

inserted into the first line of paragraph B. under “NEW BUSINESS”. The new line would read “Doug Phelps, Hank Felipowski, Beverly Rossetto and Tom Harkleroad will attend...” Treasurer Malaski requested the wording of the second from the last line of the paragraph be rewritten to indicate the Board will pay in lieu of Treasurer to pay. New line to read: “...seconded by Keitha Malaski, Treasurer. The board to pay for...”

Trustee Patterson made a motion to revise the minutes as outlined. Seconded by Trustee Dowker. Hearing no objections Supervisor Malaski declared the motion approved. (6:56 pm)

BUDGET MEETING: Supervisor Malaski suspended the general meeting and opened the Budget Meeting during which time the proposed budget was reviewed and public comment and questions were taken. The budget meeting was adjourned and the regular meeting resumed. (7:00 pm – 7:40 pm)

CORRESPONDENCE: Supervisor Malaski received a letter from the Northeast Michigan Council of Governments (NEMCOG) inviting the township to send members to a meeting with representatives of the Michigan Department of Transportation (MDOT) in Alpena. The Supervisor suggested that we should attend the meeting and considering joining NEMCOG as they can assist in writing grants to support township needs. A public comment was made that NEMCOG was evil.

REPORTS:

Treasurer's Report (7:44 pm)

Money received money from Swamp Tax - \$16,000. The Financial Report was reviewed by Treasurer Malaski. The Treasurer pointed out that because of numerous errors in the General Ledger she was unable to reconcile the accounts with the Clerk's records. She has reconciled the accounts with the bank. The Treasurer pointed out that she and the Clerk met with accountant Kieliszewski to train the Clerk in the proper processing of the books. Treasurer's explanation of problems became more animated and moved off track, Trustee Patterson asked the Supervisor to get the meeting back on track which he did.

Public comment: Could we attach the Financial Report to the minutes when published. (See attachment)

Clerk's Report:

The Clerk presented the Check Registry, list of accounts and amounts. There were questions concerning some of the checks one of which one was a voided check. The Clerk explained that accountant MacArthur created that check in the Pontem software to check the system. The check was never written and was voided in the Pontem software and thus shows as such in the Check Registry.

Assessor's Report – The assessor was not in attendance and thus no report.

Board of Review

The dates for the Board of Review were given as:

March 5 – 2:00 pm

March 12 – 9:00 am – 3:00 pm

March 13 – 3:00 pm – 9:00 pm

The clerk was requested to supply the members of the Board of Review with W-4 forms. (Note: The forms can also be obtained at: www.irs.gov/pub/irs-pdf/fw4.pdf)

The Supervisor stated that we don't need a motion to accept the reports as it was considered part of the Consent Agenda and was approved then.

Trustees' Reports (8:01 pm)

Trustee Dowker read the Onaway ambulance meetings and pointed out the Ambulance Authority had to redo their audit.

Trustee Patterson stated he had no report as the Rogers City Ambulance Authority does not meet until tomorrow night.

Supervisor's Report: (8:02 pm)

The Supervisor said that he and Trustee Patterson will attend the NEMCOG meeting with MDOT. In answer to a question on the cost Trustee Patterson point out that only mileage will be required.

Old Business

The Supervisor introduced the latest version of the Township Poverty Guidelines and stated the guidelines had to be accepted by resolution. The resolution was reviewed with readings by the Supervisor. Trustee Patterson made a motion to accept the resolution and it was seconded by Treasurer Malaski. A roll call vote was required and is as follows:

Trustee Patterson	-	Aye
Clerk Augustine	-	Aye
Trustee Dowker	-	Aye
Treasurer Malaski	-	Aye
Supervisor Malaski	-	Aye

Resolution passed and will be placed in the Resolution file. (8:24 pm)

New Business

Supervisor Malaski introduced the Indemnification and Hold Harmless Agreements for each elected official that was recommended and drafted by lawyer MacArthur. This agreement signed by two of the officials to cover a third, places the other members in the same category should any of the board members be sued. As such the Township would become a legal and financial supporter of the sued member. Trustee Patterson asked if the lawyer MacArthur was away of the section (Page 18) of the General Policy Manual titled "INDEMNIFICATION OF TOWNSHIP OFFICIALS AND EMPLOYES" that covers this subject. Supervisor Malaski thought he was aware of the section. Trustee Patterson moved we accept the agreements and the motion was seconded by Trustee Dowker. Roll call vote was as follows:

Trustee Patterson	-	Aye,
Clerk Augustine	-	Aye
Trustee Dowker	-	Aye
Treasurer Malaski	-	Aye
Supervisor Malaski	-	Aye

Motion Carried.

