect the contractors to continue to collect materials later into the evening until yard waste collection stops as of December 17. SOCRRA has opened our facilities both earlier and later than required under our contracts to accommodate both early and late deliveries from the contractors. The amount of

trash and recycling that we are receiving from the member communities has stabilized after increasing about 5% from between calendar year 2019 and calendar year 2020. For the first quarter, we observed small decreases in trash (-1%) and recycling (-2.9%) tonnage from the member communities. The very heavy rainstorms in July and August resulted in a large amount of debris due to basement flooding in Berkley, Birmingham and Ferndale. Our collection contractors, particularly Car Trucking in Birmingham, did a very good job in cleaning up the flood debris.

The SOCRRA Board is continuing to conduct their monthly meetings using the Zoom remote meeting tool.

SOCRRA staff, especially Bob Jackovich, Colette Farris, Anne Farris, Todd Rickerd and Lucas Dean, have done a great job in handling the many issues that have arisen over the past several months. While operations have been normal, it continues to be a lot of work to keep them that way! Their continued contributions are greatly appreciated.

RECYCLING DROP-OFF CENTER

The SOCRRA recycling drop-off center continues to be open by appointment only for residents of the SOCRRA communities. Drop-off appointments are available through the SOCRRA website at <https://hhw.socrra.org/>. We instituted appointments to reduce the number of residents at our site at any one time. This has reduced traffic congestion issues at our site so that the truck operations to get material into and out of the Transfer Station and MRF are not affected by resident drop-off traffic. The reduced number of residents on site has also allowed us to provide some social distancing for those residents. We have made several changes in our appointment system that have resulted in appointments generally being available on several different days. We are also doing Saturday appointments once or twice each month.

In order to make our drop-off service more accessible, we are providing alternative locations, which do not require appointments, for residents to drop off household hazardous waste, recycle electronics, cardboard, scrap metal and to have paper shredding performed. The details about these alternatives are attached to this report and are available on the SOCRRA website at <https://www.socrra.org/recycling-drop-off>.

PENSION FUNDING

MERS completed their annual actuarial analysis of SOCRRA's pension plans. The combined union pension plans were 71% funded as of December 31, 2020. This was an increase from the 63% funding level as of December 31, 2019. The funding levels were 100% for the employees hired after July 1, 2010, 75% for non-supervisory employees hired before July 1, 2010 and 55% for supervisory employees. SOCWA's pension plan for their administrative employees, which is an obligation shared by SOCRRA and SOCWA, was 101% funded as of December 31, 2020. MERS modified their actuarial assumptions for the 2020 actuarial study, which served to reduce our funding levels. We are budgeted to make incremental pension contributions before the end of December 2021 to increase our pension funding level.

ANNUAL AUDIT

Representatives of Plante & Moran performed our annual audit partially in person in our offices and partially remotely due to the pandemic. They completed their field work in early September. The final audit will be reviewed with the SOCRRA Audit Committee during October 2021 and will be reviewed by the SOCRRA Board at their November meeting.

New accounting standards required SOCRRA to conduct an actuarial valuation of our liability for Other Post Employment Benefits (OPEB or retiree health insurance). We performed this analysis using a tool provided by Milliman, our new actuarial firm. As of June 30, 2021, the OPEB plan for Union employees was 126.6% funded which is an increase from the 75.9% funding level as of June 30, 2020. This increase in funding level resulted from a combination of excellent market returns increasing the trust assets and a significant number of retiree deaths, which decreased our liability. The OPEB plan for the SOCWA administrative employees, which is a shared obligation between SOCRRA and SOCWA, was 156.9 % funded as of June 30, 2021. We plan on beginning to pay retiree health insurance costs from the OPEB plan assets during 2022.

Respectfully submitted,

Jeffrey A. McKeen, P.E.
General Manager



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ALTERNATIVES AVAILABLE TO SOCRRA RESIDENTS FREE OF CHARGE

ERG Environmental Services Phone: 734-437-9650

Electronics Recycling and Household Hazardous Waste Disposal (computers, TVs, cell phones, VCRs, video equipment, paint, household cleaners, medications, sharps, auto fluids, pesticides, etc. – visit www.socrra.org for a complete list)

- Location: 13040 Merriman Road, Livonia (Use visitor entrance, enter off Industrial Road)
- Hours: M – F 9AM – 5PM
- Must have ID showing residency from a SOCRRA community, Bingham Farms, the City of Bloomfield Hills or Franklin Village or **printed** paper voucher for Rochester and Rochester Hills residents -- purchase from city
- Ring doorbell and RETURN TO YOUR CAR. Attendant with PPE will unload your items

eCycle Opportunities (JVS facility) Phone: 248-233-4477

Electronics Recycling ONLY (computers, TVs, cell phones, VCRs, video equipment, etc. – visit www.socrra.org for a complete list)

- Location: 29699 Southfield Road, Southfield – part of the JVS building
- Hours: M – F 8AM – 4PM
- Must be resident of a SOCRRA community, Bingham Farms, the City of Bloomfield Hills or Franklin Village or bring **printed** paper voucher for Rochester and Rochester Hills residents -- purchase from city
- Go to warehouse door on south side of building (next to Arby's), place electronics in bin or on ground if they are large. Ring doorbell for assistance with heavy items

GFL Recycling Phone: 248-541-4020

Drop-off Paper Shredding and Cardboard/Paper and Scrap Metal Recycling

- Location: 414 E. Hudson, Royal Oak
- Hours: M – F 7AM – 4PM
- Procedure: **MASKS ARE REQUIRED**
 - Shredding – main building entrance; NOT self-service – leave papers with attendant
 - Cardboard/Paper and Scrap Metal recycling -- drive into truck entrance; open top dumpsters to self-unload

SOCRRA's main function is to provide and manage the CURBSIDE collection of trash, recycling and yard waste in our 12 SOCRRA communities and we remain open and fully functional for these ESSENTIAL services.

We are assessing if/when we will reopen for the other SUPPLEMENTAL services we have provided in the past. Please be patient while we determine the safest solutions for our staff and the people who use our services.

