

**ROSE TOWNSHIP BOARD OF TRUSTEES
SPECIAL MEETING
April 25, 2011**

The following residents and guests signed in as present:

Mark Bolan	Paul Gambka	Brian Howe	Mike Ashley	Emile Bair
GE Noble	Jim Weil	Darlyne Stanczyk	Bruce Proper	Pat Walls
Don Walls	Amy Mayhew	Tim Claus	Krystal Claus	Lyle Barger
Roxanne Lamontaine				

Supervisor Kalcec called the special 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: Gordon, Kalcec, Miller, Slaughter, Scheib-Snider
Board Members Absent: None

APPROVAL OF AGENDA:

Supervisor Kalcec would like to add awarding the contract for construction as line item 6.

Moved by Gordon, seconded by Scheib-Snider, motion carried to approve the Agenda as amended adding line item 6 awarding contract for construction on ADA and code modifications.

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

BLANKET ORDER FOR CHLORIDE:

Supervisor Kalcec states: Road Commission (4 applications - \$85,265.10, Bay Calcium (4 applications) - \$79,580.76, Road Maintenance Corp. (4 applications) - \$71,424.25.

Moved by Slaughter, seconded by Gordon, motion carried to contract with Road Maintenance Corporation to provide chloride applications.

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

TRI-PARTY ROAD IMPROVEMENT PROJECTS:

Supervisor Kalcec discusses using this year's money to fund cutting down hill with tree/culvert replacement on West Rose Center Road - \$9,159.00 Rose Township responsibility (1/3).

Moved by Gordon, seconded by Slaughter, motion carried to approve a project on W. Rose Center Rd. to replace the culvert and take down the hill at the entrance to the park.

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

AWARDING CONTRACTION FOR CONSTRUCTION ON ADA AND CODE MODIFICATION:

Supervisor Kalcec states Envision Builders supplied a contractor list and is awaiting performance bonds/insurance documents. This Resolution awards contract to Envision Builders in the amount of \$113,740.00 upon receipt of appropriate insurance/bond documents and execution of construction contract reviewed and approved by Redstone Architects and John Mulvihill, Esq.

Moved by Gordon, seconded by Scheib-Snider, motion carried to approve Resolution awarding construction contract for ADA and code modifications to Envision Builders.

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

Voting No: None

**ROSE TOWNSHIP RESOLUTION #2011-15
A RESOLUTION TO AWARD THE CONSTRUCTION CONTRACT FOR ADA/CODE
MODIFICATIONS TO ENVISIONS BUILDERS**

WHEREAS, the Township of Rose has received bids for construction of ADA/Code modifications to its facility at 9080 Mason Street, and

WHEREAS, Redstone Architects, Inc., the township's contracted architect for this project, has recommended awarding the contract to Envision Builders, the lowest bidder, now

THEREFORE BE IT RESOLVED that the Township of Rose awards the contract for the ADA/Code modifications contained in documents prepared by Redstone Architects, Inc. to its facility at 9080 Mason Street to Envision Builders for the bid amount of \$113,740 upon receipt of appropriate insurance and bond documents and execution of a construction contract which has been reviewed and approved by Redstone Architects, Inc., and John D. Mulvihill, and

BE IT FURTHER RESOLVED, that the Township Supervisor is authorized to sign said contract upon its approval by Redstone Architects, Inc., and John D. Mulvihill

Adopted by the Rose Township Board of Trustees this 25th Day of April 2011.

RESOLUTION OF AUDIT ISSUES:

Supervisor Kalcec reads her statement:

"My hope is that this Board can come together in a courteous and civil manner to discuss the FY2012 budget and try to understand each other's point of view. Due to the controversy surrounding the hiring of a bookkeeper and the Clerk's unwillingness to accept this type of assistance with her financial responsibilities, I wish to withdraw my proposal because the duties of bookkeeper cannot be accomplished without the cooperation of the Clerk. In my FY2012 budget proposal I have included \$12,480.00 for accounting assistance to the Clerk. I based that amount on \$30.00/hr, one day per week. If the Clerk chooses to spend it in a different manner that would be her choice. The only requirement I believe the Board would have would be that all the issues identified by the auditors and forwarded to the Department of Treasury be satisfactorily resolved in the upcoming FY2011 audit. Even the MTA has identified these issues as serious and needing attention and I believe we must work together to get our financial procedures accomplished correctly. I know there are many issues that each of us is struggling with and I propose a constructive discussion of the issues without emotional responses and outbursts. We owe it to our constituents to put aside our philosophical differences and have rational discussions of where we are and where we are going. Our revenues are down significantly, the Township has incurred a sizable liability for post-retirement health insurance to several long-term employees and in most cases the Board has favored continuing the services we

have provided in the past. These economic realities must be addressed in our financial planning. I have always been open to recommendations from the Board when the time comes to prepare the financial plan for the next fiscal year. I have received very little in the way of suggestions or recommendations. This evening is the time to sort out these issues so that we can present a responsible financial plan to our constituents that is supported by the members of the Township Board. I hope we can accomplish that.”

