

**City of Swartz Creek  
AGENDA**

**Regular Council Meeting, Monday June 23, 2008 7:00 P.M.  
City Hall 8083 Civic Drive, Swartz Creek Michigan 48473**

1. **CALL TO ORDER:**
2. **INVOCATION AND PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:**
4. **MOTION TO APPROVE MINUTES:**
  - 4A. Regular Council Meeting, June 9, 2008 MOTION Pg. 9,16-27
5. **APPROVE AGENDA**
  - 5A. Proposed / Amended Agenda MOTION Pg. 9
6. **REPORTS & COMMUNICATIONS:**
  - 6A. [City Manager's Report](#) (Agenda Item) MOTION Pg. 9,2-8
  - 6B. Monthly Fire Report Pg. 28-51
  - 6C. MML-Meadowbrook Insurance Renewals (Agenda Item) Pg. 52-54
  - 6D. Sr. Center Request, Levy Distribution (Agenda Item) Pg. 55
  - 6E. 2006-2009 POLC Labor Agreement (Agenda Item) Pg. 56-77
  - 6F. Audit Bids (Agenda Item) Pg. 78-256
  - 6G. Phone Replacement Memo (Agenda Item) Pg. 257-258
  - 6H. Road Salt Bids, GCRC (Agenda Item) Pg. 259-261
  - 6I. Eagle Scout Project, Winshall Park Repairs (Agenda Item) Pg. 262-263
  - 6J. Property Sale, Phase I Quotes (Agenda Item) Pg. 264-273
  - 6K. 8506 Chesterfield, Hazard-Nuisance (Agenda Item) Pg. 274-279
  - 6L. Notice, CDBG Needs Hearing (Agenda Item) Pg. 280
  - 6M. Councilmember Hurt Absence Request (Agenda Item) Pg. 281
  - 6N. MDOT Letter, Miller-69 Park & Ride Pg. 282
  - 6O. Farmers Market Flyer Pg. 283
  - 6P. DEQ Hearing Notice, Raubinger Bridge Pg. 284-295
  - 6Q. Journal Article, Road Funding, GCRC Pg. 296-297
7. **MEETING OPENED TO THE PUBLIC:**
  - 7A. General Public Comments
8. **COUNCIL BUSINESS:**
  - 8A. Appropriation, Annual Property & Liability Insurance Renewal RESO. Pg. 10,52-54
  - 8B. Appropriation, Senior Levy Distribution RESO. Pg. 10,55
  - 8C. POLC Labor Contract, 3<sup>rd</sup> Year Wage Opener RESO. Pg. 10,56-77
  - 8D. Police FANG Position, Renewal RESO. Pg. 11
  - 8E. Appropriation, Bid Award, Audit Services RESO. Pg. 12,78-256
  - 8F. Replace Phone System, City Hall & Police Department RESO. Pg. 12,257-258
  - 8G. Appropriation & Bid Award, Purchase Road Salt RESO. Pg. 12,259-261
  - 8H. Eagle Scout Project, Winshall Park Repairs RESO. Pg. 13,262-263
  - 8I. Property Sale Concept, Phase I Environmental Study RESO. Pg. 14,264-273
  - 8J. Hazard – Nuisance, 8506 Chesterfield Drive RESO. Pg. 15,274-279
  - 8K. CDBG Project, Trail System DISC. Pg. 280
9. **MEETING OPENED TO THE PUBLIC:**
  - 9A. General Public Comments
10. **REMARKS BY COUNCILMEMBER'S:**
11. **ADJOURNMENT:**

**City of Swartz Creek**  
**CITY MANAGER'S REPORT**  
Regular Council Meeting of Monday June 23, 2008 7:00 P.M.

**TO:** Honorable Mayor, Mayor Pro-Tem & Council Members  
**FROM:** PAUL BUECHE // City Manager  
**DATE:** 20-June-2008

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## **OLD / ROUTINE BUSINESS – REVISITED ISSUES / PROJECTS**

- ✓ **PERSONNEL POLICIES & PROCEDURES** (*Status*)  
We are in possession of a draft and are reviewing it.
- ✓ **DISASTER, EMERGENCY RESPONSE POLICY COMMITTEE** (*Status*)  
We are back meeting and have a draft for review. We should be back before the Council for discussion on this in the near future.
- ✓ **VETERANS MEMORIAL** (*Status*)  
Nothing New.
- ✓ **NON-RESIDENT SERVICES STUDY, RAUBINGER BRIDGE** (*Status*)  
Pending.
- ✓ **OVERHEAD UTILITY REORGANIZATION PROJECT** (*Status*)  
We are trying to get a contractor's quote for the second round of the technical review of the poles. REI has expressed an interest in the project and is working on a price. I qualify this with we are in the bid process for engineering services. This probably needs to be settled first. I will keep the Council posted.
- ✓ **MAJOR STREET FUND, TRAFFIC IMPROVEMENTS** (*See Individual Category*)
  - ❑ **BRISTOL ROAD T.I.P. PROJECT, BRISTOL EXTENSION** (*Status*)  
The contractor is looking for an additional \$50k on this project. They claim additional engineering, change orders, and additional work, some of which is related to the Verizon poles. MDOT has a grievance procedure in which the contractor has initiated. Two steps have been completed with a recommendation for an additional \$15k. The ball is in the contractor's court as to whether they desire to move to the next process. We will see where it heads.
  - ❑ **SEYMOUR RE-SURFACING PROJECT** (*Status*)  
Complete, with the exception of the installation of signage.
  - ❑ **ELMS ROAD RE-SURFACING PROJECT** (*Status*)  
This project is underway, construction beginning on Monday June 16<sup>th</sup>. Our match for this project is **\$294,477**. The County has budgeted \$21,000 for their half of the 1,300' border section and have given us a verbal approval for participation. We will try to catch up the paperwork over the next couple of weeks. I will keep the Council informed on the progress.
  - ❑ **MORRISH ROAD RE-CONSTRUCTION PROJECT / MEIJER'S** (*Status*)  
Meijer's has informed us that they have placed this project on their early 2009 construction schedule. Although not yet certain, they advise they may be asking for a revised site plan later this summer that will downsize the store a bit, to around

160,000 sf. They are reviewing the development agreement and will be back shortly with a decision on how they wish to handle the road construction (private or via the TIP).

❑ **GM-SPO ISLAND CUTS** (*Status*)

This project remains in the 2009 TIP. We are still evaluation the cost vs. benefit ratio.

❑ **MILLER ROAD REPAIRS** (*Status*)

The repair work has been completed. We will be looking at a 10-year repair fix this summer for all of Miller Road.

✓ **LOCAL STREET FUND, TRAFFIC IMPROVEMENTS**

❑ **2008 REPAIR ROSTER** (*Status*)

The following streets are in the hopper: Chesterfield from Seymour to Winston, Jennie Lane, Worchester from Winston to Daval (a portion of this is a Major Street, eligible for 202 funding) and Daval from Oakview to Winshall. We are out to bid on these streets and will be back as soon as the returns are in.

✓ **FIRE DEPARTMENT EVALUATION, 2008 CONTRACT RENEWAL** (*Status*)

I have met several times with Mr. Shumaker regarding the contract. We have identified a handful of areas that need addressing. Mr. Figura has provided a draft and we are reviewing it. I will be back for some additional conversation in the future.

✓ **SEWER REHABILITATION PROJECT, I&I, PENALTIES** (*Status*)

At a past meeting, we awarded the bid to Liqui-Force based on unit prices. We will be back before the Council shortly with a contract for Phase II of the program.

✓ **WWS INTERGOVERNMENTAL JURISDICTION ORDINANCE** (*Status*)

The County has turned up the pressure to adopt both the ordinance and the agreement that transfer enforcement (and probably anything else they deem fit) over to them. We are working with Mr. Figura evaluating our options.

✓ **HERITAGE PARK & NON-MOTORIZED TRAIL SYSTEM** (*Status*)

Pending.

✓ **SR. CENTER, LEVY, BUILDING & FUTURE FUNDING PLAN** (*Status*)

Pending.

✓ **SPRINGBROOK, HERITAGE STREET-LIGHTING** (*Status*)

We need to talk on a number of issues similar to this. I am working on a recommendation and a policy in handling our condominium associations in an effort to treat them all the same. I will be back at a near future meeting for discussion and the adoption of a policy.

✓ **LABOR CONTRACTS** (*Resolution*)

I met with the Police Union (POLC) and tendered a maximum offer of 1% for the third year wage opener. The union, upon vote of the membership, rejected this offer and countered with 2%. The base cost increase per officer (there are five officers in this unit) is \$972.61 per year, or about \$6,000 total per year (for all). This does not include any overtime or longevity calculations. I suspect the total will fall around \$9,000 per year. When we budgeted, we built in a 5% increase in police wages. We should be fine in our calculations. I did advise the unit that we are heading towards a layoff. I recommend we accept. There is a resolution for a 2% increase included with tonight's agenda

Mr. Kehoe still needs a basic employment agreement and the Supervisor's contract has a wage re-opener. I will look to meet with them very shortly.

On my contract, it probably needs visiting for update purposes. I would like to take a pass on any rate increases for another year or two and until we are on better financial ground. I am not sure how the Council desires to handle an evaluation. As you recall, a couple of years ago I created a list of accomplishments and shortfalls as I saw them. I could bring the list up to date and then bring it back to the Council for discussion and review. Unless the Council has strong input one way or the other, I will do this and set it for a discussion item, hopefully soon. We can then go from here.

✓ **RETIREE HEALTH CARE** (*Status*)

Again, I have had little time to work on these items due to financial season coupled with regular business. I will try to clear these matters after we get a draft budget in the market. Mr. Gildner has prepared a base agreement that leaves only the specifics to be filled in by the staff. I am working on tailoring them in line with specific contracts to which the specific employee went out on. I should have them back soon for Council review.

✓ **MARATHON STATION BLIGHT & NON-CONFORMING USE** (*Status*)

The pylon sign and the canopy have been removed by the owner. The building remains. We are awaiting the executed order from the judge. When we are in possession of this, we will be back for some additional conversation on the method of exercising the order.

✓ **GENERAL LEDGER & ACCOUNTING SOFTWARE** (*Status*)

Software installation is complete. We are still working on the customization of some of the modules.

✓ **COUNTY E.M.S. ORDINANCE, AMBULANCE SERVICE** (*Status*)

We are watching it.

✓ **FEES, RATES & SERVICE CHARGES** (*Status*)

We are still reviewing the best method for the installation of the new rate structure. As an afterthought, it appears that we will be getting another rate increase from Detroit... about 8.5%. We have not received official notice, but the Detroit Newspapers are reporting this. Although we do need to visit water and sewer, as we have discussed, I would like to wait a bit, into the late summer or fall before we make a decision on this. At this time, we can adjust our other fees, if needed. I will keep the Council informed.

✓ **2007-2008 FY AUDIT** (*Resolution*)

In order to make a decision on this, we need to review a bit of history first. We last bid audit services in April 2006 for three years, the 2005-2006 FY, 2006-2007 FY and this year, 2007-2008 FY. Rehmann-Robson was, by far, the low bidder at \$8,900 - \$9,600 - \$9,900. There were five total returns, the other four returns ranging between \$10,500 - \$16,950 for the 2005-2006 FY, \$15,175 - \$17,500 for 2006-2007 FY and \$15,475 - \$18,000 for 2007-2008 FY (see template from 2006 Audit Bid Returns). The game changed a bit during the last audit process. First off, the report was jammed at the last minute, being the last meeting of December. This is despite the fieldwork having been completed in August. Second, we were never given notice by Rehmann-Robson on



their interpretation of SAS Rule #112. Simply put, this rule provides that we prepare our own financial statements and the auditor is independent, in that they test the data, run the appropriate audit trails, and then issue their report. Since the beginning of time, we have submitted our data to the auditor who then sets in to the report the Council gets, and renders an opinion. In the final year of the three year run, R-R seems to desire that we prepare the final document, hand it to them, and they will report on it. As you recall, we were given a “substantial and material weakness” letter from R-R included with our report filed with the State’s Treasury Office. Their position was “don’t worry about it... all our governments get the same letter”. I disagree with this. We have two four-year accounting degree employees on our staff and two others that have less than a B.S. degree in accounting. Our financial staff has a combined 50 years government experience and another 20+ years in the private industry, primarily banking. I think we have one of the best, if not the best financial staff’s in the County. In checking with other auditing firms, there is a wide difference of opinion in the interpretation of SAS #112. The bottom line is the preparation of the CAFR, the Certified Annual Financial Report, being the document that the Council sees when the auditor makes their report. R-R seems to want the City to prepare this document, hand it to them, and they will issue their opinion. This would remove a substantial amount of workload from the firm, which in hindsight, might answer a nagging question that I have had since the bid returns in April 2006, being how R-R can make any money based on the low numbers they bid. The other firms I spoke with do not see a “substantial and material weakness” breach as long as the data we present is complete, accurate and in conformance with GAAP (generally accepted accounting practices) procedures. They have no problem is assembling it into a CAFR for Council presentation. In short, I cannot live with another letter that sanctions the City with “substantial and material weakness” breaches. The future potential impact is profound. When we go out to bond, it’s a sure bet that cost basis points, swap fees and interest rates will reflect substantial amounts based on our ratings, which are calculated on our Certified Annual Financial Reports and accompanying auditor opinions. If we stay with R-R, we would have to either live with the breach letters, or hire another CPA firm to take our data and prepare a CAFR to be submitted to them for review. Additionally, they have raised our fees for this year by \$2,800 in order to “comply with changes in reporting”.

In light of this, we went out to bid for a one-year contract with only a single return. Eight companies were invited to bid. Additionally, we posted an ad in the Flint Journal. The only explanation I can offer is that the firms would not bid on a single year. Plante – Moran was the single return with a bid of \$22,600. We took the liberty of negotiating a bit after bid opening. A second one-year proposal is also included with a cost of \$21,600. Plante – Moran also took the liberty of submitting a multiple year proposal, being \$19,900 - \$19,265 - \$20,055 - \$20,875. We may want to take a hard look at this submittal. At any rate, I have a generic resolution included with tonight’s agenda to either accept Plante – Moran’s one year proposal at \$21,600 and re-bid everything in December with a multiple year proposal, or to accept their four year proposal as submitted. So the Council is aware, this service is professional in nature and is exempt from the bid process in accordance with our purchasing ordinance.

## NEW BUSINESS / PROJECTED ISSUES & PROJECTS

- ✓ **MML LIABILITY, PROP & WORKER COMP INSURANCE RENEWAL** (*Resolution*)  
Included with tonight's agenda is our annual insurance policy renewal for liability, property protection and workers compensation. Refreshingly, the cost this year has dropped from last years total of \$74,933 to \$69,901 for the liability and property pool and remains about the same for Workers Compensation, \$24,894. As we have discussed in the past, we could get insurance a bit cheaper elsewhere, but I recommend against it. The MML – Meadowbrook is the foremost leading expert in Municipal Liability and has about 80% of the governments in the state.
- ✓ **SENIOR CENTER TAX DISTRIBUTION** (*Resolution*)  
It has been awhile, but as you recall, we have passed resolutions to distribute collected funds from our 0.50 mill Senior Levy. In light of the County Senior Levy, we did not levy this tax last summer nor this summer. We continue to collect small amounts of this via our delinquent collection process pertaining to personal property. We are holding \$281 and have a resolution to allow for the distribution of these funds to the Senior Center.
- ✓ **POLICE FANG POSITION RENEWAL** (*Resolution*)  
Our position in the FANG Narcotics Unit expires (under Council Resolution) on July 1<sup>st</sup>. I have a resolution included with tonight's agenda to continue it for another year. So the Council is aware, there are two things that may affect our participation for the upcoming year. The first is funding ratio as set by the Federal Government via the Byrne-Memorial grant. There is strong talk that this ratio may be reduced from its current level of 50-50. If this happens, we are finished, as this will now cost us more money to keep our position over there than it would if he returned. This decision will come about at the time that the federal and state fiscal cycles are settled (October 1<sup>st</sup>). The second is as we discussed during budget hearings. As our revenues continue to shrink from loss of building, property depreciations and state revenue sharing reductions, the effect is direct on public safety as this service derives all of its funding out of the General Fund. When we get to the point of police layoffs, which we will at the rate we are going, then we can use the FANG position as a swing shift in the re-organization of the police department. This will buy us another year or so. At this point, I recommend we continue our participation with the stipulation that when it comes time to pull the plug on the position, we will do it.
- ✓ **REPLACE PHONE SYSTEM, CITY HALL** (*Resolution*)  
As the Council may recall, we have budgeted funds in technology for several years now for the replacement of the phone system at City Hall and the Police Department. I have not moved forward as we have limped our system from year to year as an effort to reduce expenses. We are living on borrowed time on this item. The day is coming when the system is going to have a melt down and leave us without phone service for a week or more. The system we currently have in these buildings was purchased in 1994 at an enormous cost of about \$60k. At the time, it was billed by AT&T as "will last forever" and upgradeable. As we know with electronics, the cost of these items continues to tumble and technology skyrockets. I have been watching a VOIP (voice over internet protocol) digital system with varied capabilities, however, I stumbled across a newer model of the same system we currently have at a rock bottom price of \$1,429 for the City Hall system and \$1,057 for the Police Department (excluding Fire). The installation fees of the two systems will be \$1,100. The grand total to replace this

system is \$3,586... very different from the early model of the same system. It would be nice to have the features of a digital VOIP system, but the cost cannot be justified (\$10k - \$15k, plus extensive installations fees). I have a resolution for purchase and installation included with tonight's agenda.

