

**ROSE TOWNSHIP BOARD OF TRUSTEES
REGULAR MEETING
January 12, 2011**

The following residents and guests signed in as present:

Doug Weaver	Mark Bolan	Jim Weil	Don Walls
Pat Walls	Bruce Proper	Chester Koop	Paul Gambka
Darlyne Stanczyk	Emile Bair	Katherine Bair	GE Noble
Al Lopez	Aurelian Miron	Matt Weil	LeeAnne Hole
Jeremy Lintz			

Other(s) present: Susan Weaver (Recording Secretary), Kenneth Palka, CPA (Pfeffer, Hanniford, Palka)

Supervisor Kalcec called the regular meeting of the Rose Township Board of Trustees to order at 7:30 p.m. at the Rose Township Hall, 204 Franklin Street, Holly, Michigan and led in the Pledge of Allegiance.

Board Members Present: Kalcec, Miller, Slaughter, Scheib-Snider, Gordon
Board Members Absent: None

Communications are available.

APPROVAL OF AGENDA:

A. Approval of proposed Agenda for January 12, 2011

Moved by Slaughter, seconded by Scheib-Snider, motion carried to approve the Agenda for the January 12, 2011 regular meeting of the Rose Township Board of Trustees.

**Voting Yes: Kalcec, Slaughter, Scheib-Snider, Miller, Gordon
Voting No: None**

CONSENT AGENDA:

Supervisor Kalcec asks to pull the financial reports.

Moved by Slaughter, seconded by Gordon, motion carried to approve the Consent Agenda with the exception of the financial reports.

**Voting Yes: Kalcec, Miller, Gordon, Scheib-Snider, Slaughter
Voting No: None**

A. Approval of Minutes of December 8, 2010

B. Receipt of Monthly Reports

- Building Department
- Constable
- NOCFA
- HAYA
- Financial Reports (Revenue and Expense Reports and Balance Sheets by Fund)

C. Payment of Bills

Supervisor Kalcec states (Revenue Expense Report, p. 2) Clerk's Cost Center, year-to-date balance of wages is ½ of salary and in Treasurer's office there appears to be one (1) pay period missing, could impact W2's. Slaughter states this may have to do with the change over. Miller will investigate.

Supervisor Kalcec states nothing has been paid to HAYA as of yet. Slaughter states she thought HAYA requested payment and will investigate.

Supervisor Kalcec states, p. 6, Parks and Recreation showing negative \$780.00, what does this represent?

Supervisor Kalcec states, p. 15, Building Fund. At the end of December wages should reflect ½ salary and Building Inspector showing wage of \$15,528.00 with year-to-date showing only \$5,272.00. Miller will check on this. Supervisor Kalcec asks Miller if this has to do with change when we split Mr. Schang's wages the other day and we have not made the correction.

Moved by Kalcec, seconded by Slaughter, motion carried to receive the financial reports dated December 31, 2010.

Voting Yes: Kalcec, Miller, Gordon, Scheib-Snider, Slaughter

Voting No: None

PRESENTATIONS:

A. FY2010 Audit Report Presentation & Acknowledge Receipt of Audited Financial Statements

Supervisor Kalcec introduces Ken Palka, Pfeffer, Hanniford & Palka.

Ken Palka refers Board to Letter of Reportable Condition and Other Matters. Mr. Palka explains last year this represented items Township needs to address, items remain unchanged this year. Accounting remains unchanged for FY 2010, books/records unavailable until beginning of December. Material weaknesses needing to be rectified this year: interim financial reports to Township Board (not accurate), bank reconciliations untimely, proper receipting procedures (cash register never put into use), current tax fund not posted by detail into general ledger, trust and agency fund not showing reconciliation, interim updating of investment and cash balances not being posted. Mr. Palka has informed the Clerk that Rose Township needs to bring on an accountant. CPA has many municipalities that have accountants handling the accounting; Clerk is not an accountant but would still be responsible. Mr. Palka states Township policy requires dual signatures on checks, township has a policy but some checks only had one signature. Some contractors (NSP) were not issued a 1099. Check as of June 30, 2010 \$59.00 that had cleared but not reconciled. Old checks not cashed yet need to be contacted. No bank reconciliation for March 2010, state guidelines require monthly bank reconciliations. Several employees do not have required documentation in files; retiree's health care should run through payroll and be included on their W2 beginning now in 2011. Need to adopt a debit card policy with a separate bank account. Adherence to contract agreements with NSP contractors, several payments to contractors have exceeded their agreement, either fix the agreement or keep the payment to the amount agreed upon. Approval of paid invoices, some not approved by the department. Lake Braemar SAD fund still has \$640.00 administration fees which need to be moved to General Fund. General fund budget, unfavorable variances, eight activities went over budget. Refers Board to Financial Statements, p. 44, recap of General Fund.