Supervisor Kalcec states the MTA was asked to review the Bookkeeper/Administrative Assistant job description. MTA identified problems the Township must address. MTA suggests problems identified in the audit are not simply oversights in financial procedures, they involve the entire Township Board overhauling policies/approaches when handling Township’s money. Suggests the Board budget for and follow through on training for all Board positions regarding Township budgeting, purchasing and basic accounting procedures. It was clearly noted that if there was a bookkeeper/administrative assistant position, this person could not also serve as Deputy Treasurer. Copies of these opinions/recommendations are available upon request. Supervisor Kalcec suggests a policy work session and would like to authorize that the Clerk spend, at her discretion, the \$12,480.00 for any type of financial assistance she deems necessary.

Miller states the financial management is under her statutory control and the Board was asking her to relinquish these duties to the Deputy Treasurer, which is unlawful. Miller states the majority of the audit issues have been corrected and interim financial statements are being worked on by Deputy Treasurer. Miller states the issuance of 1099s have been completed. Miller states the Clerk’s cost center has been disproportionately decreased and the Treasurer’s cost center increased and this is retaliation from the April 13, 2011 meeting. Supervisor Kalcec refers Miller to reserved wage account/101-289-702-001, \$12,480.00. Slaughter states Clerk had a plan in place, never had a chance to implement. Miller states the original game plan was for 4 hours per month as soon as the Deputy Treasurer was caught up and Mr. Gambka would one to come in and double check books/records and Clerk cannot go any further until Deputy Treasurer is caught up. Miller stated the reason the conversation last week was so heated was it was unlawful and Supervisor did not believe but now Supervisor has the MTA report stating it was unlawful what Supervisor was trying to do. Supervisor Kalcec states there are ways to accomplish having a finance department and bookkeeper.

Moved by Kalcec, seconded by Miller, motion carried to approve funding as noted in FY2012 Budget for the resolving any of the issues identified in the audit with the Board’s requirement that those issues will not be identified again this year.

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

WORK SESSION- BUDGET WORK SESSION:

Supervisor Kalcec refers to FY2012 Budget Proposal. Treasurer, the health insurance coordinator, is expecting a 14% premium increase this year. Supervisor Kalcec states the Budget is predicated upon laying off Zoning Administrator and shifting those duties to Dave Schang (refers to proposed job description). Budget assumes a contract of building day-to-day general maintenance may be accomplished by employees. \$2,000.00 Parks and Recreation allocation for signs and boundary identification if CDBG doesn’t have enough. Slaughter states Tipsico Lake Association, handled by Oakland County Drain Commission, is scheduling a meeting this month to discuss its budget. Supervisor Kalcec states this has been estimated at \$20,000.00/lake maintenance. Slaughter comments she has a problem with Dave Schang receiving a salary and on top of that a percentage of permit fees. Slaughter states the note of \$20,000.00 was expended for accounting software at recommendation of the Clerk while Supervisor Kalcec went with Vadim four or five years ago from northern Canada, at a cost of \$50,000.00 and Kalcec was unfair to say this of Miller.

Revenues Cost Center: Current tax collections are down, based on figures provided after March Board of Review. 2008-09 tax collections approximately \$260,000.00, this year approximately \$212,000.00 is very close to what we will get. Interest is minimal anymore. Revenue sharing (increased), approximately \$400,000.00/low estimate, until will hear from State. Slaughter states this is an increase.

Trustees Cost Center: \$17,117.00.

Supervisor's Cost Center: \$48,415.00 same as last year.

Elections Cost Center: Miller states there may be elections in August, February, and May of the upcoming year. Budget will be modified to reflect more elections. Small election next week, going with the minimal amount of inspectors. Elections are not cheap. Kalcec will put Miller's figures in for the public hearing.

Assessing Cost Center: \$32,250. Unchanged

Clerk Services: Miller states Clerk and Deputy Clerk stayed the same. She checked around with other townships and she is on low-end for expenses. Contractual services should be left at \$3,000.00 and Mileage \$400.00. Miller has stuck with the budget and is currently under budget, does not want to go over budget.

Board of Review Cost center: Came in under budget this year, should be \$1,800.00. Miller states over right now, currently at \$1900.00.

Treasurer's Cost Center: Kalcec states an increase for Deputy Treasurer due to increased amount of services she provides and wants to recognize.