✓ **APPROPRIATION, BID AWARD, PURCHASE ROAD SALT** (*Resolution*)

It is that time of year when we get to begin thinking about winter. The County Road Commission includes all road authorities in their bid process as a means of buying in bulk for the best pricing. The cost from 2007 to this year has risen substantially, from \$32.88 per ton last year to \$41.43 per ton this year. I have a resolution to appropriate and award.

✓ **EAGLE SCOUT PROJECT, WINSHALL PARK RENOVATIONS** (*Resolution*)

Mr. Bryan Schopieray, a Scout with Troop 110 has requested to repair and renovate the Tennis Courts in Winshall Park as a project to complete his rank of Eagle Scout. Mr. Svrcek and Mr. Zettel have reviewed the plan, spoke with the youngster, and see no problems. As always, we do stand the risk of liability by allowing non-employees to do volunteer work on City grounds. The risk is probably small in comparison to the benefits. I have a resolution of approval included with tonight's agenda.

✓ **SALE OF CITY PROPERTY** (*Resolution*)

As the Council may be aware, we own a dilapidated old "garage" type building on Morrish Road adjacent to the DPW Yard, more commonly referred to as the "Old Blacksmiths Shop" (I apologize for the lack of better descriptors, but at the time of writing, our computers were down due to a power failure. I will have additional information and maps at the meeting). We have had sporadic interest in the sale of this property, however not recently. Adam has devised a plan to try to sell the property under a development agreement, similar to what we did with the old City Hall Building. Before we do such, we probably need to do a bit of engineering to determine its history as it pertains to environmental issues. My concern is the potential for farm or industrial toxins. Adam has secured three quotes for a Phase I environmental study prior to drafting a purchase agreement that drives the development. The cost of such a study is \$1,500. The three quotes are included with tonight's packet, in addition to a resolution that endorses the concept as well as approves the study. Adam will be present to address the Council on the plan.

✓ **HAZARD – NUISANCE PROPERTY, 8506 CHESTERFIELD** (*Resolution*)

We have a property at 8506 Chesterfield that has sparked a handful of complaints. The property is abandoned with an open in-ground swimming pool in the back yard half full, foul smelling, frogs chirping, etc. (photo's included). The City Charter, Chapter 10, Section 10-9 provides for a hearing in front of the City Council for hazards and nuisances. Upon such findings, the Council can order the property cleaned up by a specific date. If non-compliant, the City can then do the cleanup and assess the costs against the property owner of record. This is the argument we made in court with the Marathon. The cost of cleaning up the pool has far fewer dollars connected with it (\$500-\$1,000) and I think if the Council so finds, we can use this process instead of District Court. Mr. Gildner will be present to give us some help on the legal side of it.

✓ **C.D.B.G. NEEDS HEARING, PROJECT ADDITION** (*Discussion*)

Adam would like to add another project to our designated project list with the County MPO, relative to uses of CDBG Funds. The project is the portion of the trailway that funding was recently denied by MDOT, at Miller & Elms and into the Elms Road Park. We have scheduled a Public Needs Hearing on July 14<sup>th</sup>, as required. Adam will be present at tonight's meeting to explain further and answer any questions.

### **Council Questions, Inquiries, Requests and Comments**

- *Park & Ride Improvements, Miller & I-69.* MDOT has asked that if they pay for the installation of lighting, would we be willing to pay the energy costs. I have a handful of issues with this Park & Ride, including lawn mowing, lighting, general appearance, snow removal, salt and garbage collection (needed on a daily basis). We met with MDOT and they advise they have no funds to pay for anything. Seems utterly irresponsible that MDOT would construct these items all over the state without a single aforethought to the maintenance. We offered to do a cost sharing to plow, salt, light, mow, collect garbage, etc. They would like us to do all these things and pay for them. They were advised that it is their lot, their problem... sad. If the Council feels different, please let me know.
- *Z.B.A. Compensation.* Pending.
- *Park Board Parade Tree.* The tree used in the parade was planted in Winshall Park near the toddler play area.
- *Miller – Seymour Barrels'.* Gone
- *Police Statistics.* The statistical differences brought up by Council Candidate Dave Krueger were a title heading error on the Monthly Police Report. Chief Clolinger has met with Mr. Krueger and explained the differences
- *Signs, Blackmore & Rowe (in right of way?).* It is. Upon checking, a small piece of our curb may be on private property also. We will begin the process of trying to have it removed. My guess is that it will not be without some resistance though.

**City of Swartz Creek**  
**RESOLUTIONS**  
**Regular Council Meeting, Monday June 9, 2008 7:00 P.M.**

**Resolution No. 080623-4A          MINUTES, JUNE 9, 2008**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council hereby approve the Minutes of the Regular Council Meeting held June 9, 2008, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 080623-5A          AGENDA APPROVAL**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council approve the Agenda as presented / printed / amended for the Regular Council Meeting of June 23, 2008 to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 080623-6A          CITY MANAGER'S REPORT**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council approve the City Manager's Report of June 23, 2008, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 080623-8A**

**APPROPRIATION, LIABILITY, PROPERTY POOL & WORKERS COMPENSATION INSURANCE RENEWAL, MML-MEADOWBROOK**

Motion by Councilmember: \_\_\_\_\_

**I Move** the City of Swartz Creek approve the renewal of the Liability, Property Pool and Workers Compensation Insurance Policy, number MML001107817 and 5000860-08, with the Michigan Municipal League, Meadowbrook Insurance Company, liability maximum of \$10,000,000; and, further, appropriate a total amount of \$69,901 and \$24,894 for payment of premiums for July 1, 2008 through June 30, 2009, funds to be appropriated from 101, 590, 591, and 661, in accordance with the cost distribution schedule as apportioned by fund by the Michigan Municipal League and Meadowbrook Insurance Company.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 080623-8B**

**APPROPRIATION, DELINQUENT SENIOR LEVY DISTRIBUTION**

Motion by Councilmember: \_\_\_\_\_

**I Move** the City of Swartz Creek appropriate an amount not to exceed \$281 to the Swartz Creek Area Senior Citizens, Inc., from Fund 275, funds collected as of June 13, 2008, from the City's levy for Senior Services, funds appropriated and to be expended under the terms and conditions as set forth in the agreement between the City of Swartz Creek and the Swartz Creek Area Senior Citizens, Inc.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 080623-8C**

**POLC LABOR CONTRACT, 3<sup>RD</sup> YEAR WAGE OPENER**

Motion by Councilmember: \_\_\_\_\_

**I Move** the City of Swartz Creek approve a rate increase of 2% for the Police Officers Labor Council, rate to be applied across the board, and further, direct the City Manager and City Attorney to prepare an addendum to the 2006-2009 POLC Labor Agreement reflecting the approved increase and authorize the Mayor and City Clerk to execute the addendum on behalf of the City.

Second by Councilmember: \_\_\_\_\_



Voting For: \_\_\_\_\_  
Voting Against: \_\_\_\_\_

**Resolution No. 080623-8D      POLICE FANG POSITION RENEWAL**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek has assigned an Officer to the Flint Area Narcotics Group from June 2004 through June 2008, under the specifications set forth in Resolution #040223-10, as follows:

**Flint Area Narcotics Group (FANG) Position**

**Resolution No. 040223-10**

**(Carried)**

*Motion by Councilmember Shumaker,  
Second by Mayor Pro-Tem Christie,*

*The Swartz Creek City Council approves the assignment of one police officer to the Flint Area Narcotics Group, subject to a minimum 50% funding contribution from or through the Flint Area Narcotics Group, for a term not to exceed three years and/or subject to termination at the discretion of the City Council, in accordance with the membership agreement between the City of Swartz Creek and the Flint Area Narcotics Group and operating rules set forth by the Executive and/or Operation Boards of the Flint Area Narcotics Group.*

*Discussion ensued.*

*YES:   Abrams, Adams, Christie, Hurt, Porath, Shumaker.  
NO:   None. Motion declared carried.*

And; **WHEREAS**, on February 12, 2007, the Swartz Creek City Council extended the assignment for an additional year, expiring in June 2008; and

**WHEREAS**, the City of Swartz Creek finds it feasible, economical and in the interest of the safety and well being of the community to continue and extend this assignment for a period of one year.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Swartz Creek hereby approve the re-assignment of one police officer to the Flint Area Narcotics Group, subject to a minimum 50% funding contribution from or through the Flint Area Narcotics Group, for a term not to exceed one year, expiring in June 2009, and further, such assignment shall be subject to termination at the discretion of the Swartz Creek City Council, in accordance with the membership agreement between the City of Swartz Creek and the Flint Area Narcotics Group and operating rules set forth by the Executive and/or Operation Boards of the Flint Area Narcotics Group.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_  
Voting Against: \_\_\_\_\_

**Resolution No. 080623-8E**

**APPROPRIATION, BID AWARD, AUDIT SERVICES**

Motion by Councilmember: \_\_\_\_\_

**I Move** the City of Swartz Creek accept the sole bid of Plante – Moran, for audit services commencing with the City’s Fiscal Year of 2007-2008, ending \_\_\_\_\_, and appropriate amount not to exceed \_\_\_\_\_.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 080623-8F**

**REPLACE PHONE SYSTEM, CITY HALL & POLICE DEPARTMENT**

Motion by Councilmember: \_\_\_\_\_

**I Move** the City of Swartz Creek appropriate an amount not to exceed \$3,586, plus 15% contingency, for the purchase and installation of a Partner – Avaya ACS R7.0 phone and voice messaging system, to be installed in the City Hall and Police Department, funds to be distributed according to usage at the direction of the City’s Finance Director.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 080623-8G**

**APPROPRIATION & BID AWARD, PURCHASE ROAD SALT**

Motion by Councilmember: \_\_\_\_\_

**Whereas**, the City possesses the need to purchase 980 tons of rock salt for application to public rights of way during those long, cold Michigan winters; and

**Whereas**, the City’s Purchasing Ordinance, Chapter 2, Article VI, Section 2-406 provides for and encourages cooperative government purchasing practices; and

**Whereas**, the Genesee County Road Commission accepts and awards bids for the purchase of rock salt for application to public rights of way during those long, cold Michigan winters; and

**Whereas**, a bid has been awarded to the lowest bidder, Detroit Salt Company of 12841 Sanders, Detroit, at a unit cost of \$41.43 per ton, a copy of the bid tabulation attached

hereto, and a cooperative purchasing invitation has been extended to the City from the Genesee County Road Commission.

**Now, Therefore, Be It Resolved, that** the Swartz Creek City Council accept the Genesee County Road Commission’s cooperative purchasing extension and appropriate an amount not to exceed \$40,602, plus 10% contingency, for the purchase of rock salt from the low bidder of Detroit Salt Company, expenses to be distributed proportionate to use at the direction of the City’s Finance Director.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 080623-8H**

**EAGLE SCOUT PROJECT, WINSHALL PARK TENNIS COURT RENOVATIONS**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, Bryan Schopieray is a local high school student and Boy Scout that is currently working on an Eagle Scout project; and

**WHEREAS**, Mr. Schopieray has devised a community construction project as the focus of the Eagle Scout project that consists of various renovations and repairs of the Winshall Park Tennis Courts; and

**WHEREAS**, the City is aware of the need for certain repairs to the Winshall Park tennis Courts, such repairs being minor and not involving any machinery, power tools or other tools that might be considered to be dangerous to operate; and

**WHEREAS**, Mr. Schopieray has identified the repairs and drafted a plan that has been approved by the Department of Public Works Director.

**NOW, THEREFORE, BE IT RESOLVED** that the Swartz Creek City Council approve the repairs as submitted by Eagle Scout Candidate Bryan Schopieray, under the direction and supervision of the Director of Public Works.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**CITY PROPERTY SALE CONCEPT, PHASE I  
ENVIRONMENTAL STUDY**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek owns certain property located at \_\_\_\_\_ South Morrish Road, Tax ID # \_\_\_\_\_, more commonly referred to as “The Blacksmith’s Shop; and

**WHEREAS**, the property has a garage type structure located on it that has exceeded its useful life and needs to be removed or replaced; and

**WHEREAS**, the property lies within the City’s DDA District and any improvements to this property would align with the City Council and DDA Board’s plans for revitalization; and

**WHEREAS**, The City’s Assistant Manager – Zoning Administrator has developed a plan wherein the property would be sold with an agreement to raze or reconstruct the building, bringing it in line with the City’s plans for revitalization; and

**WHEREAS**, in order to sell the property under such stipulations, an environmental study is advisable to determine the potential for contaminants, and further, three quotes have been obtained for such a study, the lowest being Applied Eco-Systems of Burton, in the amount of \$1,500.

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Swartz Creek endorse the concept of the sale of the property, by competitive bid, under an agreement stipulating the removal or reconstruction of the existing structure and development in accordance with an acceptable use consistent with the Downtown Revitalization, specifications to be developed by the City Staff, subject to pre bid approval by the City Council.

**BE IT FURTHER RESOLVED**, that the City of Swartz Creek accept the low quote of Applied Eco-Systems of Burton Michigan, for \$1,500, to conduct a Phase I Environmental Study and bring all such documents back to the City Council for review and decision.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**HAZARD PROPERTY CONDITIONS, 8506  
CHESTERFIELD**

Motion by Councilmember: \_\_\_\_\_

**I Move** the City of Swartz Creek concur with the City’s Assistant Manager – Zoning Administrator, and declare the property conditions, as they may relate to an in-ground swimming pool, located at 8506 Chesterfield Drive, Tax ID # \_\_\_\_\_, to be hazardous and a nuisance, in violation of the City Charter Chapter 10, Section 10-9, and further, direct the City Staff to order the cleanup and cover of an in-ground pool, by the property owner of record, to be completed no later than July 25, 2008 5:00 PM. Upon failure to comply, the City Staff is hereby authorized to enter upon the property and perform, or cause to be performed by a contractor qualified to do such work, all such repairs, cleanup and covering of the back-yard in-ground pool as a remedy to the nuisance, and further, to assess the actual and necessary expenses related to such nuisance abatement, against the tax roll, in accordance with City Charter.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**City of Swartz Creek**  
**Regular Council Meeting Minutes**  
*Of the Meeting Held*  
**Monday June 9, 2008 7:00 P.M.**

**CITY OF SWARTZ CREEK**  
**SWARTZ CREEK, MICHIGAN**  
**MINUTES OF THE COUNCIL MEETING**  
**DATE 06/09/2008**

The meeting was called to order at 7:00 p.m. by Mayor Abrams in the Swartz Creek City Council Chambers, 8083 Civic Drive.

Invocation and Pledge of Allegiance to the Flag.

Councilmembers Present: Mayor Abrams, Hicks, Hurt, Shumaker.

Councilmembers Absent: Adams, Mayor Pro-Tem Christie, Porath.

Staff Present: City Manager Bueche, City Attorney Michael Gildner, City Clerk Juanita Aguilar.

Others Present: Boots Abrams, Bob Plumb, Tommy Butler, Lou Fleury, Diane Deel, John Gilbert, David Krueger, Terry O'Brien.

