

SILVER CREEK TOWNSHIP
P.O. BOX 464
DOWAGIAC, MICHIGAN 49047
PHONE (269) 424-3025 FAX (269) 424-3858

MICK BRAMAN, SUPERVISOR
LORRI BEHNKE, CLERK
MAUREEN T. KURIATA, TREASURER

BILL SAUNDERS, TRUSTEE
MIKE GLYNN, TRUSTEE

To: Joe Campbell, ILIA Treasurer
Cc: Indian Lake Governmental Lake Board Chair

Thank you for your written communication with specific questions. These items do not need to go on the January agenda because they were addressed at prior meetings. Given our SAD was ending, there is no need to spend time meeting with us, but you should seek guidance from your Government Lake Board.

Basically, for an item/service to be eligible for payment from the SAD, the following is needed: it's part of a contract signed by the township; it's in the budget submitted for the year; and the service occurred during the established time frame of the SAD. You seem to be getting an understanding of how this works when you submitted but later paid for the 5-year plan you requested from Barr. So here are specific answers to your questions:

In accordance with the 2016 agreement:

1. B. The Township Board must approve and sign all contracts with consulting and service providers. *(The Township did not approve or sign a contract for Barr.)*
2. B. "Invoices for all vendors shall be approved by the Association and the invoice(s) submitted to the Township for payment of expenses that relate to special assessment district funds". *See below, some of the expenses that do not relate to the special assessment district that expired in 2021.*
 - D. "On or about October 1st the Association will submit a budget for approval by the Township Board."
So If an expense line was not in the approved budget, ie: weed harvester, it is not part of the SAD.

Individual Items:

The Township did approve a payment to Barr Engineering in the amount of \$4,632.00 and \$10,792.00 as it appeared that the identified services were at least similar to those that had been approved in the past, but with a different vendor. The Township paid this amount on good faith, and without having seen or approved a contract with Barr. Upon investigation, we have found that this check did not get into the mail until this week and I apologize for that. The remainder of the Barr Engineering Services bill is the responsibility of ILIA because the township did not receive a contract to approve and sign with Barr Engineering.

Repair to Weed Harvester (BSY August):

Repair for the weed harvester is an estimate. It is not a service received in 2021; also, it was not in the budget submitted by ILIA for 2021 and it was not in any plan by RLS or Barr – Thus this is not eligible for payment out of the SAD funds.

Lake Savers Suspension of aerators invoice:

The suspension of aerators appears to have been directed by Barr, with whom the township has no contract and this is for future activity past the expiration of the SAD. The suspension of aerators was not contemplated in the plan and the cost of suspension of aerators was not identified on the last budget submitted by ILIA. For these reasons, it is not eligible for payment from the SAD. Also, John Tucci called the township and was given this same information.

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Email regarding suspension of aerators:

There's nothing in the plan/budget to accommodate funds for suspension of aerators and as this is a future event, it is outside the timeframe of our SAD.

SAD funds are to be expended only in accordance with the plan and budget. Expenditure decisions are made by the board by vote at our monthly meetings. For the reasons identified above, the Township cannot expend SAD funds on these invoices. Either they were not budgeted, or the township was not provided agreements or contracts to sign, or they are not expenses incurred pursuant to the plan, or they have not yet been incurred. PA 188 provides that remaining money in an SAD, if over 5% of the original amount must be returned to those who paid it in. Thus, any remaining money must be returned to the owners of the parcels in the SAD, which is a wonderful thing for the taxpayers.

I hope this information is helpful as you go forward with the Government Lake Board.

Respectfully,

Lorri Behnke
Silver Creek Township Clerk