

SEVILLE TOWNSHIP

7676 W. Lincoln Road, P.O. Box 222

Elwell, MI 48832

www.SevilleTownship.com

Board Meeting Minutes

Date: 5/1/2025

Time: 7:00 PM

Location: Seville Township Hall
7676 W. Lincoln Road
Elwell, MI 48832

MEETING TYPE

☐ Regular

☒ Special

MINUTES TYPE

☐ Proposed

☒ Approved

I. Meeting Called to Order

The meeting was called to order at **7:02 PM**

II. Pledge of Allegiance

III. Roll Call

Board Member Attendance:

Patricia (Tish) Mallory	Supervisor	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Ashlee Gibson-Smith [arrived at 7:38 pm]	Treasurer	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Ann Moomey [absent due to sickness]	Clerk	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Absent
Doug Brecht	Trustee	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Michale Miller	Trustee	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent

Other Township Attendees:

Amy Densmore	Deputy Clerk	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Renee Shaver	Library Board	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Allison Dunlap	Library Board	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Becky Fleury	Library Board	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Sharon Stebelton	Library Board	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Randy Bard	Library Board	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Judy Zimmerman	Library Board	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent

IV. Public Comment. NONE

V. Motion to approve the Agenda.

Action requested: Motion to approve the **Agenda**.

Motion	Brecht			
Support	Miller			
		VOTE	AYES	NAYS
			3	0

VI. Approval of Minutes from April 09, 2025, Regular Board Meeting.

Action requested: Motion to approve the **Minutes**. [BRECHT voted "no"].

Motion	Miller		
Support	Mallory		
		VOTE	
		AYES	NAYS
		2	1

VII. New Business.

- a. **Fiscal Agency Agreement – Audit Expense.** **MALLORY** opened the discussion regarding the Township's duties under the Fiscal Agency Agreement, and shared that the Township had initiated an invoice for audit fee reimbursement from the Library Board. **MALLORY** provided copies to the Library Board of the CPA's invoices as received by the Township.

Library Board members asked for clarification as to the amount of the reimbursement request invoice from the Township to the Library had been determined.

GIBSON-SMITH arrived at the meeting at 7:38 p.m.

GIBSON-SMITH shared that she had calculated the invoice amount based on the percentage of the Library's funds in relationship to all funds audited by the CPA. The Library's portion was 33% -- which was the percentage of the total audit fee requested by the Township of the Library Board.

Library Board Member **DUNLAP** suggested that it was their understanding that the payment by the Board to the Township (quarterly) based on \$100/month as stated in the Fiscal Agency Agreement was intended to cover the Library's portion of the Township audit expense (on a biennial basis).

MALLORY and **GIBSON-SMITH** shared that the audit fee for the most current audit had increased from previous years; additionally, that they were not in agreement that the Account Fee was intended for that purpose.

- b. **Fiscal Agency Agreement - Accounting Fees.** The discussion between the Township Board members and the Library Board members continued with regard to the Fees and Expenses (item #5) in the Fiscal Agency Agreement. **GIBSON-SMITH** shared that she consistently spends at least 2 hours each month reconciling the Library bank reconciliations, reviewing payroll, CD renewal/rate review, etc. If the \$1200 annual fee paid by the Library Board to the Township was intended to cover the proportionate audit expense, then the time **GIBSON-SMITH** is spending on the other items is not being adequately reimbursed to the Township.

Library Board Member **DUNLAP** noted that the Agency Agreement requires the "parties to review the fee annually" so that this discussion comes timely as both the Township Board and the Library Board can, independently, further discuss options and then come to a consensus on recommended amendment(s) to the Fiscal Agency Agreement.

GIBSON-SMITH offered that she would like the attorney (which represents both the Township Board and the Library Board) to review a list of questions identified by both the Township Board and Library Board surrounding each entity's rights and responsibilities and provide some clarification/direction. For example, **GIBSON-SMITH** suggested that now that the Library Board is completely separate from the Township – has its own Federal Tax ID number, has purchased BS&A accounting software, and is doing its own payroll generation, that the Library Board could hire its own accountant to complete the monthly reconciliations and provide a monthly report to the Township. Additionally, the Library could complete its own biennial audit with a CPA. A copy of that report would be provided to the Township CPAs as part of the Township audit workpapers.

GIBSON-SMITH is interested in specific clarification from the attorney on the Township's liability under PA 164 as the language in the current Fiscal Agency Agreement states that the "Township shall disperse payments as authorized by the Library Board from the Library Fund at least one (1) time per month..." With the Library generating its own payable checks and payroll checks, the Township Treasurer is involved in signing off on those but is not generating them. **GIBSON-SMITH** supports the separate of the entities to the extent possible under the law.

MALLORY offered that another option would be to amend the Fiscal Agency Agreement to increase the Fees and Expenses of the Fiscal Agent from \$100/month to \$500/month with the intent that this covers the Township Treasurer's monthly time allocated to Library functions. In this scenario, the Township would also want clarifying language added to the Fiscal Agency Agreement wherein the Library Board agrees to reimburse the Township for a percentage of the biennial audit expenses.

Library Board President **SHAVER** indicated that the Library Board meets next on May 13, 2025, and that they would have follow-up discussions about these items and continue to compile any questions that they have for the attorney so that the joint letter from the Township Board and the Library Board can be all inclusive, when issued.

MALLORY stated that the Township Board meets on May 14, 2025, and continued discussion would occur for the Township Board at that time. Subsequent to those meetings, the DRAFT letter for the attorney will be prepped and circulated to both the Township Board and the Library Board for review before issuing the attorney.

Broad areas, including but not limited to, the following, will be asked in the letter when drafted:

- Township roles/responsibilities. Clarification of Township roles and responsibilities under Public Act 164 as it relates to the Fiscal Agent
- Library Account Signers. Does the Township have to be one of the 2 signers on the account, or could it be a Library Board member?
- Library as a separate entity given its FEIN, employees, etc.

Once the attorney has received, reviewed and replied to the letter, both the Township Board and the Library Board will schedule a joint board meeting to discuss and act on next steps.

VIII. Public Comment:

MALLORY reiterated the Township Board's support for the Township Library and wanted to assure the Library Board that this discussion was an opportunity to ensure that positive intent was conveyed and to identify a path forward that enables the Township to act in good faith as a Fiscal Agent, as required, but to ensure fiscal stewardship of Township resources.

DUNLAP echoed the positive intent; reminded the group that we are a small community and that it is important that both Board work together. The Library Board, like the Township, has areas of high stress and are sensitive to funding issues – especially in the wake of recent Federal Executive Orders that could have a significant impact at the local library level.

BALCOM, Jennifer (State Library Co-Op Director) provided additional information about recent discussions at the State level regarding the Federal funding issues. She noted that earlier today she attended an event in Lansing known as Public Library Advocacy Day and that there has been a request by the libraries of the state legislators to fill the funding void in the event it occurs.

IX. Adjournment.

Action requested: Motion to adjourn at 8:40 p.m.

Motion	Miller		
Support	Brecht		
		VOTE	
		AYES	NAYS
		4	0

Minutes Certification:

PROPOSED minutes respectfully submitted:



05/01/2025

Amy Van Atten-Densmore, Deputy Clerk

Date

APPROVED by the Township Board on _____

Patricia Mallory, Supervisor

Date

Ann Moomey, Clerk

Date

APPROVED