**Resolution No. 080609-01**

**(Carried)**

Motion by Councilmember Hurt  
Second by Councilmember Hicks

**I Move** the Swartz Creek City Council excuse the absence of Councilmembers Adams and Porath and Mayor Pro-Tem Christie due to work commitments.

YES: Abrams, Hicks, Hurt, Shumaker.

NO: None. Motion Declared Carried.

**APPROVAL OF MINUTES**

**Resolution No. 080609-02**

**(Carried)**

Motion by Councilmember Shumaker  
Second by Councilmember Hurt

**I Move** the Swartz Creek City Council hereby approve the Minutes of the Regular Council Meeting, held May 27, 2008, to be circulated and placed on file.

YES: Hicks, Hurt, Shumaker, Abrams.



NO: None. Motion Declared Carried.

## **APPROVAL OF AGENDA**

### **Resolution No. 080609-03**

**(Carried )**

Motion by Councilmember Hicks  
Second by Councilmember Hurt

**I Move** the Swartz Creek City Council approve the Agenda as presented for the Regular Council Meeting of June 9, 2008 to be circulated and placed on file.

YES: Hicks, Hurt, Shumaker, Abrams.  
NO: None. Motion declared carried.

## **REPORTS AND COMMUNICATIONS:**

### **City Manager's Report**

#### **Resolution No. 080609-04**

**(Carried)**

Motion by Councilmember Hurt  
Second by Councilmember Shumaker

**I Move** the Swartz Creek City Council approve the City Manager's Report of June 9, 2008, to be circulated and placed on file.

YES: Hurt, Shumaker, Abrams, Hicks.  
NO: None. Motion declared carried.

All other reports and communications were accepted and placed on file.

## **MEETING OPENED TO THE PUBLIC:**

David Krueger, 7399 Miller Road, questioned whether the City Council knew when the power would be back on to parts of the City. He was advised that the City is not kept informed by Consumers Power.

## **COUNCIL BUSINESS:**

### **Application, MDOT Local Bridge Funding Program, Morrish Road Bridge**

#### **Resolution No. 080609-05**

**(Carried)**

Motion by Councilmember Shumaker  
Second by Councilmember Hurt

**WHEREAS**, the City Council of the City of Swartz Creek is required under provisions of the State Department of Transportation's Bridge Funding Program to actively seek funding participation in bridge replacement or rehabilitation, and

**WHEREAS**, the City of Swartz Creek's Engineering Consultants (ROWE, Inc.) have inspected the City's bridge system and found there is a need to repair the Morrish Road Bridge over the West Branch of the Swartz Creek, and

**WHEREAS**, the available funds in the City of Swartz Creek Street Funds is insufficient to fund bridge rehabilitation, replacement or repair of such a project, and

**WHEREAS**, the City of Swartz Creek is street authority responsible for road infrastructure of all major and local streets within the corporate limits, and

**WHEREAS**, residents and non-residents of the City of Swartz Creek, as well as official, emergency and commercial vehicles use the bridge on a regular basis, and

**WHEREAS**, the City of Swartz Creek still must seek ways to finance and maintain deteriorating infrastructure.

**NOW, THEREFORE, BE IT RESOLVED**, the City Council of the City of Swartz Creek direct the City Manager to apply and seek participation and funding in the State of Michigan's Department of Transportation Bridge Funding Program for the rehabilitation and repair of the Morrish Road Bridge over the West Branch of the Swartz Creek.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be attached with the application for local bridge funding.

Discussion Ensued.

YES: Shumaker, Abrams, Hicks, Hurt.  
NO: None. Motion Declared Carried.

**Adopt 2008-2009 Fiscal Year Budget, Set Levy**

**Resolution No. 080609-06**

**(Carried)**

Motion by Councilmember Hicks  
Second by Councilmember Hurt

**I Move** the Swartz Creek City Council, in accordance with the General Appropriations and Uniform Budgeting Act, adopt the proposed 2008-2009 Fiscal Budget based upon the following Summer Tax Levies:

<b>General Operating Levy:</b>	<b>4.8289 Mills</b>
<b>Sanitation Levy:</b>	<b><u>1.7500 Mills</u></b>
<b>TOTAL:</b>	<b>6.5789 Mills</b>

## 2008-2009 Budget

### 101 General Fund

<b>Estimated Revenues</b>	<b>Adopted</b>	
General Fund Estimated Operating Revenues	2,121,443	
General Fund Estimated Project Revenues	<u>26,000</u>	
<b>Total General Fund Estimated Revenues</b>	<b>2,147,443</b>	
<b>Appropriations</b>	<b>Adopted</b>	
General Government Activities 101-299	513,431	
Public Safety Activities 301-399	1,126,685	
Public Works Activities 400-799	437,288	
Other Government Activities 800-999	<u>106,123</u>	
<b>Total General Fund Operating Appropriations</b>	<b>2,183,527</b>	<b>Estimated Beg Fund Balance</b>
<b>Total General Fund Project Appropriations</b>	<b>26,000</b>	<b>1,006,787</b>
<b>Total General Fund Appropriations</b>	<b>2,209,527</b>	
		<b>Estimated Ending Fund Balance</b>
<b>Effect on General Fund's Fund Balance</b>	<b>-62,084</b>	<b>944,703</b>

### 202 Major Streets Fund

<b>Estimated Revenues</b>	<b>Adopted</b>	
Major Streets Fund Estimated Operating Revenues	290,500	
Major Streets Fund Estimated Project Revenues	<u>8,800</u>	
<b>Total Major Streets Fund Estimated Revenues</b>	<b>299,300</b>	
<b>Appropriations</b>	<b>Adopted</b>	
General Government Activities 101-299	3,500	
Public Safety Activities 301-399	0	
Public Works Activities 400-799	162,681	
Other Government Activities 800-999	<u>0</u>	
<b>Total Major Streets Fund Operating Appropriations</b>	<b>166,181</b>	<b>Estimated Beg Fund Balance</b>
<b>Total Major Streets Fund Project Appropriations</b>	<b>576,100</b>	<b>730,922</b>
<b>Total Major Streets Fund Appropriations</b>	<b>742,281</b>	
		<b>Estimated Ending Fund Balance</b>
<b>Effect on Major Streets Fund's Fund Balance</b>	<b>-442,981</b>	<b>287,941</b>

### 203 Local Streets Fund

<b>Estimated Revenues</b>	<b>Adopted</b>	
Local Streets Fund Estimated Operating Revenue	81,000	
Local Streets Fund Estimated Project Revenue	<u>10,000</u>	
<b>Total Local Streets Fund Estimated Revenue</b>	<b>91,000</b>	
<b>Appropriations</b>	<b>Adopted</b>	
General Government Activities 101-299	3,500	
Public Safety Activities 301-399	0	
Public Works Activities 400-799	106,239	
Other Government Activities 800-999	<u>0</u>	
<b>Total Local Streets Fund Operating Appropriations</b>	<b>109,739</b>	<b>Estimated Beg Fund Balance</b>
<b>Total Local Streets Fund Project Appropriations</b>	<b>100,000</b>	<b>237,052</b>
<b>Total Local Streets Fund Appropriations</b>	<b>209,739</b>	
		<b>Estimated Ending Fund Balance</b>
<b>Effect on Local Streets Fund's Fund Balance</b>	<b>-118,739</b>	<b>118,313</b>

**226 Garbage Fund**

<b>Estimated Revenues</b>	<b>Adopted</b>	
Garbage Fund Estimated Operating Revenue	409,730	
Garbage Fund Estimated Project Revenue	<u>0</u>	
<b>Total Garbage Fund Estimated Revenue</b>	<b>409,730</b>	
<b>Appropriations</b>	<b>Adopted</b>	
General Government Activities 101-299	5,600	
Public Safety Activities 301-399	0	
Public Works Activities 400-799	395,790	
Other Government Activities 800-999	<u>22,900</u>	
<b>Total Garbage Fund Operating Appropriations</b>	<b>424,290</b>	<b>Estimated Beg Fund Balance</b>
<b>Total Garbage Fund Project Appropriations</b>	<b>0</b>	<b>530,325</b>
<b>Total Garbage Fund Appropriations</b>	<b>424,290</b>	<b>Estimated Ending Fund Balance</b>
<b>Effect on Garbage Fund's Fund Balance</b>	<b>-14,560</b>	<b>515,765</b>

**248 Downtown Development Authority Fund**

<b>Estimated Revenues</b>	<b>Adopted</b>	
DDA Fund Estimated Operating Revenue	50,250	
DDA Fund Estimated Project Revenue	<u>3,000</u>	
<b>Total DDA Fund Estimated Revenue</b>	<b>53,250</b>	
<b>Appropriations</b>	<b>Adopted</b>	
General Government Activities 101-299	3,650	
Public Safety Activities 301-399	0	
Public Works Activities 400-799	0	
Other Government Activities 800-999	<u>5,000</u>	
<b>Total DDA Fund Operating Appropriations</b>	<b>8,650</b>	<b>Estimated Beg Fund Balance</b>
<b>Total DDA Fund Project Appropriations</b>	<b>43,500</b>	<b>-12,855</b>
<b>Total DDA Fund Appropriations</b>	<b>52,150</b>	<b>Estimated Ending Fund Balance</b>
<b>Effect on Local Streets Fund's Fund Balance</b>	<b>1,100</b>	<b>-11,755</b>

**265 Drug Enforcement Fund**

<b>Estimated Revenues</b>	<b>Adopted</b>	
Drug Enforcement Fund Estimated Operating Revenue	109,346	
Drug Enforcement Fund Estimated Project Revenue	<u>0</u>	
<b>Total Drug Enforcement Estimated Revenue</b>	<b>109,346</b>	
<b>Appropriations</b>	<b>Adopted</b>	
General Government Activities 101-299	0	
Public Safety Activities 301-399	103,438	
Public Works Activities 400-799	0	
Other Government Activities 800-999	<u>0</u>	
<b>Total Drug Enforcement Fund Operating Appropriations</b>	<b>103,438</b>	<b>Estimated Beg Fund Balance</b>
<b>Total Drug Enforcement Fund Project Appropriations</b>	<b>0</b>	<b>5,465</b>
<b>Total Drug Enforcement Fund Appropriations</b>	<b>103,438</b>	<b>Estimated Ending Fund Balance</b>
<b>Effect on Drug Enforcement Fund's Fund Balance</b>	<b>5,908</b>	<b>11,373</b>

**275 Senior Citizens Fund**

<b>Estimated Revenues</b>	<b>Adopted</b>	
Senior Citizens Fund Estimated Operating Revenue	0	
Senior Citizens Fund Estimated Project Revenue	0	
<b>Total Senior Citizens Estimated Revenue</b>	<b>0</b>	
<b>Appropriations</b>	<b>Adopted</b>	
General Government Activities 101-299	0	
Public Safety Activities 301-399	0	
Public Works Activities 400-799	0	
Other Government Activities 800-999	0	
<b>Total Senior Citizens Fund Operating Appropriations</b>	<b>0</b>	<b>Estimated Beg Fund Balance</b>
<b>Total Senior Citizens Fund Project Appropriations</b>	<b>0</b>	<b>0</b>
<b>Total Senior Citizens Fund Appropriations</b>	<b>0</b>	<b>Estimated Ending Fund Balance</b>
<b>Effect on Senior Citizens Fund's Fund Balance</b>	<b>0</b>	<b>0</b>

**350 City Hall Debt Fund**

<b>Estimated Revenues</b>	<b>Adopted</b>	
City Hall Debt Fund Estimated Revenue	92,800	
<b>Total City Hall Debt Fund Estimated Revenue</b>	<b>92,800</b>	
<b>Appropriations</b>	<b>Adopted</b>	
General Government Activities 101-299	0	
Public Safety Activities 301-399	0	
Public Works Activities 400-799	0	
Other Government Activities 800-999	93,380	<b>Estimated Beg Fund Balance</b>
<b>Total City Hall Debt Fund Appropriations</b>	<b>93,380</b>	<b>1,860</b>
<b>Effect on City Hall Debt Fund's Fund Balance</b>	<b>-580</b>	<b>Estimated Ending Fund Balance</b> <b>1,280</b>

**352 Wtr Transmission Debt Fund**

<b>Estimated Revenues</b>	<b>Adopted</b>	
Wtr Transmission Debt Fund Estimated Revenue	0	
<b>Total Wtr Transmission Debt Fund Estimated Revenue</b>	<b>0</b>	
<b>Appropriations</b>	<b>Adopted</b>	
General Government Activities 101-299	0	
Public Safety Activities 301-399	0	
Public Works Activities 400-799	0	<b>Estimated Beg Fund Balance</b>
Other Government Activities 800-999	0	<b>410</b>
<b>Total Wtr Transmission Debt Fund Appropriations</b>	<b>0</b>	<b>Estimated Ending Fund Balance</b>
<b>Effect on Wtr Transmission Debt Fund's Fund Balance</b>	<b>0</b>	<b>410</b>

**357 Western Trunk Sewer Extn Debt Fund**

<b>Estimated Revenues</b>	<b>Adopted</b>
Western Trunk Sewer Extn Debt Fund Revenues	56,887
<b>Total Western Trunk Extn Debt Fund Estimated Revenue</b>	<b>56,887</b>
<b>Appropriations</b>	<b>Adopted</b>
General Government Activities 101-299	0

Public Safety Activities 301-399	0	
Public Works Activities 400-799	0	<b>Estimated Beg Fund Balance</b>
Other Government Activities 800-999	56,887	1,838
<b>Total Western Trunk Extn Debt Fund Appropriations</b>	<b>56,887</b>	
		<b>Estimated Ending Fund Balance</b>
<b>Effect on Western Trunk Extn Debt Fund's Fund Balance</b>	<b>0</b>	<b>1,838</b>

**401 Capital Projects Fund**

<b>Estimated Revenues</b>		<b>Adopted</b>	
Capital Project Fund Estimated Project Revenue		0	
<b>Total Capital Projects Fund Estimated Revenue</b>		<b>0</b>	
<b>Appropriations</b>		<b>Adopted</b>	
General Government Activities 101-299		0	
Public Safety Activities 301-399		0	
Public Works Activities 400-799		0	
Other Government Activities 800-999		21,000	
<b>Total Capital Projects Fund Operating Appropriations</b>		<b>21,000</b>	<b>Estimated Beg Fund Balance</b>
<b>Total Capital Projects Fund Project Appropriations</b>		<b>0</b>	<b>24,188</b>
<b>Total Capital Projects Fund Total Appropriations</b>		<b>21,000</b>	
			<b>Estimated Ending Fund Balance</b>
<b>Effect on Capital Projects Fund's Fund Balance</b>		<b>-21,000</b>	<b>3,188</b>

**402 Fire Equipment Replacement Fund**

<b>Estimated Revenues</b>		<b>Adopted</b>	
Fire Equipment Replacement Fund Est Operating Revenue		6,000	
Fire Equipment Replacement Fund Est Project Revenue		0	
<b>Total Fire Equip Replacement Fund Est Revenue</b>		<b>6,000</b>	
<b>Appropriations</b>		<b>Adopted</b>	
General Government Activities 101-299		0	
Public Safety Activities 301-399		0	
Public Works Activities 400-799		0	
Other Government Activities 800-999		0	
<b>Total Fire Equip Replacement Fund Operating Approp</b>		<b>0</b>	<b>Estimated Beg Fund Balance</b>
<b>Total Fire Equip Replacement Fund Project Approp</b>		<b>0</b>	<b>164,193</b>
<b>Total Fire Equip Replacement Fund Approp</b>		<b>0</b>	
			<b>Estimated Ending Fund Balance</b>
<b>Effect on Fire Equip Replacement Fund's Fund Balance</b>		<b>6,000</b>	<b>170,193</b>

**590 Water Supply Fund**

<b>Estimated Revenues</b>		<b>Adopted</b>	
Water Supply Fund Estimated Operating Revenue		1,187,450	
Water Supply Fund Estimated Project Revenue		0	
<b>Total Water Supply Fund Estimated Revenue</b>		<b>1,187,450</b>	
<b>Appropriations</b>		<b>Adopted</b>	
General Government Activities 101-299		49,251	
Public Safety Activities 301-399		0	
Public Works Activities 400-799		1,070,478	
Other Government Activities 800-999		22,900	
<b>Total Water Supply Fund Operating Appropriations</b>		<b>1,142,629</b>	<b>Estimated Beg Fund Balance</b>



