

**STATEMENT TO ST JAMES TOWNSHIP TAXPAYERS  
FROM ST JAMES TOWNSHIP BOARD  
April, 2015**

As most of you know, the township board is struggling with budget issues and has sought professional auditing and legal help to determine the extent of the problems and to resolve them. Most of the problems stem from issues related to the township's harbor area sewer system built in 2001 to protect the harbor from pollution and to provide a service to the businesses and homes around the harbor district, and indirectly to all residents and visitors.

Problems with billing and collection of sewer use funds coupled with costly sewer maintenance issues led to problems with other township funds, specifically the operational fund and the street and road fund, which were relied upon to cover sewer costs.

The township board has taken several steps to look into and resolve the problems and expects to make a full report to the taxpayers by late June, 2015. The following list identifies some of the steps that have been taken or are about to be taken:

1. Authorized the Townships attorney to engage an independent accountant to review and verify bookkeeping records
2. Agreed to follow the steps laid out by the Attorney and Independent Accountant
3. Agreed to post a RFP for a new auditor for 2014-2015 fiscal year
4. Appointed a subcommittee for progress on the books and records
5. Set up Township accounting software according to Michigan Chart of Accounts
6. Reconstructed records of Sewer System user payments to allow analysis of individual user payment history and discussion of potential collection of unpaid fees which can also be used to repay the street and road fund. These records will be reviewed by an independent accountant.

7. Decided to hire a sewer billing clerk whose responsibility will be to bill and collect sewer use fees on a monthly basis.
8. Sent an informational letter to Sewer System Users
9. Received a state grant for reimbursement of sewer repair bills stemming from harsh 2013 winter – these can be used to help repay the street and road fund
10. Decided to work with township attorney to develop a resolution for repayment of funds to the street and road fund in as timely a manner as possible
11. Reconstructed records of general funds deposits and expenditures from the prior 14 years according to the Michigan Chart of Accounts to allow analysis of flow of tax dollars over time. These records will be reviewed by an independent accountant.

The township board realizes that there is still much to be done and would like the taxpayers to know that they will continue to give priority to this issue.