Miller states payroll reports and that they have never given payroll reports as part of monthly agenda until asked in November 2010 and I am now doing this. Trust and Agency Fund, Paul Gambka and Miller reconciled down to \$242.00 so Palka's comment is not true. There were 39 audit adjustments, last year there were 5 and this year there was a conversion and no mention of this conversion. Issuance of 1099's was my fault as there were two NSP, appraiser and gentleman that did the first house, that should have received a 1099 in 2009. Personnel files are kept properly since her taking office has I9 and W4 and the two W4s he mentioned are right here, all documents are accounted for. As of today retiree health care is being paid out of payroll. Adherence of Recording Secretary Contract agreement went over due to additional meetings (3-4 month). The contract is for two meetings per month and a few months last year had 4 meetings per month.

Scheib-Snyder states the Township has purchased a cash drawer and it is still not being used. Miller said she ordered the cash drawer but this is the Treasurers department and she has to ask Slaughter. Slaughter states once she is able to return to work she and her deputy will be trained on the cash drawer. Scheib-Snyder asks Miller if she has been trained on the cash receipting and Miller responds she does not do cash receipting or cash drawer and is not allowed to do this. Scheib-Snyder asks if training is extensive and how long is it going to take to train? Slaughter states it will be handled when she returns to work and this will happen when Township can accommodate her then it will happen.

Supervisor Kalcec states she will investigate surrounding communities' debit card policies. Supervisor Kalcec relies heavily on the General Ledger to make final budget amendments and have not went over budget in the past.

Gordon asks who can be brought in to oversee accounting. Mr. Palka recommends bringing in an accountant 1-2 days a week. Gordon asks if the State will contact the Township once they receive Mr. Palka's report. Mr. Palka responds yes, due to the repeat corrections.

Mr. Palka continues presentation, p. 44, financial statements. General fund (operating fund) is actually is overall in pretty good shape. Total revenues \$808,000.00. Operating expenditures just under \$789,000.00. Surplus of \$19,283.00. The Township transferred approximately \$40,000.00 out of the General Fund mostly into Building Fund (deficit) and we had to fill out deficit elimination plan to the State of MI last year. Small loss of \$21,101.00. Beginning fund balance \$1,018,000.00. Ending fund balance is \$997,111.00 after small loss from last year. Refers Board to a document reflecting comparison of fund balances over the years. And how the township remains and keeps their heads above water in General Fund. Mr. Palka refers Board to Fire Fund (p. 52), this fund collects millage and remits to Fire Authority. Total Fire Fund revenues \$354,000.00 and paid out \$394,000.00 which is contractual amount and we dug into our fund balance \$40,000.00 and it is a good thing we passed the Fire Millage renewal and increase for the next six years. Building Department Fund (p. 55). Total revenues just over \$34,000.00, expenditures approximate \$30,000.00 and with discussions PHP found we corrected these allocations and had an excess of \$3,900 with the transfer in from the General Fund of \$33,884 to the Building Fund. The County is happy and Dave Schang doing good job administering the NSP and helping the community. Overall the township had a very good year with the NSP. Dave Schang's records were in very good order when reviewed for audit. NSP had \$534,000.00 in it and expenditures were the same. The revenue and expenditures should be equal so this was good. \$159,976 as of June 30th the NSP still owed the General Fund and after talking with Slaughter, NSP has paid back \$50,000 to the General Fund so far. Infrastructure Fund (p. 94) under \$8,100.00 come in, spent \$15,000.00 and questions Supervisor Kalcec. She explains these revenues uses are restricted to improvements of right-a-ways within the Township; \$15,000.00 is road chloride application. This fund finished with \$34,000.00, another good sign. CDBG little activity probably because Dave Schang was so busy with NSP but Supervisor Kalcec explains we have been sitting on this money to use for the building corrections.