<b>Total Water Supply Fund Project Appropriations</b>	<u>0</u>	1,528,338
<b>Total Water Supply Fund Appropriations</b>	1,142,629	
		<b>Estimated Ending Fund Balance</b>
<b>Effect on Water Supply Fund's Fund Balance</b>	44,821	1,573,159

**591 Sanitary Sewer Fund**

<b>Estimated Revenues</b>		<b>Adopted</b>	
Sanitary Sewer Fund Estimated Operating Revenue		960,500	
Sanitary Sewer Fund Estimated Project Revenue		<u>0</u>	
<b>Total Sanitary Sewer Fund Estimated Revenue</b>		<b>960,500</b>	
<b>Appropriations</b>		<b>Adopted</b>	
General Government Activities 101-299		51,251	
Public Safety Activities 301-399		0	
Public Works Activities 400-799		685,276	
Other Government Activities 800-999		<u>79,637</u>	
<b>Total Sanitary Sewer Fund Operating Appropriations</b>		<b>816,164</b>	<b>Estimated Beg Fund Balance</b>
<b>Total Sanitary Sewer Fund Project Appropriations</b>		<b>143,500</b>	1,644,260
<b>Total Sanitary Sewer Fund Appropriations</b>		<b>959,664</b>	
			<b>Estimated Ending Fund Balance</b>
<b>Effect on Sanitary Sewer Fund's Fund Balance</b>		836	1,645,096

**661 Motor Pool Fund**

<b>Estimated Revenues</b>		<b>Adopted</b>	
Motor Pool Fund Estimated Operating Revenue		224,193	
Motor Pool Fund Estimated Project Revenue		<u>0</u>	
<b>Total Motor Pool Fund Estimated Revenue</b>		<b>224,193</b>	
<b>Appropriations</b>		<b>Adopted</b>	
General Government Activities 101-299		41,305	
Public Safety Activities 301-399		71,950	
Public Works Activities 400-799		237,137	
Other Government Activities 800-999		<u>0</u>	
<b>Total Motor Pool Fund Operating Appropriations</b>		<b>350,392</b>	<b>Estimated Beg Fund Balance</b>
<b>Total Motor Pool Fund Project Appropriations</b>		<b>0</b>	547,348
<b>Total Motor Pool Fund Appropriations</b>		<b>350,392</b>	
			<b>Estimated Ending Fund Balance</b>
<b>Effect on Motor Pool Fund's Fund Balance</b>		-126,199	421,149
<b>Total Estimated Revenues</b>		<b>5,637,899</b>	
<b>Total All Funds Appropriations</b>		<b>6,365,377</b>	

Discussion Ensued.

YES: Shumaker, Abrams, Hicks, Hurt.

NO: None. Motion Declared Carried.

**Set 2008-2009 Council Meeting Schedule**

**Resolution No. 080609-07  
(Carried)**

Motion by Councilmember Hurt  
Second by Councilmember Shumaker

**WHEREAS**, Act 261 of the Public Acts of the State of Michigan of 1968, as amended, requires a public notice of the schedule of regular meetings of the Swartz Creek City Council be given once each calendar year or fiscal year and that said notice shall show the regular dates and times for the meeting and the place at which meetings are held; and

**WHEREAS**, said Act directs that said notice be posted prominently at the principle office of the City of Swartz Creek; or at the public building at which said meetings are held; or published in the newspaper of general circulation in Swartz Creek;

**NOW, THEREFORE**, pursuant to said Act, public notice is hereby given that regular meetings for fiscal year 2008-2009 shall be held twice each month, and further, that all meetings shall be held in the Council Chambers located at 8083 Civic Drive, Swartz Creek, Michigan, unless otherwise provided in advance by the City Council, said meeting shall commence at 7:00 P.M., on the following 2008-2009 dates:

July 2008:	Monday – 14 <sup>th</sup> Monday – 28 <sup>th</sup>
August 2008:	Monday – 11 <sup>th</sup> Monday – 25 <sup>th</sup>
September 2008:	Monday – 8 <sup>th</sup> Monday – 22 <sup>nd</sup>
October 2008:	Monday – 13 <sup>th</sup> (Columbus Day) Monday – 27 <sup>th</sup>
November 2008:	Monday – 10 <sup>th</sup> Monday – 24 <sup>th</sup>
December 2008:	Monday – 8 <sup>th</sup> Monday – 15 <sup>th</sup> (One Week Earlier)
January 2009:	Monday – 12 <sup>th</sup> Monday – 26 <sup>th</sup>
February 2009:	Monday – 9 <sup>th</sup> Monday – 23 <sup>rd</sup>
March 2009:	Monday – 9 <sup>th</sup> Monday – 23 <sup>rd</sup>
April 2009:	Monday – 13 <sup>th</sup> Monday – 27 <sup>th</sup>

May 2009: Monday – 11<sup>th</sup>  
Monday – 25<sup>th</sup>

June 2009: Monday – 8<sup>th</sup>  
Monday – 22<sup>nd</sup>

**FURTHER**, the Clerk is hereby directed to post a copy of this resolution in a prominent place, in the City Office of the City of Swartz Creek; and

**FURTHER**, the City Clerk is hereby directed, to supply on request, a copy of this resolution to any newspaper of general circulation in the political subdivision in which the meeting will be held and to any radio or television station that regularly broadcasts into the City of Swartz Creek.

Discussion Took Place.

YES: Abrams, Hicks, Hurt, Shumaker.

NO: None. Motion Declared Carried.

### **Year End Fiscal Adjustments**

#### **Resolution No. 080609-08**

**(Carried)**

Motion by Councilmember Shumaker  
Second by Councilmember Hurt

**WHEREAS**, Act 621 of P.A. of 1978 provides for a uniform budgeting system for local units of government, and

**WHEREAS**, Act 275 of P.A. of 1980 further prohibits deficit spending by local units of government, and

**WHEREAS**, the City of Swartz Creek's 2007 - 2008 Fiscal Budget is not in deficit; however, certain department activity line items may be in deficit.

**THEREFORE BE IT RESOLVED**, the Swartz Creek City Council hereby authorizes and directs the City Manager to make all necessary year-end budget adjustment amendments.

Discussion Took Place.

YES: Hicks, Hurt, Shumaker, Abrams.

NO: None. Motion Declared Carried.

### **Trail Easement, Swartz Creek Schools**

#### **Resolution No. 080609-09**

**(Carried)**

Motion by Councilmember Hicks  
Second by Councilmember Hurt

**WHEREAS**, the City has designed a non-motorized trail-way system for recreational use that, when completed, will extend throughout the City connecting parks, retail, commercial zones, subdivisions and civic areas; and

**WHEREAS**, the City has begun the construction of its non-motorized trail-way system by incorporating the sections within the road transportation system via three-lane configuration with bicycle lanes on the outside; and

**WHEREAS**, the City's Master Plan, adopted in October 2004, identifies the location of the City's conceptual non-motorized trail-way system and site plans that have been under consideration by the City have been planned to accommodate the non-motorized trail-way system; and

**WHEREAS**, the City staff has negotiated with the owner of parcels of property, Swartz Creek Community Schools, Tax I.D. #58-02-200-001 and #58-02-200-025 that lie along the West Branch of the Swartz Creek between Morrish and Fairchild, and including a section west of Fairchild, for the dedication of an easement to be used for a section of the planned non-motorized trail-way system.

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Swartz Creek accepts the dedication of an easement to allow for construction and operation of a trail along sections of Parcel #58-02-200-001 and 58-02-200-025, in accordance with the terms and legal description attached hereto as an easement

**BE IT FURTHER RESOLVED**, that the City Council directs the Mayor and City Clerk to execute the agreement and all associated documents pertaining to the easement, on behalf of the City.

Discussion Ensued.

YES: Hicks, Hurt, Shumaker, Abrams.  
NO: None. Motion Declared Carried.

#### **MEETING OPENED TO THE PUBLIC:**

David Krueger talked about the Uniform Crime Report in the Council Packet. He questioned the high number of incidents in the May 2007 column as opposed to the number in the May 2008 and the year to date columns. City Manager Bueche stated that the column headings appeared wrong and that he would check into it.

Tommy Butler, 40 Somerset, talked about the bridge on Morrish Rd. He questioned if anyone had looked at the ones on Seymour Road and Nichols Road. He stated that both of those bridges were redone with some kind of coating over the top that seemed to help keep the snow off of the road. Mr. Butler addressed Councilmember Shumaker regarding tax dollars being spent "politicking in the City building." He stated that there was an event at the Veterans

Memorial on Memorial Day that no one knew about except Mr. Shumaker. Mayor Abrams stated that he spoke to one of the organizers of the event and that it was a trial thing. John Gilbert stated that the event used to take place at the VFW hall, but this year they decided to try it at the Veterans Memorial to see how it went. Mr. Gilbert stated that it should have been better publicized.

**REMARKS BY COUNCILMEMBERS:**

Councilmember Shumaker responded to Mr. Butler's comments. He apologized even though he had no control over the event. He stated that he is on the Veterans Memorial Committee and that they do the best to properly inform.

Councilmember Hicks spoke about the Park Board receiving a tree from the City. Ms. Hicks stated that the Park Board and the Women's Club got a participation ribbon from the Hometown Days Committee.

Councilmember Hurt questioned the time frame for redoing the traffic markings on Miller Road near Elms Road. He stated that the markings are hard to see when it is dark and raining. City Manager Bueche stated that they were waiting until later in the summer when some of the other road work in the City is done. Mr. Hurt asked about the Eastbound lane at Miller and Seymour. He stated that the construction barrels are still there even though the road work is done. Mr. Bueche stated that there was still some work to do.

Mayor Abrams stated that Seymour Road turned out very well. Mr. Abrams questioned the status of the Marathon Station. Mr. Gildner stated that they went to court the previous week and they were able to convince the judge that it was a blighted building and the sign was in violation of the sign ordinance. He stated that the Saroki family then submitted a consent judgement, which Mr. Gildner then filed with the court. Mr. Abrams asked about the cleanup of the utility pole wire situation. Mr. Bueche stated that they are going to hire a firm to make the final evaluation of the utility poles, then they will sit down with the companies and discuss a resolution. Mr. Abrams talked about McDonald's having a new electronic sign and wondered if it was contrary to the City Ordinance. Mr. Bueche stated that Assistant City Manager Zettel is preparing a revision to the Zoning Code, part of which is to bring the message boards back into something that is enforceable.

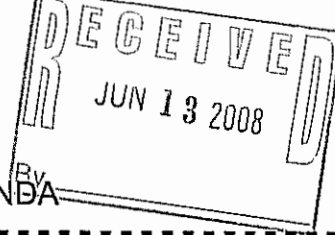
**ADJOURNMENT:**

There being no objection, Mayor Abrams declared the meeting adjourned at 7:50p.m.

Richard Abrams, Mayor

Juanita Aguilar, City Clerk

DATE: JUNE 16, 2008  
TIME: 7:00 PM  
LOCATION: STATION 1  
SUBJECT: SWARTZ CREEK AREA FIREBOARD AGENDA



**NOTE: Please include the documents that were provided for the cancelled May 19 meeting.**

- I. CALL TO ORDER
  - A. PLEDGE OF ALLEGIANCE
  - B. ROLL CALL
  - C. ADDITIONS/CHANGES/DELETIONS AND AGENDA APPROVAL:
  - D. SPECIAL PRESENTATIONS/ANNOUNCEMENTS:
    - 1. Roy, Noye and Associates Audit Report (Unable to attend June meeting due to prior commitments. They are scheduled to present their findings in July.)
  
- II. APPROVAL OF MINUTES
  - A. MARCH 17, 2008 MEETING:
  - B. APRIL 17, 2008 MEETING:
  
- III. CORRESPONDENCE:
  - A. APRIL INCIDENT SUMMARY REPORT:
  - B. MAY INCIDENT SUMMARY REPORT:
  
- IV. PROFESSIONAL SERVICE REPORTS:
  - A. APRIL FINANCIAL REPORT:
  - B. MAY FINANCIAL REPORT:
  - C. APRIL BILLS LIST:
  - D. MAY BILLS LIST:
  
- V. COMMITTEE REPORTS:
  - A. BY-LAWS COMMITTEE - Chairman Mike Messer, Boots Abrams, Richard Derby, Bill Cavanaugh and Brent Cole:
    - 1. Purchasing Policy presentation:
  
  - B. MIOSHA, FIREFIGHTER RIGHT TO KNOW (RTK) COMMITTEE: (Chairman Michael Messer, Richard Derby, Rick Clolinger and Brent Cole)
    - 1. HEALTH AND SAFETY SUBCOMMITTEE: Chairman Michael Messer (Members Chief Cole, Assistant Chief Merriam, Captain Tabit, Lieut. Jones & FF VanArsdale)
  
  - C. FIRE CHIEF PERFORMANCE EVALUATION FORM: (Chairman Ray Thornton, Richard Derby and Boots Abrams)
  
- VI. OLD BUSINESS:
  - A. APPARATUS UPDATE from Battalion Chief Jack King-
    - 1. Monthly apparatus status report attached



B. SCBA FEMA GRANT:

Attached is the results of the questionnaire received of all three vendors. Also attached are evaluations received from Captain Dave Plumb, FF Anthony Davis, FF Karen Merriam and Lieutenant Brendt Cole, indicating their personal recommendations. Lieut. Cole's evaluation was scheduled as an addition for the May 19 meeting and is included with this month's packet.

All the SCBA were returned to the individual vendors as originally agreed upon. Attached are photos of the individual systems including comparisons.

Comments from Chief Cole:

C.

VII. NEW BUSINESS:

A. NEW MEMBERS FOR PLACEMENT ON PROBATION:

1. Richard Castano Jr for station 1.
2. Kevin Bacon station 1.
3. Stephen Webster for station 2.
4. Jerrud Howard for station 1.
5. Gregory Baker for station 2.

**Chief Cole recommends placement of Richard Castano Jr, Kevin Bacon, Stephen Webster, Jerrud Howard and Gregory Baker on one (1) year probation pending results of their back ground checks and physicals with the Swartz Creek Area Fire Department.**

B. MEMBERS ELIGIBLE TO COME OFF PROBATION: none

C. MEMBERS RESIGNING/TERMINATING:

1. Douglas Montgomery, hired March 20, 2006, submitted his resignation effective April 30, 2008.

**Chief Cole recommends accepting Douglas Montgomery's resignation letter effective April 30, 2008.**

2. Anthony Simpson, hired November 17, 2006, submitted his resignation effective May 22, 2008.

**Chief Cole recommends accepting Anthony Simpson's resignation letter effective May 22, 2008.**

D. MEMBERS ELIGIBLE FOR REINSTATEMENT: none

E. ANNUAL PUMP MAINTENANCE AND TESTING: (information attached with the May 19 packet)

**Chief Cole recommends a once a year maintenance and pump test schedule with Front Line Services in the amount of \$1,676.00, plus undetermined amounts associated with repairs of defective parts.**

F. HUNDRED CLUB OF FLINT GRANT APPROVAL: Attached is our grant approval letter in the amount of \$950.00 for fire helmets. Prices from 4 vendors has been received:

Vendor	Make	Amount per unit
Time Emergency Equip.	Bullard	\$160.00
West Shore Fire	Bullard	\$149.00
Apollo Fire Equip.	Cairns	\$170.00
Douglass Safety	Paul Conway	\$142.00

**Chief Cole recommends accepting the Hundred Club of Flint grant and requests permission to purchase 6 Paul Conway helmets from Douglass Safety in the amount of \$852.00, plus shipping, with any amount (if any to cover shipping) over \$950.00 taken from the current budget line item 4976 Fire Equipment, to be reimbursed by the Hundred Club of Flint.**

G.

VIII. GENERAL INFORMATION:

- A. MUNICIPAL BILLINGS for April and May.
- B. The flower fund balance is currently \$10.00.
- C. SCAFD organizational chart effective June 16, 2008

D.

E.

IX. OPEN TO THE PUBLIC:

X. COMMENTS OF FIRE DEPARTMENT PERSONNEL (THROUGH THE CHIEF AND/OR HIS DESIGNATE:

XI. CHAIN OF COMMAND APPEAL TO THE FIREBOARD:

XII. COMMENTS FROM FIREBOARD MEMBERS:

XIII. MEETING ADJOURNMENT:

# REGULAR MEETING

MAY 19, 2008

SWARTZ CREEK AREA FIRE DEPARTMENT

No meeting was held due to lack of quorum.

