

Draft  
**ROSE TOWNSHIP BOARD OF TRUSTEES  
SPECIAL MEETING  
May 14, 2009**

**MINUTES**

**CALL TO ORDER**

A special meeting of the Rose Township Board of Trustees was called to order by the Township Supervisor at 7:30 p.m. at the Rose Township Hall, 204 Franklin Street, Holly, Michigan.

The following residents and guests were present:

|                  |                     |
|------------------|---------------------|
| Bruce Proper     | Chester Koop        |
| Don Walls        | Pat Walls           |
| Darlyne Stanczyk | Mark Bolan          |
| Marty Schaefer   | Ken Palka – Auditor |

**Roll Call:**

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

**Approval of agenda**

Motion by Slaughter, seconded by Gordon to approve agenda as submitted.  
Voting Yes: Kalcec, Slaughter, Miller, Gordon, Scheib-Snider.  
Voting No: None.

**Presentation:**

Mr. Ken Palka, Auditor in preparation for the FY09 audit. Mr. Palka came in to look at books and records a few days ago, it became evident something needs to be done and the sooner the better. Wanted to give warning on trial balance and general ledger for all funds. Need to have understanding of double entry accounting bookkeeping system. Wanted to warn Board up front and did not want to come in August or September to do audit and books not are where they should be. Recommends to townships there is nothing wrong with hiring an accountant, how whole set of double entry bookkeeping works. Work behind the scenes and train the whole accounting system. Took him 5 years to understand how it works. Alison has many years of experience and could vouch it takes many years to latch onto this type of accounting.

Slaughter: Glad he came in and had pre-audit meeting to let Board know. There has been no issue with accounts payable, payroll, but trial balance and general ledger is different animal. Debbie since we have talked and put plans in motion to make sure everything is right for when we actually have the audit.

Miller: The trial balance and general ledger completed for April and everything does balance. Thanked Mr. Palka for coming in and speaking with her and the Board earlier this week. Miller has made corrective measures and also contacted

Vadim software for training and also with other local communities and has set up training with them starting next week. Vadim has been the big issue due to lack of training on the system. This will be turned around immediately, is familiar with the double entry accounting, does not know everything about it like Mr. Palka and is still learning. Will have a couple of weeks to obtain necessary training and make any necessary corrections and would like to meet with Mr. Palka again so he may look over what Miller accomplished. At that point, we should be back on track for the audit.

Mr. Palka: Suggests an accountant to train accounting for better understanding, can get the software training. Does not see how Miller can have all of this accomplished in the next few weeks but might be wrong and will admit if he is wrong.

Slaughter: Said Miller had talked to a community like this and they have an accountant who does work strictly with the general ledger.

Kalcec: Would like the continuity and when there is a change over in personnel, the continuity goes away. Kalcec does remember accounting but if there was no one there, and a whole new group of employees, if you had a relationship with an accountant, you would still have that continuity.

Mr. Palka: If you worked with an accountant, they would be able to overlook the entire accounting system.

Slaughter: In previous conversation with Mr. Palka, he mentioned that most communities have an accountant to oversee. Rose Township has been fortunate because prior to this election, there have been the same people for quite a few years and everyone knew the system. Slaughter would like to give Miller the few weeks to accomplish and give us time to get everything in order to prepare for the audit and then come back.

Gordon: We as a board as 1/5 responsible and would like to have an accountant come in and look at the books. Six deficiencies in last audit, four in Treasurers' department and we need to go through all of our books top to bottom. Wants Treasurer to streamline process.

Slaughter: Has second and third backup.

Kalcec: We have to listen to the advice of our experts. We should view this as an on site trainer, someone that does it and shows us how we should be doing it. Thinks that we are all 1/5 responsible and it is public funds and it would take a few weeks. If Ken comes back in a couple of weeks and feels there has not been enough progress, then we will have people lined up to interview and look at so there is more time so we can get ready.

Slaughter: Try to go route we have suggested but in the meantime, line up some people so that we are ready to jump into it.

Kalcec: Names and sample contracts from other communities that use them and

have them look at all of our processes on site.

Gordon: Need to look for an accountant so we know where we are starting from with a new Board. We all have to be accountable.

Kalcec: Not unusual when there is this much turnover in any organization.

Scheib-Snyder: Would like to see this too as she is not in the office and only has what is presented at a meeting.

Kalcec: This person would be able to train everyone on all the reports. Miller has whole job to do other than the accounting portion.

Palka: Board may decide they should have done this a long time ago because now you would have someone taking care of the books and records and Miller can do her other responsibilities to the Clerks job or we may say Miller has more time now with a better understanding. This person can be consultant, typically how municipalities hire them. Ann Arbor Township has a consultant come in four hours of the week and advises Mr. Gordon if he has a disagreement with the Treasurer, then the accountant is there to explain what is happening. Then you have someone there and after a while, you don't need their services then stop.

Gordon: Asking that department heads to get the job done and would like to pursue hiring an accountant to go through our books top to bottom to see where we stand while we are doing this. If there are no problems, then there's no problems. If there is, then we will find it and fix it. We will streamline stuff and be more efficient. It is what we have to do.

Motion by Gordon, seconded by Scheib-Snyder to look for accountants to go through all of our books, top to bottom, every fund and then look for our deficiencies and document them and help us fix it and to evaluate our processes and make any adjustments and do a thorough review of the current state of the books.

Roll Call:

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

Voting No: Slaughter

**Public Comment:**

Chester Koop: To follow up on Mr. Gordon's comments and Ken's comments but he would like to give Clerk a little slack as this is her first time around but cannot carry out on the expenditure side if the revenue data is not available for reconciliation and knows that for a number of years reconciling the bank statements to the general ledger has been an issue which impacts the Clerks ability to do her job and Slaughter made a comment to Gordon one of the things he was citing was incorrect but Koop knows for a fact about recommendations the auditors made for this year but Treasurer flatly refused to do that had to do with making cash records available through our software and he does not think that has been done yet either. Would like to follow up on Dave's comment that

the Trustees, that is their responsibility and he appreciates Dave's comments about that. In doing that, Kalcec might want to get with the auditors and come up with an RFQ or RFP so that in a few weeks you can approve the release of that RFQ either formally or informally, move forward with that process so you know what you are getting and he would be able to tell you what you should be looking for. In the final analysis, people are really going to get mad at you if you make a decision they don't like and that is what you get paid the big bucks for. But there is one thing the tax payers don't like if they think you are messing with their money. IF the word is out that the books are a mess the two people going to get nailed will be Clerk and Treasurer so it is important you do what you have to do.

Slaughter: Has been doing settlement with the county as far as taxes and not one single year has there ever been a problem. It has balanced every single time to the penny so she does not know where he is getting his information but Koop is incorrect.

Koop: Just going by what the auditor's recommendations last year, to his knowledge has not been followed.

Stanczyk: Would like to commend Board on getting this straightened out, a lot of people talking about it and are unhappy. The sooner you get things straightened out, and the public knows you are doing that, the better things will be.

Gordon: Not beating up on Slaughter, does not want to beat up on Miller. Just asking that we do what the law says. We are responsible here and this is the best time we will have. If everybody hates him, he just wants the books done correct.

Scheib-Snider: Agrees with what Dave is saying and we need to do what we need to do to make it right.

Motion to adjourn by Kalcec, seconded by Schieb-Snider at 7:25 pm.

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

Voting No: None.

Approved/Corrected

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Debbie Miller  
Rose Township Clerk