SOCRRA**INCOME STATEMENT**

07/01/21 - 9/30/21

	Actual-Period	Budget-Period	Variance
REVENUES			
MUNICIPAL REFUSE			
MEMBER MSW	5,242,988.51	5,154,111.00	88,877.51
MONTHLY SURCHARGE	282,003.00	282,003.00	0.00
NON-MEMBER MSW	465,298.93	450,000.00	15,298.93
NON-MEMBER YARD WASTE	750.00	14,000.00	-13,250.00
	5,991,040.44	5,900,114.00	90,926.44
SALE OF RECYCLED MATERIAL			
MIXED PAPER	238,882.90	108,000.00	130,882.90
NEWSPAPER	0.00	19,000.00	-19,000.00
CARDBOARD	299,487.15	150,000.00	149,487.15
SORTED OFFICE PAPER	3,811.08	2,000.00	1,811.08
PLASTICS	133,981.90	81,000.00	52,981.90
SCRAP METAL	22,586.46	19,000.00	3,586.46
ALUMINUM CANS	35,455.20	25,000.00	10,455.20
TIN CANS	24,780.84	28,000.00	-3,219.16
MIXED RECYCLING - OTHERS	110,950.53	172,000.00	-61,049.47
GLASS	0.00	0.00	0.00
BATTERIES	2,165.00	1,000.00	1,165.00
ELECTRONICS	0.00	0.00	0.00
	872,101.06	605,000.00	267,101.06
OTHER INCOME			
COMPOST	39,090.00	35,000.00	4,090.00
RENTAL INCOME	28,020.00	31,500.00	-3,480.00
INTEREST ON INVESTMENTS	1,531.14	7,500.00	-5,968.86
MISC INCOME	12,713.83	6,000.00	6,713.83
	81,354.97	80,000.00	1,354.97
TOTAL REVENUES	6,944,496.47	6,585,114.00	359,382.47
EXPENSES			
MADISON HEIGHTS TRANSFER STATION	4,219.43	54,845.00	-50,625.57
TROY TRANSFER STATION	144,451.18	446,216.00	-301,764.82
MATERIAL RECOVERY FACILITY	370,816.24	576,148.00	-205,331.76
HOUSEHOLD HAZARDOUS WASTE	83,069.53	136,084.00	-53,014.47
COMPOST FACILITY	121,859.57	156,243.00	-34,383.43
ADMINISTRATIVE AND GENERAL	351,962.40	443,325.00	-91,362.60
COLLECTION CONTRACT EXPENSES	1,338,501.36	1,693,867.00	-355,365.64
IN TRANSIT	3,260,736.03	2,466,555.00	794,181.03
TOTAL EXPENSE	5,675,615.74	5,973,283.00	-297,667.26
NET INCOME BEFORE DEPRECIATION	1,268,880.73	611,831.00	657,049.73
DEPRECIATION	249,630.00		
NET INCOME	1,019,250.73		

SOCRRA
INCOME STATEMENT & TONS
07/01/21 - 09/30/21

<u>REVENUES</u>	<u>TOTAL TONS</u>	<u>AMOUNT</u>
MEMBER SERVICES	29,963.40	5,524,991.51
NON-MEMBER MSW	12,434.69	465,298.93
<u>YARD WASTE</u>		
MEMBER	8,942.36	0.00
NON MEMBER	0.00	750.00
<u>RECYCLABLES</u>		
MEMBERS	6,006.28	0.00
NON MEMBER	1,650.38	0.00
	58,997.11	5,991,040.44
<u>RECYCLING</u>		
MIXED PAPER		238,882.90
NEWSPAPER		0.00
CARDBOARD		299,487.15
SORTED OFFICE PAPER		3,811.08
PLASTICS		133,981.90
SCRAP METAL		22,586.46
ALUMINUM CANS		35,455.20
TIN CANS		24,780.84
MIXED RECYCLING - OTHERS		110,950.53
GLASS		0.00
BATTERIES		2,165.00
ELECTRONICS		0.00
		872,101.06
<u>OTHER</u>		
COMPOST		39,090.00
RENTAL INCOME		28,020.00
INTEREST ON INVESTMENTS		1,531.14
MISC INCOME		12,713.83
		81,354.97
TOTAL REVENUES		6,944,496.47
<u>EXPENSES</u>		
MADISON HEIGHTS TRANSFER STATION		4,219.43
TROY TRANSFER STATION		144,451.18
MATERIAL RECOVERY FACILITY		370,816.24
HOUSEHOLD HAZARDOUS WASTE		83,069.53
COMPOST FACILITY		121,859.57
ADMINISTRATIVE AND GENERAL		351,962.40
COLLECTION CONTRACT EXPENSES		1,338,501.36
IN TRANSIT		3,260,736.03
TOTAL EXPENSE		5,675,615.74
NET INCOME BEFORE DEPRECIATION		1,268,880.73
DEPRECIATION		249,630.00
NET INCOME		1,019,250.73

SOCRRA**COMPARATIVE STATEMENT**

07/01/21 - 9/30/21

	2021/2022	2020/2021	Variance
REVENUES			
MUNICIPAL REFUSE			
MEMBER MSW	5,242,988.51	5,100,843.62	142,144.89
MONTHLY SURCHARGE	282,003.00	282,003.00	0.00
NON-MEMBER MSW	465,298.93	372,208.50	93,090.43
NON-MEMBER YARD WASTE	750.00	1,380.00	-630.00
	5,991,040.44	5,756,435.12	234,605.32
SALE OF RECYCLED MATERIAL			
MIXED PAPER	238,882.90	30,012.40	208,870.50
NEWSPAPER	0.00	0.00	0.00
CARDBOARD	299,487.15	50,106.26	249,380.89
SORTED OFFICE PAPER	3,811.08	0.00	3,811.08
PLASTICS	133,981.90	45,332.65	88,649.25
SCRAP METAL	22,586.46	3,905.15	18,681.31
ALUMINUM CANS	35,455.20	34,675.40	779.80
TIN CANS	24,780.84	10,724.81	14,056.03
MIXED RECYCLING - OTHERS	110,950.53	172,830.12	-61,879.59
GLASS	0.00	0.00	0.00
BATTERIES	2,165.00	0.00	2,165.00
ELECTRONICS	0.00	0.00	0.00
	872,101.06	347,586.79	524,514.27
OTHER INCOME			
COMPOST	39,090.00	27,586.00	11,504.00
RENTAL INCOME	28,020.00	29,695.00	-1,675.00
INTEREST ON INVESTMENTS	1,531.14	2,389.05	-857.91
MISC INCOME	12,713.83	12,169.85	543.98
	81,354.97	71,839.90	9,515.07
TOTAL REVENUES	6,944,496.47	6,175,861.81	768,634.66
EXPENSES			
MADISON HEIGHTS TRANSFER STATION	4,219.43	8,713.97	-4,494.54
TROY TRANSFER STATION	144,451.18	200,140.05	-55,688.87
MATERIAL RECOVERY FACILITY	370,816.24	299,495.03	71,321.21
HOUSEHOLD HAZARDOUS WASTE	83,069.53	28,375.16	54,694.37
COMPOST FACILITY	121,859.57	119,011.75	2,847.82
ADMINISTRATIVE AND GENERAL	351,962.40	327,227.31	24,735.09
COLLECTION CONTRACT EXPENSES	1,338,501.36	1,180,269.17	158,232.19
IN TRANSIT	3,260,736.03	3,510,448.04	-249,712.01
TOTAL EXPENSES	5,675,615.74	5,673,680.48	1,935.26
REVENUE OVER EXPENSES	1,268,880.73	502,181.33	770,569.92