The next regular meeting will be 06/16/2008 at Station 1 at 7:00 pm

JASON CHRISTIE  
CHAIRMAN  
SWARTZ CREEK AREA FIRE BOARD

KIM BORSE  
ACCOUNTING/CLERICAL SPECIALIST  
SWARTZ CREEK AREA FIRE DEPT.

SWARTZ CREEK AREA FIRE DEPT, SWARTZ CREEK MICHIGAN 48473

Incident Log for 05/01/2008 through 05/31/2008

Printed: 06/11/2008

Inc. No. - Exp. Location	Date	Disp. Time	Sta. Incident Type	No. Resp Prop. Loss	Disp. to Enrte. Min.	Resp. Min. Cont. Loss	Total Hr:Min:Sec
Involved Name	Owner Name				Officer in Charge		
0000060-000 Elms and Just N of Beecher MR Jonathan Sauser	05/05/2008	16:48	2 463 Vehicle accident, general cleanup	14 \$ 0	0.00	12.00 \$ 0	0:32:00
	MR Jonathan Sauser				COLE, BRENT D - CHIEF		
0000061-000 Adjacent to 7252 Lennon RD MR Kevin Mignault	05/06/2008	09:25	1 422 Anhydrous Ammonia rollover/spill	16 \$ 0	0.00	8.00 \$ 0	2:15:00
	MR Kevin Mignault				COLE, BRENT D - CHIEF		
0000062-000 2363 S Vernon RD MR Spiza	05/07/2008	14:52	12 111 Barn fire; MA to Venice Twp	21 \$ 0	0.00	19.00 \$ 0	4:08:00
					MERRIAM, ERIC M - ASSISTANT		
0000063-000 9455 W Bristol RD MR Steve Marr	05/10/2008	21:03	1 142 Brush burn, no violations	17 \$ 0	0.00	9.00 \$ 0	0:27:00
	MR Steve Marr				PLUMB, DAVID J - CAPTAIN/EM		
0000064-000 5360 Winshall DR MR McKNIGHT	05/11/2008	09:51	1 743 Smoke detector activation, no fire	19 \$ 0	0.00	6.00 \$ 0	0:24:00
	MR McKNIGHT				KING, JACK L - BATT CHIEF		
0000065-000 Directions WB I69 WO Rest Area	05/11/2008	15:38	1 652 Over heated Car; Dispatched as Car	17 \$ 0	0.00	7.00 \$ 0	0:22:00
					KING, JACK L - BATT CHIEF		
0000066-000 2154 S Nichols RD MR Richard Moulton	05/12/2008	22:49	2 111 Structure; outside light fixture	23 \$ 500	0.00	6.00 \$ 0	0:29:00
	MR Richard Moulton				COLE, BRENT D - CHIEF		
0000067-000 1432 Cedarwood CT	05/18/2008	23:42	12 111 Structure; AMA to Flushing	18 \$ 0	8.00	19.00 \$ 0	2:33:00
0000068-000 10149 Corunna RD	05/22/2008	13:06	2 611 canceled by CTPD, washdown	10 \$ 0	0.00	8.00 \$ 0	0:18:00
0000069-000 Beecher and at Morrish Rd.	05/22/2008	19:11	2 611 Entrapment, cancelled by CTPD	13 \$ 0	0.00	0.00 \$ 0	0:14:00
0000070-000 Beecher and at Morrish Rd. MR Barney King	05/22/2008	20:04	2 413 Veh fluid spill from accident	14 \$ 0	0.00	11.00 \$ 0	0:27:00
	MS Sandra King				COLE, BRENT D - CHIEF		
0000071-000 Adjacent to 5506 N Duffield RD	05/23/2008	06:16	12 611 AMA to Flushing, cancelled (fog)	10 \$ 0	0.00	0.00 \$ 0	0:10:00
0000072-000 424 Emily ST	05/24/2008	07:01	12 611 AMA to Flushing; cancelled	23 \$ 0	0.00	0.00 \$ 0	0:10:00

Incident Log for 05/01/2008 through 05/31/2008

Inc. No. - Exp. Location	Date	Disp. Time	Sta. Incident Type	Owner Name	No. Resp Prop. Loss	Disp. to Enrte. Min.	Resp. Min. Cont. Loss	Officer in Charge	Total Hr:Min:Sec
0000073-000 2073 S Morrish RD MR Delbert Roy	05/24/2008	18:55	2 142 Lgr brush pile; under control	MR Delbert Roy	\$ 0	12	0.00	2.00	0:15:00
							\$ 0	MERRIAM, ERIC M - ASSISTANT	
0000074-000 300 Terrace DR Tammy Bolding	05/28/2008	12:53	12 611 AMA to Flushing; cancelled		\$ 0	9	0.00	0.00	0:20:00
							\$ 0		
0000075-000 Elms and North of Beecher MRS Reem Abd-Almaheed Othman	05/29/2008	15:52	2 651 Possible car fire-false		\$ 0	15	0.00	9.00	0:30:00
							\$ 0	KING, JACK L - BATT CHIEF	
0000076-000 8230 Crapo ST	05/30/2008	20:00	1 571 Fireworks standby		\$ 0	16	0.00	10.00	3:30:00
							\$ 0	MERRIAM, ERIC M - ASSISTANT	
0000077-000 2212 Chase Point CT MRS Janet Herwald	05/31/2008	14:43	2 111 Building fire: Confined to candle	MRS Janet Herwald	\$ 0	14	0.00	9.00	0:21:00
							\$ 50	Tesner, Richard R - LIEUTENANT	
Incidents by Shift Including Exposures									
	No. Resp.	Total Hr:Min	Prop. Loss	Cont. Loss	0	1	2	3	4
Totals:	281	17:25:00	\$ 500	\$ 50	0	7	9	2	0

The total number of incidents, including exposure fires is 18.

The number of exposure fires is 0.

SWARTZ CREEK AREA FIRE DEPARTMENT  
Income/Expense Report  
For the Five Months Ending May 31, 2008

	Description	Current Mth	Y-T-D	Budget	Remain.Budget	% Budget
<b>Revenues</b>						
3582	OPERATING CONTRIBU	6,768.21	114,071.10	252,350.00	138,278.90	(0.45)
3583	EQUIPMENT CONTRIBU	0.00	22,675.00	45,350.00	22,675.00	(0.50)
3628	MISC. INCOME (SUNDR	2.00	12.00	0.00	(12.00)	0.00
3664	INVESTMENT INCOME	8.16	76.41	300.00	223.59	(0.25)
3673	SALE OF FIXED ASSETS	0.00	0.00	0.00	0.00	0.00
	<b>Total Revenues</b>	<b>6,778.37</b>	<b>136,834.51</b>	<b>298,000.00</b>	<b>161,165.49</b>	<b>(0.46)</b>
<b>Expenses</b>						
4703	SOCIAL SECURITY	941.51	4,806.34	12,000.00	7,193.66	0.40
4704	STAFF SALARIES	3,319.21	16,372.69	45,000.00	28,627.31	0.36
4705	MAIN/TRAIN-SALARIES	976.55	3,917.56	14,100.00	10,182.44	0.28
4706	OFFICER SALARIES	1,250.00	5,000.00	15,000.00	10,000.00	0.33
4707	FIREFIGHTERS SALARY	6,761.64	24,981.77	74,000.00	49,018.23	0.34
4708	DEFERRED COMPENSA	268.00	932.00	3,450.00	2,518.00	0.27
4709	MEDICAL-FIREFIGHTER	473.00	4,484.00	6,650.00	2,166.00	0.67
4727	OFFICE SUPPLIES	160.14	436.39	2,900.00	2,463.61	0.15
4728	BUILDING SUPPLIES	5.98	173.36	900.00	726.64	0.19
4740	OPERATING SUPPLIES	0.00	0.00	0.00	0.00	0.00
4741	EQUIPMENT SUPPLIES	841.10	2,243.50	9,500.00	7,256.50	0.24
4801	CONTRACT SERVICES	1,687.42	4,467.42	8,000.00	3,532.58	0.56
4820	80th Anniversary	0.00	0.00	0.00	0.00	0.00
4850	COMMUNICATIONS	59.95	1,198.10	4,650.00	3,451.90	0.26
4910	INSURANCE	1,817.00	25,720.00	29,900.00	4,180.00	0.86
4920	UTILITIES	315.50	6,681.81	16,000.00	9,318.19	0.42
4960	EDUCATION & TRAININ	0.00	3,377.34	11,200.00	7,822.66	0.30
4970	OFFICE EQUIPMENT	0.00	0.00	240.00	240.00	0.00
4976	FIRE EQUIPMENT	0.00	190.00	15,060.00	14,870.00	0.01
4978	FIRE EQUIP.-MAINT/REP	0.00	3,847.14	17,725.00	13,877.86	0.22
4979	FIRE EQUIPMENT-UPGR	0.00	0.00	10,275.00	10,275.00	0.00
4981	APPARATUS	0.00	0.00	0.00	0.00	0.00
4982	Loose Equip. New Apparatu	0.00	0.00	0.00	0.00	0.00
4983	Misc. Upgrades	0.00	0.00	0.00	0.00	0.00
4984	COMPUTER EQUIPMEN	5.99	5.99	900.00	894.01	0.01
4988	COMPUTER SOFTWARE/	0.00	300.00	550.00	250.00	0.55
4999	RESERVE	0.00	0.00	0.00	0.00	0.00
	<b>Total Expenses</b>	<b>18,882.99</b>	<b>109,135.41</b>	<b>298,000.00</b>	<b>188,864.59</b>	<b>0.37</b>
	Net Income/(<Loss>	(12,104.62)	27,699.10	0.00		
3400	FUND BALANCE-Beginni	0.00	11,272.98	0.00		
	Fund Balance-End of Year	(12,104.62)	38,972.08	0.00		



**SWARTZ CREEK AREA FIRE DEPARTMENT  
BILLS PAID LIST**

					31-May-08
DATE:	CHECKS	PAYEE:	AMT	ACCT	TRANSACTION DESCRIPTION
5/5/2008	14698	AUTO GLASS SPECIALISTS	\$54.95	4978	WINDSHIELD REPAIR 41-11
5/5/2008	14699	CHASE BANK	\$2,704.45	22023	04/08 SOC SEC
5/5/2008	14700	CLAYTON TWP	\$28.06	4920	SEWER-STA 2 03/08
5/5/2008	14701	CONSUMERS ENERGY	\$287.44	4920	UTILITIES-STA 2 04/08
5/5/2008	14702	SCAFA	\$374.00	22024	ASSOC DUES
			\$55.00	22025	ASSOC PAGERS
5/5/2008	14703	FRIEND OF THE COURT	\$29.26	22026	FRIEND OF THE COURT
5/5/2008	14704	ICMA	\$487.03	22023	DF COMP EE PORTION
	(INTERNTL CITY/COUNTY MGT ASSOC.)		\$268.00	4708	DF COMP ER PORTION
5/5/2008	14705	MCLAREN	\$473.00	4709	PHYSICALS
5/5/2008	14706	TRUDY ONORE	\$45.00	4801	CLEAN STA 2
5/5/2008	14707	CAREY ONORE	\$50.00	4801	CLEAN STA 1
5/5/2008	14708	OUR DESIGNS	\$389.10	4741	EQUIP. MARKERS/WINDSHIELD PLATES
5/5/2008	14709	PAYROLL	\$7,903.73	1002	PAYROLL-FF & STAFF
5/5/2008	14710	STATE OF MICHIGAN	\$392.02	22022	04/08 STATE TAX
5/5/2008	14711	TOSHIBA	\$1,592.42	4801	M/A COPIER
5/13/2008	14712	GILL ROYS	\$12.50	4801	CLEAN STA 2
			\$5.98		
5/13/2008	14713	VISA	\$49.95	4850	EAR PLUG FOR CHIEFS PAGER
			\$13.20	4727	SHIPPING
			\$5.99	4984	COMPUTER MOUSE
			\$47.99	4727	TONER
5/13/2008	14714	POSTMASTER	\$84.00	4727	STAMPS
5/21/2008	14715	BURNHAM & FLOWER	\$1,817.00	4910	VOL. FF. INSURANCE
5/21/2008	14716	ICMA	\$69.42	22023	DF COMP EE PORTION
5/21/2008	14717	PAYROLL	\$1,094.79	1002	PAYROLL-STAFF
5/21/2008	14718	SCAFA	\$16.95	4850	CHIEFS PAGERS
5/21/2008	14719	TIME EMERGENCY EQUIP	\$100.50	4741	STROBE TUBES
			\$8.00	4727	SHIPPING
5/21/2008	14720	VALLEY PETROLEUM	\$339.00	4741	FUEL
			(\$2,704.45)	22021	04/08 SOC SEC
			(\$392.02)	22022	04/08 STATE TAX
			\$2,827.21	22021	05/08 SOC SEC PAYABLE
			\$408.47	22022	05/08 STATE TAX PAYABLE
			(\$54.95)	4978	INSURANCE REIMB
		TOTAL	\$18,882.99		

VOID CHECKS:



AS OF: June 10, 2008  
TO: Swartz Creek Area Fireboard  
RECORDED BY: Fire Chief Brent Cole  
SUBJECT: Current Apparatus Readiness Status

Unit	Type	Assignment	Status
11	98 Pumper	Station 1	In service.
12	91 Pumper	Station 2	<b>Out of service.</b>
16	91 Squad	Station 1	In service.
17	79 Grass Rig	Station 1	In service.
21	99 Pumper	Station 2	In service.
23	92 Tanker	Station 2	In service.
26	93 Squad	Station 2	In service.
27	79 Grass Rig	Station 2	In service.

E:\cole\Fireboard\Monthly Apparatus status .WPD

# From the desk of Lieutenant Brendt Cole

Swartz Creek Area Fire Department

DATE: May 15, 2008  
TO: Chief Brent Cole  
RE: SCBA Pros and Cons



Here is my list of Pros and Cons for the SCBA's that have been demonstrated to the SCAFD:

MSA - Pro's: -The pack is Lightweight  
-Waist belt configuration (buckles in the front)  
-Grab handles on the structure of the pack

Cons: - Mask is heavy  
-Disassemble the Heads Up and Voice Comm to clean mask  
-VERY difficult to exhale while mask isn't hooked up to the regulator  
-Different sizes of batteries  
-Cross Contamination (Regulator)  
    1) Unable to submerge the regulator to clean  
-All the hoses on the pack itself are not well protected  
    1) Debris can get packed in all around the hoses  
-RIT Connection – once the air bottle you are filling is full the RIT Bottle will blow off the rest of the air into the atmosphere  
-Heads up display isn't on all the time (on only for a few seconds at a time when the air bottle is turned on and when the air pressure hits the  $\frac{3}{4}$ ,  $\frac{1}{2}$  and  $\frac{1}{4}$  marks.)  
-Freeze Up (regulator)

ISI – Pros: -Regulator attached to the facemask  
-One size of batteries  
-All the lines are incased in the structure of the pack (well protected)  
-Able to submerge the facemask into water to clean without damaging the electronics  
-Heads up display (continuous)  
-Waist belt configuration  
-Voice Communication

- Very loud audible pass alarm
- RIT Connection – has a check valve so the RIT Bottle doesn't blow off the rest of the remaining air into the atmosphere

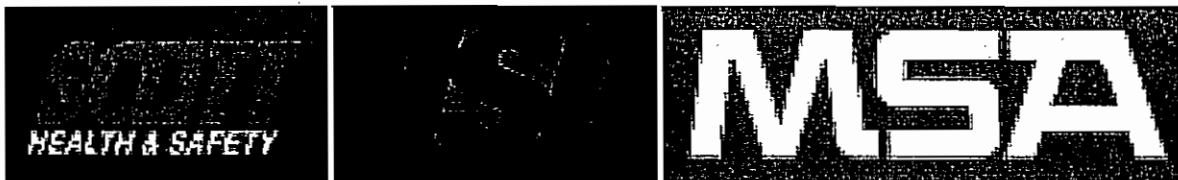
ISI – Cons: -Low Pressure line where you hook in the facemask is a little long (hangs to the ground when crawling)  
 -Pack is little uncomfortable after length of time wearing - but doable

