



32325 Franklin Road, Franklin, Michigan 48025

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www.franklin.mi.us

**VILLAGE OF FRANKLIN
COUNCIL GOALS & OBJECTIVES WORKSHOP
MEET & GREET DEPUTY CHIEF CURT LAWSON
MONDAY, February 12, 2024, 6:00 P.M.
Franklin Village Hall, Broughton House
32325 Franklin Road, Franklin, Michigan 48025**

**VILLAGE OF FRANKLIN
REGULAR COUNCIL MEETING MONDAY, February 12, 2024, 7:00 P.M.
Franklin Village Hall, Broughton House
32325 Franklin Road, Franklin, Michigan 48025**

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. ADOPTION OF AGENDA**
- IV. MINUTES**
 - A. Regular Meeting of January 8, 2024
- V. PUBLIC REQUESTS AND COMMENTS**
- VI. REPORTS OF VILLAGE OFFICERS AND AGENTS**
 - A. Police Report
 - B. Fire Report
 - C. Treasurer Report
- VII. SUBMISSION OF CURRENT BILLS**
- VIII. PRESENTATION**
 - A. Audited Financial Report – Rana M. Emmons, PSLZ PLLC
 - B. Plante Moran – Budget Amendment
 - 1. Consider Resolution to Amend the FY2023-24 Budget.
- IX. SPECIAL REPORTS**
 - A. President's Report
 - B. Council Report
 - C. Administrator Report
 - D. Planning Commission Report
 - E. Main Street Franklin Report
 - F. Committee on Pathways Report
- X. OLD BUSINESS**
 - A. Consider Second and Final Reading for the Public Institutional Zoning for the following Properties.
 - 1. Franklin Community Church
 - 2. FCA Properties
 - 3. Huda School
 - 4. Franklin Cemetery
 - 5. Franklin Sledding Hill
 - B. Consider Ordinance on Modification to the Historic District (Minus FCA Properties).
 - C. Consider Outdoor Lighting Ordinance.
 - D. Consider Pledge of Allegiance.
- XI. NEW BUSINESS**
 - A. Consider NEXT Contribution.
 - B. Consider AMLEGAL proposed Legal Review of Franklin's Charter and Ordinances.
 - C. Consider MERS Agreement and Resolution.

D. Consider Send Extenet Systems Application to the Planning Commission.

XII. ADJOURNMENT

Posted: February 8, 2024

Dana Hughes | Village Clerk

POSTED IN ACCORDANCE WITH PUBLIC ACT 267 (OPEN MEETINGS ACT)

The Village of Franklin will provide necessary, reasonable auxiliary aids and services to individuals with disabilities requiring such services. All requests must be made to the Village Clerk at least five (5) business days before a meeting. Individuals with disabilities requiring auxiliary aids or services should contact the Village in writing at 32325 Franklin Road, Franklin, MI 48025 or by calling the Clerk's Office, at 248-626-9666.

**VILLAGE OF FRANKLIN
REGULAR COUNCIL MEETING
MONDAY, January 8, 2024, at 7:00 PM
Franklin Village Hall, Broughton House
32325 Franklin Road, Franklin, Michigan 48025**

I. CALL TO ORDER

The meeting was called to order by President Bill Lamott, at 7:00 P.M.

II. ROLL CALL

Present: Kathy Erlich, David Goldberg, Mark Hanke, David Sahli, and Bill Lamott

Absent: David Goldberg, Mark Hanke, and Mike Seltzer

Present: Tony Averbuch, Fire Chief; Dan Roberts, Police Chief, Village Administrator; Peter Gojcaj, Village Attorney, Susan Goldstrom, Assistant Administrator, and Dana Hughes, Village Clerk

III. ADOPTION OF AGENDA

Motion by Hansen, seconded by Erlich to adopt the Agenda, with the following items removed from the agenda, all “Old Business” and Item A under “New Business”.

AYES: Erlich, Hansen, Sahli and Lamott

NAYS: None

Motion carried.

Motion by Sahli, seconded by Hansen to adopt the Agenda, with the following amendments, postponing all “Old Business” and Item A under “New Business” until the February 12th Village Council Meeting.

AYES: Erlich, Hansen, Sahli and Lamott

NAYS: None

Motion carried.

IV. MINUTES

A. Regular Meeting of December 11, 2023

Motion by Lamott seconded by All to adopt the Minutes for the Regular Meeting of December 11, 2023, with corrections.

AYES: Erlich, Hansen, Sahli and Lamott

NAYS: None

Motion carried.

V. PUBLIC REQUESTS AND COMMENTS

Public Comments were opened by President Bill Lamott at 7:05 PM.

Mark Clemence, Assistant City Manager, Birmingham, MI

- He updated the Village Council on the City of Birmingham efforts to assist its aging population, including a community survey and plans to renovate the YMCA building on Lincoln Road. Because the Village of Franklin residents are members of Next, they felt was very important that they invite Franklin residents to fill out the survey, online or in person or to mail their hard copies back to the City of Birmingham.

Public Comments were closed by President Bill Lamott at 7:07 PM.

VI. REPORTS OF VILLAGE OFFICERS AND AGENTS

REPORTS OF VILLAGE OFFICERS AND AGENTS

A. Police Report

Dan Roberts

- Dan Roberts, Police Chief reviewed with Village Council his submitted report.
- Roberts stated that Deputy Chief Curt Lawson started today.
- Roberts mentioned a new crime mapping tool on the Village's website that shows crime data for Franklin and Bingham Farms, as well as surrounding areas.
- Roberts also showed off commemorative badges for police officers to celebrate the Village's 200th anniversary.

Discussion:

- Hansen asked Roberts for an update on the South American Crime Gang. Roberts stated that arrests have been made in other states, but no robbery in our area during the Christmas holiday.

B. Fire Report

Tony Averbuch

- Tony Averbuch, Fire Chief reviewed with Village Council his submitted report.
- Averbuch explained that the new Oakland County radio system is more advanced and can communicate with other agencies across the state, thanks to its trunked system and increased towers.

Discussion:

- Questions were asked about the system's capabilities and how it's different from the old one, with Averbuch providing details on the new system's technological advancements and improved communication capabilities.

Lance Vainik, Village Treasurer

- Lance Vainik, Village Treasurer reviewed with the Village Council his treasurer's report.

- He reported that the Village has sufficient funds to meet its current and anticipated obligations.
- There was a large entry of \$23,004.97 for plowing, maintenance, signage, and cleanup, paid to Johnson Landscaping.

VII. SUBMISSION OF CURRENT BILLS

Totals: 1-07-2024	
CATEGORY	SUB TOTALS
General	\$ 51,808.72
Major Streets	\$ 7,961.42
Local Streets	\$ 8,422.50
Police	\$ 65,082.35
Garbage and Rubbish	\$ -
Building Dept.	\$ 229.85
Library	\$ -
Street Project	\$ -
Road Millage	\$ -
Sewer Fund	\$ -
Tax Collection	\$ -
Wastewater	\$ -
TOTALS	\$ 138,943.67

It was moved by Hansen, seconded by Sahli to approve the submitted bills.

AYES: Erlich, Hansen, Sahli and Lamott

NAYS: None

Motion carried.

VIII. SPECIAL REPORTS

A. President's Report

No report.

B. Council Report

- Sahli stated that Shop, Sip & Stroll was awesome, Main Street did a great job on the coordination and execution on that.
- Hansen stated that the Village received a ton of calls of positive feedback on the streetlights. She thanked Pam Migliore for the streetlights. She also thanked Susan Goldstrom for the design work and the banners.

C. Administrator Report

No report.

D. Planning Commission Report

- Wooters mentioned that the Pickering Barn and the Outdoor Light Ordinance have been sent to the Village Council for your consideration. In addition, the Planning Commission asked McKenna to provide the Council with a recommendation on artificial turf. This item will be a continuing item the Planning Commission will be working on. It is something that should be further explored regarding what are the possible options for the Village if it is regulated. He also talked about communication and getting residents more involved. He added that Planning has plans to update its goals and objectives verbiage.

Discussion followed.

E. Main Street Franklin Report

- Currently working on accreditation. Will have a report in February.

F. Pathways Subcommittee Report

- Sahli stated that David Goldberg and Pete Halick joined the subcommittee. Goldberg explained the work the Planning Commission had already done, so efforts will not be duplicated and compile as much information as the subcommittee can.

IX. OLD BUSINESS

A. Consider Second and Final Reading for the Public Institutional Zoning for the Following Properties.

- 1. Franklin Community Church**
- 2. FCA Properties**
- 3. Huda School**
- 4. Franklin Cemetery**
- 5. Franklin Sledding Hill**

This item has been postponed until next month.

Action Item: Add this item to the February 12th Village Council Meeting.

B. Consider HDSC 2022 Report on Modification to the Historic District.

This item has been postponed until next month.

Action Item: Add this item to the February 12th Village Council Meeting.

C. Consider Outdoor Lighting Ordinance

This item has been postponed until next month.

Action Item: Add this item to the February 12th Village Council Meeting.

X. NEW BUSINESS

A. Consider NEXT Contribution

This item has been postponed until next month.

Action Item: Add this item to the February 12th Village Council Meeting.

B. Consider Pickering Barn Relocation Analysis Report.

Halick summarized the barn relocation analysis report for the Council. The Planning Commission identified three potential locations and provided some cost estimation for relocation in the Village of Franklin. He also explained that he met with Susan Goldstrom and Jeremy Fagan, from Comerica Bank in December to begin developing a business plan.

Discussion followed.

- Lamott discussed the potential of developing the Pickering barn as a commercial building.
- Hansen expressed appreciation for Halick's efforts to refine options and provide information on costs, but also raised concerns about funding and long-term sustainability.
- Hansen and Erlich agreed on the potential of converting the old barn into a community center, connecting it to the existing Kreger barn for additional space and rental opportunities.
- Sahli expressed concerns about using public tax dollars to move a building for a private business.
- Farther discussion included potential options for preserving a historic site, including a community center and a revolving fund for property acquisition.

C. Consider Amendment to Landscaping Regulations to Prohibit Artificial Turf.

The Council discussed potential regulations for artificial turf in landscaping due to environmental concerns. Wooters stated that Village needed to regulate artificial turf usage due to environmental concerns (plastic pollution, microplastics in water and soil) and lack of state ordinance.

- Sahli expressed hope for data on contaminant severity in artificial turf, citing lack of understanding on environmental impact.
 - Wooters agreed, citing recent studies that have revealed negative effects of sun breaking down materials in artificial turf.
- Hansen supported amending the zoning ordinance to prohibit harmful ground coverings and encouraged a broader conversation about sustainable practices in the Village.
- Wooters suggested exploring alternatives to traditional landscaping materials and raising awareness about their impact on the environment.

Public Comments:

Rich Pirrotta

- He highlighted the risks of synthetic turf to groundwater quality. He thought that this topic would be a good fit for the Planning Commission under the concept of Groundwater Management, because the Village relies on wells. He explained that it breaks down into chlorine, fluorine, and all types of things that when they get into groundwater are very difficult to remove.

X. ADJOURNMENT

Motion by Lamott, seconded by all to adjourn the meeting.

AYES: Erlich, Hansen, Sahli and Lamott

NAYS: None

Motion carried.

There being no further business, the meeting was adjourned at 7:56 P.M.

William Lamott, President

Dana Hughes, Village Clerk

Total for fund 101 GENERAL	43,229.18
Total for fund 202 MAJOR STREETS	12,610.81
Total for fund 203 LOCAL STREETS	11,428.67
Total for fund 207 POLICE	137,695.40
Total for fund 211 WASTE WATER	15,382.86
Total for fund 226 GARBAGE & RUBBISH	30,164.98
Total for fund 249 BUILDING DEPARTMENT	17,646.14
TOTAL - ALL FUNDS	268,158.04

CHECK REGISTER FOR VILLAGE OF FRANKLIN
CHECK DATE FROM 01/01/2024 - 02/08/2024

Check Date	Bank	Check	Vendor Name	Description	Amount
Bank GEN GEN FUND CHECKING					
01/08/2024	GEN	642(E)	WEX BANK	FUEL (EXXON) POLICE 11/16/23-12/15/23	160.80
01/08/2024	GEN	34968	CONSUMERS ENERGY	ENERGY 11/18/23-12/19/23 POLICE	301.72
				ENERGY 11/18/23-12/19/23 VILLAGE HALL	302.58
				ENERGY 11/18/23-12/19/23 KREGER	168.73
					<u>773.03</u>
01/08/2024	GEN	34969	DONALD VOGRIN	QTRLY WATER TESTS - PD & BROUGHTON	44.00
01/08/2024	GEN	34970	GALLS, LLC	PRO AUDIO TUBE - PD	38.79
				PRO AUDIO TUBE PD	38.79
					<u>77.58</u>
01/08/2024	GEN	34971	GFL	RESIDENTIAL HAND PICK UP JAN 2024	14,828.90
				FRONT LOAD TRASH PICKUP-POLICE JAN 2024	177.59
					<u>15,006.49</u>
01/08/2024	GEN	34972	JERRY L HOBSON	PLUMBING & MECHANICAL INSPECTIONS - DEC 23	1,634.15
01/08/2024	GEN	34973	OFFICE DEPOT	TONER CARTRIDGE - BLDG	90.36
				TOILET PAPER/KLEENEX/POST ITS - VILLAGE	92.97
					<u>183.33</u>
01/08/2024	GEN	34974	REYNOLDS WATER CONDITIONING CO	SALT DELIVERY - KREGER/RESTROOMS	142.20
01/08/2024	GEN	34975	RON SHELTON	ELECTRICAL INSPECTIONS - DEC 2023	1,141.46
01/08/2024	GEN	34976	SUSAN GOLDSTROM	ADOBE SUBSCRIP/MAILCHIMP/OFFICE SUPPLIES	393.90
01/08/2024	GEN	34977	VIGILANTE SECURITY, INC.	REPLACE MONITOR W/LARGER SCREEN AT PD	232.50

01/08/2024	GEN	34978	WATER RESOURCES COMMISSIONER	SEWER USAGE - KREGER & RESTROOMS 4TH QTR 2023	575.56
				SEWER USAGE - VILLAGE HALL 4TH QTR 2023	993.19
					<u>1,568.75</u>
01/08/2024	GEN	34979	WILLIAM DINNAN	BUILDING OFFICIAL DUTIES - DEC 2023	4,700.00
01/11/2024	GEN	34980	AT & T	COMMUNICATIONS - DEC 2023 - POLICE	55.43
				COMMUNICATIONS - DEC 2023 VILLAGE HALL	433.13
					<u>488.56</u>
01/11/2024	GEN	34981	CENTURYLINK	LONG DISTANCE SERVICE - JAN 24	1.83
01/11/2024	GEN	34982	CHARTER TWP OF BLOOMFIELD	DISPATCH CONTRACT JAN 2024	4,250.41
				PRISONER LOCKUP (12/13/23)	75.00
					<u>4,325.41</u>
01/11/2024	GEN	34983	COMCAST	INTERNET - 01/16/24-02/15/24 POLICE	143.35
01/11/2024	GEN	34984	COMMAND OFFICERS ASSN OF MICHIGAN	UNION DUES - JAN 2024	145.44
01/11/2024	GEN	34985	DENIS M BERRY	HRA REIMBURSEMENT 4TH QTR 2023 CHARGES	3,330.72
01/11/2024	GEN	34986	DONALD VOGRIN	SEND LETTER CERTIFIED MAIL	8.56
01/11/2024	GEN	34987	DTE	ENERGY DEC 2023 - KREGER	46.17
				ENERGY DEC 2023 - STREETLIGHT	87.74
				ENERGY DEC 2023 VILLAGE HALL	207.07
				ENERGY DEC 2023 POLICE	657.75
					<u>998.73</u>
01/11/2024	GEN	34988	ELECTRONIC TECH SOLUTIONS LLC	RESET PASSWORDS/COMPUTER ISSUES/AUDIT OF EQUIP	200.00
01/11/2024	GEN	34989	FRANKLIN AUTO SERVICE LLC	LOF UNIT 9-1	8.95
				LOF UNIT 9-2	78.29
				BRAKE JOB - UNIT 9-4	908.75
				BRAKES/LOF/REPAIRS TO CODE ENF VEHICLE	2,150.68

OVERPAYMENT CREDIT NOV 2023					(263.69)
					2,882.98
01/11/2024	GEN	34990	Gittleman Construction Inc	BD Bond Refund	200.00
01/11/2024	GEN	34991	GLASS LAW GROUP PA	LEGAL SERVICES - DEC 2023	531.25
01/11/2024	GEN	34992	GORNO FORD, INC.	2023 EXPLORER POLICE UTILITY APPV BY COUNCIL	47,919.00
01/11/2024	GEN	34993	HEATHER MYDLOSKI LLC	MONITORING & CONTENT RESEARCH - DEC 2023	575.00
01/11/2024	GEN	34994	INTERNATIONAL CODE COUNCIL, INC.	ICC MEMBERSHIP REINSTATEMENT 2024	160.00
01/11/2024	GEN	34995	K & M LEASING	CANON LEASE W/COPIES - VILLAGE HALL	171.00
					79.00
					250.00
01/11/2024	GEN	34996	LAMAR'S KUSTOM KREATIONS	200TH ANNIVERSARY BADGES - POLICE (STATE FORFEITURE FUNDS)	4,076.00
01/11/2024	GEN	34997	LEADER BUSINESS	COPIER LEASE - COPIES VILLAGE HALL	358.84
01/11/2024	GEN	34998	MCKENNA ASSOCIATES, INC	PROFESSIONAL SVCS - P&Z DEC 2023	595.00
01/11/2024	GEN	34999	MICHIGAN ASSOC. OF CHIEFS OF POLICE	WINTER 24 CONF REGISTRATION - D ROBERTS	280.00
01/11/2024	GEN	35000	OAKLAND COUNTY	BS&A TAX SUPPORT FEE/CITRIX CONNECT FEE	346.34
01/11/2024	GEN	35001	OFFICE DEPOT	SCANNER FOR DETECTIVE OFFICE	249.99
01/11/2024	GEN	35002	PLANTE & MORAN, PLLC	PROFESSIONAL ACCT'G SERVICES FINAL AUDIT	3,333.25
01/11/2024	GEN	35003	POLICE OFFICERS ASSOCIATION	UNION DUES - JAN 2024	504.04
01/11/2024	GEN	35004	QUADIENT INC	POSTAGE MACHINE RENTAL	80.17
01/11/2024	GEN	35005	ROAD COMMISSION FOR OAKLAND COUNTY	SALT (ROADS/SIDEWALKS)	1,485.60
					2023 PAVEMENT STRIPING PROGRAM
					4,366.74
					5,852.34
01/11/2024	GEN	35006	SOCRRA	HHW DISPOSAL - OCT 23	152.00
01/11/2024	GEN	35007	SUN HEATING AIR CONDITIONING INC.	ANNUAL MAINT AGREEMENT - VILLAGE HALL	667.00
01/11/2024	GEN	35008	SUNSET MAINTENANCE LLC	JANITORIAL SERVICES - DEC 2023 - PD	220.00
					JANITORIAL SERVICES VH/KREGER/RESTROOMS
					1,211.00
					1,431.00