Mr. Palka refers Board to graphs and explains. State shared revenue is the largest chunk at \$395,000.00 and not quite sure where that is going to go after the last census and it doesn't sound like it going to change a lot. Slaughter states that is going to go up as we have gained 100 people. Palka states that is good. Property taxes are where they should be, charges for services, and interest down to \$4,000.00 but all but \$30,000 in cash and investments is insured. Second graph shows expenditures just under \$789,000.00 and in line with most municipalities our size. Last graph shows cash and investments.

Moved by Gordon, seconded by Scheib-Snyder, motion carried to acknowledge Receipt of the Audited Financial Statements from Pfeffer, Hanniford and Palka.

Voting Yes: Miller, Gordon, Slaughter, Kalcec, Scheib-Snyder

Voting No: None

Trustee Scheib-Snyder asks about prescription reimbursements through Arcadia and this was supposed to have stopped in June? Miller and Slaughter state we do not use Arcadia anymore and that stopped in November 2010 when the insurance changed.

PUBLIC COMMENT ON AGENDA ITEMS:

Denise Short, Resident, states last week she asked Board for an updated report. Supervisor Kalcec states she has copies of both reports for resident.

Don Walls, Resident, suggests Board eliminate mileage reimbursement. Supervisor Kalcec states mileage reimbursement is Township Policy.

Darlyne Stanczyk, Resident, trying to determine when Ms. Slaughter/Treasurer will be returning to office. Slaughter states it is up to her doctor and the status of the building and is not going to go over her personal health info. Slaughter states that everything is being done and the auditors would like to go to the cash receipting and Debbie bought the cash register but then Slaughter fell and has not been back. Other than the cash receipting, training has been postponed until she returns to work.

Glen Noble, Resident, is happy with the fund balances. Population increased, but according to the Oakland Press, the assessed values of Rose Township dropped 12%. Hopes Board is looking at cuts in the budget, no more money pulled from General Fund to balance. Keep that fund for appropriate emergencies. Supervisor Kalcec states we are working on budget cuts.

PUBLIC HEARINGS:

None.

OLD/CONTINUING BUSINESS:

A. Township Hall Facilities.

Township Hall Facilities is part of ongoing old/continuing business and Supervisor Kalcec has copies of lay out for lower level, plans complete, architects are working on bid documents for Board. Should be sending out the bids for fixing office. Obtaining price for installation of video cameras and sound to record to be played on cable channel. Expects to hear from them in the next few weeks to move forward with repairs.

NEW BUSINESS:

A. Resolution to Hold Public Hearing on Reprogramming PY 2008 CDBG Funds

Supervisor Kalcec spoke with Mike Pucher from CDBG and was assured waiver would be approved, no recapture of funds. Board will look at reprogramming portion to Neighbor-to-Neighbor at their request.

Moved by Scheib-Snyder, seconded by Gordon, motion carried to set public hearing date on reprogramming of the PY 2008 CDBG Funds for February 9, 2011.

Scheib-Snyder states this money was originally for parks and has a list of safety concerns and things that need to be done in Dearborn Park (e.g. silo has bands of steel missing, roof in shed, rusty farm implements, hill knocked down, excavation needed, put up a fence, need a gate for EMS/fire access, signage, interchangeable Plexiglas bulletin board for a map and rules, begin trail work, community garden for residents, water barrel or well for garden). Supervisor Kalcec states Tractor Club (Davisburg) interested in bringing tractors out, could dig out old implements. Supervisor Kalcec asks for Board interest in programming some monies to Neighbor-to-Neighbor. Miller asked Scheib-Snyder about the community garden that was supposed to take place there last year. Scheib-Snyder said the lack of water prevented the community garden from getting planted and was lacking time. Miller suggested the Tractor Club till up the garden. Kalcec said this would be a good continued use of this CDBG money. Slaughter said she would bet there is someone out there that would take the equipment for scrap and we would do the excavating and maybe make some kind of a deal. Scheib-Snyder feels this would be a good gift for the community. Mr. Guzzo contacted Supervisor Kalcec today and she asked him to come to the meeting February 9, 2011. Slaughter would like to provide some funds to this group. Miller asked Scheib-Snyder how much money she needed for the Dearborn Park? Scheib-Snyder is working on the sign right now with Calypso Signs. Kalcec asked Scheib-Snyder to work with the Planning Commission.