Hall Phone

During the budget review it was noted that funds for the hall phone were zeroed out. Supervisor Malaski felt that with the abundance of cell phones the need for a hall phone was minimized. The public pointed out that cell phone reception in the hall is not reliable and during elections the phone was often used. Trustee Patterson moved that we investigate a lower cost phone service. Motion was seconded by Trustee Dowker. Hearing no objections Supervisor Malaski declared the motion approved.

NEMCOG

Supervisor Malaski said the Northeast Michigan Council of Governments (NEMCOG) offered a sixth month membership for \$302 which is half the price of the annual membership. Supervisor Malaski felt we should join and evaluate if NEMCOG membership was of benefit. Clerk Augustine made a motion to join and pay the dues and it was seconded by Trustee Dowker. Roll call vote was called for and the results were as follows:

- Trustee Patterson - Aye
- Clerk Augustine - Aye
- Trustee Dowker - Aye
- Treasurer Malaski - Aye
- Supervisor Malaski - Aye

Motion Carried.

Mail

It was requested that all mail be forwarded to the Supervisor to ensure that no opportunities were missed that might be of benefit to the Township. There was an invitation to the Clerk for training that was sent to the Clerk alone and the Treasurer felt she missed an opportunity for training because it was not sent on to her.

Check Register

The check register was presented by Clerk Augustine. Treasurer Malaski pointed out several errors and the discussion quickly devolved into reviewing all the mistakes Clerk Augustine has been making since she took office, both in the use of the Pontem software, check writing and in using the Chart of Accounts, which subdivides the budgeted money for specific purposes. The review of the Clerk's mistakes became more intense when Supervisor Malaski also expressing his concern with inconsistent Clerk policies for the revision of the minutes. Trustee Patterson tried three times to get the discussion of Clerk errors to stop and for the Supervisor to return to the agenda. At 8:52 pm the Clerk packed up her personal belongings and said in effect: I don't have to take this any more. I will resign. and left the room. (8:52 pm)

Trustee Patterson assumed the taking of the minutes. (8:53 pm)

Amend General Policy Manual

The supervisor pointed out that do procedural errors on the part of the Clerk we need to clarify the rules in the General Policy manual Trustee Patterson presented proposed changes in three areas as follows:

1. *To ensure the consistent tracking of all deposits, to the township, and to comply with the practices stated on page 16 the "Accounting Procedures Manual for Local Units of Government published by the*

State of Michigan,” it is proposed that the last sentence of the first paragraph on page 7 be changed as follows reiterating the Township Treasurer's office as solely responsible for all incoming funds.

Current wording: *The following Township Board Members are authorized to make bank deposits: Township Treasurer, Deputy Treasurer, Township Clerk, Deputy Clerk.*

New wording: *To comply with the paragraph titled “Money Received by Officials Other Than Treasurer” on page 16 of the “Accounting Procedures Manual for Local Units of Government published by the State of Michigan” the following Township Board Members are authorized to make bank deposits: Township Treasurer, and Deputy Treasurer. All checks or funds received by any other Township official shall be given to the Treasurer or Deputy Treasurer.*

2. *To prevent duplication and minimize legal expenses the following shall be added to the paragraph on Page 5 titled “Township Board Consultants” to reflect the Township Supervisor's status as “Legal agent for the Township” as stated on Page 2 of the General Policy Manual.*

Add: *“The Township Board may place an attorney on retainer to provide legal advice. The Township Supervisor is designated as the sole point of contact, except in the case of FOIA requests, which are covered on page 16, in the paragraph titled “Freedom of Information Act (FOIA)”, or unless the Township Board authorizes another board member to contact the attorney for a specific reason outlined in an approved motion.”*