01/11/2024	GEN	35009	SUSAN GOLDSTROM	2024 LABOR LAW POSTERS / MAIN STREET MTG SUPPLIES	97.10
01/11/2024	GEN	35010	THOMSON REUTERS - WEST	ONLINE/SOFTWARE SUBSCRIPTION - POLICE	324.61
01/11/2024	GEN	35011	UBS FINANCIAL SERVICES	EMPLOYEE/EMPLOYER RETIREMENT CONTRIB - ROBERTS NOV/DEC	2,064.90
01/11/2024	GEN	35012	VIGILANTE SECURITY, INC.	DMP INTERNET MONITORING - VILLAGE HALL	75.03
01/11/2024	GEN	35013	WILLIAM CASTRO	INSURANCE STIPEND - 4TH QTR 2023	875.00
01/29/2024	GEN	643(E)	ADP	PAYROLL PROCESSING FEE (POLICE) PPE 01/29/24	98.01
				PAYROLL PROCESSING FEE (ADMIN) PPE 12/29/23	65.94
					<hr/>
					163.95
01/29/2024	GEN	644(E)	BP PRODUCTS NORTH AMERICA	FUEL (POLICE) DEC 2023	910.90
01/29/2024	GEN	645(E)	COMCAST	INTERNET KREGER HOUSE JAN 2024	212.41
01/29/2024	GEN	646(E)	COMCAST CABLE	INTERNET VILLAGE HALL JAN 2024	327.02
01/29/2024	GEN	647(E)	MERS	EMPLOYEE/EMPLOYER CONTRIBUTIONS DEC 2023	41,333.90
01/29/2024	GEN	648(E)	PAX8	MS OFFICE 365 MONTHLY LICENSES - JAN 24	484.70
01/29/2024	GEN	649(E)	POINT & PAY	MONTHLY SERVICE FEE DEC 2023	50.00
01/29/2024	GEN	650(E)	VERVE CLOUD, INC	TELEPHONE LEASE JAN 2024	309.52
01/29/2024	GEN	651(E)	WEX BANK	FUEL (MARATHON) POLICE - DEC 2023	112.87
01/29/2024	GEN	652(E)	WEX BANK	FUEL (SPEEDWAY) POLICE DEC 2023	1,262.20
01/29/2024	GEN	35014	BEIER HOWLETT PC	LEGAL SERVICES DEC 2023	3,745.50
01/29/2024	GEN	35015	BLUE CROSS BLUE SHIELD OF MICHIGAN	EMPLOYEE HEALTH INSURANCE FEB 2024	19,544.46
01/29/2024	GEN	35016	CCAP AUTO LEASE LTD	LEASE PAYMENT- PD VEHICLE	349.00
01/29/2024	GEN	35017	CDW GOVERNMENT	PRINTER FOR DETECTIVE OFFICE	728.10
01/29/2024	GEN	35018	CINTAS CORPORATION	REPLACEMENT MATS - POLICE DEPT	94.19
				REPLACEMENT MATS - POLICE DEPT (NOV 23)	94.19
					<hr/>
					188.38
01/29/2024	GEN	35019	ELECTRONIC TECH SOLUTIONS LLC	PROVIDE REMOTE ACCESS FOR PLANTE MORAN EMPLOYEE	50.00
01/29/2024	GEN	35020	GFL	RESIDENTIAL HAND PICK UP - FEB 2024	14,828.90
				FRONT LOAD TRASH PICKUP-POLICE FEB 2024	177.59
					<hr/>
					15,006.49

01/29/2024	GEN	35021	HUBBELL, ROTH & CLARK, INC	MS4 PERMIT - PROGRESS REPORT	49.58
				CAROL ST DRAIN	9,337.01
				CULVERT REHAB PROGRAM	2,195.98
				STORMWATER DRAINAGE ASSESSMENT STUDY	2,523.77
				ROW DRAINAGE ASSESSMENT STUDY	1,276.52
					<u>15,382.86</u>
01/29/2024	GEN	35022	HURON VALLEY GUNS	UNIFORM EMBROIDERY	10.00
				UNIFORMS - C LAWSON	1,580.78
				UNIFORM GEAR - C LAWSON	585.95
					<u>2,176.73</u>
01/29/2024	GEN	35023	IACP	DUES - C LAWSON JAN 2024	190.00
01/29/2024	GEN	35024	JOHNSON LANDSCAPING, INC	PLOWING/MAINT/BANNER INSTALL/FALL CLEANUP	20,810.00
01/29/2024	GEN	35025	LEADER BUSINESS	COPIER LEASE - COPIES VILLAGE HALL	198.22
01/29/2024	GEN	35026	PLANTE & MORAN, PLLC	PROFESSIONAL ACCOUNTING SERVICES OCT 2023	6,035.75
01/29/2024	GEN	35027	STANDARD INSURANCE COMPANY RC	LIFE INSURANCE PREMIUMS FEB 2024	484.14
01/29/2024	GEN	35028	VC3 INC.	MS OFFICE 365 SUBSCRIPTION (PD) JAN 2024	100.00
01/29/2024	GEN	35029	VERIZON WIRELESS	CELL SERVICE 12/13/23-01/12/24	123.21
01/29/2024	GEN	35030	WALNUT LAKE ACE HARDWARE	PICTURE HANGERS & WOOD GLUE	27.73
02/08/2024	GEN	654(E)	ADP	YEAR END W2 PROCESSING - POLICE	197.40
				W2 PROCESSING - VILLAGE HALL	122.40
				PREMIUM ONLY PLAN ANNUAL FEE	350.00
					<u>669.80</u>
02/08/2024	GEN	655(E)	BP PRODUCTS NORTH AMERICA	FUEL (FIRE DEPT) 12/15/23 - 01/14/24	644.03
02/08/2024	GEN	656(E)	WEX BANK	FUEL (EXXON) POLICE 12/15/23-01/15/24	243.61
02/08/2024	GEN	35031	AT & T	COMMUNICATIONS - VILLAGE HALL FEB 2024	436.45
				COMMUNICATIONS - FEB 2024 - POLICE	55.61
					<u>492.06</u>

02/08/2024	GEN	35032	AXON ENTERPRISE, INC.	RANGE SUPPLIES	866.00
02/08/2024	GEN	35033	BEIER HOWLETT PC	LEGAL SERVICES NOV 2023	4,149.75
				LEGAL SERVICES JAN 2024	<u>2,103.75</u>
					6,253.50
02/08/2024	GEN	35034	BS&A SOFTWARE	ONLINE PERMIT APP FEE OCT 2023-JAN 2024	74.00
02/08/2024	GEN	35035	CEDAR WORKS. INC	BD Bond Refund	200.00
02/08/2024	GEN	35036	CHARTER TWP OF BLOOMFIELD	DISPATCH CONTRACT 1/15/24-02/15/24	4,250.41
				PRISONER LOCK UP (ONE ON 01/24/2024)	<u>75.00</u>
					4,325.41
02/08/2024	GEN	35037	COMMAND OFFICERS ASSN OF MICHIGAN	UNION DUES FEBRUARY 2024	145.44
02/08/2024	GEN	35038	CONSUMERS ENERGY	CONSUMERS ENERGY - VILLAGE HALL 12/20/23	349.95
				CONSUMERS ENERGY - KREGER 12-20-23 -- 01	180.54
				CONSUMERS ENERGY POLICE 12/20/23 - 01/19	<u>318.19</u>
					848.68
02/08/2024	GEN	35039	DTE	ENERGY POLICE JAN 2024	899.26
				ENERGY JAN 2024 - VILLAGE HALL	264.15
				ENERGY JAN 2024 KREGER	53.68
				ENERGY JAN 2024 - STREETLIGHT	<u>96.37</u>
					1,313.46
02/08/2024	GEN	35040	FORTIS GROUP LLC	TRAINING - NAV. HIGH RISK BEHAVIORS - R MYDLOSKI	675.00
02/08/2024	GEN	35041	Gillette Bros Pool & Spa	BD Bond Refund	200.00
02/08/2024	GEN	35042	GLASS LAW GROUP PA	LEGAL SERVICES JAN 2024	595.00
02/08/2024	GEN	35043	HEATHER MYDLOSKI LLC	MONITORING & CONTENT RESEARCH - JAN 2024	575.00
02/08/2024	GEN	35044	JERRY L HOBSON	PLUMBING & MECHANICAL INSPECTIONS JAN 2024	1,027.50
02/08/2024	GEN	35045	K & M LEASING	CANON LEASE W/COPIES - POLICE FEB 2024	79.00

				CANON LEASE W/COPIES - VILLAGE HALL	<u>171.00</u>
					250.00
02/08/2024	GEN	35046	MICHIGAN MUNICIPAL LEAGUE	ANNUAL MML MEMBERSHIP DUES	1,840.00
02/08/2024	GEN	35047	OFFICE DEPOT	USB DRIVES (POLICE)	57.98
				SHARPIES (POLICE)	<u>4.35</u>
					62.33
02/08/2024	GEN	35048	POLICE OFFICERS ASSOCIATION	UNION DUES - FEB 2024	504.04
02/08/2024	GEN	35049	REYNOLDS WATER CONDITIONING CO	SALT DELIVERY - POLICE	94.80
02/08/2024	GEN	35050	ROAD COMMISSION FOR OAKLAND COUNTY	SIGNAL MAINTENANCE NOV & DEC 2023	24.64
02/08/2024	GEN	35051	RON SHELTON	ELECTRICAL INSPECTIONS JAN 2024	1,466.07
02/08/2024	GEN	35052	SUN HEATING AIR CONDITIONING INC.	ANNUAL MAINTENANCE AGREEMENT - POLICE	418.00
02/08/2024	GEN	35053	WILLIAM DINNAN	BUILDING OFFICIAL DUTIES JAN 2024	<u>4,460.00</u>
GEN TOTALS:					
Total of 100 Checks:					268,158.04
Less 0 Void Checks:					<u>0.00</u>
Total of 100 Disbursements:					268,158.04

**VILLAGE OF FRANKLIN
Oakland County, Michigan**

AUDITED FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2023**

VILLAGE OF FRANKLIN
For the Year Ended June 30, 2023
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PSLZ PLLC

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Independent Auditor's Report

To the Village President and Council
Village of Franklin, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate of all remaining fund information of the Village of Franklin, Michigan, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 of all remaining fund information of the Village of Franklin, Michigan, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Franklin'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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to underlying accounting and other records used to prepare the basic financial statements or 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.

Respectfully,



PSLZ PLLC

Certified Public Accountants

December 13, 2023

Management's Discussion and Analysis

Overview of the Financial Statements

The Village's annual report consists of management's discussion and analysis, government-wide financial statements, fund financial statements, notes to the financial statements, required supplemental information, and other supplemental information.

The government-wide financial statements are designed to provide a broad overview of the Village's finances. The government-wide financial statements are presented on a full accrual basis, with an emphasis on measuring all economic resources and not just current financial resources, as measured in the individual fund statements. Two government-wide statements are provided.

The statement of net position, presents information on all of the Village's assets and liabilities with the difference shown as net position. Increases or decreases of net position from period to period provide useful information on the direction of the Village's financial position over time.

The statement of activities provides information on how the government-wide net position changed during the fiscal year. This statement provides information on income, expenses, and other increases or decreases in net position.

Following the government-wide statements, individual fund financial statements are provided for the Village's major funds with one column provided for nonmajor funds. These statements are grouped into governmental funds, which account for the cost of providing governmental-type services such as public safety and public works; business-type funds, which account for functions that are intended to recover all or a significant portion of their costs through user fees and charges, and fiduciary funds, which account for assets held for outside parties.

Reconciliation between the individual fund statements and the government-wide financial statements is provided following the individual fund statements. The differences between the statement of net position and the fund-based balance sheet are primarily related to inclusion of capital assets and long-term liabilities in the government-wide statement of net position, which are not included in the fund-based balance sheet. The differences between the statement of activities and the statement of revenues, expenditures, and changes in fund balances primarily relate to the timing of reporting capital outlays and debt principal payments in the fund statements and a difference in the timing of the recognition of certain revenues and expenditures such as debt principal payments, and accrued employee leave time.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Franklin, assets exceeded liabilities by \$10,065,770 at the close of the most recent fiscal year.

The following table shows in a condensed format, the net position of the Village's governmental activities as of June 30, 2023:

Village of Franklin's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 3,001,493	\$ 3,446,183	\$ 580,240	\$ 568,837	\$ 3,581,733	\$ 4,015,020
Capital Assets	16,116,959	16,340,511	6,188,685	6,419,805	22,305,644	22,760,316
Total Assets	19,118,452	19,786,694	6,768,925	6,988,642	25,887,377	26,775,336
Deferred Outflows	1,021,349	1,196,713	-	-	1,021,349	1,196,713
Current liabilities	771,950	884,559	62,039	57,045	833,989	941,604
Long Term Debt Outstanding	15,068,114	14,603,328	810,000	1,000,000	15,878,114	15,603,328
Total Liabilities	15,840,064	15,487,887	872,039	1,057,045	16,712,103	16,544,932
Deferred Inflows	130,853	371,517	-	-	130,853	371,517
Net Position:						
Net Investment in capital assets	6,409,174	6,129,849	5,378,685	5,419,805	11,787,859	11,549,654
Restricted	1,279,647	1,289,987	362,590	224,087	1,642,237	1,514,074
Unrestricted (Deficit)	(3,519,937)	(2,295,833)	155,611	287,705	(3,364,326)	(2,008,128)
Total Net Position	\$ 4,168,884	\$ 5,124,003	\$ 5,896,886	\$ 5,931,597	\$ 10,065,770	\$ 11,055,600

A portion of the Village's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Franklin used these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. An additional portion of the Village's net position, \$1,642,237, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$3,364,326) includes \$5,250,369 of net pension liability and net other post employment benefit liabilities.

The following table shows the changes of the net position during the year ended June 30, 2023:

Village of Franklin - Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,248,150	\$ 1,365,632	\$ 1,371,288	\$ 980,686	\$ 2,619,438	\$ 2,346,318
Operating Grants & Contrib.	627,568	483,525	-	-	627,568	483,525
Capital Grants & Contrib.	37,483	124,255	-	-	37,483	124,255
General Revenues:						
Property Taxes	2,506,004	2,919,746	-	-	2,506,004	2,919,746
State Revenue Sharing	347,394	338,280	-	-	347,394	338,280
Investment Earnings	5,080	2,176	9,259	1,642	14,339	3,818
Franchise Fees	106,395	104,171	-	-	106,395	104,171
Total Revenues	4,878,074	5,337,785	1,380,547	982,328	6,258,621	6,320,113
Expenses:						
General Government	686,168	814,579	-	-	686,168	814,579
Public Safety	3,339,566	2,077,391	-	-	3,339,566	2,077,391
Public Works	1,403,567	1,489,953	-	-	1,403,567	1,489,953
Community Development	121,515	25,421	-	-	121,515	25,421
Recreation and Cultural	-	226,191	-	-	-	226,191
Sewer	-	-	1,415,258	1,233,714	1,415,258	1,233,714
Loss on Sale of Assets	447	-	-	-	447	-
Interest on Long-Term Debt	281,930	304,955	-	-	281,930	304,955
Total Expenses	5,833,193	4,938,490	1,415,258	1,233,714	7,248,451	6,172,204
Change in Net Position	\$ (955,119)	\$ 399,295	\$ (34,711)	\$ (251,386)	\$ (989,830)	\$ 147,909

The Village had a decrease of \$955,119 in net position in its governmental activities for the fiscal year ended June 30, 2023, compared to a \$399,295 increase for the fiscal year ended June 30, 2022.

Business-type Activities

The Village's business-type activities consist of the Pressure Sewer Fund. The sewer system is administered by the Oakland County Water Resources Commission.

Governmental Funds

Of the Village's governmental funds, the General, Police, Building Department Fund, and 2017 Bond Debt Fund account for all significant expenditures.

General Fund expenditures exceeded revenues in fiscal year 2023 by \$334,658, as compared to expenditures exceeded revenues in fiscal year 2022 by \$352,027.

General Fund Budgetary Highlights

In fiscal year 2023, the General Fund original budgeted revenues were increased by \$70,955 in the final amended budget primarily for state shared revenues. Original budgeted expenditures were increased by \$218,709 in the final amended budget which included an increase for a supplemental appropriation of \$227,231 to the Major Street Fund for road projects. The General Fund expenditures came in \$54,846 under budget at fiscal year end.

Capital Assets

During fiscal year 2023, capital assets include the streetscape and road improvement project (\$337,377), culvert rehabilitation (\$71,903), police station roof replacement and a police vehicle.

Long-term Debt

At the end of the current fiscal year, the Village had total general obligation bond debt outstanding of \$9,445,000. The Village's total bonded debt decreased by \$795,000 during the current fiscal year as a result of annual debt payments made. The Village also had \$60,112 remaining in installment loans payable for police vehicles at year end.

Economic Factors

In November 2022, voters in the Village of Franklin approved an increase to the operating millage rate in an amount not to exceed .9361 mills for tax years 2023 to 2032. The increase is intended to restore the Village's operating millage rate back up to the authorized charter millage rate of 3.5 mills, which has been reduced each year due to Headlee millage rollbacks. The increased tax revenue from this millage in fiscal year 2024 is estimated to be approximately \$346,000.

The Village has also adopted a balanced budget resolution for the fiscal year 2023/2024.

Contacting the Village's Financial Management

This audit of the revenues and expenditures of the Village is designed to depict the financial health of the Village and demonstrate the uses of Village resources. The audit also provides financial information to the Village's investors and creditors. If you have any questions about this report contact the Village Office at the Village of Franklin, 32325 Franklin Road, Franklin, Michigan 48025.

BASIC FINANCIAL STATEMENTS

VILLAGE OF FRANKLIN
Statement of Net Position
June 30, 2023

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 2,675,880	\$ 2,622	\$ 2,678,502
Receivables (net of allowance for uncollectibles)	133,873	-	133,873
Due from Other Governmental Units	131,342	577,618	708,960
Internal Balances	15,882	(15,882)	-
Prepaid Expenses	44,516	-	44,516
Capital Assets (net of accumulated depreciation)	16,116,959	6,188,685	22,305,644
Total Assets	<u>19,118,452</u>	<u>6,753,043</u>	<u>25,871,495</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	<u>1,021,349</u>	<u>-</u>	<u>1,021,349</u>
<u>LIABILITIES</u>			
Accounts Payable	147,020	46,157	193,177
Accrued Liabilities	130,811	-	130,811
Due to Other Governments	39,904	-	39,904
Deposits Payable	188,180	-	188,180
Unearned Revenue	266,035	-	266,035
Noncurrent Liabilities:			
Net Pension Liability	4,930,793	-	4,930,793
Other Post Employment Benefit Liability	319,576	-	319,576
Compensated Absences	109,960	-	109,960
Due within one year	869,576	195,000	1,064,576
Due in more than one year	8,838,209	615,000	9,453,209
Total Liabilities	<u>15,840,064</u>	<u>856,157</u>	<u>16,696,221</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	28,052	-	28,052
Unavailable Revenue	<u>102,801</u>	<u>-</u>	<u>102,801</u>
	<u>130,853</u>	<u>-</u>	<u>130,853</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	6,409,174	5,378,685	11,787,859
Restricted	1,279,647	362,590	1,642,237
Unrestricted (Deficit)	(3,519,937)	155,611	(3,364,326)
Total Net Position	<u>\$ 4,168,884</u>	<u>\$ 5,896,886</u>	<u>\$ 10,065,770</u>

VILLAGE OF FRANKLIN
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
<u>Functions/Programs</u>				
Primary Government:				
Governmental Activities:				
General Government	\$ 686,168	\$ 32,678	\$ 48,057	\$ -
Public Safety	3,339,566	1,215,412	100,589	-
Public Works	1,403,567	60	475,422	37,483
Community Development	121,515	-	3,500	-
Interest on Long-Term Debt	281,930	-	-	-
Total Governmental Activities	<u>5,832,746</u>	<u>1,248,150</u>	<u>627,568</u>	<u>37,483</u>
Business-type Activities:				
Pressure Sewer	<u>1,415,258</u>	<u>1,371,288</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 7,248,004</u>	<u>\$ 2,619,438</u>	<u>\$ 627,568</u>	<u>\$ 37,483</u>

General Revenues:

Property Taxes
State Shared Revenue
Cable Franchise Fees
Unrestricted Investment Earnings
Loss on Sale of Assets
Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (605,433)	\$ -	\$ (605,433)
(2,023,565)	-	(2,023,565)
(890,602)	-	(890,602)
(118,015)	-	(118,015)
(281,930)	-	(281,930)
<u>(3,919,545)</u>	<u>-</u>	<u>(3,919,545)</u>
<u>-</u>	<u>(43,970)</u>	<u>(43,970)</u>
<u>(3,919,545)</u>	<u>(43,970)</u>	<u>(3,963,515)</u>
2,506,004	-	2,506,004
347,394	-	347,394
106,395	-	106,395
5,080	9,259	14,339
(447)	-	(447)
<u>2,964,426</u>	<u>9,259</u>	<u>2,973,685</u>
(955,119)	(34,711)	(989,830)
<u>5,124,003</u>	<u>5,931,597</u>	<u>11,055,600</u>
\$ <u><u>4,168,884</u></u>	\$ <u><u>5,896,886</u></u>	\$ <u><u>10,065,770</u></u>

VILLAGE OF FRANKLIN
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General</u>	<u>Police</u>	<u>Building Department</u>	<u>2017 Bonds Debt Service</u>
ASSETS				
Cash and Cash Equivalents	\$ 143,795	\$ 75,912	\$ 487,902	\$ 1,208,909
Receivables (net of allowance for uncollectibles)	31,803	1,012	1,058	-
Due from State	53,296	-	-	-
Due from Other Funds	1,188,108	15,000	402,657	-
Prepaid Expenditures	4,558	22,841	180	-
Total Assets	\$ <u>1,421,560</u>	\$ <u>114,765</u>	\$ <u>891,797</u>	\$ <u>1,208,909</u>
LIABILITIES				
Accounts Payable	\$ 17,351	\$ 50,463	\$ 255	\$ -
Accrued and Other Liabilities	30,351	40,032	3,094	-
Due to Other Governments	39,904	-	-	-
Due to Other Funds	424,570	-	-	1,071,711
Deposits Payable	-	-	188,180	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>512,176</u>	<u>90,495</u>	<u>191,529</u>	<u>1,071,711</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>1,743</u>	<u>-</u>	<u>1,058</u>	<u>-</u>
FUND BALANCES				
Nonspendable-Prepays	4,558	22,841	180	-
Restricted for:				
Police Equipment	-	1,429	-	-
Streets	-	-	-	-
Debt	-	-	-	137,198
Building Department	-	-	699,030	-
Rubbish Collection	-	-	-	-
Street Capital Projects	-	-	-	-
Unrestricted	903,083	-	-	-
Total Fund Balances	<u>907,641</u>	<u>24,270</u>	<u>699,210</u>	<u>137,198</u>
Total Liabilities, Deferred Inflows, and Fund Balances	\$ <u>1,421,560</u>	\$ <u>114,765</u>	\$ <u>891,797</u>	\$ <u>1,208,909</u>

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, therefore, are not reported in the funds.