Scott – Pros: -Facemask is lightweight  
 -Field of vision is very good with the facemask on (peripheral vision)  
 -Good view of the heads up display (not blocking your vision)  
 -Air pack is lightweight, comfortable  
 -One size of batteries  
 -Large buttons to activate or deactivate the pass alarm  
 -Very loud audible Pass Alarm  
 -Viberalert (when your at a ¼ of a tank of air pressure)  
 -Able to submerge the regulator into water to disinfect it  
 -Grab handles on the structure of the pack itself

Cons: -Detachable regulator  
 -Cross Contamination  
 -RIT Connection – Same as MSA  
 -Cost associated with buying the Voice Comm and other features (the other SCBA's aren't extras – they are included in the cost)  
 -All the hoses are unprotected on the pack itself  
 -Heads up display lights can be confusing (2 green lights for full, 1 green light for ¾, 1 blinking yellow for ½ and 1 blinking red for a ¼)  
 -Heads up display doesn't let you know if your pass alarm is in pre-alarm  
 -Freeze up (regulator)

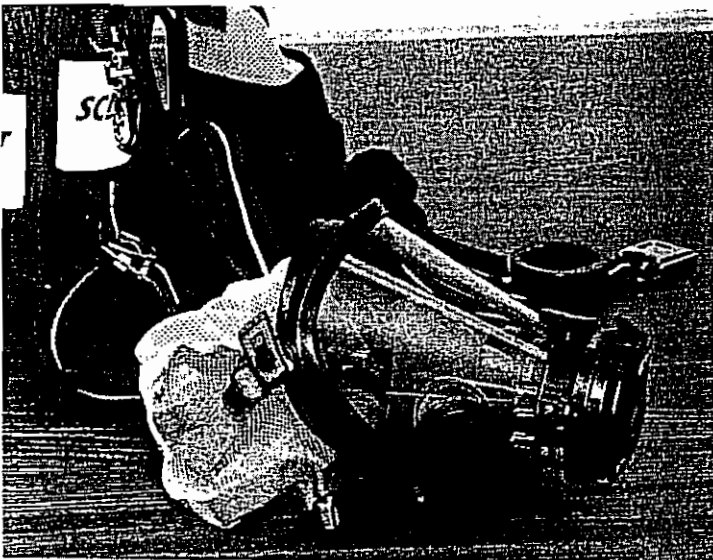
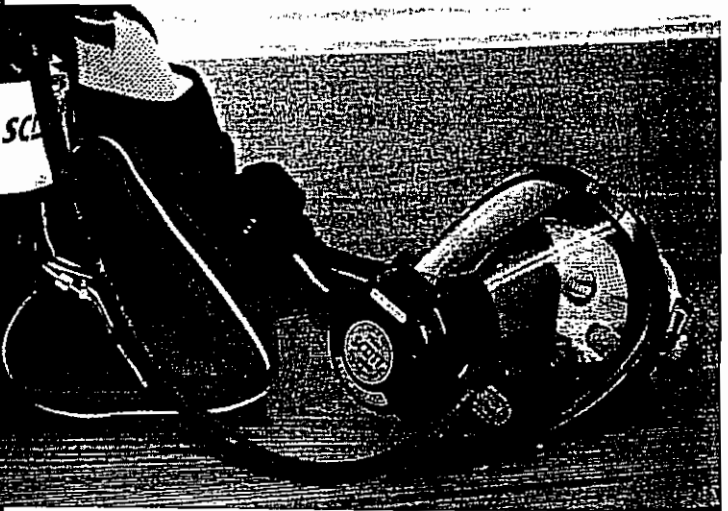
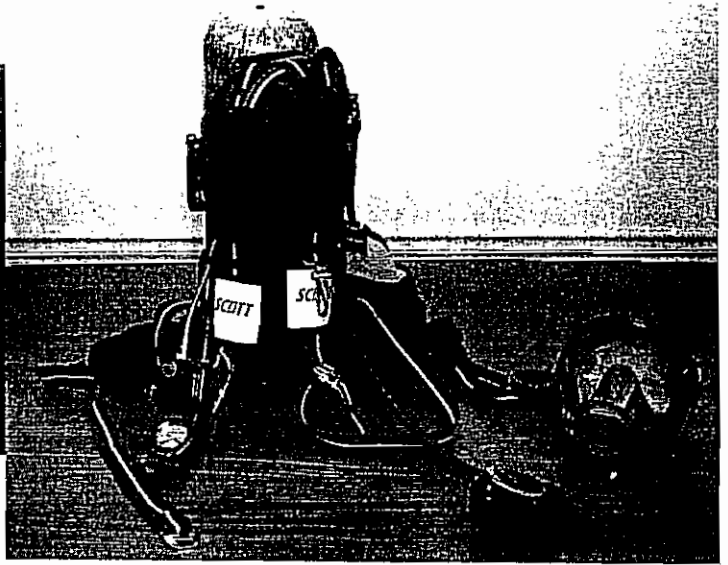
Lt. Brendt Cole  
 SCAFD

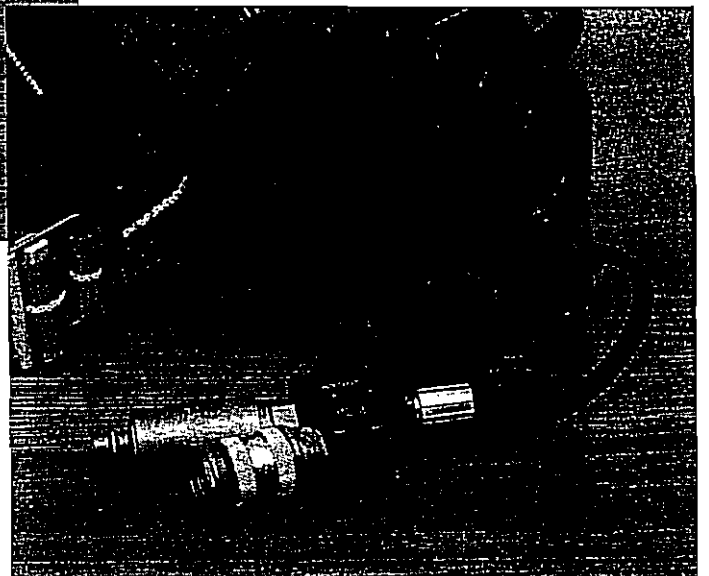
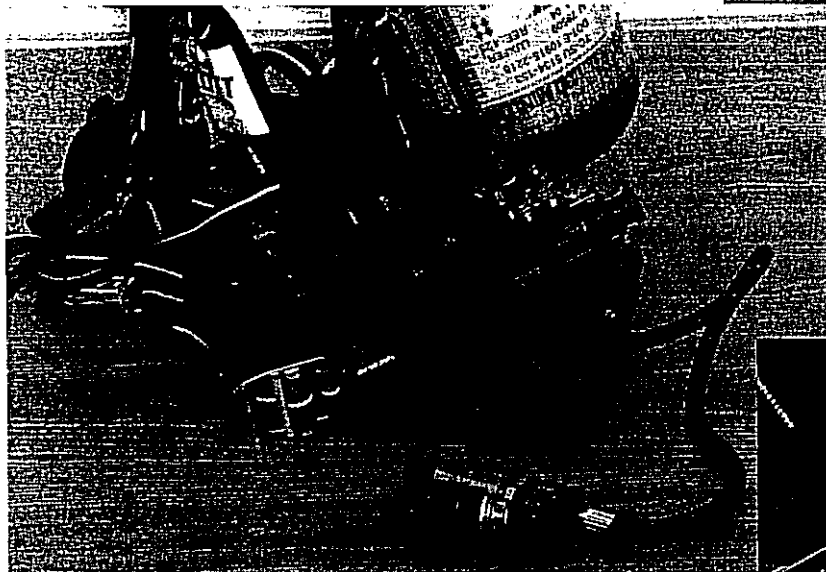
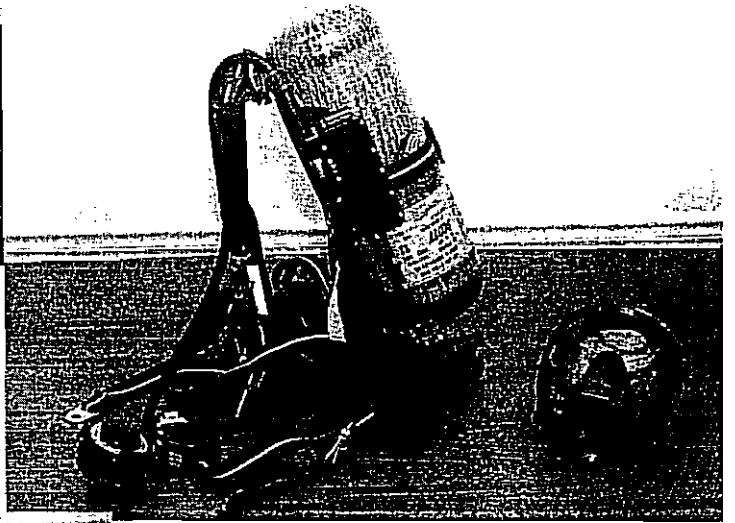
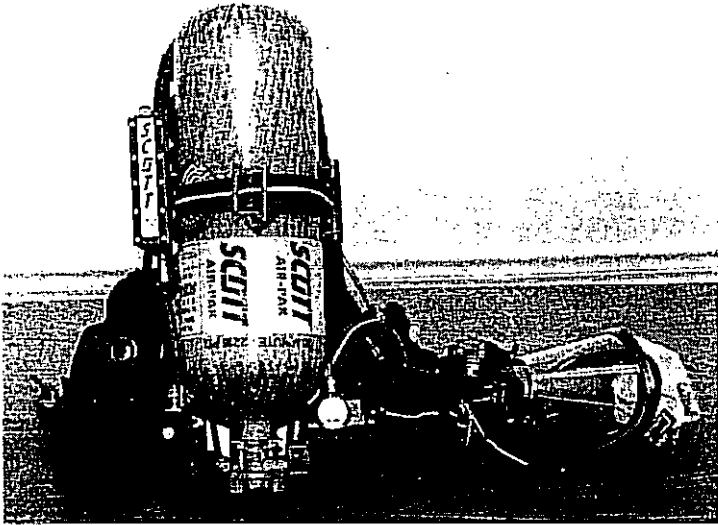
Swartz Creek Area Fire  
Department  
Self Contained  
Breathing Apparatus  
(SCBA) photo analysis  
for manufacturers:





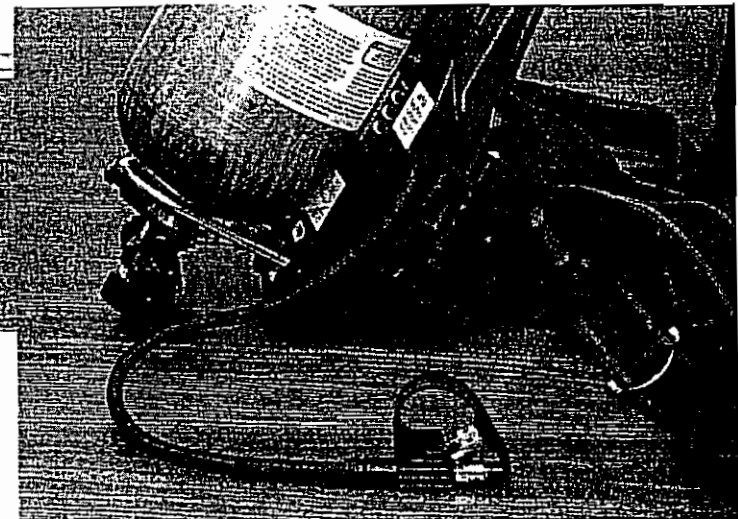
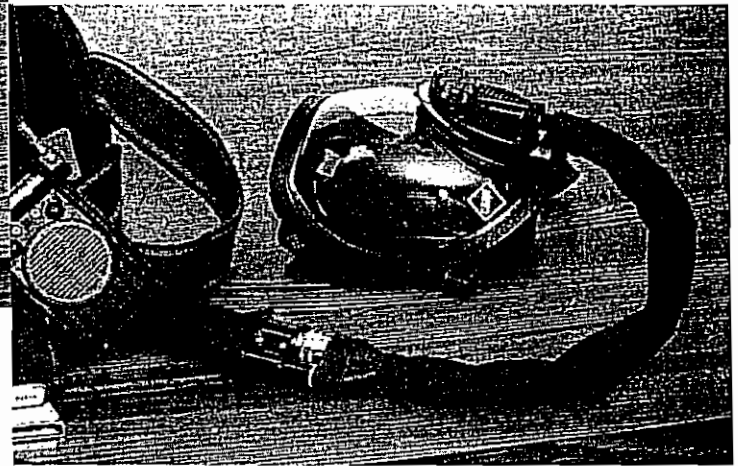
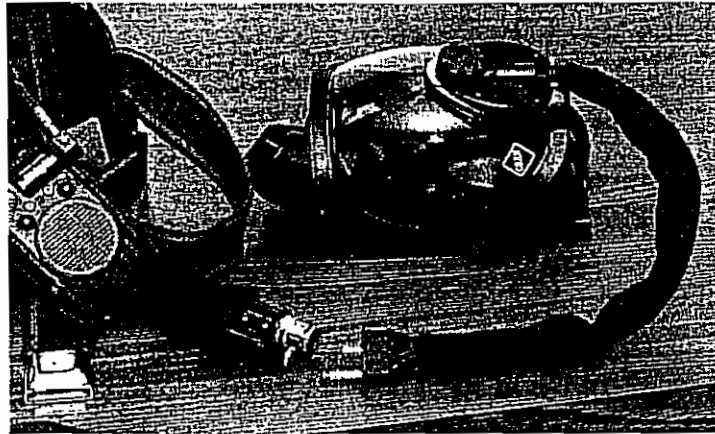
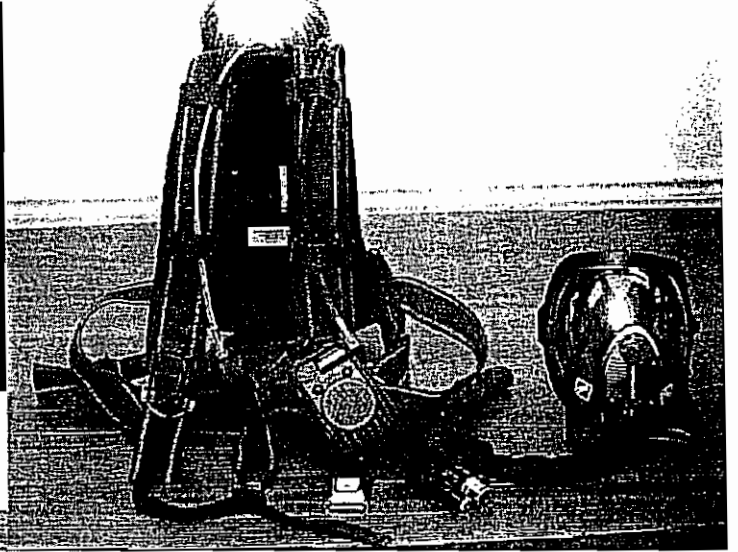
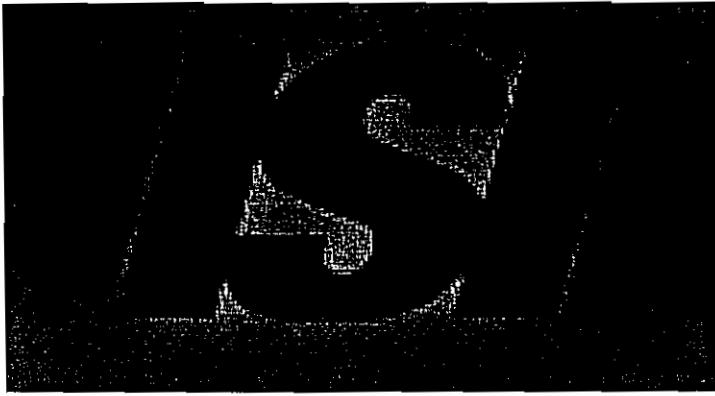
SCOTT  
HEALTH CARE