SOCRRA**INCOME STATEMENT COMPARED TO TOTAL BUDGET**

07/01/21 - 9/30/21

	ACTUAL 3 MONTHS	TOTAL BUDGET 20/21	BALANCE	% RECEIVED OR EXPENDED
REVENUES				
MUNICIPAL REFUSE				
MEMBER MSW	5,242,988.51	20,616,443.00	15,012,762.38	25%
MONTHLY SURCHARGE	282,003.00	1,128,012.00	846,009.00	25%
NON-MEMBER MSW	465,298.93	1,600,000.00	1,427,791.50	29%
NON-MEMBER YARD WASTE	750.00	45,000.00	68,620.00	2%
	5,991,040.44	23,389,455.00	17,355,182.88	26%
SALE OF RECYCLED MATERIAL				
MIXED PAPER	238,882.90	428,000.00	61,987.60	56%
NEWSPAPER	0.00	80,000.00	245,000.00	0%
CARDBOARD	299,487.15	600,000.00	374,893.74	50%
SORTED OFFICE PAPER	3,811.08	7,000.00	27,000.00	54%
PLASTICS	133,981.90	327,000.00	488,767.83	41%
SCRAP METAL	22,586.46	76,000.00	119,094.85	30%
ALUMINUM CANS	35,455.20	100,000.00	2,324.60	35%
TIN CANS	24,780.84	115,000.00	64,275.19	22%
MIXED RECYCLING - OTHERS	110,950.53	700,000.00	577,169.88	16%
GLASS	0.00		0.00	0%
BATTERIES	2,165.00	5,000.00	4,000.00	43%
ELECTRONICS	0.00		0.00	0%
	872,101.06	2,438,000.00	1,964,513.69	36%
OTHER INCOME				
COMPOST	39,090.00	150,000.00	119,874.00	26%
RENTAL INCOME	28,020.00	125,000.00	95,305.00	22%
INTEREST ON INVESTMENTS	1,531.14	30,000.00	47,403.92	5%
MISC INCOME	12,713.83	25,000.00	12,830.15	51%
	81,354.97	330,000.00	275,413.07	25%
TOTAL REVENUES	6,944,496.47	26,157,455.00	19,595,109.64	27%
EXPENSES				
MADISON HEIGHTS TRANSFER STATION	4,219.43	224,000.00	302,030.57	2%
TROY TRANSFER STATION	144,451.18	3,972,600.00	3,632,619.84	4%
MATERIAL RECOVERY FACILITY	370,816.24	2,368,200.00	1,990,085.30	16%
HOUSEHOLD HAZARDOUS WASTE	83,069.53	547,800.00	505,757.33	15%
COMPOST FACILITY	121,859.57	613,200.00	479,195.89	20%
ADMINISTRATIVE AND GENERAL	351,962.40	1,486,900.00	980,590.74	24%
COLLECTION CONTRACT EXPENSES	1,338,501.36	14,326,400.00	12,188,820.74	9%
IN TRANSIT	3,260,736.03	0.00	1,271,848.04	0%
TOTAL EXPENSE	5,675,615.74	23,539,100.00	21,350,948.45	24%
REVENUE OVER EXPENSES	1,268,880.73	2,618,355.00	-1,755,838.81	48%

SOCRRA**TOTAL SERVICE CHARGES**

07/01/21 - 9/30/21

MUNICIPALITY

	TONS	SERVICE CHARGES
BERKLEY	2,638	\$287,352.00
BEVERLY HILLS	1,846	\$200,025.00
BIRMINGHAM	3,871	\$448,167.00
CLAWSON	1,934	\$241,926.00
FERNDAL	3,944	\$528,555.00
HAZEL PARK	2,890	\$342,942.00
HUNTINGTON WOODS	968	\$105,693.00
LATHRUP VILLAGE	742	\$88,680.00
OAK PARK	4,114	\$503,046.00
PLEASANT RIDGE	445	\$56,055.00
ROYAL OAK	9,893	\$1,324,122.00
TROY	11,627	\$1,309,548.00
<hr/>		
SUB TOTAL	44,912	\$5,436,111.00
OTHER CUSTOMERS	13,957	\$466,048.93
DROP OFF CENTER	128	
<hr/>		
	14,085	\$466,048.93
<hr/>		
TOTAL	58,997	\$5,902,159.93

SOCRRA

Capital Expenditures

Period 7/1/21 - 9/30/21

FIXED ASSET EXPENDITURES

MRF IMPROVEMENTS	\$0.00
TROY TRANSFER STATION	\$0.00
COMPOST SCREENER	\$16,516.96
<u>MADISON HEIGHTS RENOVATION</u>	<u>\$0.00</u>
	\$16,516.96

Board of Trustees
SOCRRA

Subject: Investments – July through September 30, 2021

Board Members:

Attached is a list of the investments made by the Authority during the period July 1 through September 30, 2021. These investments are in compliance with Act 79 of the Public Acts of 1979.

The Board of Trustees has authorized the General Manager to enter into agreements with Michigan First CU, Flagstar, PNC and The Oakland County Local Government Investment Pool for the investment of surplus funds as provided for in Public Act 367. The attached list shows the interest made from these investments:

Fiscal Year	Interest Earned
2011/12	24,467
2012/13	22,636
2013/14	26,559
2014/15	23,483
2015/16	24,610
2016/17	67,040
2017/18	86,747
2018/19	71,581
2019/20	10,885
2020/21	28,656
2021/22	1,755

The investment policy followed by the Authority is to have 90% or more of all available funds invested. On September 30, 2021, the Authority had 99.9% of all funds invested and accruing interest.

It is recommended that this report be received and filed and made a part of the Board record.

Submitted by:

Amy C. McIntire
Accountant-Treasurer

Approved by:

Jeffrey A. McKeen, P.E.
General Manager

Attach.

Suggested Resolution: "That the report on investments made by the Authority during the period July 1 through September 30, 2021 be received and filed and made a part of the Board record."

SOCRRA INVESTMENTS FY 21-22

	July	August	September	Total
SOCRRA RECEIVING FUND				
SOCRRA O & M FUNDS				
SOCRRA ICS Sweep				
FLAGSTAR CART FUND				
FLAGSTAR SAVINGS				
FLAGSTAR Development CD				
LONG TERM INVESTMENT				
MMRMA INVESTMENT				
OAKLAND COUNTY SAVINGS				
PNC LONG TERM INVESTMENT				
ZION BANK RESERVE FUND				
ZION BANK BOND & INT REDEMPTION				
1008 Flagstar	40.51	47.73	45.52	133.76
1009 Flagstar	1.27	1.27	1.23	3.77
1009 B ICS	34.95	30.03	30.00	94.98
1130 Flagstar	37.75	37.76	36.55	112.06
1115 Flagstar	53.24	53.26	51.55	158.05
1125 Flagstar	0.00	0.00	0.00	0.00
1055 Michigan First	64.81	64.82	62.74	192.37
1155 MMRMA	0.00	0.00	0.00	0.00
1110 Oakland County	340.19	407.96	271.25	1,019.40
1105 PNC	2.05	2.18	2.04	6.27
1006 Zion Bank	10.68	11.04	11.04	32.76
1010 Zion Bank	1.39	0.00	0.00	1.39
	586.84	656.05	511.92	1,754.81



ROBERT CHARLES DAVIS
t: (586) 469-4300
f: (586) 469-4303
rdavis@dbsattorneys.com
www.dbsattorneys.com

November 3, 2021

VIA ELECTRONIC MAIL

Mr. Jeffrey McKeen, General Manager
SOCRRA
3910 W. Webster Road
Royal Oak, MI 48073-6764

Re: Quarterly Legal Report/SOCRRA

Dear Mr. McKeen:

This letter serves as the quarterly legal report for the past quarter. This report is also intended to set forth the expected legal work issues in the next quarter. This report is based on the issues presented to date. As the next quarter progresses, there may be new issues that require attention.

I. CURRENT PROJECTS

A. Ongoing Service Provider Contract Issues

SOCRRA completed contract extension negotiations with the collection contractors, Tringali, Car and GFL. Final documents are executed. SOCRRA executed an extension of the Transportation and Disposal Agreement with Advanced Disposal. The contract with Advanced Disposal was assigned to GFL. Continue to work with administration on GFL work at landfill. Work with administration on the continued implementation of all four (4) contracts as requested. Draft contract amendments as necessary. Assist in disputes as necessary. Analyze and address disputes and service related issues as necessary. Strategy with administration on performance issues, penalties and site solutions. Continue strategy on payment offsets due to site issues.

Analyze and manage Tringali contract dispute relating to Oak Park Carts.

Work with administration to address member community disputes with service providers.