Deferred amount on bonds

Deferred amounts related to pensions

Net Pension Liabilities are not reported in the funds

Other Post Employment Benefit Liability

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Net Position of Governmental Activities

Other Governmental Funds	Total Governmental Funds
\$ 759,362	\$ 2,675,880
100,000	133,873
78,046	131,342
6,913	1,612,678
16,937	44,516
<u>\$ 961,258</u>	<u>\$ 4,598,289</u>

\$ 78,951	\$ 147,020
57,334	130,811
-	39,904
100,515	1,596,796
-	188,180
266,035	266,035
<u>502,835</u>	<u>2,368,746</u>

<u>100,000</u>	<u>102,801</u>
----------------	----------------

16,937	44,516
-	1,429
333,532	333,532
-	137,198
-	699,030
84,435	84,435
25,452	25,452
(101,933)	801,150
<u>358,423</u>	<u>2,126,742</u>

\$ 961,258

16,116,959
(202,673)
993,297
(4,930,793)
(319,576)
<u>(9,615,072)</u>
\$ <u>4,168,884</u>

VILLAGE OF FRANKLIN
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

	<u>General</u>	<u>Police</u>	<u>Building Department</u>	<u>2017 Bonds Debt Service</u>
<u>Revenues</u>				
Property Taxes	\$ 1,186,333	\$ -	\$ -	\$ 1,109,463
Licenses and Permits	110,521	-	136,188	-
Intergovernmental:				
Federal, State and Local	343,158	45,162	-	622
Charges for Services	2,226	622,000	49,902	-
Fines and Forfeitures	-	55,427	-	-
Special Assessments	-	360,447	-	-
Interest	2,308	90	316	1,607
Other	73,890	46,261	-	-
Total Revenues	<u>1,718,436</u>	<u>1,129,387</u>	<u>186,406</u>	<u>1,111,692</u>
<u>Expenditures</u>				
Current:				
General Government	619,268	-	-	-
Public Safety	-	2,083,525	174,586	-
Public Works	-	-	-	-
Community Development	121,515	-	-	-
Debt Service:				
Principal	-	-	-	795,000
Interest and Other Charges	-	-	-	304,450
Capital Outlay	-	137,945	4,346	-
Total Expenditures	<u>740,783</u>	<u>2,221,470</u>	<u>178,932</u>	<u>1,099,450</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>977,653</u>	<u>(1,092,083)</u>	<u>7,474</u>	<u>12,242</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	-	1,085,080	-	-
Transfers Out	(1,312,311)	-	-	-
Sale of Assets	-	6,207	-	-
Total Other Financing Sources (Uses)	<u>(1,312,311)</u>	<u>1,091,287</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(334,658)	(796)	7,474	12,242
Fund Balance - Beginning	<u>1,242,299</u>	<u>25,066</u>	<u>691,736</u>	<u>124,956</u>
Fund Balance - Ending	\$ <u><u>907,641</u></u>	\$ <u><u>24,270</u></u>	\$ <u><u>699,210</u></u>	\$ <u><u>137,198</u></u>

Other Governmental Funds	Total Governmental Funds
\$ 210,208	\$ 2,506,004
-	246,709
521,126	910,068
60	674,188
-	55,427
-	360,447
759	5,080
-	120,151
<u>732,153</u>	<u>4,878,074</u>
-	619,268
-	2,258,111
712,514	712,514
-	121,515
-	795,000
-	304,450
366,014	508,305
<u>1,078,528</u>	<u>5,319,163</u>
<u>(346,375)</u>	<u>(441,089)</u>
227,231	1,312,311
-	(1,312,311)
-	6,207
<u>227,231</u>	<u>6,207</u>
(119,144)	(434,882)
<u>477,567</u>	<u>2,561,624</u>
\$ <u><u>358,423</u></u>	\$ <u><u>2,126,742</u></u>

VILLAGE OF FRANKLIN
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds	\$	(434,882)
---	----	-----------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	733,422
Depreciation Expense	(950,320)
Loss on Sale of Assets	(6,654)

Change in Net Pension Liability		(900,205)
---------------------------------	--	-----------

Change in Other Post Employment Benefit Liability		(157,980)
---	--	-----------

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Installment Note Proceeds	(60,112)
Principal Repayments	795,000
Bond Refunding Amortization	22,520
Decrease in Compensated Absences	<u>4,092</u>

Change in net position in governmental activities	\$	<u><u>(955,119)</u></u>
---	----	-------------------------

VILLAGE OF FRANKLIN
Statement of Net Position
Proprietary Fund
June 30, 2023

	<u>Enterprise Fund</u>
	<u>Pressure</u>
	<u>Sewer Fund</u>
 <u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,622
Due from Other Governments	577,618
Total Current Assets	<u>580,240</u>
Capital Assets	11,630,384
Less: Accumulated Depreciation	<u>(5,441,699)</u>
Net Capital Assets	<u>6,188,685</u>
Total Assets	\$ <u><u>6,768,925</u></u>
 <u>LIABILITIES AND NET POSITION</u>	
Current Liabilities:	
Accounts Payable	\$ 46,157
Due to Other Funds	15,882
Current Portion of Long-term Debt	195,000
Total Current Liabilities	<u>257,039</u>
Long-Term Liabilities:	
General Obligation Bonds Payable	<u>615,000</u>
Total Liabilities	<u>872,039</u>
Net Position:	
Net Investment in Capital Assets	5,378,685
Restricted for Improvements	362,590
Unrestricted	155,611
Total Net Position	<u>5,896,886</u>
Total Liabilities and Net Position	\$ <u><u>6,768,925</u></u>

VILLAGE OF FRANKLIN
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	<u>Enterprise Fund</u>
	<u>Pressure</u>
	<u>Sewer Fund</u>
<u>Operating Revenues:</u>	
Sewage Disposal Charges	\$ 1,022,107
Miscellaneous	450
Total Operating Revenues	<u>1,022,557</u>
<u>Operating Expenses:</u>	
Sewage Treatment	261,833
Inspections	6,355
General and Administrative	93,224
System Control	33,223
System Maintenance and Engineering	12,882
Pump Station Maintenance	751,666
Depreciation and Amortization	231,120
Total Operating Expenses	<u>1,390,303</u>
Operating Income (Loss)	<u>(367,746)</u>
<u>Nonoperating Revenues (Expenses):</u>	
Interest Earned	9,259
Reserve for Improvements	348,731
Interest Expense	<u>(24,955)</u>
Total Non-Operating Revenues (Expenses)	<u>333,035</u>
Net Income (Loss)	(34,711)
Net Position, Beginning	<u>5,931,597</u>
Net Position, Ending	<u>\$ 5,896,886</u>

VILLAGE OF FRANKLIN
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	<u>Enterprise Fund</u>
	<u>Pressure</u>
	<u>Sewer Fund</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from customers and users	\$ 1,016,530
Payments to Suppliers	(1,159,183)
Net Cash Provided by Operating Activities	<u>(142,653)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED</u>	
<u>FINANCING ACTIVITIES</u>	
Principal Paid on debt	(190,000)
Interest Paid on debt	(24,955)
Reserve for Improvements	348,731
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>133,776</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Interest Earned	9,259
Net Cash Provided (Used) by Investing Activities	<u>9,259</u>
Net Increase (Decrease) in Cash and Cash Equivalents	382
Cash and Cash Equivalents, Beginning	<u>2,240</u>
Cash and Cash Equivalents, Ending	\$ <u><u>2,622</u></u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided (Used) by Operating Activities:</u>	
Operating Income (Loss)	\$ (367,746)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	231,120
(Increase) Decrease in Due from Other Governments	(11,021)
Increase (Decrease) in Due to Other Funds	4,994
Net Cash Provided by Operating Activities	\$ <u><u>(142,653)</u></u>

VILLAGE OF FRANKLIN
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Other Postemployment Benefits Trust Fund	Current Tax Collection Fund	Total
ASSETS:			
Cash and Cash Equivalents	\$ -	\$ 10	\$ 10
Investments held with MERS	753,303	-	753,303
Total Assets	753,303	10	753,313
LIABILITIES:			
Due to Other	-	10	10
NET POSITION :			
Restricted for postemployment benefits other than pensions	\$ 753,303	\$ -	\$ 753,303

VILLAGE OF FRANKLIN
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Other Postemployment Benefits Trust Fund	Current Tax Collection Fund	Total
Additions:			
Net Investment income:			
Net increase in fair value of investments	\$ 52,335	\$ -	\$ 52,335
Taxes Collected for Other Governments	-	703,875	703,875
Total Additions	52,335	703,875	756,210
Deductions:			
Administrative Expenses	1,325	-	1,325
Payments of Taxes to Other Governments	-	703,875	703,875
Total Deductions	1,325	703,875	705,200
Net Increase in Fiduciary Net Position	51,010	-	51,010
Net Position - Beginning of year	702,293	-	702,293
Net Position - End of year	\$ 753,303	\$ -	\$ 753,303

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Village of Franklin, Michigan, is governed by a seven member elected Village Council, that consists of a Village President and six Council members. Services are provided to approximately 3,150 residents in the areas of police, fire, refuse removal, street maintenance, and sewer.

As required by generally accepted accounting principles, these financial statements present the Village of Franklin. The Village does not have any component units to report, entities for which the government is considered to be financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

Governmental Funds

The Village reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Police Fund is a special revenue fund used to account for police contract revenues and police expenditures.

The Building Department Fund is a special revenue fund used to account for permit and inspection fees and the related expenditures.

The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on the Village's general obligation debt. The Village annually levies a voter approved millage for repayment of the bonds.

In addition, the Village reports on the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

The capital project fund accounts for bond proceeds from the 2017 and 2018 road bonds and the related construction expenditures.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include the enterprise fund types.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Village Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Village has one enterprise fund, which is the Pressure Sewer Fund.

Fiduciary Funds

Fiduciary Funds account for assets held by the government in a trustee capacity or as custodian on behalf of others.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as needed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the Village to invest in obligations of the U.S. Treasury, commercial paper of certain investment grades, and deposits of Michigan commercial banks. Investments for the Village are recorded at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e. the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of allowance for uncollectible accounts.

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of capitalized value of the assets constructed. Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

3. Capital Assets – Continued

<u>Assets</u>	<u>Years</u>
Land Improvements	10-20
Buildings and Improvements	10-50
Sewer System	50
Street and Road Improvements	25
Storm Drains	40
Machinery & Equipment	5-20
Vehicles	5

4. Deferred Outflows and Inflows of Resources

The deferred outflows of resources which are recorded in the Statement of Net Position represent consumption of net position that applies to future periods and so will not be recognized as an outflow of resources or expensed until that future period. The Village has deferred amounts related to the net pension liability. The deferred inflows of resources reflect grant revenue unavailable at year end.

5. Compensated Absences

In accordance with contracts negotiated with the various employee groups of the Village and the Village's internal policy, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. The long-term portion of compensated absences related to the governmental funds is a liability recorded in the Statement of Net Position.

6. Long-term Obligations

In the government-wide financial statements, and 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 as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Assets, Liabilities and Net Position or Equity – Continued

6. Long-term Obligations – Continued

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position. Long-term liabilities expected to be financed from proprietary funds are reported as liabilities in those funds.

7. Fund Equity

In the fund financial statements, governmental funds report the following components of fund balance:

Nonspendable – Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

Committed – Amounts that have been formally set aside by the Village Council for use for a specific purpose. Commitments are made and can be rescinded only via resolution of the Village Council.

Assigned – Intent to spend resources on specific purposes expressed by the Village Council.

Unassigned – This is the residual classification for the general fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes within the general fund.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Village is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (Uniform Budgeting Act). The following is a summary of the requirements of this act:

- a. Budgets must be adopted for the General and Special Revenue Funds.
- b. Budgets must be balanced.
- c. Budgets must be amended as necessary.
- d. Public hearings must be held prior to adoption.
- e. Expenditures cannot exceed budget appropriations.
- f. Expenditures must be authorized by a budget appropriation prior to being incurred.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

A. Budgetary Information – Continued

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Village Charter requires not less than one regular council meeting per month. By the first meeting in April, a proposed operating budget must be submitted to the Village Council for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and means of financing them for the upcoming year.
2. A public hearing and adoption of the budget is required on or before June 30.
3. On or before June 15, the tax rate must be set and the budget is legally enacted through passage of a budget resolution (general appropriation act).
4. Formal budgetary integration is employed as a management control device for the General and Special Revenue Funds. Budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund and Special Revenue Fund budgets are adopted at the activity level.
5. Budget appropriations lapse at year end.
6. The Village Council may authorize supplemental appropriations (budget amendments) during the year.

B. Compliance with P.A. 621 of 1978

1. Deficit Fund Balance

None of the Village's funds have a deficit fund balance as of June 30, 2023.

2. Excess of Expenditures Over Appropriations in Budgetary Funds

The budgets for the General and Special Revenue Funds are adopted at the activity level. The Village did not have expenditures in excess of budget appropriations as of June 30, 2023.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Under State law, the Village is permitted to invest in deposits with Michigan commercial banks, savings and loans and credit unions, obligations of the U.S. Treasury, and corporate bonds and commercial paper with certain investment grades.

The following information, as required by the Governmental Accounting Standards Board Statement number 40 is presented, regarding the Village's deposits and investments:

Custodial Credit Risk is the risk that in the event of a bank failure, the Village's deposits may not be recovered. Neither State law nor the Village's investment policy requires consideration of custodial credit risk. As of June 30, 2023, the Village's book balance of its deposits was \$2,678,512 of which \$2,178,512 was uninsured.

A reconciliation of cash on the financial statements is as follows:

Cash and Cash Equivalents per:	
Statement of Net Position	\$ 2,678,502
Statement of Fiduciary Net Position	10
Total	<u>\$ 2,678,512</u>

Credit Risk. State law limits investments in commercial paper, corporate bonds, and mutual bond funds 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.

Interest Rate Risk. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Village's deposits and investments consisted of checking, savings, and certificates of deposit.

Concentration of Credit Risk. The Village's investment policy places no limit on the amount the Village may invest in any one issuer.

Investments in Entities that Calculate Net Asset Value per Share. The Village has funds held in the MERS Retiree Health Funding Vehicle (RHFV) for its OPEB obligations. The MERS RHFV is a fully diversified portfolio combining stocks and bonds with alternative asset classes, which is managed and monitored by MERS investment managers. As of June 30, 2023 the fair value of the Village's funds in MERS RHFV is \$753,303.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

<u>Governmental Activities:</u>	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Capital Assets, not depreciated:				
Land	\$ 211,717	\$ -	\$ -	\$ 211,717
Capital Assets, being depreciated:				
Roads	21,003,866	351,554	-	21,355,420
Storm Drainage	611,166	187,377	-	798,543
Buildings and Improvements	1,674,443	37,600	-	1,712,043
Land Improvements	74,990	-	-	74,990
Machinery & Equipment	138,936	64,055	-	202,991
Furniture & Fixtures	116,292	-	-	116,292
Vehicles	205,037	92,836	80,335	217,538
	<u>23,824,730</u>	<u>733,422</u>	<u>80,335</u>	<u>24,477,817</u>
Less: Accumulated Depreciation:				
Roads	(6,405,882)	(842,098)	-	(7,247,980)
Storm Drainage	(331,359)	(16,560)	-	(347,919)
Buildings & Improvements	(592,959)	(38,380)	-	(631,339)
Land Improvements	(60,374)	(2,403)	-	(62,777)
Machinery & Equipment	(91,958)	(7,249)	-	(99,207)
Furniture & Fixtures	(111,465)	(2,339)	-	(113,804)
Vehicles	(101,939)	(41,291)	(73,681)	(69,549)
	<u>(7,695,936)</u>	<u>(950,320)</u>	<u>(73,681)</u>	<u>(8,572,575)</u>
Governmental Activities				
Capital Assets, net	\$ <u>16,340,511</u>	\$ <u>(216,898)</u>	\$ <u>6,654</u>	\$ <u>16,116,959</u>

Depreciation expense was charged on the Statement of Activities as follows:

Governmental Activities:

General Government	\$ 21,890
Public Safety	68,806
Public Works	859,624
Total Governmental Activities	\$ <u>950,320</u>

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

III. DETAILED NOTES ON ALL FUNDS – Continued

B. Capital Assets – Continued

<u>Business-type Activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, being depreciated:				
Sewer System	\$ 11,630,384	\$ -	\$ -	\$ 11,630,384
Less: Accumulated Depreciation	<u>(5,210,579)</u>	<u>(231,120)</u>	<u>-</u>	<u>(5,441,699)</u>
Business-type Activities				
Capital Assets, net	<u>\$ 6,419,805</u>	<u>\$ (231,120)</u>	<u>\$ -</u>	<u>\$ 6,188,685</u>

C. Interfund Receivables, Payables and Transfers

The composition of interfund receivables, payables and transfers as of June 30, 2023, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	2017 Bonds Debt Service	\$ 1,071,711
General Fund	Local Street Fund	87,192
General Fund	Road Construction Fund	13,323
General Fund	Pressure Sewer Fund	15,882
Building Dept. Fund	General Fund	402,657
Police Fund	General Fund	15,000
Major Street Fund	General Fund	6,913
		<u>\$ 1,612,678</u>

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Police Fund	General Fund	\$ 1,085,080
Major Street Fund	General Fund	227,231
		<u>\$ 1,312,311</u>

General Fund transfer to Police Fund represents an operating transfer.
General Fund transfer to the Major Street Fund was to supplement road projects.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt

The following is a summary of long-term debt transactions of the Village for the year ended June 30, 2023:

	Balance July 1, 2022	Add: Additional Debt Incurred	Less: Retirements and Payments on Debt	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 10,240,000	\$ -	\$ 795,000	\$ 9,445,000	\$ 840,000
Bond Premium	225,193	-	22,520	202,673	-
	<u>10,465,193</u>	<u>-</u>	<u>817,520</u>	<u>9,647,673</u>	<u>840,000</u>
Installment Loans-Vehicles	-	109,935	49,823	60,112	29,576
Compensated Absences	114,052	155,569	159,661	109,960	70,475
Total Governmental Activities	<u>\$ 10,579,245</u>	<u>\$ 265,504</u>	<u>\$ 1,027,004</u>	<u>\$ 9,817,745</u>	<u>\$ 940,051</u>
Business-type Activities:					
2017 Sewer Bonds	\$ 1,000,000	\$ -	\$ 190,000	\$ 810,000	\$ 195,000
Total Business-type Activities	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 190,000</u>	<u>\$ 810,000</u>	<u>\$ 195,000</u>

The following is a summary of general obligation debt outstanding (excluding compensated absences) of the Village as of June 30, 2023:

	Number of Issues	Interest Rate	Maturing Through	Principal Outstanding
Governmental Activities:				
G.O. Bonds	2	2.00-3.00%	2032	<u>\$ 9,445,000</u>
Business-type Activities:				
G.O. Bonds	1	1.70-3.60%	2027	<u>\$ 810,000</u>

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

III. DETAILED NOTES ON ALL FUNDS – Continued

D. Long-Term Debt – Continued

The annual debt service requirements to maturity for general obligation debt outstanding as of June 30, 2023 are as follows:

Year Ended	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 869,576	\$ 279,096	\$ 195,000	\$ 20,680
2025	903,610	252,750	200,000	16,000
2026	946,926	225,675	205,000	11,000
2027	985,000	197,175	210,000	5,670
2028	1,040,000	167,025	-	-
2029-2032	4,760,000	332,025	-	-
	<u>\$ 9,505,112</u>	<u>\$ 1,453,746</u>	<u>\$ 810,000</u>	<u>\$ 53,350</u>

E. Property Taxes

Property tax assessments are determined (Tax Day) as of each December 31. Taxes are levied on July 1 of the following year. These taxes are due on August 31 with the final collection date of February 28 before they are added to the county delinquent tax roll. The Village bills and collects its own property taxes which are recognized in the current year as revenue in accordance with guidelines of the State of Michigan.