Voting Yes: Kalcec, Miller, Gordon, Scheib-Snyder, Slaughter

Voting No: None

B. Set Date for Road Commission Biennial Strategic Planning Meeting

Board consensus to plan meeting for Tuesday, February 22, 2011 at 10:00 a.m.

C. Proposed Contract for Election Services from Oakland County

Miller explains that the contract remains unchanged and looking for Board approval to sign contract. The county will be responsible to program cards, issue ballots, charge of \$300.00 per election.

Moved by Slaughter, seconded by Gordon, motion carried to authorize the Clerk to sign the contract for Election Services with Oakland County.

Voting Yes: Slaughter, Miller, Gordon, Scheib-Snyder, Kalcec

Voting No: None

D. Authorize Percent Based Employee Contributions to Deferred Compensation Plan

Supervisor Kalcec explains Nationwide Retirement Systems is proposing allowing employees to have percentage based contributions to the Township's deferred compensation plan.

Moved by Gordon, seconded by Slaughter, motion carried to authorize a percent based employee contribution to our deferred compensation plan.

Voting Yes: Kalcec, Miller, Gordon, Scheib-Snider, Slaughter
Voting No: None

E. Accept Resignation of Cemetery Sexton

Moved by Kalcec, seconded by Slaughter, motion carried to accept the resignation of the Cemetery Sexton.

Voting Yes: Kalcec, Miller, Gordon, Scheib-Snider, Slaughter
Voting No: None

F. Authorize Township Treasurer to Propose a Short Term Contract for Cemetery Management Services

Supervisor Kalcec states the Treasurer would like to authorize Genesee Valley Vault to provide cemetery services until RFP's can be created for same. Supervisor Kalcec, doesn't know how or why but said since this had been discussed about the cemetery sexton, she has received several calls. Slaughter has contacted the man who handles Holly and he is not interested. Slaughter contacted Genesee Valley Vault has over 40 cemeteries they handle and states their fees appear slightly higher, regular burial \$525 (\$25.00 more). However, it would still be a savings now that the Sexton has resigned and Genesee Valley Vault will handle many of the things the Sexton used to handle at no additional charge. Supervisor Kalcec states we should probably be a good idea to go out for bids. There is so much institutional knowledge that we will no longer have that she does not know how to replace it. Slaughter states Jim has been the cemetery sexton for over 25 years. Maps-and-records

Moved by Kalcec, seconded by Slaughter, motion carried to authorize Genesee Valley Vault, Inc. to provide us with necessary cemetery services until such time as we can decide whether to do RFP's.

Voting Yes: Kalcec, Miller, Gordon, Scheib-Snider, Slaughter
Voting No: None

G. Adjust Mileage Reimbursement Rate to 2011 IRS Rate

Moved by Slaughter, seconded by Scheib-Snider, motion carried to adjust the mileage rate to the current IRS rate of .51 per mile.

Voting Yes: Kalcec, Miller, Gordon, Scheib-Snider, Slaughter
Voting No: None

H. Set Dates and Topics for Budget Workshop Meetings

Board consensus to hold a budget workshop on February 2, 2011 at 6:00 p.m.

ANNOUNCEMENTS:

- A. Next Regular Planning Commission Meeting February 3, 2011, 7:30 p.m. (if needed)
- B. NOCFA Board Meeting January 24, 2011, NOCFA Station in Holly

- C. Next Recycling Date February 5, 2011, 9:00 a.m. until Noon
- D. Township Offices closed January 17, 2011 for MLK Day
- E. Next Regular Township Board Meeting February 9, 2011 at 7:30 p.m.

MISCELLANEOUS REPORTS:

A. NOCFA

Chief's performance review to be held at the January 24, 2011 meeting. Purchased a used ambulance. Chief Lintz explains construction slowed due to cold weather but is moving along according to schedule.