Continue to work to re-assign the Oak Park Service Units.

B. Ongoing Landfill Issues

We submitted our closure documentation in 2005. Ongoing communications from the State of Michigan show the landfill as closed. SOCRRA is routinely inspected and receives a letter from the State on the results. As a result of meetings and negotiations, the landfill is now designated as closed by the

4-E

MDEQ. The closure is retroactive to 2005 which provides SOCRRA with post closure relief in terms of the time and expenditures. Continue to analyze post closure obligations with administration and potential relief from end use plan financial obligations as currently imposed by the Circuit Court. Strategy with administration on fund release process. Continue to provide research and advise on leachate management and compliance with PFAS discharge issues. Coordinate experts. Continue to review and assist with responses to State inspection issues. Continue to review and monitor all discharge. Continue to monitor gas sampling related to the closed Landfill.

C. Madison Heights Transfer Station/Troy Transfer Station

Continue to research upgrades and modifications to the facility, including discussions and presentations to MDEQ and private party operators. Continue to work on stack related inspections and reviews. Monitor newly issued permit compliance. Ongoing discussion with EGLE on site compliance. Continue to monitor relationship with Madison Heights.

Research and monitor ongoing issues with EGLE on Troy facility permit extension.

D. Compost Facility

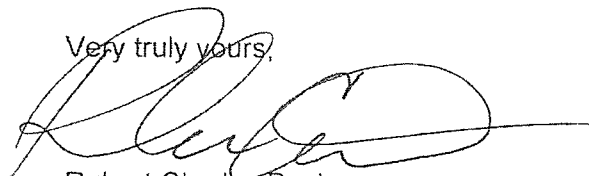
Analyze site issues and potential expansion rights under Court rulings and controlling documents. Analyze site work issues and consulting contracts. Continue to analyze pending residential development near the facility. Analyze hours of operation and objectives of contractors.

II. NEXT QUARTER PROJECTS

- A. Opinion Letters and Research as Requested and Authorized.
- B. Review and develop contracts as requested on services/purchases required by SOCRRA.
- C. Continued strategy on Madison Heights Transfer Station and facility improvements.

Should you have any questions and/or concerns, please do not hesitate to call.

Very truly yours,



Robert Charles Davis



* Berkley * Beverly Hills * Bingham Farms * Birmingham
 * Clawson * Huntington Woods * Lathrup Village * Pleasant Ridge
 * Royal Oak * Southfield * Southfield Township

QUARTERLY REPORT OCTOBER 2021

BOARD OF TRUSTEES	
Representative	Municipality
D. Schueller	City of Berkley
C. Wilson	Village of Beverly Hills
K. Jones	Village of Bingham Farms
J. Surhigh	City of Birmingham
T. Zablocki	City of Clawson
R. Fortura	City of Huntington Woods
S. Mitchell Theriot	City of Lathrup Village
J. Breuckman	City of Pleasant Ridge
A. Filipski	City of Royal Oak
L. Schultz	City of Southfield
C. Wilson	Township of Southfield

OFFICERS	
Chairman:	D. Schueller
Vice Chairman:	C. Wilson
Secretary:	K. Jones
Advisory Committee:	D. Schueller, R. Fortura, K. Jones, C. Wilson

J. A. McKeen	General Manager
R. Jackovich	Operations Manager

Board of Trustees
Southeastern Oakland County Water Authority

Subject: Quarterly Report - October 2021

Board Members:

Attached is a copy of the Southeastern Oakland County Water Authority's Quarterly Report covering the first three month's operation of the fiscal year 2021/22. The report contains a financial statement of the Authority's operation and an outline of projects in progress or completed during the quarter. The report also contains statistical information and other information of general interest to the members of this Authority.

BOARD OF TRUSTEES

The governing body of the Authority is a Board of Trustees, consisting of one representative from each constituent municipality. The Board held its Organization Meeting on July 14, 2021, and members were elected to serve as Officers for the fiscal year beginning July 2021. The current Officers are:

Chairman:	D. Schueller
Vice Chairman:	C. Wilson
Secretary:	K. Jones

Representatives on the Board are entitled to one vote for each 200 million gallons, or major fraction thereof, of water purchased during the preceding fiscal year. The number of votes of each constituent member for the fiscal year, beginning July 2021 is as follows:

Municipality	Votes
Berkley	2
Beverly Hills	2
Bingham Farms	1
Birmingham	4
Clawson	1
Huntington Woods	1
Lathrup Village	1
Pleasant Ridge	1
Royal Oak	9
Southfield	16
Southfield Township	<u>1</u>
Total:	39

The Board meets in regular session on the second Wednesday of each month for the purpose of conducting all business coming before the Board.

The Authority has entered contracts with the individual members for an indefinite period of time, but at least to July 1, 2038. These contracts obligate the Authority to supply and sell water to the member municipalities, charging for this service a rate sufficient to pay the operating costs and capital improvements.

FINANCIAL STATEMENT

The total net income before depreciation for the first 3 months of 2021/22 was \$1,039,491. This was \$933,955 lower than budgeted and is substantially lower than the net income of \$2,330,321 for the first 3 months of 2020/21.

	Actual	Compared to Budget
Revenue	\$8,134,627	- \$1,527,504
Expenses	\$7,095,136	- \$ 593,549
Net Income (before depreciation)	\$1,039,491	- \$ 933,955

Net income at this time of year is planned to be high in order to accommodate the fixed/variable rates we are charged by GLWA. GLWA is collecting 60% of their revenue through a fixed monthly charge. This results in a high fixed monthly charge but a low cost per thousand cubic feet purchased. In the first quarter of the year, our GLWA water bills were significantly less than our water sales revenue. Our GLWA water bills will be higher than our water sales revenue in the colder months. We will be using some of the net income for the first quarter to pay these higher water bills later in the fiscal year.

The decrease in revenue was primarily due to lower than planned water sales (-\$1,523,000). Expenses were lower than planned due to lower expenses for water purchases (-\$447,000), non-labor Administrative & General (-\$63,000), labor (-\$26,000), utilities (-\$24,000), maintenance (-\$23,000) and supplies (-\$10,000).

Water sales for the first 3 months of the fiscal year were 14.9% lower than budgeted and were 19.0% lower than the previous year. Water sales for the first 3 months are summarized in the table below. These huge negative variances are so large that we will probably have lower than budgeted water sales for the entire fiscal year.

Additional financial detail is attached.

WATER SALES – DAILY AVERAGE (MGD)

	2017	2018	2019	2020	2021	Over or Under 2020
Month						
July	40.71	43.59	36.06	44.53	30.75	- 13.78
August	38.40	38.31	38.35	39.57	33.02	- 6.55
September	33.87	31.95	30.00	31.16	29.77	- 1.39
Million Gals./Day	37.70	38.02	34.85	38.50	31.20	- 7.30
Variance	+0.8%	-8.3%	+10.5%	-19.0%		

We incurred capital expenditures of \$18,874 in the first quarter of the year for the replacement of a meter vault cover (\$13,000), expenses for the replacement of two pressure control valves (\$5,000) and for the initial costs for the separation of the two water storage reservoirs at Webster (\$1,000). This last project will be a multi-year project and we have submitted it for consideration for a loan from Michigan's Drinking Water State Revolving Loan Fund.

The table below is the precipitation record, as recorded at the Webster Station. Total rainfall for the period was much higher than last year which drastically decreased the amount of water consumed for lawn watering. We had very heavy precipitation throughout the first quarter with 14 days with rainfall greater than 0.5 inches during the quarter, which is highly unusual.