The Village is permitted by State law to levy taxes up to \$20 per \$1,000 of equalized valuation for general governmental services. The following is a summary of the tax rates levied on the 2022 tax roll:

<u>Purpose</u>	<u>Rate Levied</u>
Operating	2.5639
Library	.6010
Fire	1.2018
Police	.3761
Rubbish	.5400
Road Debt	2.8500

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan Description

The Village contributes to the Municipal Employees' Retirement System of Michigan (MERS), which is an agent multiple-employer defined benefit pension plan that covers all full time employees of the Village. MERS was established by the Michigan Legislature in 1945 and is administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained at mersofmich.com.

Benefits Provided

The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries, as established by Public Act 427 of 1984, as amended. The Plan covers all full-time employees of the Village including union and non-union employees. Employees hired before May 1, 2010 who retire are entitled to benefits calculated as 2.5 percent of the employee's three-year final average compensation times the employee's years of service with a maximum of 80 percent of final average compensation. Normal retirement age is 60. Deferred retirement benefits vest after 10 years of credited service but are not paid until the date retirement would have occurred if the member had remained an employee.

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

Employees Covered by Benefit Terms

At the December 31, 2022 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	14
Inactive plan members entitled to but not yet receiving benefits	9
Active Plan Members	<u>10</u>
Total Employees covered by MERS	<u>33</u>

Contributions

The State of Michigan Constitution, Article 9, Section 24, requires that financial benefits arising on account of employee services rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

For the year ended June 30, 2023, the average active employee contribution rate was 4 percent of gross wages for police employees, 5 percent of gross wages for police employees hired after May 1, 2010, and 2 percent of gross wages for general employees. The Village's contribution rate was a monthly flat rate of \$29,712 for police employees hired before May 1, 2010, and 4.28% of annual covered payroll for police employees hired after May 1, 2010.

Net Pension Liability

The net pension liability reported at June 30, 2023 was determined using a measure of the total pension liability and the plan net position as of December 31, 2022. The December 31, 2022 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:

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at January 1, 2022	\$ <u>9,352,726</u>	\$ <u>5,265,046</u>	\$ <u>4,087,680</u>
Service Cost	97,944	-	97,944
Interest	659,822	-	659,822
Contributions-Employer	-	420,231	(420,231)
Contributions-Employee	-	38,597	(38,597)
Net Investment Income (Loss)	-	(542,811)	542,811
Differences between expected and actual experience	(8,215)	-	(8,215)
Change in Assumptions	-	-	-
Benefit Payments, including refunds	(601,426)	(601,426)	-
Administrative Expenses	-	(9,579)	9,579
Net Changes	<u>148,125</u>	<u>(694,988)</u>	<u>843,113</u>
Balance at December 31, 2022	\$ <u><u>9,500,851</u></u>	\$ <u><u>4,570,058</u></u>	\$ <u><u>4,930,793</u></u>

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

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

At June 30, 2023, the Village reported deferred outflows of resources related to pensions from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 501,536	\$ -
Difference between expected and actual experience	48,781	28,052
Change in actuarial assumptions	246,138	-
Employer contributions to the plan subsequent to the measurement date	224,894	-
Total	<u>\$ 1,021,349</u>	<u>\$ 28,052</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$224,894), which will impact the net pension liability in fiscal year 2024, rather than pension expense.

Years Ending June 30	Amount
2024	\$ 274,031
2025	182,805
2026	127,765
2027	183,802

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.00%

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Mortality rates were based on the Pub-2010 Mortality Tables. The mortality assumptions include a margin for future mortality improvements using scale MP-2019 applied fully generationally from the Pub-2010 base year of 2010.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of a 5 year experience study from 2014 through 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

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. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2022, the measurement date, for each major asset class are summarized in the following table:

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

IV. OTHER INFORMATION - Continued

A. Defined Benefit Pension Plan - Continued

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	60%	4.50%
Global Fixed Income	20%	2.00%
Private Investments	20%	7.00%

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 7.25 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 or 1 percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ <u>6,060,601</u>	\$ <u>4,930,793</u>	\$ <u>3,989,918</u>

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction 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.

B. Defined Contribution Pension Plan

The Village provides pension benefits to its administrator and police chief through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by negotiation with the Village Administrator, the Village contributes 6% of employee's gross earnings and the employee contributes 2% of earnings. As established by negotiation with the Village Police Chief, the Village contributes 6% of employee's gross earnings and employee contributes 2% of earnings. During the current fiscal year the Village's contributions amounted to \$25,994.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

IV. OTHER INFORMATION - Continued

C. Other Postemployment Benefits

Plan Description

The Village provides health care benefits to police retirees in accordance with their respective labor contracts. The Village includes these retirees and their dependents in its insured health care plan. Expenditures for post employment health care benefits are recognized as the insurance premiums become due. The Village has established a trust with the Michigan Employees' Retirement System (MERS) Retiree Health Funding Vehicle to fund future premiums.

Benefits Provided

The Village provides healthcare, including prescription drug benefits for retirees and their spouses. Benefits are provided by a third-party insurer.

Employees Covered by Benefit Terms

At the June 30, 2023 valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	-
Active Plan Members	<u>10</u>
Total	<u>14</u>

Contributions

Active service members are not required to make contributions to the plan. The Village has no obligation to make contributions in advance but are being financed on a "pay-as-you-go" basis. At the fund level, the expense is recognized by the Village as the payments to the employees are made.

Summary of Significant Accounting Policies

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB (if applicable), and OPEB expenses, have been determined on the same basis as they are reported for the Village. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

IV. OTHER INFORMATION - Continued

C. Other Postemployment Benefits - Continued

Changes in Net OPEB Liability

The components of the change in the net OPEB liability are summarized as follows:

<u>Changes in Net OPEB Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Net Position</u>	<u>Net OPEB Liability</u>
Balance at July 1, 2022	\$ 863,889	\$ 702,293	\$ 161,596
Service Cost	14,161	-	14,161
Interest on total OPEB liability	56,776	-	56,776
Employer Contributions	-	100,043	(100,043)
Net Investment Income	-	52,335	(52,335)
Effect of Economic/Demographic Losses	238,096	-	238,096
Change in Assumptions	-	-	-
Administrative Fees	-	(1,325)	1,325
Benefit Payments	(100,043)	(100,043)	-
Net Changes	208,990	51,010	157,980
Balance at June 30, 2023	\$ 1,072,879	\$ 753,303	\$ 319,576

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023. The following actuarial assumptions were applied:

Actuarial Cost Method	Entry-age normal
Salary Increases	4.00%
Investment Rate of Return	6.85%
Retirement Age	Police eligible at age 50 with 25 years of service, until age 65 for retiree and spouse.
Mortality	Pub-2010 Public Retirement Plans Mortality Tables
Health care trend rates	4.7% initially grading to 4.2%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.85% based on the expected return of assets expected to be available to pay plan benefits.

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

IV. OTHER INFORMATION - Continued

C. Other Postemployment Benefits - Continued

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of arithmetic real rates of return as of the June 30, 2023 measurement date for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	60%	7.75%
Global Fixed Income	20%	3.75%
Private Investments	20%	9.75%

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 6.85 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% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Net OPEB Liability	\$ 404,647	\$ 319,576	\$ 246,075

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

The following presents the net OPEB liability of the Village, as well as what the Village's net OPEB liability would be if it were calculated using healthcare trends rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$ 247,943	\$ 319,576	\$ 404,467

VILLAGE OF FRANKLIN
Notes to Financial Statements
June 30, 2023

IV. OTHER INFORMATION - Continued

C. Risk Management

The Village of Franklin is a member of the Michigan Municipal Liability and Property Pool for its general liability insurance coverage and a member of the Michigan Municipal Workers Compensation Fund for its workers compensation coverage. The Village pays annual premiums to the pools. The pools are self-sustaining through member premiums, and each carries reinsurance through commercial companies for claims in excess of the pool loss reserve fund.

In the event that a single loss should exceed the amount of protection afforded by the pool loss reserve fund, reinsurance, or other insurance carried by the pools, or in the event that a series of losses should deplete or exhaust the loss reserve fund and reinsurance, the payment of valid losses shall be the obligation of the individual member or members of the respective pool against whom the claim was made. No such event has occurred with the Village of Franklin and the pools to which it belongs in any of the past three fiscal years.

D. Upcoming Accounting Pronouncements

Compensated Absences

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences as well as the disclosure requirements. This statement requires that the compensated absence liability be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. This statement is effective for the Village's financial statements beginning with the fiscal year ending June 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF FRANKLIN

Required Supplemental Information

Schedule of Changes in the Net Pension Liability and Related Ratios

Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:									
Service Cost	\$ 97,944	\$ 83,803	\$ 80,565	\$ 81,790	\$ 78,058	\$ 76,762	\$ 70,949	\$ 66,552	\$ 64,225
Interest	659,822	644,386	616,051	608,002	578,481	576,103	564,687	541,871	522,516
Change in Assumptions	-	353,528	277,497	306,009	-	-	-	296,513	-
Expected and actual experience diff.	(8,215)	97,561	(90,302)	8,416	190,533	(186,431)	(88,219)	(17,164)	-
Benefit payments, including refunds	(601,426)	(526,810)	(498,427)	(496,941)	(462,913)	(411,800)	(403,453)	(395,580)	(310,968)
Net Change in Total Pension Liability	148,125	652,468	385,384	507,276	384,159	54,634	143,964	492,192	275,773
Total Pension Liability, Beginning of year	9,352,726	8,700,258	8,314,874	7,807,598	7,423,439	7,368,805	7,224,841	6,732,649	6,456,876
Total Pension Liability, End of year	\$ 9,500,851	\$ 9,352,726	\$ 8,700,258	\$ 8,314,874	\$ 7,807,598	\$ 7,423,439	\$ 7,368,805	\$ 7,224,841	\$ 6,732,649
Plan Fiduciary Net Position:									
Contributions - Employer	\$ 420,231	\$ 359,152	\$ 302,990	\$ 303,171	\$ 258,057	\$ 234,135	\$ 214,117	\$ 201,796	\$ 190,253
Contributions - Employee	38,597	38,710	37,524	35,908	31,594	28,804	27,121	26,211	26,472
Net Investment Income	(542,811)	660,111	542,078	535,168	(165,535)	519,394	417,990	(57,859)	241,195
Administrative Expenses	(9,579)	(7,570)	(8,664)	(9,211)	(8,313)	(8,232)	(8,256)	(8,556)	(8,851)
Benefit payments, including refunds	(601,426)	(526,810)	(498,427)	(496,941)	(462,913)	(411,800)	(403,453)	(395,580)	(310,968)
Net Change in Plan Fiduciary Net Position	(694,988)	523,593	375,501	368,095	(347,110)	362,301	247,519	(233,988)	138,101
Plan Fiduciary Net Position, Beg. of year	5,265,046	4,741,453	4,365,952	3,997,857	4,344,967	3,982,666	3,735,147	3,969,135	3,831,034
Plan Fiduciary Net Position, End of year	\$ 4,570,058	\$ 5,265,046	\$ 4,741,453	\$ 4,365,952	\$ 3,997,857	\$ 4,344,967	\$ 3,982,666	\$ 3,735,147	\$ 3,969,135
Village's Net Pension Liability - Ending	\$ 4,930,793	\$ 4,087,680	\$ 3,958,805	\$ 3,948,922	\$ 3,809,741	\$ 3,078,472	\$ 3,386,139	\$ 3,489,694	\$ 2,763,514
Plan Fiduciary Net Position as a Percent of Total Pension Liability	48.1%	56.3%	54.5%	52.5%	51.2%	58.5%	54.0%	51.7%	59.0%
Covered Employee Payroll	\$ 776,887	\$ 716,298	\$ 774,574	\$ 797,665	\$ 737,921	\$ 683,173	\$ 627,738	\$ 588,864	\$ 568,238
Village's Net Pension Liability as a Percent of Covered Employee Payroll	634.7%	570.7%	511.1%	495.1%	516.3%	450.6%	539.4%	592.6%	486.3%

VILLAGE OF FRANKLIN

Required Supplemental Information

Schedule of Village Pension Contributions

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 448,848	\$ 393,426	\$ 321,768	\$ 283,822	\$ 249,372	\$ 232,452	\$ 221,903	\$ 197,436	\$ 195,998	\$ 184,688
Contributions in relation to the actuarially determined contribution	448,848	393,426	359,807	311,482	277,032	232,452	221,903	197,436	195,998	184,688
Contribution Excess (Deficiency)	\$ -	\$ -	\$ 38,039	\$ 27,660	\$ 27,660	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 776,887	\$ 716,298	\$ 774,574	\$ 797,665	\$ 737,921	\$ 683,173	\$ 627,738	\$ 588,864	\$ 568,238	\$ 723,049
Contributions as a Percentage of Covered Employee Payroll	57.8%	54.9%	46.5%	39.0%	37.5%	34.0%	35.3%	33.5%	34.5%	25.5%

Actuarial valuation information relative to the determination of contributions:

Valuation Date Actuarially determined contribution rates are calculated as of December 31 each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry-age normal

Amortization Method Level percentage of pay, open

Remaining Amortization Period 10 years

Asset Valuation Method 5 year smoothed market

Inflation 2.50%

Salary Increases 3.00% including inflation

Investment Rate of Return 7.00%

Retirement Age Experience based tables of rates that are specific to the type of eligibility condition

Mortality 50% Male - 50% Female blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%; RP-2014 Employee Mortality Tables; and RP-2014 Juvenile Mortality Tables.

VILLAGE OF FRANKLIN

Required Supplemental Information

Schedule of Changes in the Net OPEB Liability and Related Ratios

Last Ten Fiscal Years (schedule is built prospectively upon implementation of GASB 75)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service Cost	\$ 14,161	\$ 14,475	\$ 78,317	\$ 78,317	\$ 77,541	\$ 73,547
Interest	56,776	62,564	71,247	20,912	20,037	19,074
Effect of Economic/Demographic Losses	238,096	(58,366)	(132,932)	-	-	-
Change in Assumptions	-	8,073	-	-	-	-
Benefit Payments	(100,043)	(82,905)	(70,987)	-	-	-
Net Change in Total Pension Liability	208,990	(56,159)	(54,355)	99,229	97,578	92,621
Total OPEB Liability, Beginning of year	863,889	920,048	974,403	875,174	777,596	684,975
Total OPEB Liability, End of year	<u>\$ 1,072,879</u>	<u>\$ 863,889</u>	<u>\$ 920,048</u>	<u>\$ 974,403</u>	<u>\$ 875,174</u>	<u>\$ 777,596</u>
Plan Fiduciary Net Position:						
Contributions - Employer	\$ 100,043	\$ 82,905	\$ 70,987	\$ -	\$ -	\$ 5,898
Net Investment Income	52,335	(63,097)	174,153	16,840	16,657	38,954
Administrative Fees	(1,325)	(1,375)	(1,240)	(1,181)	(1,181)	-
Benefit payments, including refunds	(100,043)	(82,905)	(70,987)	-	-	-
Net Change in Plan Fiduciary Net Position	51,010	(64,472)	172,913	15,659	15,476	44,852
Plan Fiduciary Net Position, Beginning of year	702,293	766,765	593,852	578,193	562,717	517,865
Plan Fiduciary Net Position, End of year	<u>\$ 753,303</u>	<u>\$ 702,293</u>	<u>\$ 766,765</u>	<u>\$ 593,852</u>	<u>\$ 578,193</u>	<u>\$ 562,717</u>
Village's Net OPEB Liability - Ending	<u>\$ 319,576</u>	<u>\$ 161,596</u>	<u>\$ 153,283</u>	<u>\$ 380,551</u>	<u>\$ 296,981</u>	<u>\$ 214,879</u>
Plan Fiduciary Net Position as a Percent of Total OPEB Liability	70.2%	81.3%	83.3%	60.9%	66.1%	72.4%
Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a
Village's Net OPEB Liability as a Percent of Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a

VILLAGE OF FRANKLIN
Required Supplemental Information
Schedule of Village OPEB Contributions
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 44,749	\$ 25,188	\$ 43,498	\$ 43,498	\$ 43,498	\$ 43,498	\$ 73,547	\$ 72,671	\$ 64,892	\$ 64,892
Contributions in relation to the										
actuarially determined contribution	-	-	-	8,222	-	5,898	73,686	72,671	60,972	60,673
Contribution Excess (Deficiency)	\$ (44,749)	\$ (25,188)	\$ (43,498)	\$ (35,276)	\$ (43,498)	\$ (37,600)	\$ 139	\$ -	\$ (3,920)	\$ (4,219)
Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a Percentage of										
Covered Employee Payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Actuarial valuation information relative to the determination of contributions:

Valuation Date Actuarially determined contribution rates are calculated as of June 30 each year.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry-age normal
Amortization Method Level Percentage of Payroll
Salary Increases 4.0%
Investment Rate of Return 6.85%
Healthcare cost trend rates 4.7%, gradually decreasing to 4.2%
Retirement Age Police eligible at age 50 with 25 years of service,
until age 65 for retiree and spouse.
Mortality Pub-2010 Public Retirement Plans Mortality Tables

VILLAGE OF FRANKLIN
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<u>Revenues:</u>				
Property Taxes	\$ 1,181,722	\$ 1,182,592	\$ 1,186,333	\$ 3,741
Licenses and Permits	107,500	108,995	110,521	1,526
Intergovernmental	312,442	352,592	343,158	(9,434)
Charges for Services	18,975	18,865	2,226	(16,639)
Interest Earnings	10	10	2,308	2,298
Other Revenues	46,325	74,875	73,890	(985)
Total Revenues	<u>1,666,974</u>	<u>1,737,929</u>	<u>1,718,436</u>	<u>(19,493)</u>
<u>Expenditures:</u>				
General Government:				
Village Council	122,978	137,424	113,618	23,806
Administration	343,400	288,700	290,618	(1,918)
Clerk	85,700	81,735	82,357	(622)
Treasury	6,400	5,450	6,000	(550)
Building and Grounds	108,700	120,620	126,675	(6,055)
Total General Government	<u>667,178</u>	<u>633,929</u>	<u>619,268</u>	<u>14,661</u>
Boards and Commissions	29,100	29,100	25,243	3,857
Community Programs - CDBG	7,000	7,000	3,500	3,500
Community Programs	35,100	32,100	31,800	300
Cable Board	40,000	61,000	60,972	28
Capital Outlay	<u>67,500</u>	<u>32,500</u>	<u>-</u>	<u>32,500</u>
Total Expenditures	<u>845,878</u>	<u>795,629</u>	<u>740,783</u>	<u>54,846</u>
Excess of Revenues Over Expenditures	<u>821,096</u>	<u>942,300</u>	<u>977,653</u>	<u>35,353</u>
Other Financing Uses:				
Transfers Out	<u>(1,189,671)</u>	<u>(1,458,629)</u>	<u>(1,312,311)</u>	<u>146,318</u>
Net Change in Fund Balance	(368,575)	(516,329)	(334,658)	181,671
Fund Balance - July 1	<u>1,242,299</u>	<u>1,242,299</u>	<u>1,242,299</u>	<u>-</u>
Fund Balance - June 30	\$ <u><u>873,724</u></u>	\$ <u><u>725,970</u></u>	\$ <u><u>907,641</u></u>	\$ <u><u>181,671</u></u>

VILLAGE OF FRANKLIN
Police Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>Revenues:</u>				
Intergovernmental	\$ 800	\$ 1,290	\$ 45,162	\$ 43,872
Charges for Services	585,000	621,100	622,000	900
Fines and Forfeitures	30,000	54,170	55,427	1,257
Special Assessments	360,447	360,447	360,447	-
Interest	50	40	90	50
Other	4,500	46,170	46,261	91
Total Revenues	<u>980,797</u>	<u>1,083,217</u>	<u>1,129,387</u>	<u>46,170</u>
<u>Expenditures:</u>				
Public Safety	2,119,618	2,130,373	2,083,525	46,848
Capital Outlay	50,850	137,950	137,945	5
Total Expenditures	<u>2,170,468</u>	<u>2,268,323</u>	<u>2,221,470</u>	<u>46,853</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,189,671)</u>	<u>(1,185,106)</u>	<u>(1,092,083)</u>	<u>93,023</u>
<u>Other Financing Sources:</u>				
Transfers In	1,164,605	1,153,840	1,085,080	(68,760)
Sale of Assets	-	6,200	6,207	7
	<u>1,164,605</u>	<u>1,160,040</u>	<u>1,091,287</u>	<u>(68,753)</u>
Net Change in Fund Balance	(25,066)	(25,066)	(796)	24,270
Fund Balance, July 1	<u>25,066</u>	<u>25,066</u>	<u>25,066</u>	<u>-</u>
Fund Balance, June 30	\$ <u>-</u>	\$ <u>-</u>	\$ <u>24,270</u>	\$ <u>24,270</u>