B. Planning Commission – Scheib-Snyder – nothing to report.

C. Holly Area Youth Assistance – Slaughter – nothing to report

D. Supervisor's Report

Full text copy available. Supervisor Kalcec explains:

Road Commission: Numerous tree roots and fallen trees on Eagle Rd. need to be removed.

Shared Services Activities: Meeting on January 27, 2011, Rose Township Hall. Groveland, Holly, Holly Village and Rose Township discussing what services we can share.

Oakland County Parks and Recreation received a \$308,000.00 grant from the Michigan Natural Resources Trust Fund to be used for natural area accessibility improvements. In Rose Oaks, County Park the north/south and east/west trail connectivity will be extended with 1,000 feet of boardwalk and 130 feet of floating piers to glacial Kettle Lake for fishing and non-motorized boats and a viewing platform for wildlife.

New Legislation: Lame duck session, significant legislation impacting Townships. Requiring earlier mandating of assessment notices by 4 days. Previous state law required notices to be mailed at least 10 days prior to the meeting, new legislation requires 14 days prior notice. New legislation permitting school districts, by resolution, to change their school election from odd year to even, combing them with general elections, saving tremendous amounts of money.

Swallow-Wort Management continues.

2011 Elections in Rose Township, Primary in May and General Election in August to fill County Commissioner Bill Bullard's seat when he was appointed County Clerk. Majority of expense borne by the Township. Mr. Bullard is working with Lansing trying to pass legislation eliminating the need for these types of elections for short terms to avoid the cost of this type of special election.

E. Others

PUBLIC COMMENT:

Don Walls, Resident, ask if we received any documentation from Plante & Moran. Supervisor Kalcec responds a draft was sent to Carl Johnson for review and the woman who worked at the township has sent an email but has not heard back from Mr. Johnson. Resident asks what the status is with regard to Treasurer's ADA complaint. Supervisor Kalcec responds we received notification that the investigation was unable to make a determination and has been dismissed under Title 1.

Chester Koop, Resident, asks if Supervisor can highlight Shared Services details. Supervisor Kalcec responds the area that seems to be a priority is police services. Change in Governor and economy threatens police services. Public Safety Officers could be cross-trained in Fire/EMT/Police, could be shared and would have to operate as a police department. No details, conceptual. Also looking into sharing building inspection functions with Village of Holly now that the leadership has changed. We are also inviting Springfield Township into these discussions but has not got much of a response yet.

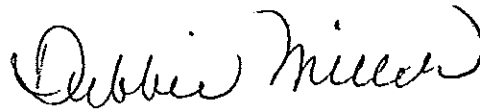
Unidentified Resident, asks if there is a well on the Dearborn property. Board responds no.

Tim Claus, Resident, states there was a deficit in building department in 2009 and funds were moved to cover deficit. Supervisor Kalcec responds that sometimes funds are moved/transferred. Several years ago state required us to separate this function out of General Fund, for many years it was a cost center of General Fund, by doing this it allows us to look at separately the revenues/expenditures from this activity. If there is a deficit we have to transfer funds, if there is a deficit at the time of the audit we have to submit a plan with our audit for eliminating deficit. Most of years we had this, Building Inspector salary was taken out of it, but Building Inspector was serving several other functions within the office. When it became apparent the fund needed assistance and all functions are considered, Building Fund should not be paying for other functions. Two years ago costs centers were separated. Resident asks if Board got anywhere with last week's work session meeting. Supervisor Kalcec responds resident can review the meeting minutes with the Clerk and Board is working on comparisons. Resident tells Treasurer he is sorry she fell and asks if Township has placed a warning sign where Treasurer fell. Supervisor Kalcec states she will have to contact insurance company if we need to do this and that construction should begin to rectify building problems. Resident asks Planning Commission to look into the need for small building zoning ordinance. Supervisor Kalcec states Scheib-Snyder is the liaison to Planning Commission and she will take this to the Planning Commission's attention. Scheib-Snyder states resident should talk to Dave Plewes about this. Resident states the Eagle Scouts are looking for projects and things to do so Sheib-Snyder should check with Boy Scouts. Resident states people are dumping tires on Demode Rd and are accumulating for the last two months. He has picked up the tires and will keep an eye out for whoever is doing this.

ADJOURNMENT:

Meeting adjourned at 8:52 p.m.

Approved/Corrected



Debbie Miller
Rose Township Clerk