PRECIPITATION - INCHES

Month	2017	2018	2019	2020	2021
July	1.10	1.08	7.15	2.46	7.15
August	2.30	1.36	3.04	7.31	5.64
September	0.70	3.06	4.84	2.72	6.00
Total:	4.10	5.50	15.03	12.49	18.79

MAJOR PROJECTS

GLWA RATE INCREASE

GLWA increased their water sales rate to SOCWA by 2.0% as of July 1, 2021. SOCWA increased our water sales rate to the member communities by 1.5% as of July 1, 2021. SOCWA was able to absorb some of the GLWA rate increase due to operational efficiencies on the SOCWA system.

SUMMER 2021 OPERATIONS

The summer of 2021 was a very bad period for water sales. Sales volumes were significantly lower than in recent summers due to the large amount of rainfall that occurred throughout the quarter. Total rainfall was 50% higher than for the first quarter of 2020/21 and 102% higher than the average for the last four years. Our maximum day occurred on July 5 when we purchased 41.10 million gallons from GLWA. This was 21% lower than the maximum day for 2020 and was 32% below our GLWA contract limit. We had only 1 day with water sales over 40 million gallons during the summer of 2021 compared with 40 days with water sales over 40 million gallons during the summer of 2020.

PANDEMIC RESPONSE

SOCWA operations have continued in a normal fashion during the coronavirus outbreak. Water supply operations have been normal with GLWA continuing normal supply from all 5 water treatment plants. We have not been able to obtain access to a few of our typical water sampling locations that are used for our weekly water testing, but we have obtained some new sampling locations. We continue to take more than the required number of weekly water samples.

The SOCWA office remains open with the office staff working a staggered home/office schedule to minimize the number of people in the office while we continue to operate normally. All office employees can work remotely from home. We are continuing to staff the SOCWA Control Room 24 hours per day. We are continuing Oakland County's daily screening protocol for all our employees and continuing enhanced cleaning and sanitizing procedures. We are also consulting regularly with the Oakland County Health Department regarding employee illnesses. We plan to follow the OSHA

guidelines regarding vaccination when they are published even though they will not apply to SOCWA because we do not have 100 employees.

SOCWA staff, especially Bob Jackovich, Colette Farris, Anne Farris and Todd Rickerd, have done a great job in handling the many issues that have arisen during the first quarter. While operations have been normal, it has been a lot of work to keep them that way! All their contributions are greatly appreciated.

The SOCWA Board continues to hold their monthly meetings using the Zoom remote meeting tool.

GREAT LAKES WATER AUTHORITY (GLWA) ISSUES

GLWA became operational on January 1, 2016. The GLWA website, www.glwater.org, is a great source of information regarding GLWA. The agendas and minutes for all Board and Board Committee meetings are posted along with procurement information about all projects being performed by GLWA.

GLWA CEO

Sue McCormick, who has been the CEO of GLWA since it was formed in 2016, announced her resignation as of the end of September. Ms. McCormick was instrumental in establishing GLWA and is responsible for the many improvements that have taken place with GLWA and DWSD over the past 10 years. She has made major contributions to GLWA including expanding the scope of the Customer Outreach program, see discussion below. Ms. McCormick will be missed, and she will be a very difficult person to replace. The GLWA Board has started a process to select a new CEO using an executive search firm. The customer One Water Partnership co-chairs, which includes me, have advocated to participate in the CEO selection process. The GLWA Board has named Suzanne Coffey as Interim CEO. Ms. Coffey is GLWA's Chief Planning Officer. She has worked for GLWA in that role since GLWA was formed and served in a similar role for DWSD for several years before that. Ms. Coffey was a Manager in the Oakland County Water Resources Commissioner's Office for 12 years before joining DWSD/GLWA.

2022/23 Water Rates

The process that will result in the rates from GLWA for 2022/23 has begun. A series of meetings are being held this fall to communicate rate information. Our proposed 2022/23 rates will be delivered by GLWA in late January 2022. GLWA is continuing to provide a high level of communication with their customers by posting data on their website prior to each meeting and then reviewing the data at each meeting. SOCWA staff will be attending each of these meetings and we will report the results at the following Board meeting. We plan to have a rate projection for the SOCWA communities for review at the February 2022 Board meeting.

GLWA Customer Outreach Program

GLWA has adopted the same Customer Outreach Program that DWSD has used for many years. SOCWA staff is continuing to participate in the GLWA Customer Outreach Process. I have been serving as one of nine elected customer co-chairs of the One Water Partnership that guides this process. Significant progress has been made in improving the level of communication and understanding between GLWA and its customers through this process, which will be a continuing effort. SOCWA continues to be a strong proponent of GLWA's customer partnering process. Bridgeport Consulting, the third-party facilitator that guides the Customer Outreach program has just been awarded a contract extension. Bridgeport has done an excellent job in modifying the many Customer Outreach activities so that they can still be effective without in person meetings. The Customer Outreach Program continues to be very important in continuing the excellent relationship between GLWA and its customers.

Highland Park

Highland Park continues to owe GLWA over \$47 million in unpaid bills for water service (\$9.4 million) and sewer service (\$37.6 million). Highland Park has continued to pay a portion of their monthly billings, but their payments are not sufficient to prevent the outstanding liability from continually growing. The amounts that are not paid by Highland Park are recovered by GLWA through higher rates to all customers on the water system and from the suburban customers on the sewer system. As an example, SOCWA's rates to GLWA for the 2021/22 fiscal year include \$79,900 to cover SOCWA's share of Highland Park's unpaid water bills.

GLWA has been contesting this issue in the court system for several years. The case is currently in the Court of Appeals.

GLWA has filed a complaint against the State of Michigan in the Court of Claims requesting that the State pay a portion of Highland Park's unpaid water bills. The State has filed a motion, which is currently pending, for summary disposition in this case.

GLWA has not yet received a response to the letter that they sent Governor Whitmer in late April requesting that the State resolve the Highland Park litigation. The letter was signed by the GLWA Board representatives from Macomb, Oakland and Wayne counties and by the Macomb and Oakland County Executives but not by the Board representatives from Detroit or by the Wayne County Executive.

WATER SERVICE REPLACEMENT AND VERIFICATION CONTRACTS

SOCWA has contracts in place that can be used by the member communities for the replacement of lead water services and for verifying the material type for service lines of unknown material type. The member communities with lead water services will need to be replacing 5% to 7% of those services each year under the new State of Michigan lead and copper rules. Having a contractor available for all the member communities could help to reduce the cost of performing this required work. Several communities have begun to use the services of the lead service line replacement contractor.

The State of Michigan has finally issued their requirements for verifying water service line material type. This will require an extensive amount of work for each community to inventory the type of material in each of the service lines in their system and then verify the material type of a random sample of about 20% of the water service lines in each community. Five member communities are using the services of HRC, under a contract between HRC and SOCWA, to conduct the required service line verification work. SOCWA has a contract in place for the service line verification work that will be required to be completed by each of the member communities.

RISK AND RESILIENCY ASSESSMENTS AND EMERGENCY OPERATING PLANS

Six SOCWA member communities (Berkley, Beverly Hills, Birmingham, Clawson, Huntington Woods and Lathrup Village) have been working with SOCWA and HRC to prepare Risk and Resiliency Assessments and Emergency Operation Procedures for their water systems, which have been required by the EPA. These studies have a significant amount of commonality between communities which allows HRC to develop them at a reduced cost. The larger communities (Royal Oak and Southfield) were required to complete these studies by an earlier date and the smaller communities (Bingham Farms and Pleasant Ridge) are not required to complete these studies. The costs of the preparation of these studies are being paid by the participating communities.