VILLAGE OF FRANKLIN
Building Department Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<u>Revenues:</u>				
Licenses and Permits	\$ 145,200	\$ 134,055	\$ 136,188	\$ 2,133
Charges for Services	93,700	49,075	49,902	827
Interest	200	200	316	116
Total Revenues	<u>239,100</u>	<u>183,330</u>	<u>186,406</u>	<u>3,076</u>
<u>Expenditures:</u>				
Public Safety	172,024	182,774	174,586	8,188
Capital Outlay	4,635	4,635	4,346	289
Total Expenditures	<u>176,659</u>	<u>187,409</u>	<u>178,932</u>	<u>8,477</u>
Excess (Deficiency) of Revenues Over Expenditures	62,441	(4,079)	7,474	11,553
Fund Balance, July 1	<u>691,736</u>	<u>691,736</u>	<u>691,736</u>	<u>-</u>
Fund Balance, June 30	\$ <u>754,177</u>	\$ <u>687,657</u>	\$ <u>699,210</u>	\$ <u>11,553</u>

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF FRANKLIN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	<u>Major Street</u>	<u>Local Street</u>	<u>Garbage and Rubbish Collection</u>	<u>Waste Water Management</u>
ASSETS				
Cash	\$ 52,152	\$ 358,532	\$ 84,785	\$ 225,118
Accounts Receivable	-	-	-	100,000
Due from State	47,488	30,558	-	-
Due from Other Funds	6,913	-	-	-
Prepaid Expenditures	-	-	15,004	1,933
Total Assets	<u>\$ 106,553</u>	<u>\$ 389,090</u>	<u>\$ 99,789</u>	<u>\$ 327,051</u>
LIABILITIES				
Accounts Payable	\$ 13,950	\$ 10,969	\$ 350	\$ 53,682
Accrued and Other Liabilities	50,000	-	-	7,334
Due to Other Funds	-	87,192	-	-
Unearned Revenue	-	-	-	266,035
Total Liabilities	<u>63,950</u>	<u>98,161</u>	<u>350</u>	<u>327,051</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
FUND BALANCE				
Fund Balance:				
Nonspendable - Prepaids	-	-	15,004	1,933
Restricted for Streets	42,603	290,929	-	-
Restricted for Street Capital Projects	-	-	-	-
Restricted for Rubbish Collection	-	-	84,435	-
Unrestricted (deficit)	-	-	-	(101,933)
Total Fund Balance	<u>42,603</u>	<u>290,929</u>	<u>99,439</u>	<u>(100,000)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 106,553</u>	<u>\$ 389,090</u>	<u>\$ 99,789</u>	<u>\$ 327,051</u>

**Capital
Project Fund**

Road Construction	Total
\$ 38,775	\$ 759,362
-	100,000
-	78,046
-	6,913
-	16,937
<u>\$ 38,775</u>	<u>\$ 961,258</u>

\$ -	\$ 78,951
-	57,334
13,323	100,515
-	266,035
<u>13,323</u>	<u>502,835</u>

<u>-</u>	<u>100,000</u>
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-	16,937
-	333,532
25,452	25,452
-	84,435
-	(101,933)
<u>25,452</u>	<u>358,423</u>

<u>\$ 38,775</u>	<u>\$ 961,258</u>
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VILLAGE OF FRANKLIN
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			
	Major Street	Local Street	Garbage and Rubbish Collection	Waste Water Management
<u>Revenues:</u>				
Property Tax Revenue	\$ -	\$ -	\$ 210,208	\$ -
Intergovernmental	279,974	195,448	110	37,483
Charges for Services	-	-	60	-
Interest	612	98	-	-
Total Revenues	<u>280,586</u>	<u>195,546</u>	<u>210,378</u>	<u>37,483</u>
<u>Expenditures:</u>				
Public Works	165,649	185,926	185,401	175,538
Capital Outlay	341,414	12,554	-	-
Total Expenditures	<u>507,063</u>	<u>198,480</u>	<u>185,401</u>	<u>175,538</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(226,477)</u>	<u>(2,934)</u>	<u>24,977</u>	<u>(138,055)</u>
Other Financing Sources (Uses): Transfers In	<u>227,231</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	754	(2,934)	24,977	(138,055)
Fund Balance - July 1	<u>41,849</u>	<u>293,863</u>	<u>74,462</u>	<u>38,055</u>
Fund Balance - June 30	<u>\$ 42,603</u>	<u>\$ 290,929</u>	<u>\$ 99,439</u>	<u>\$ (100,000)</u>

**Capital
Project Fund**

Road Construction	Total
\$ -	\$ 210,208
8,111	521,126
-	60
49	759
<u>8,160</u>	<u>732,153</u>
-	712,514
<u>12,046</u>	<u>366,014</u>
<u>12,046</u>	<u>1,078,528</u>
<u>(3,886)</u>	<u>(346,375)</u>
<u>-</u>	<u>227,231</u>
(3,886)	(119,144)
<u>29,338</u>	<u>477,567</u>
\$ <u><u>25,452</u></u>	\$ <u><u>358,423</u></u>

Total for fund 101 GENERAL	43,229.18
Total for fund 202 MAJOR STREETS	12,610.81
Total for fund 203 LOCAL STREETS	11,428.67
Total for fund 207 POLICE	137,695.40
Total for fund 211 WASTE WATER	15,382.86
Total for fund 226 GARBAGE & RUBBISH	30,164.98
Total for fund 249 BUILDING DEPARTMENT	17,646.14
TOTAL - ALL FUNDS	268,158.04

CHECK REGISTER FOR VILLAGE OF FRANKLIN
CHECK DATE FROM 01/01/2024 - 02/08/2024

Check Date	Bank	Check	Vendor Name	Description	Amount
Bank GEN GEN FUND CHECKING					
01/08/2024	GEN	642(E)	WEX BANK	FUEL (EXXON) POLICE 11/16/23-12/15/23	160.80
01/08/2024	GEN	34968	CONSUMERS ENERGY	ENERGY 11/18/23-12/19/23 POLICE	301.72
				ENERGY 11/18/23-12/19/23 VILLAGE HALL	302.58
				ENERGY 11/18/23-12/19/23 KREGER	168.73
					<u>773.03</u>
01/08/2024	GEN	34969	DONALD VOGRIN	QTRLY WATER TESTS - PD & BROUGHTON	44.00
01/08/2024	GEN	34970	GALLS, LLC	PRO AUDIO TUBE - PD	38.79
				PRO AUDIO TUBE PD	38.79
					<u>77.58</u>
01/08/2024	GEN	34971	GFL	RESIDENTIAL HAND PICK UP JAN 2024	14,828.90
				FRONT LOAD TRASH PICKUP-POLICE JAN 2024	177.59
					<u>15,006.49</u>
01/08/2024	GEN	34972	JERRY L HOBSON	PLUMBING & MECHANICAL INSPECTIONS - DEC 23	1,634.15
01/08/2024	GEN	34973	OFFICE DEPOT	TONER CARTRIDGE - BLDG	90.36
				TOILET PAPER/KLEENEX/POST ITS - VILLAGE	92.97
					<u>183.33</u>
01/08/2024	GEN	34974	REYNOLDS WATER CONDITIONING CO	SALT DELIVERY - KREGER/RESTROOMS	142.20
01/08/2024	GEN	34975	RON SHELTON	ELECTRICAL INSPECTIONS - DEC 2023	1,141.46
01/08/2024	GEN	34976	SUSAN GOLDSTROM	ADOBE SUBSCRIP/MAILCHIMP/OFFICE SUPPLIES	393.90
01/08/2024	GEN	34977	VIGILANTE SECURITY, INC.	REPLACE MONITOR W/LARGER SCREEN AT PD	232.50

01/08/2024	GEN	34978	WATER RESOURCES COMMISSIONER	SEWER USAGE - KREGER & RESTROOMS 4TH QTR 2023	575.56
				SEWER USAGE - VILLAGE HALL 4TH QTR 2023	993.19
					<u>1,568.75</u>
01/08/2024	GEN	34979	WILLIAM DINNAN	BUILDING OFFICIAL DUTIES - DEC 2023	4,700.00
01/11/2024	GEN	34980	AT & T	COMMUNICATIONS - DEC 2023 - POLICE	55.43
				COMMUNICATIONS - DEC 2023 VILLAGE HALL	433.13
					<u>488.56</u>
01/11/2024	GEN	34981	CENTURYLINK	LONG DISTANCE SERVICE - JAN 24	1.83
01/11/2024	GEN	34982	CHARTER TWP OF BLOOMFIELD	DISPATCH CONTRACT JAN 2024	4,250.41
				PRISONER LOCKUP (12/13/23)	75.00
					<u>4,325.41</u>
01/11/2024	GEN	34983	COMCAST	INTERNET - 01/16/24-02/15/24 POLICE	143.35
01/11/2024	GEN	34984	COMMAND OFFICERS ASSN OF MICHIGAN	UNION DUES - JAN 2024	145.44
01/11/2024	GEN	34985	DENIS M BERRY	HRA REIMBURSEMENT 4TH QTR 2023 CHARGES	3,330.72
01/11/2024	GEN	34986	DONALD VOGRIN	SEND LETTER CERTIFIED MAIL	8.56
01/11/2024	GEN	34987	DTE	ENERGY DEC 2023 - KREGER	46.17
				ENERGY DEC 2023 - STREETLIGHT	87.74
				ENERGY DEC 2023 VILLAGE HALL	207.07
				ENERGY DEC 2023 POLICE	657.75
					<u>998.73</u>
01/11/2024	GEN	34988	ELECTRONIC TECH SOLUTIONS LLC	RESET PASSWORDS/COMPUTER ISSUES/AUDIT OF EQUIP	200.00
01/11/2024	GEN	34989	FRANKLIN AUTO SERVICE LLC	LOF UNIT 9-1	8.95
				LOF UNIT 9-2	78.29
				BRAKE JOB - UNIT 9-4	908.75
				BRAKES/LOF/REPAIRS TO CODE ENF VEHICLE	2,150.68

OVERPAYMENT CREDIT NOV 2023					(263.69)
					2,882.98
01/11/2024	GEN	34990	Gittleman Construction Inc	BD Bond Refund	200.00
01/11/2024	GEN	34991	GLASS LAW GROUP PA	LEGAL SERVICES - DEC 2023	531.25
01/11/2024	GEN	34992	GORNO FORD, INC.	2023 EXPLORER POLICE UTILITY APPV BY COUNCIL	47,919.00
01/11/2024	GEN	34993	HEATHER MYDLOSKI LLC	MONITORING & CONTENT RESEARCH - DEC 2023	575.00
01/11/2024	GEN	34994	INTERNATIONAL CODE COUNCIL, INC.	ICC MEMBERSHIP REINSTATEMENT 2024	160.00
01/11/2024	GEN	34995	K & M LEASING	CANON LEASE W/COPIES - VILLAGE HALL	171.00
					79.00
					250.00
01/11/2024	GEN	34996	LAMAR'S KUSTOM KREATIONS	200TH ANNIVERSARY BADGES - POLICE (STATE FORFEITURE FUNDS)	4,076.00
01/11/2024	GEN	34997	LEADER BUSINESS	COPIER LEASE - COPIES VILLAGE HALL	358.84
01/11/2024	GEN	34998	MCKENNA ASSOCIATES, INC	PROFESSIONAL SVCS - P&Z DEC 2023	595.00
01/11/2024	GEN	34999	MICHIGAN ASSOC. OF CHIEFS OF POLICE	WINTER 24 CONF REGISTRATION - D ROBERTS	280.00
01/11/2024	GEN	35000	OAKLAND COUNTY	BS&A TAX SUPPORT FEE/CITRIX CONNECT FEE	346.34
01/11/2024	GEN	35001	OFFICE DEPOT	SCANNER FOR DETECTIVE OFFICE	249.99
01/11/2024	GEN	35002	PLANTE & MORAN, PLLC	PROFESSIONAL ACCT'G SERVICES FINAL AUDIT	3,333.25
01/11/2024	GEN	35003	POLICE OFFICERS ASSOCIATION	UNION DUES - JAN 2024	504.04
01/11/2024	GEN	35004	QUADIENT INC	POSTAGE MACHINE RENTAL	80.17
01/11/2024	GEN	35005	ROAD COMMISSION FOR OAKLAND COUNTY	SALT (ROADS/SIDEWALKS)	1,485.60
					2023 PAVEMENT STRIPING PROGRAM
					4,366.74
					5,852.34
01/11/2024	GEN	35006	SOCRRA	HHW DISPOSAL - OCT 23	152.00
01/11/2024	GEN	35007	SUN HEATING AIR CONDITIONING INC.	ANNUAL MAINT AGREEMENT - VILLAGE HALL	667.00
01/11/2024	GEN	35008	SUNSET MAINTENANCE LLC	JANITORIAL SERVICES - DEC 2023 - PD	220.00
					JANITORIAL SERVICES VH/KREGER/RESTROOMS
					1,211.00
					1,431.00

01/11/2024	GEN	35009	SUSAN GOLDSTROM	2024 LABOR LAW POSTERS / MAIN STREET MTG SUPPLIES	97.10
01/11/2024	GEN	35010	THOMSON REUTERS - WEST	ONLINE/SOFTWARE SUBSCRIPTION - POLICE	324.61
01/11/2024	GEN	35011	UBS FINANCIAL SERVICES	EMPLOYEE/EMPLOYER RETIREMENT CONTRIB - ROBERTS NOV/DEC	2,064.90
01/11/2024	GEN	35012	VIGILANTE SECURITY, INC.	DMP INTERNET MONITORING - VILLAGE HALL	75.03
01/11/2024	GEN	35013	WILLIAM CASTRO	INSURANCE STIPEND - 4TH QTR 2023	875.00
01/29/2024	GEN	643(E)	ADP	PAYROLL PROCESSING FEE (POLICE) PPE 01/29/24	98.01
				PAYROLL PROCESSING FEE (ADMIN) PPE 12/29/23	65.94
					<hr/>
					163.95
01/29/2024	GEN	644(E)	BP PRODUCTS NORTH AMERICA	FUEL (POLICE) DEC 2023	910.90
01/29/2024	GEN	645(E)	COMCAST	INTERNET KREGER HOUSE JAN 2024	212.41
01/29/2024	GEN	646(E)	COMCAST CABLE	INTERNET VILLAGE HALL JAN 2024	327.02
01/29/2024	GEN	647(E)	MERS	EMPLOYEE/EMPLOYER CONTRIBUTIONS DEC 2023	41,333.90
01/29/2024	GEN	648(E)	PAX8	MS OFFICE 365 MONTHLY LICENSES - JAN 24	484.70
01/29/2024	GEN	649(E)	POINT & PAY	MONTHLY SERVICE FEE DEC 2023	50.00
01/29/2024	GEN	650(E)	VERVE CLOUD, INC	TELEPHONE LEASE JAN 2024	309.52
01/29/2024	GEN	651(E)	WEX BANK	FUEL (MARATHON) POLICE - DEC 2023	112.87
01/29/2024	GEN	652(E)	WEX BANK	FUEL (SPEEDWAY) POLICE DEC 2023	1,262.20
01/29/2024	GEN	35014	BEIER HOWLETT PC	LEGAL SERVICES DEC 2023	3,745.50
01/29/2024	GEN	35015	BLUE CROSS BLUE SHIELD OF MICHIGAN	EMPLOYEE HEALTH INSURANCE FEB 2024	19,544.46
01/29/2024	GEN	35016	CCAP AUTO LEASE LTD	LEASE PAYMENT- PD VEHICLE	349.00
01/29/2024	GEN	35017	CDW GOVERNMENT	PRINTER FOR DETECTIVE OFFICE	728.10
01/29/2024	GEN	35018	CINTAS CORPORATION	REPLACEMENT MATS - POLICE DEPT	94.19
				REPLACEMENT MATS - POLICE DEPT (NOV 23)	94.19
					<hr/>
					188.38
01/29/2024	GEN	35019	ELECTRONIC TECH SOLUTIONS LLC	PROVIDE REMOTE ACCESS FOR PLANTE MORAN EMPLOYEE	50.00
01/29/2024	GEN	35020	GFL	RESIDENTIAL HAND PICK UP - FEB 2024	14,828.90
				FRONT LOAD TRASH PICKUP-POLICE FEB 2024	177.59
					<hr/>
					15,006.49

01/29/2024	GEN	35021	HUBBELL, ROTH & CLARK, INC	MS4 PERMIT - PROGRESS REPORT	49.58
				CAROL ST DRAIN	9,337.01
				CULVERT REHAB PROGRAM	2,195.98
				STORMWATER DRAINAGE ASSESSMENT STUDY	2,523.77
				ROW DRAINAGE ASSESSMENT STUDY	1,276.52
					<u>15,382.86</u>
01/29/2024	GEN	35022	HURON VALLEY GUNS	UNIFORM EMBROIDERY	10.00
				UNIFORMS - C LAWSON	1,580.78
				UNIFORM GEAR - C LAWSON	585.95
					<u>2,176.73</u>
01/29/2024	GEN	35023	IACP	DUES - C LAWSON JAN 2024	190.00
01/29/2024	GEN	35024	JOHNSON LANDSCAPING, INC	PLOWING/MAINT/BANNER INSTALL/FALL CLEANUP	20,810.00
01/29/2024	GEN	35025	LEADER BUSINESS	COPIER LEASE - COPIES VILLAGE HALL	198.22
01/29/2024	GEN	35026	PLANTE & MORAN, PLLC	PROFESSIONAL ACCOUNTING SERVICES OCT 2023	6,035.75
01/29/2024	GEN	35027	STANDARD INSURANCE COMPANY RC	LIFE INSURANCE PREMIUMS FEB 2024	484.14
01/29/2024	GEN	35028	VC3 INC.	MS OFFICE 365 SUBSCRIPTION (PD) JAN 2024	100.00
01/29/2024	GEN	35029	VERIZON WIRELESS	CELL SERVICE 12/13/23-01/12/24	123.21
01/29/2024	GEN	35030	WALNUT LAKE ACE HARDWARE	PICTURE HANGERS & WOOD GLUE	27.73
02/08/2024	GEN	654(E)	ADP	YEAR END W2 PROCESSING - POLICE	197.40
				W2 PROCESSING - VILLAGE HALL	122.40
				PREMIUM ONLY PLAN ANNUAL FEE	350.00
					<u>669.80</u>
02/08/2024	GEN	655(E)	BP PRODUCTS NORTH AMERICA	FUEL (FIRE DEPT) 12/15/23 - 01/14/24	644.03
02/08/2024	GEN	656(E)	WEX BANK	FUEL (EXXON) POLICE 12/15/23-01/15/24	243.61
02/08/2024	GEN	35031	AT & T	COMMUNICATIONS - VILLAGE HALL FEB 2024	436.45
				COMMUNICATIONS - FEB 2024 - POLICE	55.61
					<u>492.06</u>