Buildings and Grounds Cost Center: Added money to cover cleaning/maintenance services in case we do a cleaning services contract. Slaughter asks if we should think about going back to the cleaning services contract due to shoveling, salting, etc. Kalcec wants to look at how are we going to accomplish this either with single person or company contract to do this.

Public Education/Government Cost Center: PEG (\$400.00) only mileage and postage.

Misc. Services: Down from last year. Slaughter states computer services/Oakland County, actual is \$4,200.00, budgeted \$10,000.00. Supervisor Kalcec suggests reducing to \$7,500.00. Attorney fees are up due to deductible (EEOC). Miller states architects \$10,000 but we are already at \$35,000.00. Slaughter questions training and dues to \$7,000.00. New program MTA is providing for worker's comp insurance. Kalcec asked Slaughter to investigate and look into this new worker's comp insurance.

Transfers: \$6,000 cemetery fund, originally was \$10,000 but may be lowered to \$5,000, hard to budget cemetery. \$19,500 is contribution to retiree trust liability.

Ordinance Enforcement: \$29,005 is the two enforcement personnel. Miller said zoning enforcement is Dave Schang and questions why are we going from \$7764 to \$10,000??? Kalcec said because he will have more duties/work to do is the reason for the pay increase.

Planning Commission: Kalcec said they are supposed to meet four times a year and this will be part of the discussion as well as the new proposed Community Development Director position for Schang. Assistance for the Planning Commission.

Zoning Board of Appeals Cost Center: \$250.00 this year.

Public Works Cost Center: Recycling up slightly. Clean-up day will increase. Road Maintenance – Tri-Party. Pest Control down, get minimal dunks/wipes and focus on sprays.

Citizen Services: HAYA is unchanged.

Library: Unchanged.

Supervisor Kalcec states the proposed budget figures do not include 20% co-pay for retirees. Slaughter states we switched to Priority Health (health insurance) in November, which has higher co-pays. Supervisor Kalcec states the government may begin requiring a 20% co-pay. Supervisor Kalcec states residents want us to make hard choices, \$25,000.00 savings by switching to Priority Health that was contingent upon the Trustees not having insurance. Slaughter asked is it fair to cut us twice in one year? The original plan was for the township to go to Priority in July but did not happen until November. Scheib-Snyder said she pays 80% of her health insurance at work and her employer only pays 20% and she was one month into her new health insurance at work and her deductible was raised. Supervisor Kalcec states laying off Mr. Plewes' is not just a monetary decision, when Mr. Plewes was hired zoning administration was huge, has slowed considerably and has not been the

case for the last couple of years but there is no longer the work for the zoning administrator. Slaughter knows there is no longer the work and would like to see something else proposed. Slaughter states prior to Mr. Plewes being hired, we contracted a planner one day a week and suggests making Mr. Plewes a contract employee. Supervisor Kalcec states current planner could provide this service, possibly by appointment. Supervisor Kalcec asks the Board to put together a proposal. Miller states she contacted other Townships, most Trustees get \$100-150.00/month, no benefits and no pension. Rose Township Trustees get \$600 per month plus pension, Addison Twp gets \$100 per meeting, Holly Township gets \$150 + \$95 per meeting, Milford Township gets \$150 per meeting, Highland Twp gets \$5,530.67 per year, Lyon gets \$4207 salary, have call into other townships. Scheib-Snider states Rose Township Trustees are comparable to other municipalities. Gordon states would we were receiving benefits and have made cuts, all while doing the same job and how would the others like it to take a 70% cut. Slaughter said the trustees don't work for the township full time. Scheib-Snider said Slaughter doesn't either. Supervisor Kalcec states Trustees were willing to forego benefits making it possible to switch to Priority Health and we all work hard in our positions. Supervisor Kalcec depends on Gordon to do a lot of driving looking at culverts, and road grading, etc. and Scheib-Snider works on parks. Slaughter said we all do things beyond our daily job. Scheib-Snider suggests removing spouses from benefits since they don't do anything for the township. The orange column tells you for what it would be for just elected officials and not their spouse. Supervisor Kalcec states as it relates to building inspector (Schang), 32 hours/weekly of PEG is required in Township Offices in addition to building/mechanical inspections. Slaughter asked why is not Schang a contract employee like he was supposed to be 11 years ago because he went to work for Holly Township as a contract position. He has been doing it all this time and it is not outside the Rose Township hours. Kalcec said all summer long during the building season Dave Schang is out all the time doing inspections and doesn't think he puts in less than 32 hours a week. We would have to bring him in and discuss at the Board level. Slaughter said he was a contract employee before 1989. Slaughter states if we contracted planner services, might remove some of building inspector's responsibilities. Supervisor Kalcec states if building fund has a deficit we have to subsidize or file a deficit reduction, any money paid out for inspection(s) would be based on monies collected from permits. Supervisor Kalcec's recommendation will be a 20% co-pay on benefits and we will have to see how that works. Slaughter feels she has been with the Township 19 years and deserves benefits. Dianne has been here since 2008 and she thinks she deserves the same benefits as full time people that have been here for years. Slaughter states there is a Trust set up for the retirees to ensure they receive benefits as promised, \$575.00/month. Supervisor Kalcec states the Township would continue to provide some benefits, not specific, a 1996 Motion contained no specifications as to benefits.