PENSION FUNDING

MERS completed their annual actuarial analysis of SOCWA's pension plans. The combined union and salaried pension plans were 99% funded as of December 31, 2020. This is the highest funding level that

we have obtained since 1991, which is as far back as I have been able to find records. The funding levels were 97% for the union defined benefit (DB) plan, 101% for the salaried DB plan, 81% for the salaried hybrid plan and 147% for the union hybrid plan. The union hybrid plan only has five employees and had some assets from prior employees. The total unfunded pension liability was only \$96,137, which was \$260,000 less than the unfunded liability as of December 31, 2019. SOCWA has been contributing substantially above the actuarially required amounts to both the salaried DB and union DB plan for several years and the unfunded liabilities for the plans have almost been eliminated. MERS modified their demographic assumptions used in the 2020 actuarial study which served to increase the amount of our unfunded liability.

ANNUAL AUDIT

Representatives of Plante & Moran conducted a portion of the annual audit in our offices and a portion remotely. Plante & Moran completed the majority of their work in September, and we are awaiting their audit report. The final audit will be reviewed with the SOCWA Audit Committee during October 2020 and will be reviewed by the SOCWA Board at their November 10, 2021 meeting.

New audit standards require SOCWA to conduct an annual actuarial valuation of our liability for Other Post Employment Benefits (OPEB or retiree health insurance). We performed this year's valuation using a tool provided by Milliman, which was significantly less expensive and much quicker than having the analysis performed by our prior actuarial firm. The valuation as of June 30, 2021 showed that the OPEB plan for salaried employees was 156.5% funded and the OPEB plan for Union employees was 135.1% funded. We will be using the OPEB trust funds to pay for all of our retiree health care expenses during 2021/22.

Respectfully submitted,

Jeffrey A. McKeen, P.E.
General Manager

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY
INCOME STATEMENT
07/01/21 - 9/30/21

	Period Actual	Period Budget	Variance
REVENUES			
SALE OF WATER MEMBERS	4,969,220.77	5,454,492.00	-485,271.23
SALE OF WATER OTHERS	3,140,236.19	4,177,912.00	-1,037,675.81
	8,109,456.96	9,632,404.00	-1,522,947.04
RENTALS	19,074.83	17,727.00	1,347.83
WATER ANALYSIS & MISC	100.00	3,000.00	-2,900.00
INTEREST ON INVESTMENTS	5,995.63	9,000.00	-3,004.37
	25,170.46	29,727.00	-4,556.54
TOTAL REVENUES	8,134,627.42	9,662,131.00	-1,527,503.58
LEAD SERVICE REPLACEMENT	159,041.04	350,000.00	-190,958.96
EXPENSES			
PURCHASE OF WATER FOR RESALE	0.00	0.00	0.00
POWER, PUMPING & GROUNDS WEBSTER	143,839.60	152,724.92	-8,885.32
POWER, PUMPING & GROUNDS	40,102.63	72,081.66	-31,979.03
COMPUTER OPERATIONS	23,115.36	23,980.00	-864.64
PURIFICATION	29,842.42	33,243.85	-3,401.43
METERS & MAINS	33,357.24	58,804.41	-25,447.17
ADMINISTRATION & GENERAL	207,337.35	282,850.00	-75,512.65
WATER IN TRANSIT	6,617,541.52	7,065,000.00	-447,458.48
TOTAL EXPENSES	7,095,136.12	7,688,684.84	-593,548.72
LEAD SERVICE LINE REPLACEMENT	159,041.04	350,000.00	-190,958.96
NET INCOME BEFORE DEPRECIATION	1,039,491.30	1,973,446.16	-933,954.86

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES COMPARED WITH TOTAL BUDGET
07/01/21 - 9/30/21

	TOTAL ACTUAL	TOTAL BUDGET 2021-2022	BALANCE TO BUDGET	% Received or expended
REVENUES				
SALE OF WATER MEMBERS	4,969,220.77	17,126,900.00	-12,157,679.23	29%
SALE OF WATER OTHERS	3,140,236.19	9,780,500.00	-6,640,263.81	32%
	8,109,456.96	26,907,400.00	-18,797,943.04	30%
RENTALS	19,074.83	124,000.00	-104,925.17	15%
WATER ANALYSIS & MISC	100.00	10,000.00	-9,900.00	1%
INTEREST ON INVESTMENTS	5,995.63	30,000.00	-24,004.37	20%
TOTAL REVENUES	8,134,627.42	27,071,400.00	-18,936,772.58	30%
LEAD SERVICE REPLACEMENT	159,041.04	1,000,000.00	-840,958.96	16%
EXPENSES				
PURCHASE OF WATER FOR RESALE	0.00	24,157,000.00	-24,157,000.00	0%
POWER, PUMPING & GROUNDS WEBSTER	143,839.60	589,482.00	-445,642.40	24%
POWER, PUMPING & GROUNDS	40,102.63	282,935.00	-242,832.37	14%
COMPUTER OPERATIONS	23,115.36	99,955.00	-76,839.64	23%
PURIFICATION	29,842.42	137,390.00	-107,547.58	22%
METERS & MAINS	33,357.24	244,400.00	-211,042.76	14%
ADMINISTRATION & GENERAL	207,337.35	830,300.00	-622,962.65	25%
WATER IN TRANSIT	6,617,541.52	0.00	6,617,541.52	0%
TOTAL EXPENSES	7,095,136.12	26,341,462.00	-19,246,325.88	27%
LEAD SERVICE LINE REPLACEMENT	159,041.04	1,000,000.00	-840,958.96	16%
NET INCOME BEFORE DEPRECIATION	1,039,491.30	729,938.00	309,553.30	142%
DEPRECIATION	160,833.43			
NET INCOME	878,657.87			

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY
COMPARATIVE STATEMENT
07/01/21 - 9/30/21

	2021/2022	2020/2021	OVER OR (UNDER)
SALE OF WATER	4,969,220.77	5,459,695.98	-490,475.21
SALE OF WATER OTHERS	3,140,236.19	4,246,870.40	-1,106,634.21
	8,109,456.96	9,706,566.38	-1,597,109.42
RENTALS	19,074.83	18,835.58	239.25
WATER ANALYSIS-LAB & MISC	100.00	490.00	-390.00
INTEREST ON INVESTMENTS	5,995.63	10,390.44	-4,394.81
	25,170.46	29,716.02	-4,545.56
TOTAL REVENUES	8,134,627.42	9,736,282.40	-1,601,654.98
WATER PURCHASED FOR RESALE	0.00	0.00	0.00
WATER PURCHASE IN TRANSIT	6,617,541.52	6,907,570.71	-290,029.19
OPERATING EXPENSES	477,594.60	498,390.44	-20,795.84
FIXED CHARGES	0.00	0.00	0.00
TOTAL EXPENSES	7,095,136.12	7,405,961.15	-310,825.03
NET INCOME BEFORE DEPRECIATION	1,039,491.30	2,330,321.25	-1,290,829.95
DEPRECIATION	160,833.43	160,156.75	676.68
NET INCOME	878,657.87	2,170,164.50	-1,291,506.63

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY
YTD Income Statement with Ave. Cubic Feet
07/01/21 - 9/30/21