02/08/2024	GEN	35032	AXON ENTERPRISE, INC.	RANGE SUPPLIES	866.00
02/08/2024	GEN	35033	BEIER HOWLETT PC	LEGAL SERVICES NOV 2023	4,149.75
				LEGAL SERVICES JAN 2024	<u>2,103.75</u>
					6,253.50
02/08/2024	GEN	35034	BS&A SOFTWARE	ONLINE PERMIT APP FEE OCT 2023-JAN 2024	74.00
02/08/2024	GEN	35035	CEDAR WORKS. INC	BD Bond Refund	200.00
02/08/2024	GEN	35036	CHARTER TWP OF BLOOMFIELD	DISPATCH CONTRACT 1/15/24-02/15/24	4,250.41
				PRISONER LOCK UP (ONE ON 01/24/2024)	<u>75.00</u>
					4,325.41
02/08/2024	GEN	35037	COMMAND OFFICERS ASSN OF MICHIGAN	UNION DUES FEBRUARY 2024	145.44
02/08/2024	GEN	35038	CONSUMERS ENERGY	CONSUMERS ENERGY - VILLAGE HALL 12/20/23	349.95
				CONSUMERS ENERGY - KREGER 12-20-23 -- 01	180.54
				CONSUMERS ENERGY POLICE 12/20/23 - 01/19	<u>318.19</u>
					848.68
02/08/2024	GEN	35039	DTE	ENERGY POLICE JAN 2024	899.26
				ENERGY JAN 2024 - VILLAGE HALL	264.15
				ENERGY JAN 2024 KREGER	53.68
				ENERGY JAN 2024 - STREETLIGHT	<u>96.37</u>
					1,313.46
02/08/2024	GEN	35040	FORTIS GROUP LLC	TRAINING - NAV. HIGH RISK BEHAVIORS - R MYDLOSKI	675.00
02/08/2024	GEN	35041	Gillette Bros Pool & Spa	BD Bond Refund	200.00
02/08/2024	GEN	35042	GLASS LAW GROUP PA	LEGAL SERVICES JAN 2024	595.00
02/08/2024	GEN	35043	HEATHER MYDLOSKI LLC	MONITORING & CONTENT RESEARCH - JAN 2024	575.00
02/08/2024	GEN	35044	JERRY L HOBSON	PLUMBING & MECHANICAL INSPECTIONS JAN 2024	1,027.50
02/08/2024	GEN	35045	K & M LEASING	CANON LEASE W/COPIES - POLICE FEB 2024	79.00

				CANON LEASE W/COPIES - VILLAGE HALL	<u>171.00</u>
					250.00
02/08/2024	GEN	35046	MICHIGAN MUNICIPAL LEAGUE	ANNUAL MML MEMBERSHIP DUES	1,840.00
02/08/2024	GEN	35047	OFFICE DEPOT	USB DRIVES (POLICE)	57.98
				SHARPIES (POLICE)	<u>4.35</u>
					62.33
02/08/2024	GEN	35048	POLICE OFFICERS ASSOCIATION	UNION DUES - FEB 2024	504.04
02/08/2024	GEN	35049	REYNOLDS WATER CONDITIONING CO	SALT DELIVERY - POLICE	94.80
02/08/2024	GEN	35050	ROAD COMMISSION FOR OAKLAND COUNTY	SIGNAL MAINTENANCE NOV & DEC 2023	24.64
02/08/2024	GEN	35051	RON SHELTON	ELECTRICAL INSPECTIONS JAN 2024	1,466.07
02/08/2024	GEN	35052	SUN HEATING AIR CONDITIONING INC.	ANNUAL MAINTENANCE AGREEMENT - POLICE	418.00
02/08/2024	GEN	35053	WILLIAM DINNAN	BUILDING OFFICIAL DUTIES JAN 2024	<u>4,460.00</u>
GEN TOTALS:					
Total of 100 Checks:					268,158.04
Less 0 Void Checks:					<u>0.00</u>
Total of 100 Disbursements:					268,158.04



32325 Franklin Road, Franklin, Michigan 48025

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**FRANKLIN VILLAGE COUNCIL
RESOLUTION TO AMEND THE FY2023-24 BUDGET**

WHEREAS, the Franklin Village Council adopted the FY2023-24 Operating Budget on June 12, 2023, to be effective July 1, 2023, through June 30, 2024, and

WHEREAS, the Annual Budget is a financial plan that sets forth, by fund, yearly allocations of financial resources required for the various operations of the Village, in addition to estimating the revenues that will be available to support the Council's funding decisions, and

WHEREAS, revenues and expenditures actually experienced during the fiscal year typically do not match the allocations included in the Annual Budget, and

WHEREAS, budgeting policies, both State and local, require regular examination of the actual revenues and expenses compared to the budget and, to the extent necessary, amendments to the budget shall be made to balance the revenues and expenditures for the remainder of the fiscal year, and

WHEREAS, the FY2023-24 Fiscal Year revenues and expenditures for the first six months have been reviewed and compared against the amounts budgeted, and

WHEREAS, attached to this resolution is a report detailing the recommended adjustments in revenues and expenditures in each of the several operating funds, and

WHEREAS, the net change in the General Fund balance due to the described changes in revenues and expenditures Ending Fund Balance on June 30, 2024, is a negative \$40,740 for a projected ending fund balance of \$964,582.

NOW THEREFORE, IT IS RESOLVED that the budget amendments demonstrated in the attached document for the General Fund, Major Streets Fund, Police Fund, Wastewater Fund and Building Fund are approved this 12th day of February 2024.

February 5, 2024
Village President and Board of Trustees
32325 Franklin Rd.
Franklin, MI 48025

RE: Fiscal Year 2024 quarter 2 budget amendments

Attached are the proposed budget amendments for the second quarter of fiscal year 2024.

Below is an explanation for key components of the amendments proposed:

General Fund

- Revenue:
 - State Grant line item: Please see Note #1 below.
- Administration:
 - Defined Benefit Pension Plan: Please see Note #1 below.

Major Streets Fund

- Streets:
 - Road & Street Construction: Remaining payment to Asphalt Specialists Inc. to close out the Streetscape project

Police Fund

- Revenue:
 - State Grant line item: Please see Note #1 below.
- Police department:
 - Defined Benefit Pension Plan: Please see Note #1 below.

Wastewater Fund:

- Revenue:
 - State Grants - Other line items: Reallocate budget for the MEDC grant to the correct department.
 - Grant Proceeds - ARPA: The Village determined in a prior fiscal year to use ARPA monies on wastewater improvement projects. This amendment is to recognize revenue based on the projected expenses for wastewater improvement.

Building Inspection Fund

- Code Enforcement Wages
 - The adjustments related to the payroll related line items are to better reflect the final activity related to staffing changes since the adoption of the original budget. The original budget included the Code Enforcement officer's wages in the Administration Salaries account. Additionally, the new officer was hired in at \$2 more per hour than originally budgeted.

Note #1 – The Village received the Protecting MI Pension Grant for approximately \$479,000, and a deposit was made into the Village's MERS account by the State of Michigan. Accounting rules require that, the Village recognize the revenue in the State Grant line item, and an off-setting expenditure in the Defined Benefit Pension Plan line item. The above amount was allocated across various funds consistent with GASB #68 expense treatment. There is no impact on fund balance.

Sincerely,

Danielle Kelley, Plante Moran PLLC

Village of Franklin
Proposed Budget Amendment 12/31/2023

		Current Amended Budget	Proposed Budget Amendment	Proposed Amended Budget
General Fund (101)				
Revenues: Positive/(Negative) Change				
101-000-569.000	OTHER STATE GRANTS		22,200	
Total Revenues		2,044,118	22,200	2,066,318
Expenditures: (Positive)/ Negative Change				
Village Council				
101-101-821.001	GENERAL ENGINEERING SERVICES		-2,400	
101-101-826.000	LEGAL & RELATED SERVICES		2,400	
Total Village Council Dept.		153,700	0	153,700
Administration				
101-172-715.000	GROUP INSURANCE		6,000	
101-172-716.000	LIFE & DISABILITY INSURANCE		400	
101-172-718.000	RETIREMENT CONTRIBUTIONS		22,000	
101-172-727.000	OFFICE SUPPLIES		430	
101-172-728.000	COMPUTER EQUIPMENT & SUPPLIES		7,800	
101-172-732.000	POSTAGE		210	
101-172-801.000	ACCOUNTING SERVICES		15,000	
101-172-853.000	COMMUNICATION EXPENSE		1,000	
Total Administration Dept.		271,220	52,840	324,060
Village Clerk				
101-215-718.000	RETIREMENT CONTRIBUTIONS		3,300	
Total Village Clerk		100,879	3,300	104,179
Building & Grounds				
101-265-801.004	CONTRACTED SERVICES		-2,800	
101-265-802.000	KREGER HOUSE EXPENSES		2,600	
101-265-920.001	BROUGHTON HOUSE UTILITIES		200	
Total Building & Grounds Dept.		149,415	0	149,415
Community Programs				
101-728-704.003	ECONOMIC/MAIN ST DIRECTOR		-4,200	
101-728-902.000	WEBSITE EXPENSES		4,200	
Total Community Programs Dept.		107,620	0	107,620
Transfers Out				
101-966-995.207	TRANSFER OUT - POLICE FUND		6,800	
Total Community Programs Dept.		1,007,903	6,800	1,014,703
Total Expenditures (all departments)		1,946,437	62,940	2,009,377
Net Revenues and Expenditures		97,681	-40,740	56,941
Combined General Fund:				
Audited Beginning Fund Balance at July 1, 2023		907,641		907,641
Budgeted Ending Fund Balance at June 30, 2024		1,005,322		964,582
Fund Balance as a % of budgeted expenditures		51.65%		48.00%

Village of Franklin
Proposed Budget Amendment 12/31/2023

	Current Amended Budget	Proposed Budget Amendment	Proposed Amended Budget
Major Streets Fund (202)			
Total Revenues	286,670		286,670
Expenditures: (Positive)/ Negative Change			
Streets			
202-451-803.000		5,200	
202-451-976.000		46,000	
202-451-930.000		-19,300	
Total Streets department	131,300	31,900	163,200
Total Expenditures (all departments)	131,300	31,900	163,200
Net Revenues and Expenditures	155,370	-31,900	123,470
Audited Beginning Fund Balance at July 1, 2023	42,603		42,603
Budgeted Ending Fund Balance at June 30, 2024	197,973		166,073
Local Streets Fund (203)			
Total Revenues	184,230		184,230
Expenditures: (Positive)/ Negative Change			
Streets			
203-451-803.000		3,100	
203-451-818.004		20,000	
203-451-930.000		-20,000	
Total Streets department	185,400	3,100	188,500
Total Expenditures (all departments)	185,400	3,100	188,500
Net Revenues and Expenditures	-1,170	-3,100	-4,270
Audited Beginning Fund Balance at July 1, 2023	290,929		290,929
Budgeted Ending Fund Balance at June 30, 2024	289,759		286,659
Police Fund (207)			
Revenues: Positive/(Negative) Change			
Total Non Departmental	4,500		4,500
207-001-569.000		456,600	
Total Departmental	1,278,487	456,600	1,735,087
Total Revenues	1,282,987	456,600	1,739,587
Expenditures: (Positive)/ Negative Change			
Police			
207-301-718.000		462,000	
207-301-719.000		1,900	
207-301-727.000		1,300	
207-301-728.000		-9,000	
207-301-768.000		3,800	
207-301-863.000		4,200	
207-301-930.000		2,200	
Total Police department	2,253,205	466,400	2,719,605
Total Expenditures (all departments)	2,290,890	466,400	2,757,290
Transfers In	1,007,903	6,800	1,014,703
Net Revenues and Expenditures and Transfers in	0	-3,000	-3,000
Audited Beginning Fund Balance at July 1, 2023	24,270		24,270
Budgeted Ending Fund Balance at June 30, 2024	24,270		21,270

Village of Franklin
Proposed Budget Amendment 12/31/2023

		Current Amended Budget	Proposed Budget Amendment	Proposed Amended Budget
Wastewater Fund (211)				
Total Revenues				
211-000-569.000	STATE GRANTS - OTHER		-100,000	
211-001-569.000	STATE GRANTS - OTHER		100,000	
211-001-539.000	GRANT PROCEEDS - ARPA		112,567	
Total Revenue		106,500	112,567	219,067
Expenditures: (Positive)/ Negative Change				
Capital Expenditures				
211-901-973.000	CAPITAL OUTLAY - PUBLIC WORKS		9,500	
Total Capital Expenditures		0	9,500	9,500
Total Expenditures (all departments)		111,500	9,500	121,000
Net Revenues and Expenditures		-5,000	103,067	98,067
Audited Beginning Fund Balance at July 1, 2023		(98,067)		(98,067)
Budgeted Ending Fund Balance at June 30, 2024		(103,067)		-
Building Department (249)				
Total Revenues		238,550		238,550
Expenditures: (Positive)/ Negative Change				
249-371-704.000	ADMINISTRATIVE SALARIES		-14,800	
249-371-704.001	CODE ENFORCEMENT WAGES		16,500	
249-371-727.000	OFFICE SUPPLIES		310	
249-371-728.000	COMPUTER EQUIPMENT & SUPPLIES		-2,610	
249-371-801.006	ENGINEERING CONSULTING FEE		1,900	
249-371-825.000	CODE ENFORCEMENT CONTRACTOR		400	
249-371-931.001	VEHICLE MAINTENANCE		2,200	
Total Building		199,935	3,900	203,835
Total Expenditures (all departments)		203,435	3,900	207,335
Net Revenues and Expenditures		35,115	3,900	31,215
Audited Beginning Fund Balance at July 1, 2023		699,210		699,210
Budgeted Ending Fund Balance at June 30, 2024		734,325		730,425



MCKENNA

December 15, 2023

Village Council
Village of Franklin
32325 Franklin Road
Franklin, Michigan 48025

Subject: Outdoor Lighting Regulations

Dear Council Members:

The Planning Commission thoughtfully considered the revisions to the Outdoor Lighting Ordinance that were recommended by Council members. Several of the recommendations are incorporated into the attached revised draft, dated November 21, 2023. In several instances, Council members' comments were in conflict with each other, making it impossible to resolve every concern.

To facilitate review of the revised Ordinance, I have inserted footnotes throughout the Ordinance to explain the reasoning behind each revision. Added text is underlined and text to be deleted is crossed out.

If you have any questions regarding the Ordinance, please feel free to contact me.

Respectfully submitted,

McKENNA

A handwritten signature in black ink that reads "Christopher J. Doozan".

Christopher J. Doozan, AICP
Community Planning Consultant

c: Roger Fraser, Village Administrator
Dana Hughes, Village Clerk
Stuart Wooters, Planning Commission Chairman



Outdoor Lighting Ordinance

VILLAGE OF FRANKLIN, MICHIGAN

REVISION PREPARED ON NOVEMBER 21, 2023 BY

MCKENNA
235 East Main Street
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Northville, Michigan 48167

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MCKENNA

Communities for real life.



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CHAPTER 1470

Outdoor Lighting

1470.01 FINDINGS

Adequate outdoor lighting is necessary for safety and security. However, improper use of outdoor electric lighting can cause light pollution, disrupting people's enjoyment of their surroundings. Research has shown that some types of lighting can harm human health and disrupt wildlife. Some types of lighting, such as lighting that creates glare, causes visual discomfort and may even reduce visibility. The goals of Chapter 1470 are to set forth regulations that permit essential outdoor lighting that promotes safety and security but discourage use of lighting that is detrimental to the public health, safety, and welfare.

1470.02 PURPOSE¹

The purpose of Chapter 1470 is to provide regulations for outdoor lighting that will:

- (a) Permit the use of outdoor lighting needed for nighttime safety, utility, security, productivity, enjoyment, and commerce.
- (b) Minimize adverse off-site impacts of outdoor lighting, such as light trespass and glare.
- (c) Curtail light pollution, reduce sky glow, and improve the ambience of the nighttime environment.
- (d) Protect the natural environment from the adverse effects of night lighting.
- (e) Conserve energy to the greatest extent possible.
- (f) ~~Promote the use of lighting that is compatible with the architecture of the historic buildings.~~²

1470.03 APPLICABILITY

All outdoor lighting installed after the effective date of this Ordinance shall comply with the requirements set forth herein, except as noted. This includes, but is not limited to, new lighting, replacement lighting (including changing from one type or intensity of bulb or lamp to another), or any other lighting whether attached to a building or structure, pole, the earth, or any other location, including lighting installed by any third party.

1470.04 DEFINITIONS³

Words and phrases used in Chapter 1470 shall have the meanings set forth below.

Bulb (or Lamp): The source of electric light (to be distinguished from the whole assembly, which is called the luminaire). "Lamp" is often used to denote the bulb and its housing.

¹ With the exception of (f), the Planning Commission believes that the purposes set forth in this Section are valid and appropriately convey the intent of the ordinance.

² It is proposed that references to the Historic District and historic architecture be deleted from Chapter 1470 because this topic is dealt with elsewhere in the Village Code.

³ It is proposed that certain definitions in Section 1470.04 be deleted because the words being defined are not used in the ordinance.

Canopy: A covered structure that is open on its sides for vehicular or pedestrian access (e.g., a gas station canopy).

~~**Filtered Fixture:** A light fixture that has a glass, acrylic, or translucent enclosure to filter the light.~~

Fixture: The assembly that holds the lamp in a lighting system. The fixture includes the elements designed to give light output control, such as a reflector (mirror), refractor (lens), ballast, housing, and the attachment parts.

Floodlight: A fixture or lamp designed to flood an area with light.

Footcandle: A unit of measure expressing the quantity of light received on a surface. One footcandle is the illuminance produced by a candle on a surface one-foot square from a distance of one foot. A light meter provides the most reliable means of measuring footcandles.

Fully Shielded Fixture: An outdoor lighting fixture that is shielded or constructed so that light emitted is projected onto the site and away from adjoining properties. The bulb or other light source of a fully shielded fixture is not visible from adjoining properties.

Glare: Visual conditions in which there is excessive contrast or an inappropriate distribution of light sources ~~that disturbs the observer or~~ limits the ability to distinguish details and objects.

~~**High Pressure Sodium (HPS) Lamp:** High intensity discharge lamp where radiation is produced from sodium vapor at relatively high partial pressures (100 torr).~~

~~**Incandescent Lamp:** A lamp that produces light by a filament heated to a high temperature by electric current.~~

Laser Light Source: An intense beam of light, in which all photons share the same wavelength.

~~**LED Light:** A light fixture that uses a light-emitting diode, which is a semi-conductor diode that emits light when conducting electrical current.~~

Light Pollution: Any adverse effect of artificial light including, but not limited to, glare, light trespass, sky glow, energy waste, compromised safety and security, and adverse impacts on the nocturnal environment.

Light Trespass: Light that falls beyond the boundary of the property it is intended to illuminate (also called spill light).

Lighting Uniformity: The human perception of even distribution of light throughout a given area.

~~**Low Pressure Sodium (LPS) Lamp:** A discharge lamp where the light is produced by radiation from sodium vapor at a relatively low partial pressure (about 0.001 torr). A LPS lamp produces monochromatic light.~~

Lumen: A measure of the total quantity of visible light emitted by a source per unit of time.

Luminaire: The complete lighting unit (fixture), consisting of a lamp, or lamps and ballasts (when applicable), together with parts designed to distribute the light (reflector, lens, diffuser), position and protect the lamps, and connect the lamps to a power supply.

Mercury Vapor Lamp: A high-intensity discharge lamp where the light is produced by radiation from mercury vapor.

Metal Halide Lamp: A high-intensity discharge mercury lamp where the light is produced by radiation from metal halide vapors.

Mounting Height: The height of the photometric center of a luminaire above grade level.

Non-Essential Lighting: Outdoor lighting which is not required for safety or security purposes. For example, lighting used to enhance building features is non-essential lighting.

Ornamental Lighting: A luminaire that is used to illuminate streets, driveway entrances, sidewalks, or building entrances, that serves a decorative or historical function as well. Such lighting typically has a historical or decorative appearance, along with the following characteristics:

- It is designed to mount on a pole or structure using an arm, pendant, or vertical component;
- It has an opaque or translucent top and/or sides;
- It has an optical aperture that is either open or enclosed with a flat, sag, or drop lens (see illustrations in Section 1470.11(a)); and
- It is mounted in a fixed position.

Recessed Canopy Fixture: An outdoor lighting fixture recessed into a canopy ceiling so that the bottom of the fixture is flush with the ceiling.

Shielded Directional Luminaire: A luminaire that has an adjustable mounting device that allows it to be aimed in any direction and also has a shield, louver, or baffle to block direct view of the lamp.

Sky Glow: The brightening of the nighttime sky that results from scattering and reflection of artificial light by moisture and dust particles in the atmosphere. Sky glow is caused by light directed or reflected upward or sideways. Sky glow reduces one's ability to view the night sky.

1470.05 GENERAL REQUIREMENTS

The requirements in this Section apply to all lighting throughout the Village, except for lighting that is identified as exempt in Section 1470.07.