3. *To ensure the appearance of transparency in Township financial dealings and to comply with the practices outlined in the “Accounting Procedures Manual for Local Units of Government published by the State of Michigan,” it is proposed the third paragraph on page 2, titled “Township Clerk's Statutory Duties” be changed to restate the requirement that all Township checks be signed by two authorized people, one from the Township Clerk's office and one from the Township Treasurer's office.*

Currently reads: *Prepare Township checks*

New wording: *Prepare Township checks and ensure two authorized signatures are on the checks, one from the Township Clerk's Office and one from the Township Treasurer's office in accordance with page 23 of the Accounting Procedures Manual for Local Units of Government published by the State of Michigan.*

Supervisor Malaski made a motion to accept the revisions as stated. Treasurer Malaski seconded the motion. The Supervisor hearing no objections ruled the motion carried. Trustee Patterson agreed to incorporate the changes in the document.

Public questioned why the changes were required and some examples were given:

1. The Clerk used a Township check to buy toner at Radio Shack, around 2 February, with only her signature on it. Lacking the Treasurer's signature violates policy both local and state rules.
2. Clerk made a deposit of a refund check, on or about 16 January instead of giving the check to the Treasurer. Under then current General Policy Manual guidelines this was acceptable. However, the check was deposited in the wrong account and the funds had to be moved to the correct account by the Treasurer.

Jerry Kieliszewski.

The Supervisor obtained a contract agreement with Jerry Kieliszewski, dated 29 January 2013, and signed by the Supervisor on 12 February 2013, for \$2,500 "...to consult, train, assist, prepare documents filings or reports and other needed services..." and presented the contract to the board. The charges were \$100/hr for the CPA and \$45/hr for support staff. The discussion noted that the Clerk and Treasurer have both met with Mr. Kieliszewski for consultation and questioned the need for this contract pending the resignation of the Clerk and whether this service was needed. Trustee Patterson suggested that we could pay Mr. Kieliszewski on an as needed basis and the proposal should be tabled until the next meeting when the need would be clearer. Treasurer Malaski indicated there are problems with the accounts.

Public comment: Pontem can connect to the computer and take control and fix the problem in their software's records. Auditor can not have had daily involvement with our accounts and audit our books.

Supervisor Malaski want to have support on an as needed basis. Trustee Dowker moved the issues be tabled until next meeting.

Supervisor Malaski said the last time the accountant sent a contract to create the form we have to file annually. Public comment: The former clerk filed the form for several years except for one year when the accountant did. Attendees commended the Treasurer and Supervisor for stepping in to address the problem of Clerk errors.

Treasurer Malaski commented that an appointed clerk would only serve until the next general election in two years when the office would be filled by election for the remaining two years.

Meeting was adjourned. (9:42 pm)

Respectfully submitted

Archie Jay Patterson II

Bearinger Township Trustee

1 Attachment.
Financial Report

Bearinger Township Financial Report
January 1, 2013 to January 31, 2013

Beginning Balance

Savings Account	\$ 114,212.84	
Checking Account	6,270.37	
CD (Savings)	103,393.39	
		\$ 223,876.60

Savings Account

Total Transfers to Checking	0
Interest Earned (Receipt #2980)	10.55
Deposits (Receipt #2968, 2969, 2977)	16,359.29

Checking Account

Deposits (Receipt#2979, Clerk Error)	756.00
Interest Earned (Receipt #2982)	.52
Disbursements from Checking (Checks #2391-2414)	-5,954.47
Bank Fee for Check Images	.00

CD (Savings)

Interest Earned (Receipt #2976)	127.25
---------------------------------	--------

Ending Balances

Savings Account	\$ 130,582.68
Checking Account	1,072.42
CD (Savings)	<u>103,520.64</u>
	\$ 223,175.74

Beginning Balance EMS Account

	\$ 92,334.78
Interest Earned (Receipt #2981)	7.84

Ending Balance EMS Account

	\$ 92,342.62
--	---------------------

TOTAL (all accounts)	<u>\$327,518.36</u>
----------------------	----------------------------

[* 2/12/2013 - Reconciled to Bank Statements and w/ Quicken, not yet reconciled w/ Clerk]