	ACTUAL REVENUES	2021/2022 Average Per 1,000 cubic feet	2020/2021 Average Per 1,000 cubic feet
SALE OF WATER	4,969,220.77	17.6290	16.7633
SALE OF WATER OTHERS	3,140,236.19	30.8487	28.7317
	8,109,456.96	21.1364	20.4994
RENTALS	19,074.83	0.0497	0.0398
WATER ANALYSIS-LAB & MISC	100.00	0.0003	0.0010
INTEREST ON INVESTMENTS	5,995.63	0.0156	0.0219
	25,170.46	0.0656	0.0628
TOTAL REVENUES	\$8,134,627.42	21.2020	20.4210
LEAD SERVICE REPLACEMENT	159,041.04		
WATER PURCHASED FOR RESALE	0.00	0.0000	5.2379
POWER, PUMPING & GROUNDS WEBSTER	143,839.60	0.3749	0.3347
POWER , PUMPING & GROUNDS	40,102.63	0.1045	0.0607
COMPUTER OPERATIONS	23,115.36	0.0602	0.0520
PURIFICATION	29,842.42	0.0778	0.0724
METERS & MAINS	33,357.24	0.0869	0.0487
ADMINISTRATIVE & GENERAL	207,337.35	0.5404	0.5841
WATER IN TRANSIT	6,617,541.52	17.2479	10.1378
TOTAL EXPENSES	7,095,136.12	18.4927	16.5283
LEAD SERVICE REPLACEMENT	159,041.04		
NET INCOME BEFORE DEPRECIATION	\$1,039,491.30	2.7093	3.8927
DEPRECIATION	160,833.43		
NET INCOME	\$878,657.87		

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY

TOTAL CHARGES

07/01/21 - 9/30/21

MUNICIPALITY	WATER CONSUMPTION CUBIC FEET	TOTAL WATER CHARGES
BERKLEY	12,429.27	\$221,625.57
BEVERLY HILLS	12,954.90	\$226,424.44
BINGHAM FARMS	3,943.90	\$68,192.23
BIRMINGHAM	37,636.58	\$658,369.30
CLAWSON	10,037.02	\$175,523.46
HUNTINGTON WOODS	6,921.97	\$121,985.90
LATHRUP VILLAGE	5,885.84	\$104,846.95
PLEASANT RIDGE	3,760.00	\$65,586.60
ROYAL OAK	64,383.52	\$1,143,007.47
SOUTHFIELD	118,916.60	\$2,096,223.43
DETROIT ZOO & RACKHAM	5,008.03	\$87,435.40
MEMBERS	281,877.63	\$4,969,220.75
NON MEMBERS		
BLOOMFIELD HILLS	21,982.78	\$669,205.95
BLOOMFIELD TOWNSHIP	79,979.34	\$2,471,030.23
	101,962.12	\$3,140,236.18
TOTAL	383,839.75	\$8,109,456.93

SOUTHEASTERN OAKLAND COUNTY WATER AUTHORITY
CAPITAL EXPENSES
07/01/20..03/31/21

FIXED ASSET EXPENDITURES

PRV Replacement	4,937.64
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Webster Tank Substaton	1,343.75
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Meter Vault Cover Replacements	12,592.62
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	18,874.01
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DBS DAVIS BURKET
SAVAGE LISTMAN

Attorneys at Law

ROBERT CHARLES DAVIS

t: (586) 469-4300

f: (586) 469-4303

rdavis@dbsattorneys.com

www.dbsattorneys.com

November 3, 2021

VIA ELECTRONIC MAIL

Mr. Jeffrey McKeen, General Manager

General Manager

SOCWA

3910 W. Webster Road

Royal Oak, MI 48073

Re: Quarterly Legal Report/SOCWA

Dear Mr. McKeen:

This letter serves as the quarterly legal report. This report is also intended to set forth the expected legal work issues in the next quarter. As the next quarter progresses, there may be new issues that require attention.

I. CURRENT PROJECTS

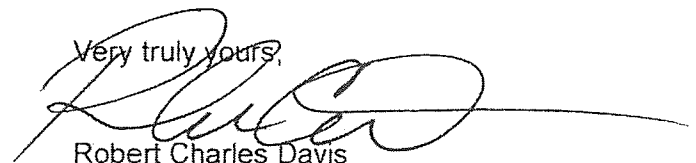
- Ongoing discussions and meetings with GLWA, representatives and attorneys on GLWA issues.
- Ongoing issues with GLWA on contract issues, rates and rate processes.
- Ongoing contract and agenda items as requested by administration.
- Ongoing issues and contracts for lead/copper municipal projects and implementation of process.
- Ongoing review and research on new member discussions.
- Analyze and monitor litigation initiated by GLWA against the State of Michigan relating to Highland Park. Analyze for permissive joinder under applicable Court Rules. Strategy with GLWA outside legal counsel.
- Analyze and monitor litigation by General Mills against GLWA. Communicate updates as necessary.

II. NEXT QUARTER PROJECTS

Aside from the above, there are currently no new projects for next quarter. There is no litigation, threatened or pending, directly relating to a SOCWA interest.

Should you have any questions and/or concerns, please do not hesitate to call.

Very truly yours,



Robert Charles Davis

October 15, 2021

Board of Trustees
Southeastern Oakland County Water Authority

Subject: Investments – July 1 through September 30, 2021

Board Members:

Attached is a list of the investments made by the Authority during the period July 1 through September 30, 2021. These investments are in compliance with Act 79 of the Public Acts of 1979.

The Board of Trustees has authorized the General Manager to enter into agreements with Michigan First CU, Flagstar, PNC, The Oakland County Local Government Investment Pool and Ambassador Capital Management for the investment of surplus funds as provided for in Public Act 367. The attached list shows the interest made from these investments:

Fiscal Year	Interest Earned
2011/12	30,059
2012/13	29,292
2013/14	42,005
2014/15	27,206
2015/16	25,148
2016/17	39,181
2017/18	61,359
2018/19	73,184
2019/20	80,659
2020/21	46,297
2021/22 1 st Qtr.	5,996

The investment policy followed by the Authority is to have 90% or more of all available funds invested. On September 30, 2021, the Authority had 99.9% of all funds invested and accruing interest.

It is recommended that this report be received and filed and made a part of the Board record.

Submitted by:

Amy C. McIntire
Accountant-Treasurer

Approved by:

Jeffrey A. McKeen, P.E.
General Manager

Attach.

Suggested Resolution: "That the report on investments made by the Authority during the period July 1 through September 30, 2021 be received and filed and made a part of the Board record."