Supervisor Kalcec states the Fire Fund budget is based upon a proposal presented to the Board (last fire board mtg.); Chief Jeremy Lintz is working to further reduce amounts while still including 12 hours/7 days a week staffing at the Rose Township station. Slaughter ask why the fire department is not taking cuts (i.e., benefits). Supervisor Kalcec states we could look at what they are being provided.

Slaughter asks if we should consider an assistant cemetery sexton in case of emergency/general maintenance, Genesee Vault can handle everything. Supervisor Kalcec suggests putting together an RFP for these services. Supervisor Kalcec states that CDBG has 2007 monies paid out and reimbursed for fire equipment (dry hydrant) by Big Trail. \$49,000.00 proposed, \$54,000.00 in CDBG fund available for elevator carried over this year. This is the last year for NSP, ongoing, should have \$130,000.00 in proceeds from sales. Have asked Dave Schang to use these proceeds for demolition in Holly Shores (i.e. abandoned mobile home foreclosures). Slaughter asks about monies owed back to General Fund, believes approximately \$75,000.00 due. Supervisor Kalcec states the Building Fund is derived from guesswork on permits. Checked inspectors contracts, current amounts. Miller asks Kalcec if she has contacted Carlisle Wortman for a price to contract building and zoning permits/services. Supervisor Kalcec states they were considerably more money, but are open to tailor a contract based on our activity and necessities. Supervisor Kalcec states road chloride is under Infrastructure Fund. Slaughter asks if any Special Assessments are up for renewal. Supervisor

Kalcec states the Fish Lake Weed Special Assessment is up at the end of year. Streetlights Special Assessment is sufficient. Supervisor Kalcec asks Board for more budget information before next work session.

Unidentified Resident speaks as to health insurance and raising deductibles.

Chester Koop, Resident states there are no provisions (in line item 289) for setting aside monies going to trust fund. Supervisor Kalcec states it is at 290 (\$19,500.00), suggests wage account, maybe Clerk or Treasurer could come up with an estimate as to what will be needed for their departments, take those costs and put into contractual services.

Mike Ashley, Resident states the Township cut back to 32 hour work weeks several years ago to save money on utilities. Supervisor Kalcec states we saved in wages. Resident states the first draft budget is a good job and appreciates the proposal for a reduction in health care, understanding this is a big issue.

Don Walls, Resident states Mr. Plewes is a hard worker and is sad to hear about laying him off. Resident has a problem with spending over \$20,000.00 on bookkeeping last year, spent \$10-12,000.00 on a frivolous ADA suit and Clerk/Treasurer still won't take a pay cut.

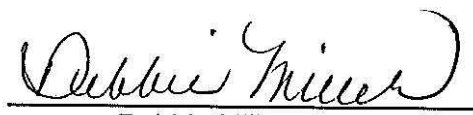
Glen Noble, Resident does not want to see Township go bankrupt and does not believe Township will get the anticipated revenue. Asks for if employee health insurance costs are tied into cost centers. Supervisor Kalcec responds yes. Resident asks what health insurance under misc. services is regarding. Supervisor Kalcec responds retirees. Resident states he checked at county level and it is showing CDBG funds at \$19,000.00. Supervisor Kalcec states there are 3 years worth of CDBG and this does not show previous fund balances. Resident asks about NSP. Supervisor Kalcec states we sell rehabilitated homes, they go back to county, they redistribute money to us from the sales. Resident suggests another 20% as a contingency for unforeseen conditions regarding NSP rehabs. Supervisor Kalcec explains balance sheet reports are available at every Board meeting, telling cash, amount due from other funds, etc.

Unidentified Resident states Oakland County bring in those needing community service hours, contact them to bring them out for the day, free labor.

Tim Claus, Resident, states budget for attorney fees - \$28,000.00, reduced to \$25,000.00. Resident reviewed attorney bills from December – March, via FOIA, which totaled approximately \$16,000.00 and anticipates more expense in the future (ordinance violations). Resident does not think Holly Township will be happy with their building inspector only working certain hours, feels this is double dipping and asked for work log. Resident appreciates PEG being brought back to the offices, but this position should not receive a raise.

ADJOURNMENT:

Meeting adjourned at 9:24 p.m.


Debbie Miller, Clerk
Rose Township

Approved/Corrected