

KALAMAZOO CHARTER TOWNSHIP

KALAMAZOO COUNTY, MICHIGAN

**RESOLUTION OF SECOND MOTION TO CENSURE AGAINST TOWNSHIP TREASURER
SHERINE MILLER**

**FOR VIOLATION OF BOARD DIRECTIVES, BOARD POLICIES, FINANCIAL POLICIES, AND
INTERNAL CONTROLS**

Resolution No. _____

Adopted: _____

Effective: Upon Adoption

WHEREAS, the Township Board of the Charter Township of Kalamazoo is the seven-member legislative and policy-making body of the Township; and

WHEREAS, members of the Township Board have fiduciary obligations to protect the Township's assets, ensure lawful financial administration, and maintain effective internal controls; and

WHEREAS, on January 23, 2026, the Township Board adopted a Resolution of Censure Against Township Treasurer Sherine Miller and Order of the Township Board Regarding the Township's Financial Affairs ("Censure Resolution"); and

WHEREAS, the Censure Resolution imposed specific administrative controls and directives, including restrictions on the Treasurer's access to financial systems, limitations on involvement in fiscal operations, and assignment of coordination and oversight of Township financial activities to the Township Superintendent; and

WHEREAS, the Censure Resolution reaffirmed the Board's authority under MCL 41.76 to direct the handling, accounting, and disbursement of Township funds and emphasized strict compliance with adopted financial policies and internal control requirements; and

WHEREAS, on February 3, 2026, subsequent to adoption of the Censure Resolution, **Treasurer Sherine Miller solely initiated and processed a transfer of Four Million Dollars (\$4,000,000)** from a Township checking account to a Township money market account; and

WHEREAS, **the Treasurer executed this transaction without prior notice or consultation with anyone on Township staff or leadership, without any discussion or analysis of Township cash flow needs, and without providing advance notice** to the Superintendent; and

WHEREAS, the transfer was completed without obtaining the dual authorization required by the Township's adopted financial policies, in direct violation of those policies, board policies and established internal control practices; and

WHEREAS, such unilateral action directly violates the directives and intent of the Censure Resolution, undermines established internal controls, and exposes the Township to unnecessary financial and operational risk; and

WHEREAS, **such action without a conversation or formal cash flow analysis, put the township at risk of depleting cash flows and hindering the township's ability to cover checks which were previously issued;** and

WHEREAS, the Township Board finds that this conduct **reflects a failure to comply with Board-imposed restrictions and financial governance requirements adopted to protect the Township's financial integrity** following the Censure Resolution; and

WHEREAS, the Township Board determines that immediate formal action is necessary to reinforce compliance with Board directives, protect public funds, and preserve the integrity of the Township's financial operations;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. **The Township Board hereby formally reprimands and again Censurers Treasurer Sherine Miller for executing a significant financial transaction without dual controls, communication, or compliance with adopted financial policies and internal controls,** and in violation of the Board's prior Censure Resolution.
2. This Resolution of Second Censure is issued in continuance of, and consistent with, the prior Censure Resolution dated January 23, 2026 and is intended to reinforce the Board's directives regarding financial oversight, authorization, and internal controls.
3. The Township Board reaffirms that **no unilateral financial transactions may be undertaken by the Treasurer. Any unilateral action by the Township Treasurer; including the movement of township funds between accounts is considered ultra vires and voidable by the Township Board.** The Township Board reaffirms the procedures, limitations, and oversight established by the Board and implemented by the Township Superintendent. Specifically, two authorized individuals shall approve all financial transactions including the transfer of funds between accounts.
4. The Township Board, based on guidance from our financial institution to prevent unilateral internal transactions and **pursuant to the Board's statutory authority,** the Township Treasurer shall be removed from her role as an online banking administrator, and she will no longer possess **sole** authority to enter into banking agreements of any kind. The Township Clerk and Superintendent, **in accordance**

with her statutory duties under MCL 42.10, and subject to dual signatory authority shall now have the authority to enter into banking agreements and contracts on behalf of the **Township as provided in the Board resolution adopted December 19, 2025 and subject to the Township's financial policies.**

5. The Township Board directs that any further violations of Board directives, financial policies, board policies or internal control requirements may result in additional action as permitted by law to protect the Township's financial interests.
6. The Township Board directs the Superintendent to contact Michigan Municipal Risk Management Association (MMRMA), the Michigan Municipal League (MML), and/or other reputable entities with management risk expertise to obtain recommended Bond thresholds for the Treasurer based on risk exposure.
7. This Resolution of Second Censure shall be entered into the official records of the Township and made part of the public record.

BE IT FURTHER RESOLVED THAT:

Nothing in this resolution shall be construed to supersede, replace, or diminish the prior Censure Resolution, nor shall it limit the Township Board's authority under applicable law, including MCL 41.76, to take further action as necessary to ensure lawful financial administration and protection of public funds.

This Resolution is offered by member _____ and supported by: The members voted as follows:

Yeas:

Nays:

Absent:

The Supervisor declared the motion passed and the resolution adopted.

CERTIFICATE

The undersigned, Lisa Mackie; the duly elected and acting Clerk of the Charter Township of Kalamazoo hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Township Board of Kalamazoo Township on January ____ 2026, the original of which resolution is on file in my office, at which meeting a quorum was present, that said meeting was conducted in accordance with the Open Meetings Act of the State of Michigan and that the members of said Board voted upon said Resolution as hereinbefore set forth and that the minutes of the meeting will be or have been made available as required by the Open Meetings Act.

Lisa Mackie, Clerk
Charter Township of Kalamazoo

Attest:

David Combs, Supervisor