- (a) Fixture Orientation and Shielding. Unless otherwise noted herein, lighting fixtures shall be focused downward and shall be fully shielded⁴ to prevent glare and sky glow and to minimize light trespass beyond the property it is intended to illuminate. Full cut-off fixtures shall be used to prevent light from projecting above a ninety degree (90°) horizontal plane (see illustration in Section 1470.11(a)).
- (b) Light Trespass at the Property Line. The intensity of light on a site shall not exceed two-tenths (0.2) of a footcandle at any property line that abuts a residentially zoned property and one-half (0.5) of a footcandle at any other zoned property.
- (c) Uplighting. Uplighting of buildings and trees for aesthetic purposes shall be confined to the target surfaces to prevent sky glow.
- (d) Mounting Height. Lighting fixture mounting height shall not exceed twenty-two (22) feet.
- (e) Color Correction. Only fixtures with a Correlated Color Temperature (CCT) equal to or less than 3,000 Kelvin shall be permitted.⁵
- (f) Ornamental Lighting. The orientation, ~~and shielding, and mounting height~~ requirements shall be waived for ornamental lighting, as defined herein. ~~if the Village enforcement official determines that the fixture will comply with the illumination levels specified in this subsection or in Table 1 in Section 1470.06, and will not cause glare.~~⁶

1470.06 NONRESIDENTIAL LIGHTING REQUIREMENTS

The requirements in this Section apply only to nonresidential lighting throughout the Village.

- (a) Illumination Levels. Nonresidential lighting shall comply with the illumination levels specified in the following Table 1.

Table 1: Maximum Illumination Levels⁷

Location	Average Maximum Maintained Footcandles
Infrequently Used Pedestrian Entrances (Rear Entrances)	1.0
Active Pedestrian Entrances (Main Retail/Office Entrances)	5.0
Low Activity Parking Areas (Employee Parking)	3.0
High Activity Parking Areas (Customer Parking)	5.0
Loading Areas	5.0
All Other Areas	1.0

⁴ The Planning Commission believes strongly that the words “shall be fully shielded” are essential, based on in-depth research that included field work in the Village of Franklin. The Planning Commission believes that Section 1470.05(a) concisely sets forth the intended requirements, and there is no need for modification.

⁵ Color correction is an important requirement for LED lighting. The CCT is usually specified for LED lighting on the box in which the fixture is shipped.

⁶ By deleting the second part of the Ornamental Lighting regulation an element of subjectivity in the enforcement of the ordinance will be removed.

⁷ The table now contains information to help define each location. A category “All Other Areas” has been added.

- (b) Uniformity Ratio. In order to attain lighting uniformity, the ratio between average lighting levels to the average maximum lighting levels shall not exceed 4:1.⁸
- (c) Canopy Lights. Light fixtures mounted on the underside of a canopy or similar structure shall be fully recessed into the canopy.

1470.07 EXEMPTIONS

The following outdoor lighting shall be exempt from the regulations in Chapter 1470:

- (a) Fossil Fuel Light. Fossil fuel light produced directly or indirectly from the combustion of natural gas or other utility-type fossil fuels (e.g., gas lamps) is exempt from the regulations in this Chapter.⁹
- (b) Temporary Lighting for Carnivals, Fairs, or Civic Uses. Lighting for temporary carnivals, fairs, or civic uses permitted by the Village Council is exempt from the regulations in this Chapter.
- (c) Construction and Emergency Lighting. Temporary lighting necessary for construction for emergency purposes is exempt from the regulations in this Chapter provided that it is discontinued immediately upon completion of the construction or abatement of the emergency.
- (d) Lighting for Public Monuments. Lighting for public monuments, statuary, or historical markers is exempt from the regulations in this Chapter.
- (e) Flag Lighting. Lighting of flags is exempt from the regulations in this Chapter provided that the flag lighting fixtures produce a maximum light output of 500 lumens, with a narrow beam ranging between 15 and 25 degrees, that is focused directly on the flag.
- (f) Temporary Low Illuminance Seasonal Lighting. Temporary low illuminance lights used for seasonal display (e.g., holiday lights) are exempt from the regulations regarding fixture orientation and shielding, mounting height, and color correction in this Chapter. High intensity lights are prohibited, as stated in Section 1470.08.

1470.08 PROHIBITED LIGHTING

The following outdoor lighting shall be prohibited in the Village of Franklin:

- (a) High Intensity Lights. Laser lights,¹⁰ strobe lights, searchlights, and any other similar lights shall be prohibited for lighting, advertising, or entertaining purposes.

⁸ The purpose of the Uniformity Ratio regulation is to achieve a uniform pattern of light across a surface (such as a parking lot) when there are multiple lighting fixtures. The Uniformity Ratio is a conventional measurement tool that lighting professionals, architects, engineers, and planners use and comprehend, particularly on non-residential (commercial) sites.

⁹ Fossil fuel lights receive an exception because they don't produce much light.

¹⁰ The use of laser lights for seasonal displays has been discussed by the Planning Commission at length. After much debate the Planning Commission decided to include laser lights in the "Prohibited" category.

- (b) Flashing and Moving Lights. Flashing, moving, and intermittent lighting. Nothing in this subsection is intended to prohibit motion-activated lights or lights otherwise exempted by Section 1470.07(f).
- (c) Unshielded Lights. Because of the inability to shield them, barn lights, non-shielded wall packs or floodlights, and other unshielded lights that are not aimed downward are prohibited (see Illustrations in Sections 1470.11(b) and 1470(c)).

1470.09 SIGN LIGHTING

Illuminated signs shall comply with the regulations in Section 1474.14 (the Sign Code).

1470.10 APPROVAL PROCESS

Approval of proposed outdoor lighting shall be required as noted below. ~~In the Historic District, proposed outdoor lighting may also be subject to Historic District Commission review and approval.~~¹¹

- (a) Nonresidential Lighting where Site Plan Review Is Required. Where site plan review is required (e.g., new development, redevelopment, substantial renovation), proposed outdoor lighting shall be subject to site plan review and approval, pursuant to Section 1268.30. The following information shall be included on or with the site plan:
 - (1) Locations of all outdoor lighting fixtures.
 - (2) Photometric grid overlaid on the site plan indicating the level of illumination throughout the site in footcandles.
 - (3) Manufacturer's specification sheet for each type of proposed fixture.
- (b) Nonresidential Lighting where Site Plan Review Is Not Required. Where site plan review is not required (e.g., lighting replacement only—no other proposed improvements), proposed replacement outdoor lighting shall be subject to review by the Building Official or Electrical Inspector. The following information shall be included on or with the application for a permit:
 - (1) Locations of all outdoor lighting fixtures.
 - (2) Manufacturer's specification sheet for each type of proposed fixture.
- (c) Residential Lighting—New Home. Proposed outdoor lighting for a new home shall be subject to review by the Building Official or Electrical Inspector. The following information shall be included on or with the application for a building or electrical permit:
 - (1) Locations of all outdoor lighting fixtures.
 - (2) Manufacturer's specification sheet for each type of proposed fixture.
- (d) Residential Lighting—Existing Home. Where the Building or Electrical Codes require a permit, proposed replacement lighting for an existing home shall be subject to review by the Building Official or Electrical Inspector. The following information shall be included on or with the application for a building or electrical permit:

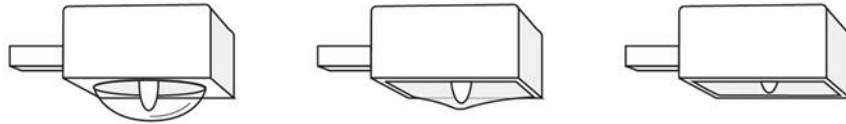
¹¹ See previous footnote concerning deletion of references to the Historic District.

- (1) Locations of proposed replacement outdoor lighting fixtures.
- (2) Manufacturer's specification sheet for each type of proposed fixture.

Where the Building or Electrical Codes do not require a permit, replacement lighting shall nevertheless comply with the regulations in this Chapter.

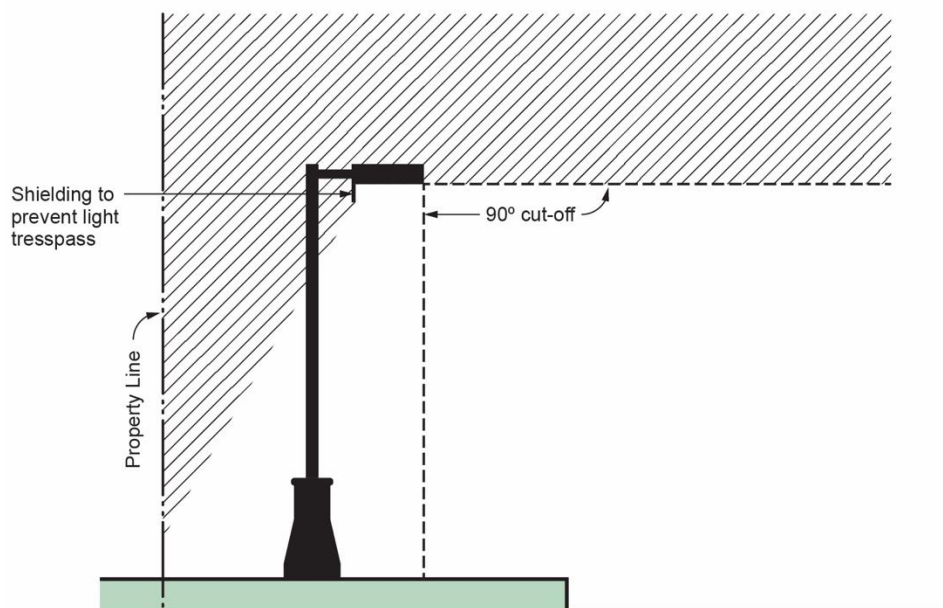
1470.11 ILLUSTRATIONS

- (a) Examples of drop-lens, sag-lens, and flat lens fixtures (see definition of Ornamental Lighting in Section 1470.04). ***(Also delete illustrations.)***¹²



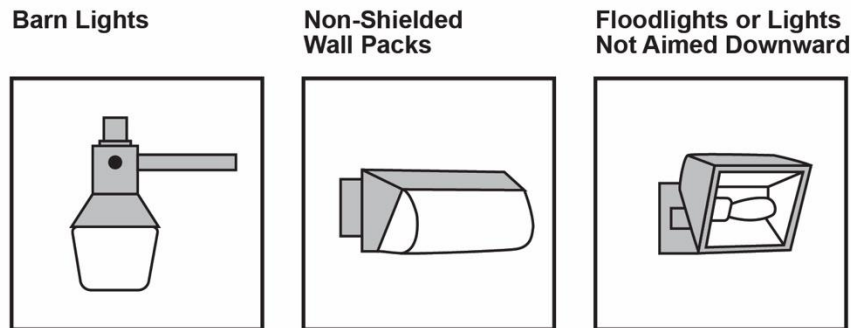
Drop-Lens, Sag-Lens, and Flat Lense Fixtures

- (b) Pursuant to Section 1470.05(a), full cut-off fixtures shall be used to prevent light from projecting above a ninety degree (90°) horizontal plane.

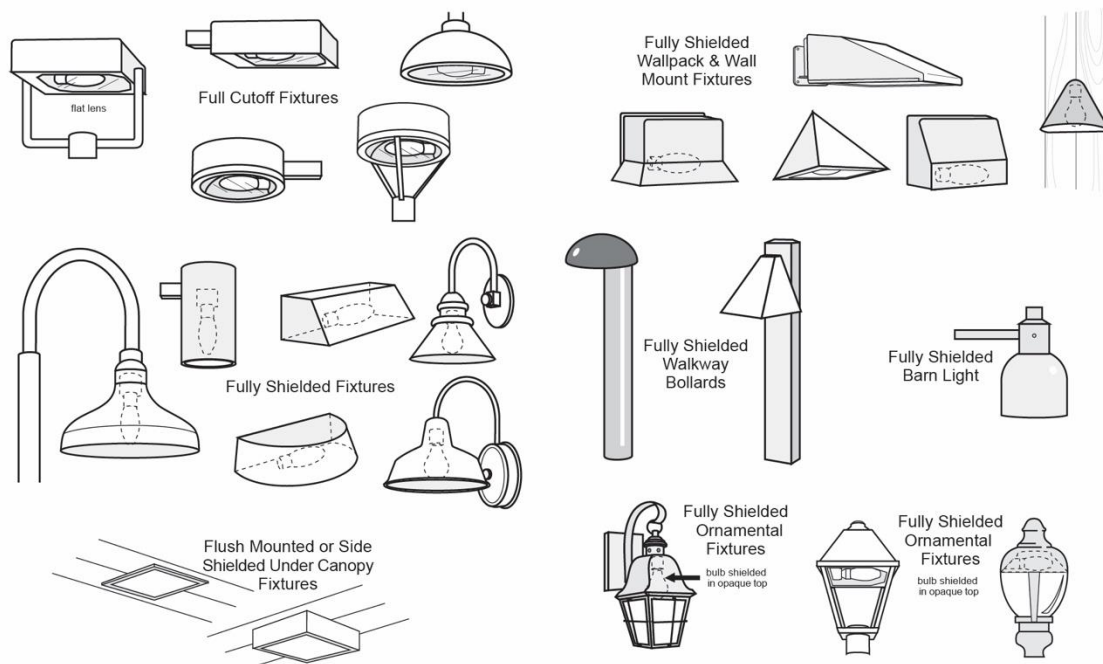


¹² Section 1470.11(a) is being deleted because of revisions/deletions involving the definition of Ornamental Lighting in Section 1470.04.

(c) Pursuant to Section 1470.08(c), the following unshielded lights are prohibited.



(d) Following are a few examples of non-ornamental light fixtures that comply with ordinance requirements.



**Legal Review, Supplement and Web Services
Code Proposal for the
Village of Franklin, Michigan**



American Legal Publishing
525 Vine Street, Cincinnati, Ohio 45202

**Richard C. Frommeyer
Codification Consultant
1-800-445-5588**

January 3, 2024

Dana Huges
Village Clerk
32325 Franklin Road
Franklin, MI 48025

Dear Ms. Huges:

Thank you for your interest in a legal review project of your Code of Ordinances. Enclosed is our proposal to provide a legal and Editorial Review of Franklin's code of ordinances and supplement the code with any changes found during the review to the Village.

A legal review and supplement includes incorporating any new ordinances and an editorial and legal research report by one of our attorneys on staff. The review will look for spelling errors, inconsistencies in the code. Additionally, there will be no reorganization of the code.

Any ordinances passed and not yet codified can be added with our supplement service. These new ordinances can be easily added to your code with American Legal's continued supplement services. And, please remember when you need a model ordinance, simply call us; we don't charge for providing model ordinances. You can also search all codes on our internet site free of charge when you feel like looking for models yourself.

We welcome the opportunity to continue to help manage Franklin's municipal documents and provide this legal and editorial research report. Should you have any questions about the proposal, please do not hesitate to call me.

Sincerely,



Richard C. Frommeyer

Codification Consultant
American Legal Publishing
rfrommeyer@amegal.com

800.445.5588 office

513.235.3926 cell

AMERICAN LEGAL PUBLISHING ADVANTAGES AND BENEFITS

QUALIFICATIONS

- American Legal Publishing, LLC began as the codification division of the Anderson Publishing Company of Cincinnati in 1934. We became a separate corporation in 1979. We are now a member of the ICC Family of Solutions.
- American Legal currently serves more than 3,400 local government clients across the country. Our clients range in size from New York City, Los Angeles, Chicago, Dallas, Fort Worth, Cleveland, Philadelphia and Boston, to villages with populations under 500. We have over 120 clients in Michigan.
- We are the codification consultants to the International Municipal Lawyers Association and numerous state municipal leagues.

LEGAL ANALYSIS

- Our legal staff's **Exclusive Editorial and Legal Report** details internal code inconsistencies as well as inconsistencies between your ordinances and state statutes and federal law. Our legal team consists of fifteen members with law degrees, including the president of the company. An attorney will provide your legal review.
- We provide the **most comprehensive analysis** in the codification industry: outlining problems, providing you with alternatives, and allowing you to implement desired improvements.
- You receive the Editorial and Legal Report with the **draft** of your code, allowing you to review your code with the assistance of our detailed, written editorial analysis which will ultimately be reviewed with you at a conference in Paulding. We are the only codification company that will update state law on a yearly basis.

SUBJECT MATTER FORMAT

- We will arrange your ordinances according to your current subject matter. If requested we can supply additional options.
- We can offer you free **Model Ordinances** covering nearly any municipal topic to replace an outdated ordinance or to cover an area where you may not have an ordinance.

TABLE OF SPECIAL ORDINANCES, PARALLEL REFERENCES AND INDEXING

- As part of your new code, we will create Tables of Special Ordinances covering such topics as annexations, zoning map changes, franchises, easements, etc. These ordinances will be listed in table form by ordinance number, date of passage, and will include a brief description of each ordinance. These pages will be charged at the supplement per page rate.
- Your code will include Parallel Reference Tables that indicate which code sections are based on state statutes, where prior code sections appear in your new code, and a cross-reference of ordinance numbers to code section numbers. Any ordinances added to the Parallel Reference Table will be charged at the supplement rate.
- Our comprehensive index includes no dead ends when you search for a topic.

STYLE OPTIONS

- We offer different typesets for your code, single or dual column printing and various types of binders.

TIMELY DELIVERY AND FLEXIBLE BILLING

- We will complete your code draft within six months (excluding your review time).
- We can work with you to schedule the project so that it meets your budgetary needs.
- We complete future supplements within 45 days or less.

RE-ORDERS AND PAMPHLETS

- We have **no minimum** or maximum orders of extra copies of your code. You can call us at any time and order 1 or 1,000 additional copies of your code.
- You can order only as many codes as you need without having to worry about buying, storing and updating copies that you don't need.
- You can receive specific pamphlets for your police department, zoning department, etc.

COMPUTERIZATION OF CODE

- You will receive your code on a flash drive in WordPerfect or Microsoft Word compatible at no additional charge.
- Access every word in your code in just seconds with our web/online code of ordinances. Your code can be linked to your meeting minutes and other municipal documents. We do all the conversion work ourselves; we have over 2,000 clients on the web/online.

SUBSCRIBERS SERVICE

- American Legal can sell current copies of Franklin's code (printed and computer versions) via our “800” number directly to Law Firms, Developers and other outside parties.
- Our service relieves Franklin of the burden of maintaining and updating inventory of codes and processing individual payments.
- Each department can order the number of paper copies necessary.

SUPPLEMENT SERVICE

- Our fast and efficient supplement service will keep your code current in future years. Delivery is within 45 days or less if you are on a yearly supplement schedule. You can supplement as often as necessary - even after every council meeting. These updates are typically completed in 10 days or less.

SUBCONTRACTING

- We do all editing, printing and computer/internet work inhouse and at one location.

LEGAL REVIEW AND SUPPLEMENT COST AND SERVICE SUMMARY

American Legal Publishing proposes to provide a legal and editorial research report of the current Village of Franklin, Michigan Code of Ordinances and supplement the code of ordinances at the following price:

I. Legal Review \$3,500.00

Includes

- | | |
|--|--|
| a. Number of Copies of Franklin's legal review | One copy of the legal and editorial report |
| b. Shipping & Handling | T.B.D. |

III. Time to Completion

- | | |
|---|-------------------------------------|
| Number of Months Until Legal and Editorial Research Review | three months or less |
| Number of Months for Municipality to Review and Return | two months or less |
| Number of Days for Updated Supplements, including Statutory Updates | 45 days or less for a yearly update |

IV. Optional Services that may be ordered:

- | | |
|--|--|
| a. Additional Copies of the Code of Ordinances | |
| i. Cost per Extra Code with Binder | \$125.00 |
| ii. Cost per Extra Code without Binder | \$100.00 |
| b. Supplement Service to correct any items found in the legal review into the code of ordinances | |
| 8½" x 11" Format | |
| i. Single-column | Current supplement rate per reprinted page |
| c. Subscription Service | YES |
| d. Access and Search other codes on American Legal Publishing's Website | No charge |

V. Terms

- i. Due 30 days after delivery of the legal and editorial report.

LEGAL REVIEW & SUPPLEMENT AGREEMENT FOR CODE OF ORDINANCES

January 3, 2024

The Village of Franklin, a municipal corporation in the State of Michigan (hereinafter referred to as "Municipality"), and American Legal Publishing LLC (hereinafter referred to as Publisher), agree as follows:

I. THE PUBLISHER SHALL PERFORM A LEGAL REVIEW OF THE EXISTING CODE AND A REFORMAT OF THE CODE OF ORDINANCES AS FOLLOWS:

Utilize its staff of attorneys to review the entire existing code and prepare a written report for the municipal attorney.

- (a) The report may include notice of and suggestions for resolving the following:

Internal discrepancies such as duplications, ambiguities, and obsolete terminology.