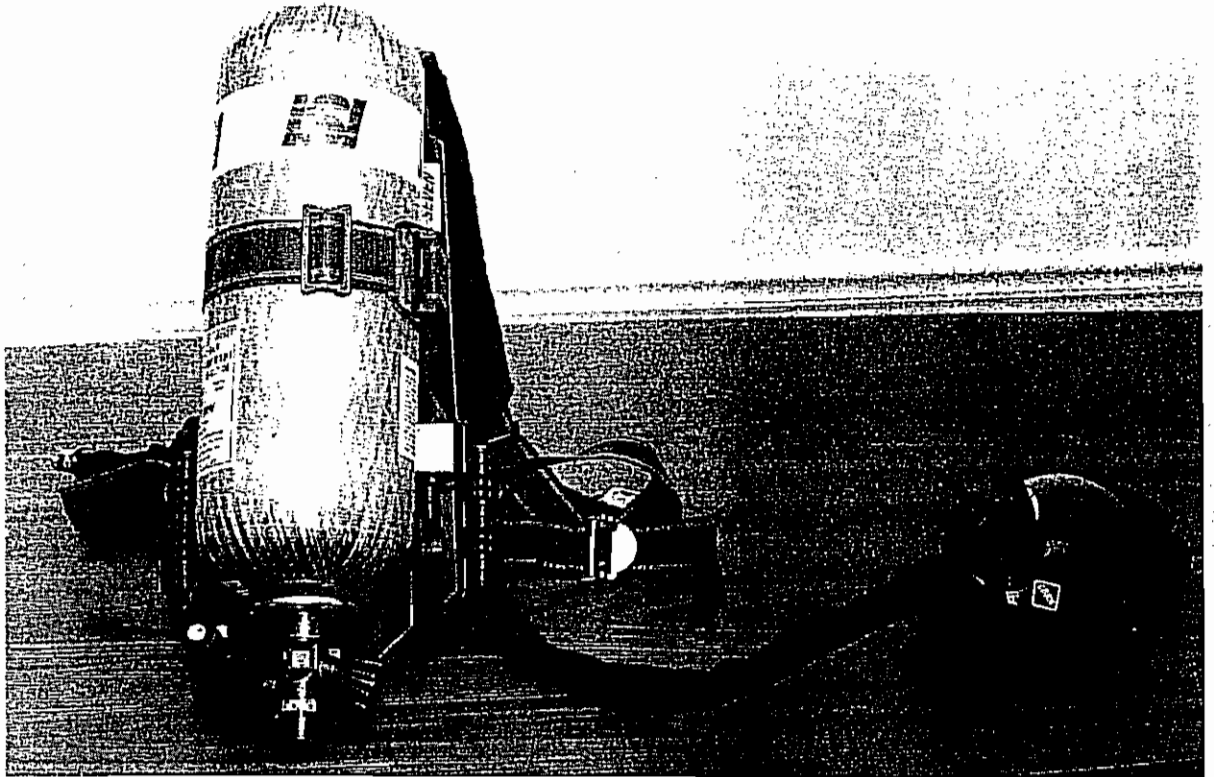
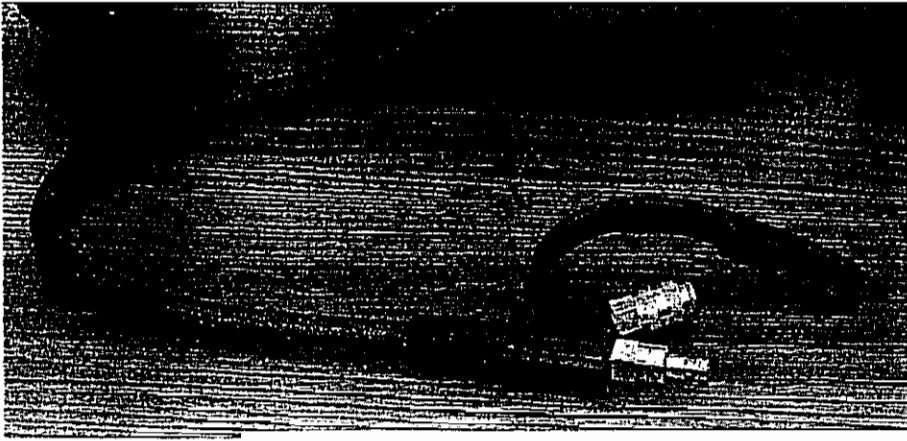


11



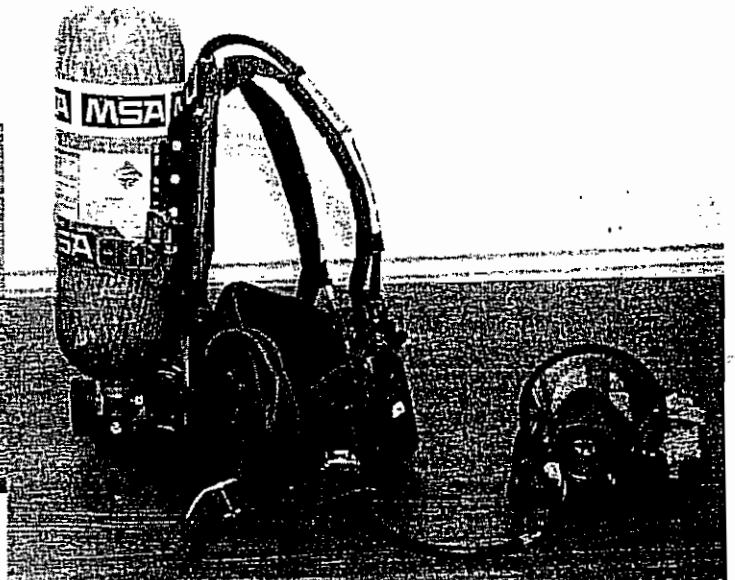
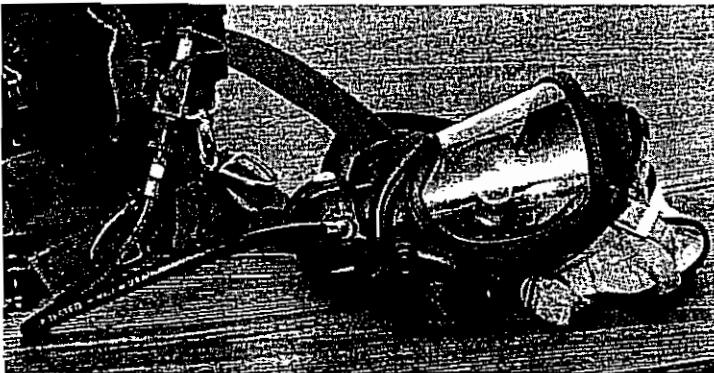
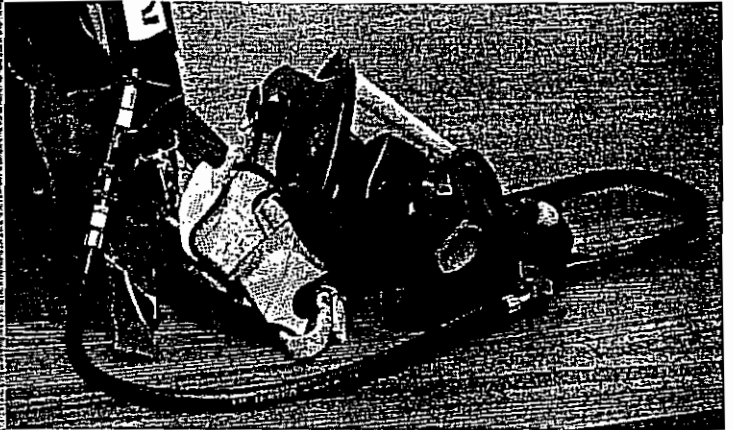
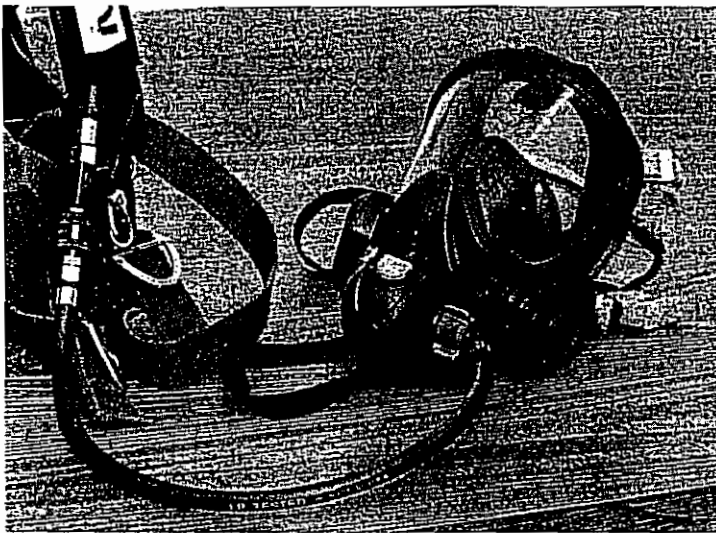
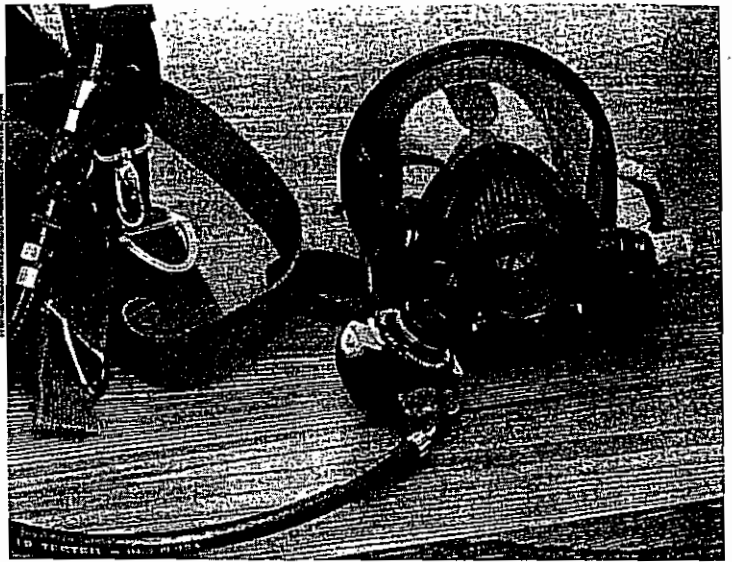




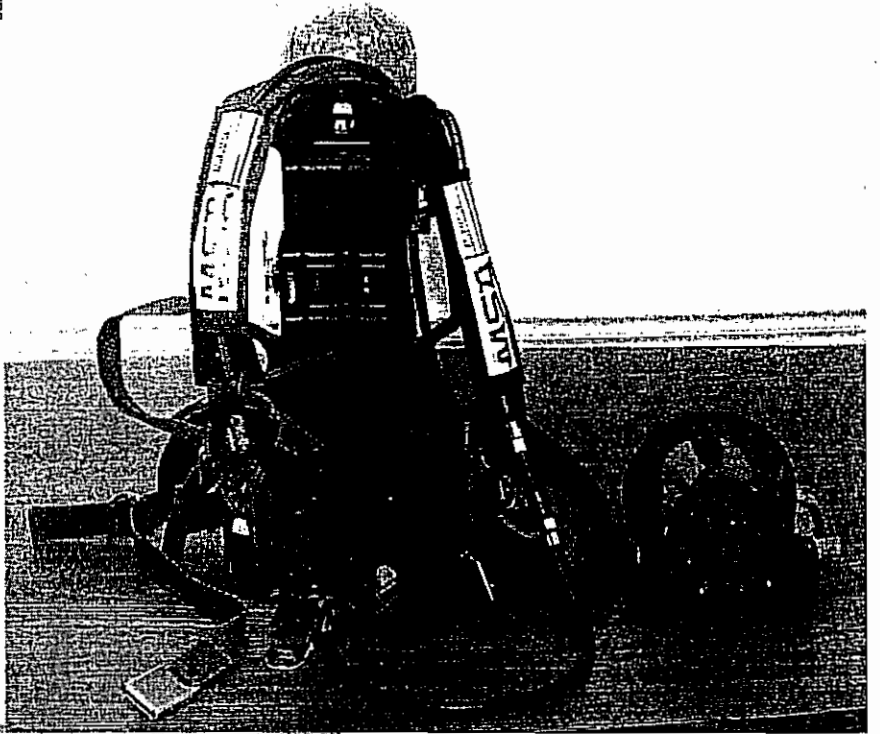
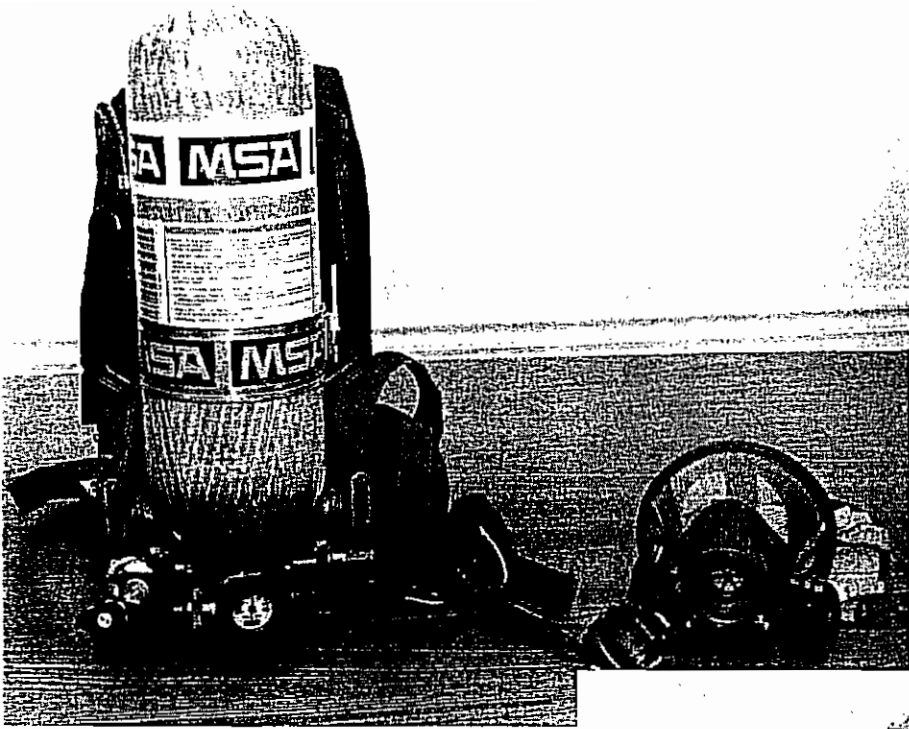