SOCWA INVESTMENTS FY 21/22

Account	Institution	Acct. Id	Effective Date	Maturity Date	Opening Bal	Ending Bal	Yield
FLAGSTAR BANK - CDARS	Flagstar	1024811472	4/15/21	10/14/2021	100,049.86	100,049.86	0.09996
FLAGSTAR BANK - CDARS	Flagstar	1024885611	5/6/21	11/4/2021	100,049.86	100,049.86	0.09996
FLAGSTAR BANK - CDARS	Flagstar	1024929147	5/27/21	11/26/2021	100,049.86	100,049.59	0.09996
FLAGSTAR BANK - CDARS	Flagstar	1025104265	7/29/21	1/27/2022	100,049.86	100,049.86	0.09996
FLAGSTAR BANK - CDARS	Flagstar	1025163628	8/19/21	2/17/2022	100,049.86	100,049.86	0.09996
FLAGSTAR BANK - CDARS	Flagstar	1025221482	9/9/21	3/10/2022	100,049.86	100,049.86	0.09996
					600,299.16	600,298.89	

ACCT #	Institution	July	August	September	October	November	December	Total
FLAGSTAR RECEIVING FUND	1015 Flagstar	1.27	1.27	1.23				3.77
FLAGSTAR ICS SWEEP	1015 B Flagstar	23.28	17.46	19.83				60.57
FLAGSTAR O & M FUNDS	1020 Flagstar	65.84	116.04	74.35				256.23
MI FIRST BUSINESS MONEY MARKET	1040 Michigan First	115.70	144.13	139.50				399.33
MI FIRST CERTIFICATE OF DEPOSIT #47	1100 Michigan First	28.42	0.00	0.00				28.42
OAKLAND COUNTY SAVINGS ACCOUNT	1110 Oakland County	1,271.88	1,646.23	1,098.73				4,016.84
FLAGSTAR SAVINGS	1115 Flagstar	271.83	349.77	453.00				1,074.60
FLAGSTAR CDARS	1105 Flagstar	49.86	49.86	49.86				149.58
MMRMA	1234 MMRMA	0.00	0.00	0.00				0.00
PNC INVESTMENT FUND	1120 PNC	2.05	2.19	2.05				6.29
		1,830.13	2,326.95	1,838.55	0.00	0.00	0.00	5,995.63



November 7, 2021

Rev. Anthony Ballah
Pastor
Beverly Hills United Methodist Church
20000 W. 13 Mile Rd.
Beverly Hills, MI 48025

RE: Beverly Hills United Methodist Church 60th Anniversary

Reverend Ballah:

On behalf of the Village Council, Village Employees, the Beverly Hills Public Safety Department and all residents of the Village of Beverly Hills I am pleased to present this notice of congratulations to the Beverly Hills United Methodist Church on your 60th Anniversary.

The Beverly Hills United Methodist Church has been a foundational component of the Village of Beverly Hills since the Village was established in 1958. The Church has provided a place of worship and comfort to countless residents of the Village and the surrounding area. Beverly Hills United Methodist Church worked directly with the Village in the establishment of a community garden that has been enjoyed by many.

The Village of Beverly Hills again congratulates Beverly Hills United Methodist Church on 60 years of successful operations and wishes nothing but continued success.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris D. Wilson".

Chris D. Wilson
Village Manager
Village of Beverly Hills



We're building a stronger, smarter grid – right now and into the future

The energy landscape is changing across the nation, including right here in Michigan. When the groundwork for our company's electric infrastructure system was laid more than a century ago as one of the first in the country, it was built as a one-way distribution system – providing customers the energy required for a much simpler day-to-day life, while also acting as the engine of progress for industry.

We started as the Edison Illuminating Co. of Detroit in the late 1880s and our company has served our customers well through the turn of the century, the rise of the Detroit automotive industry and the Digital Revolution. DTE Energy continued to build and grow the energy infrastructure throughout the 20th century, but portions of our electric infrastructure that are more than 90 years old are still in operation. This aging equipment will be challenged to meet the growing needs of our 2.3 million electric customers for the rest of the 21st century.

Our customers are evolving too, and are more connected than ever, leading to additional grid challenges. Customers' homes are now "smart" and host dozens of electronic devices that they rely on to give them the information needed to live, work and learn each and every day. As we look to the future, we expect our customers' dependence on these devices and the information they provide, as well as the move to electric vehicles, to grow exponentially, which means we'll need more grid technology and integration to ensure the reliability our customers require.

We must deliver the safe, clean, reliable and affordable electricity our customers deserve, so we're reexamining the grid infrastructure that is core to supporting these changes. Our new Distribution Grid Plan lays out a detailed five-year investment plan and a 10- to 15- year vision for the grid. It also identifies the next steps in the process, the continuing work that is required for the longer-term vision to become a reality.

Change can be daunting and modernizing the grid for our customers will present challenges as well as opportunities along the way. We are committed to delivering the ingenuity that went into developing the electric grid in Detroit and surrounding communities over 100 years ago to build and operate a clean, safe, affordable and reliable grid that will support the evolving needs of our customers now and well into the future.

We're confident our Distribution Grid Plan will help us get there.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Norcia".

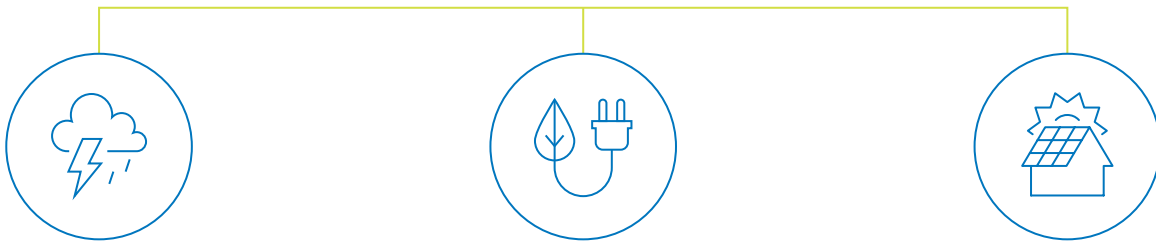
Jerry Norcia
President and Chief Executive Officer
DTE Energy

A handwritten signature in black ink, appearing to read "Trevor Lauer".

Trevor Lauer
President and Chief Operating Officer
DTE Electric

DTE Energy's five-year, \$7 billion investment plan addresses 21st century demands on southeast Michigan's electric grid

Investments will result in a grid that is safer, cleaner and more reliable



Withstand extreme weather

- Increasing frequency of severe weather has triggered DTE to **triple its investments in tree trimming and nearly double investments in other infrastructure upgrades**
- In communities where tree trimming and equipment upgrades have occurred, **customers experience a 50-70% improvement in reliability**. We want all customers to receive this level of service.

Manage increased electrification of transportation, building and industrial processes

- To fully achieve our shared clean energy goals, our electric grid must get stronger and smarter to support **increasing demand from economic development and electrification**
- Our new plan **adds 700 MW of capacity to the grid – enough to power 110,000 electric vehicles** or 180,000 residential homes, and invests in new technologies to automate and manage this new growth

Support increased customer preferences for private generation and storage

- With demand for private solar, storage and other technologies growing, our plan creates a **more flexible grid to give customers more control** over their energy
- It plans for an increase in distributed generation and storage over the next decade by **investing in grid hardware, software and analytics to support customers** and their energy choices



November 4, 2021

Ms. Kristin Rutkowski, Clerk
Village of Beverly Hills
18500 W. 13 Mile Road
Beverly Hills, MI 48025

RE: Programming Advisory

Dear Ms. Rutkowski:

We are committed to keeping you and our customers informed about changes to Xfinity TV services. As part of that ongoing commitment to keep you informed, we wanted to update you on the following:

Effective December 31, 2021, NBC Sports Network (NBCSN) will cease operations.

Also, pursuant to P.A. 480 of 2006, Section 9 (4), Comcast Cable's local operating entity hereby reports that Comcast does not deny access to services to any group of potential residential subscribers because of the race or income of the residents in the local area. A similar report has been filed with the Michigan Public Service Commission.

Please feel free to contact me at 734-359-2308 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kyle V. Mazurek", is written over the printed name and title.

Kyle V. Mazurek
Manager of External Affairs
Comcast, Heartland Region
41112 Concept Drive
Plymouth, MI 48170