Apparent conflicts with referenced state and federal statutes and administrative regulations;

Repealed, renumbered, or obsolete state and federal statutory citations;

Apparent conflicts with prominent federal case law; and

- (b) Suggest new provisions which the Municipality should consider including in the code, and suggest deleting old provisions which are no longer necessary.
- (c) The review will not involve re-drafting of entire chapters by the Publisher. However, the Publisher may provide model ordinances to the Municipality in the legal review and also upon request if in possession of such models.
- (d) At the option of the municipality, hold a conference with municipal representatives to review the report by conference call or Zoom. The Municipality will not be billed for time of the American Legal staff attorney if it chooses this option. If Municipality wants an in person meeting they will be billed for our staff attorney's time and will be billed for travel expenses. Estimated \$1,750.00 to \$2,500.00.

Note: The review performed by the Publisher should not be considered as a substitute for the competent advice of your Village Attorney, especially based on his/her in-depth knowledge of Village practices and procedures, and American Legal Publishing is in no way assuming the role of attorney for the municipality. Land Use sections of the code are especially specific to the locality and are thus only subject to cursory review and comparison with the rest of the code. *(A Sample Report is attached to indicate the type of comments that are likely to be contained in the report for Franklin.)*

The Municipality shall provide any documentation to the Publisher regarding a change in the form of government, if any, since the Municipal Code was originally published if such change is not already reflected in the code.

- (4) Confer with the Municipal Representative during the course of the legal and editorial review. The Publisher and Municipal Representative will have a conference call at a time determined by both to review the Publisher's work.

When the legal review and editorial report, and any changes thereto made by the Municipality, is returned to the Publisher, such return of the report shall be deemed final authorization to make changes to the code by Municipality and to publish the Code as returned. Any changes and newly passed ordinances will be added at this time and charged the supplement rate.

- (6) Deliver to the Municipality, within 60 days of receipt of the legal and editorial report and any changes, printed copies of the supplement meeting the following specifications:
- (a) Single column print type.
 - (b) Page size to be 8½" x 11".
 - (c) Printed on high quality paper.
 - (d) Divider tabs (Current binders to be re-used)
 - (e) Binder, with Village seal stamped onto the binder.

II. THE MUNICIPALITY SHALL:

- (1) Pay to the Publisher \$3,500.00 to conduct a legal review of code.

OPTIONAL In-person conference with attorney: is at \$1,500.00 per day plus travel and lodging expenses

or a Zoom Meeting with Attorney for up to four hours at no charge. A phone calls with a staff attorney during the project are at no cost.

The Municipality might be subjected to state and local tax on products and services provided in this agreement.

- (2) Pay to the Publisher the total amount 30 days after receiving and reviewing draft and editorial report and delivery of the completed Code of Ordinances.
- (3) Pay any supplement invoices within 45 days of the invoice date for the changes based on the legal review and for future supplements.

IV. DISTRIBUTION.

The Publisher shall ship by common carrier (such as UPS), one copy of the legal and editorial review ordered by the Municipality.

The Municipality, by the initials of the person executing the agreement on its behalf, exercises the following options for printing copies as well as additional online services:

INITIAL

One copy of the Legal and Editorial Research Report _____

Any changes to the code based on this report will be billed at the current supplement rate for the municipality. _____

VI. OPTIONAL UPDATING SERVICES.

Future Supplements of the Code Online (cost included in edit charge for supplement pages): _____

Internet Updates: _____ annually _____ six months _____ quarterly _____ as ordinances pass

Printed Books Updates: _____ annually _____ six months _____ quarterly _____ as ordinances pass

- (a) Have American Legal check state statutes that affect the code on a yearly basis \$700.00 _____

- (b) Advance Legislative Service (PDF): As new ordinances are passed they will be added to the New Ordinance List. This list will have the latest ordinances listed by date passed. Once ordinances are supplemented this list will be cleared. An ordinance can post on the same day. The cost for this service is \$10.00 per ordinance. If the entire ordinance needs to stay online then chose our other service called Comprehensive Ordinance List. _____
- (c) New Ordinance Notification Service: As new ordinances are passed, American Legal will place a New Ordinance Notice that this code section has been amended. Once the ordinance is supplemented into the code of ordinances the Notice will be removed. The cost for this service is \$7.00 per notice. This service is usually combine this service with the Advance legislative Service or the Comprehensive Ordinance List. _____
- (d) Comprehensive Ordinance List: As new ordinances are passed they will be added to the Comprehensive Ordinance List. This list will have the latest ordinances listed by year. The ordinances will be highlighted in yellow until they are added to the code book. All ordinances can be listed, even ones that are not usually codified such as annexation, variances, budget, and other miscellaneous ordinances. The ordinance is linked to a pdf copy of the original ordinance. The price for this service is \$15.00 an ordinance. If you store the ordinances on the Municipality website there is no storage cost. If ordinances are stored on ALP website a price will be determined each year based on the number of ordinances stored on American Legal Publishing's site. The cost will be \$50.00 per year for additional storage. _____
- (e) History Linking to Original Ordinance: American Legal Publishing can link a PDF version of your original ordinance to the history section of your online code. The cost for this service is \$10.00 ordinance. _____
- (f) Definition Links Service: American Legal will build defined term links or pop up boxes to any word requested by the Municipality. Many counties like this service so that a user can see the definition of the word without going back to the defined terms section of the code. This service is available for the Code of Ordinances and the Land Development Code. The cost for this service is \$105.00 an hour. _____
- (g) Archived Codes Online Service: American Legal Publishing can store previous versions of your code and or supplements online for research purposes. The yearly cost for this service will be \$150.00 one annual updates, \$75.00 each for four Quarterly updates, and Monthly at \$50.00 per month _____
- (h) Custom Banner Services: American Legal can make your online code look just like the counties website. The cost for this service is based on the files that are provided by the Municipality. The typical fee can be at \$50.00 charge and up. Please send the files for an actual price. _____
- (i) Online Meeting Minutes Service: American Legal can store meeting minutes as well as other documents online. Your minutes, resolutions, annexations can all be placed online and indexed for \$1.00 per page provided to publisher in a format set by Publisher. There is a \$100.00 fee to store documents online per year. _____
- (j) If there are several services that you are interested in we would be happy to put a package together to fit your needs. Just let us know what additional web services you are interested in and we are happy to provide discounted pricing. _____

V. TRANSMITTAL AS OFFER.

The transmittal of this Agreement to the Municipality is an offer by the Publisher to perform the stated services at the prices and terms referenced within the Agreement. This offer will expire if not executed by the Municipality by February 28, 2024, unless such date is extended in writing by the Publisher.

IN WITNESS WHEREOF the parties to this contract have hereunto set their hands on the date(s) indicated:

THE VILLAGE OF FRANKLIN, MICHIGAN

AMERICAN LEGAL PUBLISHING, LLC

BY _____

BY _____

TITLE _____

TITLE _____

DATE _____

DATE _____

From: [Susan Goldstrom](#)
To: [Dana Hughes](#)
Subject: FW: MERS 457 Updated Paperwork for Council Approval
Date: Friday, February 2, 2024 2:24:37 PM
Attachments: [image001.png](#)
[457 Resolution.pdf](#)
[457 Agreement.pdf](#)

From: John Waugh <jwaugh@mersofmich.com>
Sent: Wednesday, January 31, 2024 10:14 AM
To: Susan Goldstrom <sgoldstrom@franklinvillagemi.gov>
Subject: MERS 457 Updated Paperwork for Council Approval

Hi Susan!

Please find the attached updated documents required for to adopt the MERS 457 plan. The intention is to change providers from MissionSquare to MERS including transferring plan assets. The reasons for doing so include the following:

- MERS takes on the sole fiduciary responsibility for plan compliance, investment menu oversight, and ensuring reasonable expenses to plan participants. Currently, the Council and any employees that have discretionary authority over plan assets act as fiduciary and is liable for any breaches of fiduciary duty. MERS will assume this risk.
- It will streamline plan administration and participant education which should save time on reporting and making contributions while saving time for employees who can get their plan education on all products from one provider.
- MissionSquare has had some service-related issues and MERS has an excellent track record.
- MERS has lower fees which should help participants save more money and have more retirement income than a higher fee provider (see fee comparison results below).
- MERS has had better historical investment performance (see historical investment return comparison results below) .

Plan Asset-Weighted Plan Averages <i>(Appendix III)</i>	Mission Square	MERS	Difference
Expense			
Asset-Weighted Average Expense	1.17%	0.43%	-0.74%
Total Impact (Performance, Less Fund Fees)			
1-Year Asset-Weighted Average Performance	-11.52%	-11.07%	0.45%
3-Year Asset-Weighted Average Performance	1.52%	1.83%	0.31%
5-Year Asset-Weighted Average Performance	2.86%	3.10%	0.24%
10-Year Asset-Weighted Average Performance	3.99%	4.99%	1.00%

Once approved, please have Roger sign, then scan and email the both documents to me. If there are any questions, please let me know. Thanks!

Best,

John Waugh
Benefit Plan Advisor
MERS of Michigan
Direct: 517-703-1364
jwaugh@mersofmich.com
www.mersofmich.com

-- CONFIDENTIALITY NOTICE: This email and any attachments are for the sole use of the intended recipient(s) and may contain information that is confidential and protected from disclosure under the law, including attorney-client communications. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and delete/destroy all copies of the original message and

attachments. **DISCLAIMER:** This email may contain a summary description of the Municipal Employees' Retirement System of Michigan benefits, costs, rates, valuations, or other calculations, policies or procedures. MERS has made every effort to ensure, but does not guarantee that the information provided is accurate and up to date. Where this email conflicts with the relevant MERS Plan Document, the MERS Plan Document controls.

[CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe]

MERS 457 Participation Agreement



1134 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9707

www.mersofmich.com

The Employer, a participating municipality or court within the state of Michigan, hereby agrees to adopt and administer the MERS 457 Program provided by the Municipal Employees' Retirement System of Michigan, in accordance with the [MERS 457 Plan Document](#), subject to the terms and conditions herein.

I. **Employer Name:** _____
(Name of municipality or court)

Municipality Number: _____ **Division Number (if amendment):** _____

II. **EFFECTIVE DATE:** The MERS 457(b) Program will be effective as follows (choose one):

☐ **Original Adoption.** The MERS 457(b) Program will be effective 1st day of _____, 20____, with respect to contributions upon approval by MERS.
(Month) (Year)

☐ To establish a new plan or replace current 457 carrier with the MERS 457 Program.

☐ To add the MERS 457 Program in addition to: _____
(Other plan provider)

VERY IMPORTANT: All eligible programs of a Participating Employer are considered to be a single plan for purposes of compliance with Code Section 457(b). Thus, if a Participating Employer has more than one eligible 457 (or additional investment options under a 457(b) arrangement with more than one vendor), the Participating Employer is responsible for ensuring that all of its arrangements, treated as a single program, comply with the 457(b) requirements. In order to fulfill its responsibility for monitoring coordination of multiple programs, the Participating Employer must carefully review the Plan Document provisions.

☐ **Amendment.** The amended MERS 457(b) Program will be effective 1st day of _____, 20____, with respect to contributions upon approval by MERS. *Please note:* You only need to mark **changes** to your plan throughout the remainder of this Agreement.
(Month) (Year)

III. **ELIGIBLE EMPLOYEES:** Only Employees as defined in the Program may be covered by the Participation Agreement. Subject to other conditions in the Program, this Agreement, and Addendum (if applicable), the following Employees are eligible to participate in the Program:

Probationary Periods (select one):

☐ Contributions will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months. During this probationary period, contributions will not be reported.

The probationary period will be _____ month(s).

☐ No probationary period.

IV. CONTRIBUTIONS (check one):

Frequency:

Contributions will be remitted according to Employer's "Payroll Period" which represents the actual period amounts are withheld from participant paychecks, or within the month during which amounts are withheld. Contributions will be submitted (check one):

- | | |
|---|--|
| <input type="checkbox"/> Weekly | <input type="checkbox"/> Semi-Monthly (twice each month) |
| <input type="checkbox"/> Bi-Weekly (every other week) | <input type="checkbox"/> Monthly |

Definition of Compensation

The Definition of Compensation selected must be used when determining both employer and employee contributions. Employers may include wage information along with employee and employer contributions when submitting wage/contribution reports to MERS.

Select your Definition of Compensation:

- ☐ Base Wages ☐ Box 1 Wages of W-2 ☐ Gross Wages
- ☐ Custom Definition

Click here to view details
of Base, Box 1, and
Gross Wages

(To customize your definition, please complete the [Custom Definition of Compensation Addendum](#).)

V. ROTH DEFERRAL CONTRIBUTIONS:

The Program allows Roth deferral contributions and allows for Roth rollover contributions from other designated Roth 457(b), 401(k), or 403(b) Plans. Roth in-plan rollovers are also allowed. Roth in-plan rollovers allow a participant who has reached age 70½ or who has incurred a severance from employment to elect to have all or a portion of their pre-tax contribution account directly rolled into a designated Roth rollover account under the plan if the amount would otherwise be permitted to be distributed as an eligible rollover distribution. Any amounts that are rolled to the Roth rollover account are considered to be irrevocable and may not be rolled back to the pre-tax account.

MERS 457 Participation Agreement

VI. LOANS: ☐ shall be permitted ☐ shall not be permitted

If Loans are elected, please refer to the [Defined Contribution & 457 Loan Addendum](#).

VII. AUTOMATIC ENROLLMENT: ☐ shall be permitted ☐ shall not be permitted

If selected, please complete and attach the [457 Eligible Automatic Contribution Arrangement \(EACA\) Addendum](#).

VIII. EMPLOYER CONTRIBUTIONS: ☐ shall be permitted ☐ shall not be permitted

If selected, please complete and attach the [457 Employer Contribution Addendum](#).

IX. MODIFICATION OF THE TERMS OF THE PARTICIPATION AGREEMENT

If the employer desires to amend any of its elections contained in the Participation Agreement, including attachments/addendums, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Participation Agreement. The amendment of the new agreement is not effective until approved by MERS.

X. ENFORCEMENT

1. This Participation Agreement may be terminated only in accordance with the [MERS 457 Plan Document](#).
2. The Employer hereby agrees to be bound by the [MERS 457 Plan Document](#) and all policies adopted by the Board as applicable to the MERS 457 Plan, as these may be amended from time to time.
3. The employer hereby acknowledges it understands that failure to properly fill out this Participation Agreement may result in the ineligibility of the program.

XI. EXECUTION

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

The foregoing Participation Agreement is hereby approved by _____
on _____ (MM/DD/YYYY) (Name of Approving Employer)

Authorized signature: _____

Name (printed): _____

Title: _____

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20____ Signature: _____
(Authorized MERS Signatory)

MERS Uniform 457 Supplemental Retirement Program Resolution



1134 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9711

www.mersofmich.com

This Resolution, together with the MERS 457(b) Supplemental Retirement Program Plan Document and the MERS 457 Supplemental Retirement Program Participation Agreement and any Addendum thereto, constitute the entire MERS 457 Deferred Compensation Plan Document.

WHEREAS, the Municipal Employees Retirement Act of 1984 (the “Act”), MCL 38.1536(2)(a) (MERS Plan Document (Section 71) authorizes the Municipal Employees’ Retirement Board (the “Board”) to “establish additional programs including but not limited to defined benefit, defined contribution, ancillary benefits, health and welfare benefits, and other postemployment benefit programs,” and on November 8, 2011, the Board adopted the MERS 457 Deferred Compensation Plan.

WHEREAS, this Uniform Resolution has been approved by the Board under the authority of Section 71, and the Board has authorized the MERS 457 Deferred Compensation Plan, which shall not be implemented unless in strict compliance with the terms and conditions of this Resolution.

WHEREAS, the Participating Employer, a participating “municipality” (as defined in the Act; MCL 38.1502b(2); Plan Document Section 2) or participating “court” (circuit, district or probate court as defined in the Act, MCL 38.1502a(4) – (6); Plan Document Section 2) within the State of Michigan has determined that in the interest of attracting and retaining qualified employees, it wishes to offer a deferred compensation plan;

WHEREAS, the Participating Employer has also determined that it wishes to encourage employees’ saving for retirement by offering salary reduction contributions;

WHEREAS, the Participating Employer has reviewed the MERS 457 Supplemental Retirement Program (“Plan”);

WHEREAS, the Participating Employer wishes to participate in the Plan to provide certain benefits to its employees, reduce overall administrative costs, and afford attractive investment opportunities;

WHEREAS, the Participating Employer is an Employer as defined in the Plan;

WHEREAS, concurrent with this Resolution, and as a continuing obligation, this Governing Body has completed and approved, and submitted to MERS and the Board documents necessary for adoption and implementation of the Plan; and

WHEREAS, the Governing Body for and on behalf of the Participating Employer is authorized by law to adopt this Resolution approving the Participation Agreement on behalf of the Participating Employer. In the event any alteration of the terms or conditions stated in this Resolution is made or occurs, it is expressly recognized that MERS and the Retirement Board, as sole trustee and fiduciary of the Plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty to continue to administer (or to have administered) the MERS 457 Supplemental Retirement Program for the Participating Employer.

MERS Uniform 457 Supplemental Retirement Program Resolution

NOW, THEREFORE, BE IT RESOLVED that the Governing Body adopts the MERS 457 Supplemental Retirement Program as provided below.

- I. The Participating Employer adopts the Plan for its Employees.
- II. The Participating Employer hereby adopts the terms of the Participation Agreement, which is attached hereto and made a part of this Resolution. The Participation Agreement sets forth the Employees to be covered by the Plan, the benefits to be provided by the Participating Employer under the Plan, and any conditions imposed by the Participating Employer with respect to, but not inconsistent with, the Plan. The Participating Employer reserves the right to amend its elections under the Participation Agreement, so long as the amendment is not inconsistent with the Plan or the Internal Revenue Code or other applicable law and is approved by the Board.
- III. The Participating Employer shall abide by the terms of the Plan, including amendments to the Plan made by the Board, all investment, administrative, and other service agreements of the Plan and the Trust, and all applicable provisions of the Internal Revenue Code and other applicable law.
- IV. The Participating Employer acknowledges that the Board is only responsible for the Plan and any other plans of the Employer administered by MERS and that the Board has no responsibility for other employee benefit plans maintained by the Employer that are not part of MERS.
- V. The Participating Employer accepts the administrative services to be provided by MERS and any services provided by a Service Manager as delegated by the Board. The Participating Employer acknowledges that fees will be imposed with respect to the services provided and that such fees may be deducted from the Participants' accounts.
- VI. The Participating Employer acknowledges that the Plan contains provisions for involuntary Plan termination.
- VII. The Participating Employer acknowledges that all assets held in connection with the Plan, including all contributions to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights shall be held in trust for the exclusive benefit of Participants and their Beneficiaries under the Plan. No part of the assets and income of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries and for defraying reasonable expenses of the Plan. All amounts of compensation deferred pursuant to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights held as part of the Plan, shall be transferred to the Board to be held, managed, invested and distributed as part of the Trust Fund in accordance with the provisions of the Plan. All contributions to the Plan must be transferred by the Participating Employer to the Trust Fund. All benefits under the Plan shall be distributed solely from the Trust Fund pursuant to the Plan.

MERS Uniform 457 Supplemental Retirement Program Resolution

- VIII. This Resolution and the Participation Agreement shall be submitted to the Board for its approval. The Board shall determine whether the Resolution complies with the Plan, and, if it does, shall provide appropriate forms to the Participating Employer to implement participation in the Plan. The Board may refuse to approve a Participation Agreement by an Employer that does not possess State statutory authority to participate in the Plan. The Governing Body hereby acknowledges that it is responsible to assure that this Resolution and the Participation Agreement are adopted and executed in accordance with the requirements of applicable law.

BE IT FINALLY RESOLVED: This Resolution shall have no legal effect under the Plan until a certified copy of this adopting Resolution is filed with MERS, and MERS determines that all necessary requirements under the 457 Supplemental Retirement Program Plan and Trust, the Participation Agreement, and this Resolution have been met. All dates for implementation of the Plan shall be determined by MERS from the date of filing with MERS of this Resolution in proper form and content. Upon MERS determination that all necessary documents have been submitted to MERS, MERS shall record its formal approval upon this Resolution, and return a copy to the Employer.

In the event an amendatory Resolution or other action by the municipality is required, such Resolution or action shall be deemed effective as of the date of the initial Resolution or action where concurred by this Governing Body and MERS (and a third-party administrator, if applicable and necessary). The terms and conditions of this Resolution supersede and stand in place of any prior resolution, and its terms are controlling.

I hereby certify that the above is a true copy of a Resolution adopted at the official meeting held on

_____, 20____. _____
(Signature of authorized official)

Printed name: _____ Position title: _____
(Authorized Official - printed) (Authorized Official - position)

Municipality name: _____

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20____ _____
(Authorized MERS signatory)