MSA

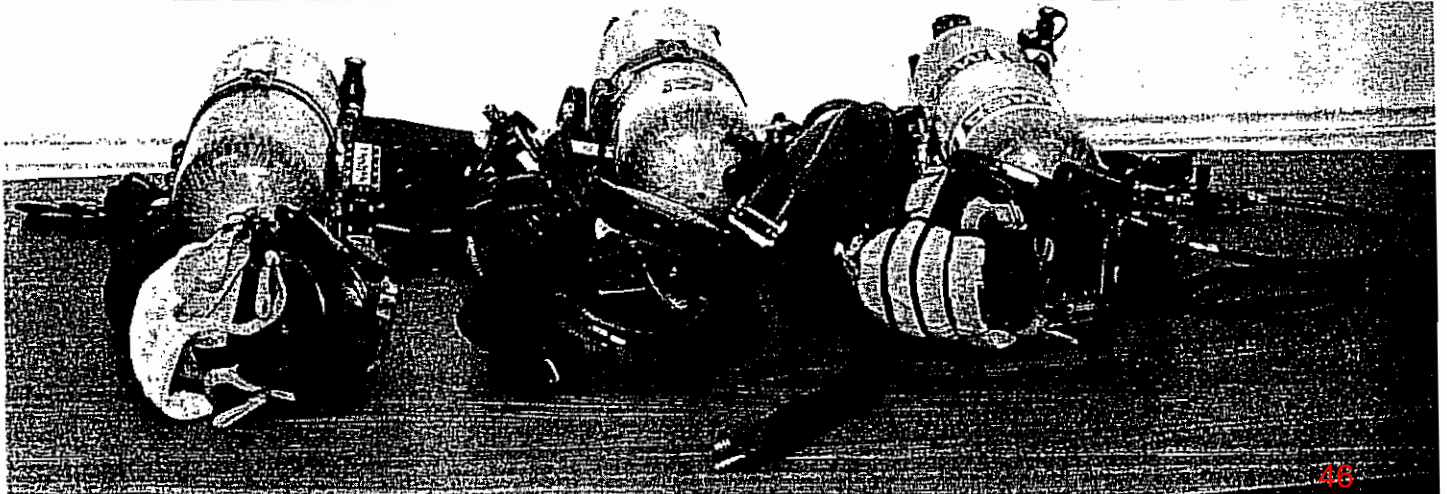
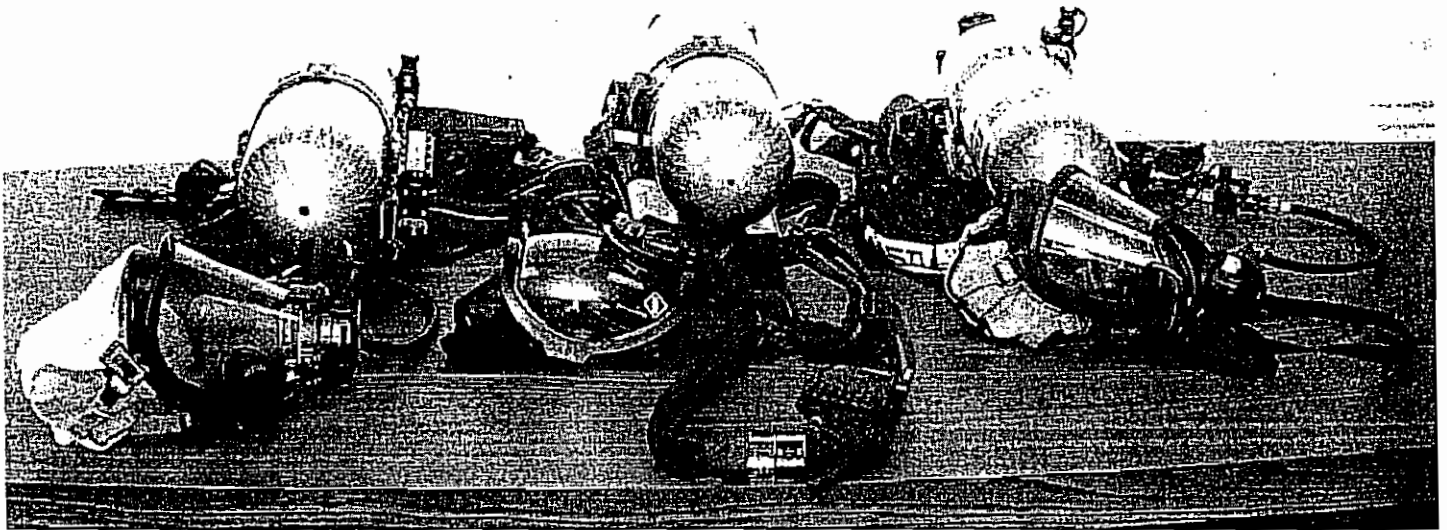
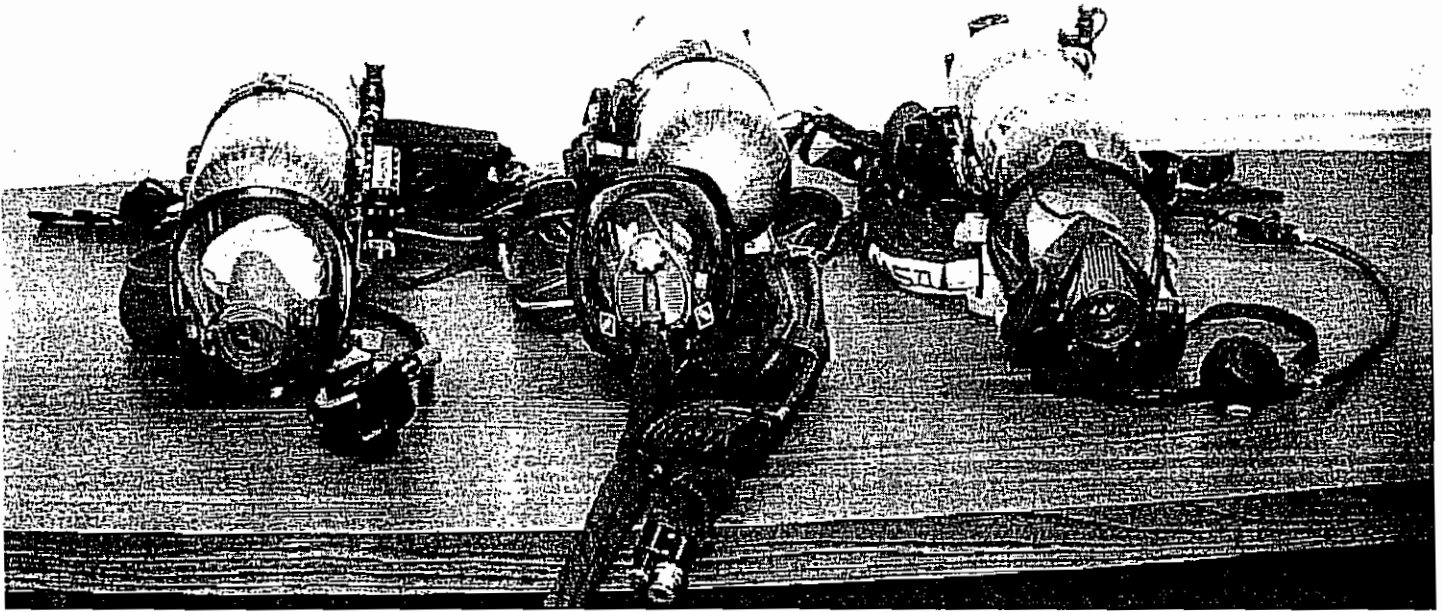




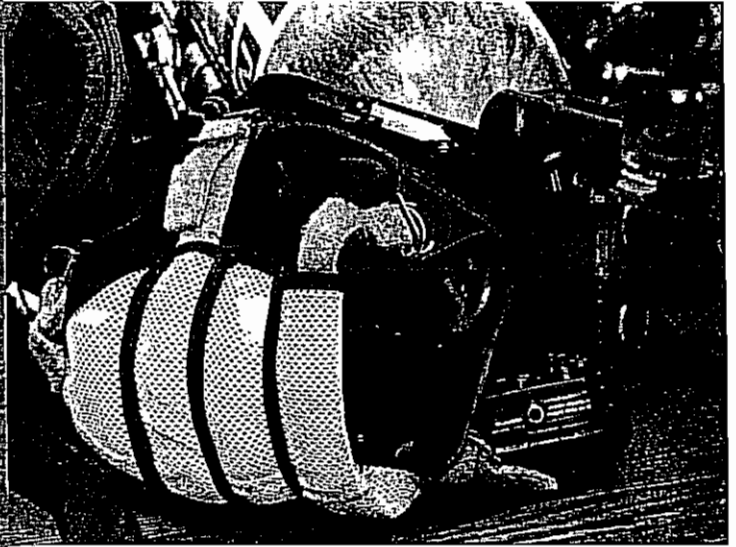
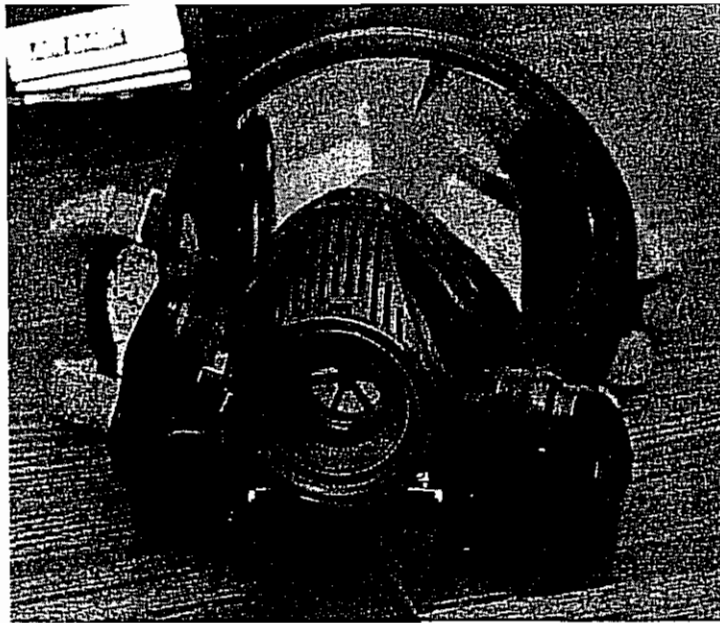
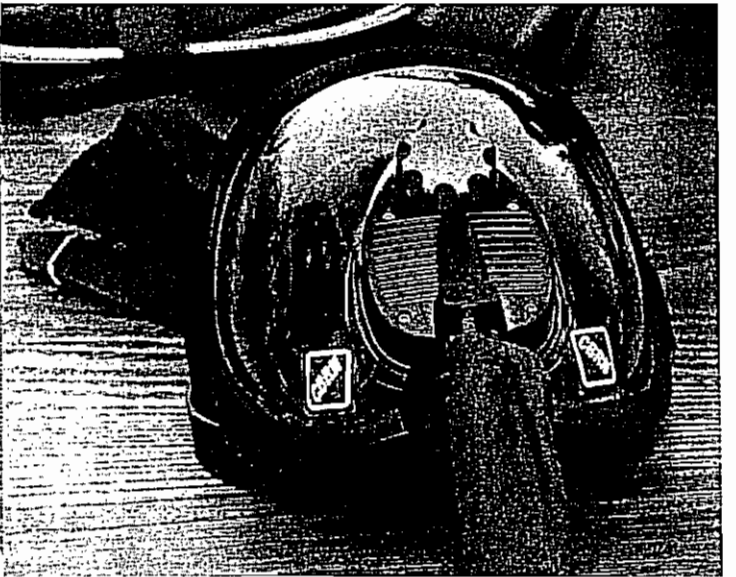
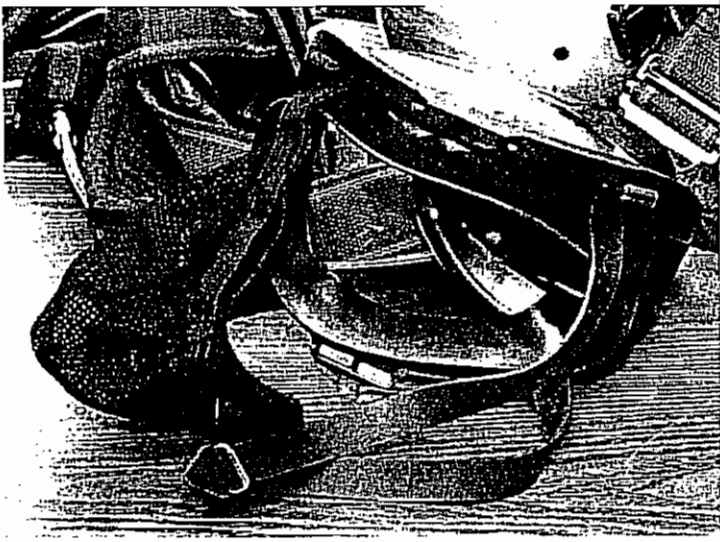
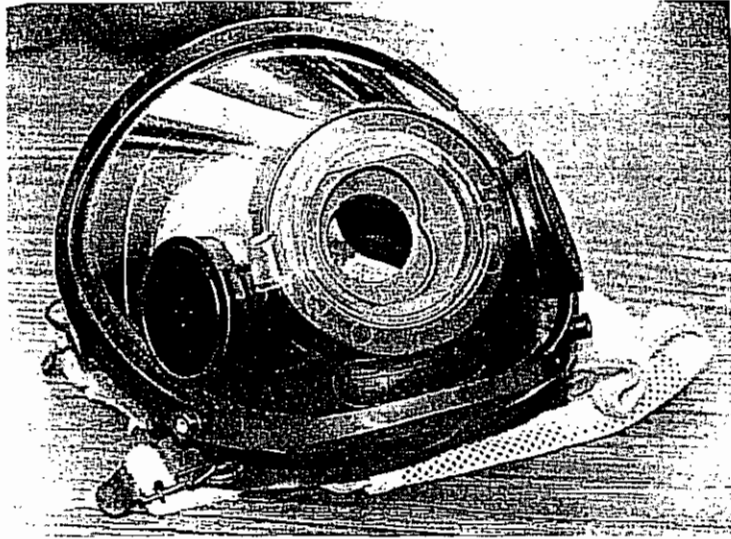




# Side By Side Photos







Swartz Creek Area Fire Department  
8100 B Civic Drive  
Swartz Creek, Mi



5/22/08

Dear Brent Cole,

It is with my deepest regret that I must inform the Swartz Creek Area Fire Department that I will be discontinuing my service at this time. I am coming to realize that my current job is consuming too much of my time leaving almost no time to respond to alarms and attend training. Therefore, I feel that this decision is being made in the best interest of myself and for the department in general.

I appreciate all the experience I have gained from being involved with the Swartz Creek Area Fire Department. Also in the future, my job permitting, I would wish to continue service once more to the City of Swartz Creek and Clayton Township.

Sincerely yours,

Anthony Simpson

A handwritten signature in black ink, appearing to read "Anthony Simpson". The signature is stylized and cursive.



# The Hundred Club of flint

Serving Genesee & Shiawassee Counties Since 1975

May 21, 2008

Dear Chief Cole:

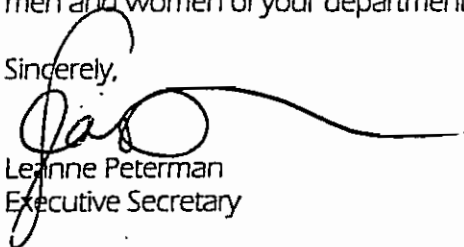
On behalf of the Board of Directors and the entire membership, I am pleased to inform you that we have approved a grant in the amount of \$950 to enable you to purchase helmets for your department.

Please submit your paid invoice for reimbursement to our Treasurer:

Mr. Wayne Schaeffer, President  
11405 Fawn Valley Trail  
Fenton MI 48430

We would like to personally present you, or a representative from your department, with an acknowledgement of this grant at our semi-annual dinner meeting scheduled for June 24th. You will receive your invitation under separate cover. Please return the RSVP card as quickly as possible with the name of the individual(s) who will be attending. All guest fees will be waived.

It is our hope that this grant will greatly contribute to the personal safety of the men and women of your department.

Sincerely,  
  
Lenne Peterman  
Executive Secretary



- Officers:**  
James Hresko, President  
Anthony Young, Vice President  
Wayne Schaeffer, Treasurer  
Bernard McAra, Secretary  
Lenne Peterman, Exe. Secretary
- Directors:**  
Denore Croudy  
Tony Dearing  
Donna Dodds Hamm  
John Matonich  
Hassan Saab  
Leo Seide  
Linda Tracy-Stephens  
Andy Suski  
Cathy Hetfield  
Don Winters  
Thomas Yeotis



SWARTZ CREEK AREA FIRE DEPARTMENT  
 1 B CIVIC DRIVE  
 SWARTZ CREEK, MI 48473

**INVOICE**

Invoice Number: 2008-015  
 Invoice Date: Jun 11, 2008  
 Page: 1  
 Duplicate

Phone: 810/835-2300  
 Fax: 810/835-7481

AYTON TOWNSHIP  
 11 MORRISH ROAD  
 SWARTZ CREEK, MI 48473

CLAY01	Due at end of Month
Courier	6/30/08

Quantity	Description	Unit Price	Amount
332.84	FIRE02 FIRE SERVICE 05/2008	12.68	4,220.35

Subtotal	4,220.35
Sales Tax	
Total Invoice Amount	4,220.35
Payment/Credit Applied	
<b>TOTAL</b>	

Credit Memo No:

4220.35

SWARTZ CREEK AREA FIRE DEPARTMENT  
 8100 B CIVIC DRIVE  
 SWARTZ CREEK, MI 48473

**INVOICE**

Invoice Number: 2008-014  
 Invoice Date: Jun 11, 2008  
 Page: 1  
 Duplicate

Phone: 810/835-2300  
 Fax: 810/835-7481

CITY OF SWARTZ CREEK  
 8083 CIVIC DRIVE  
 SWARTZ CREEK, MI 48473

CITY01	Due at end of Month
Courier	6/30/08

Quantity	Description	Unit Price	Amount
204.63	FIRE02 FIRE SERVICE 05/2008	12.43	2,544.44

Subtotal	2,544.44
Sales Tax	
Total Invoice Amount	2,544.44
Payment/Credit Applied	
<b>TOTAL</b>	

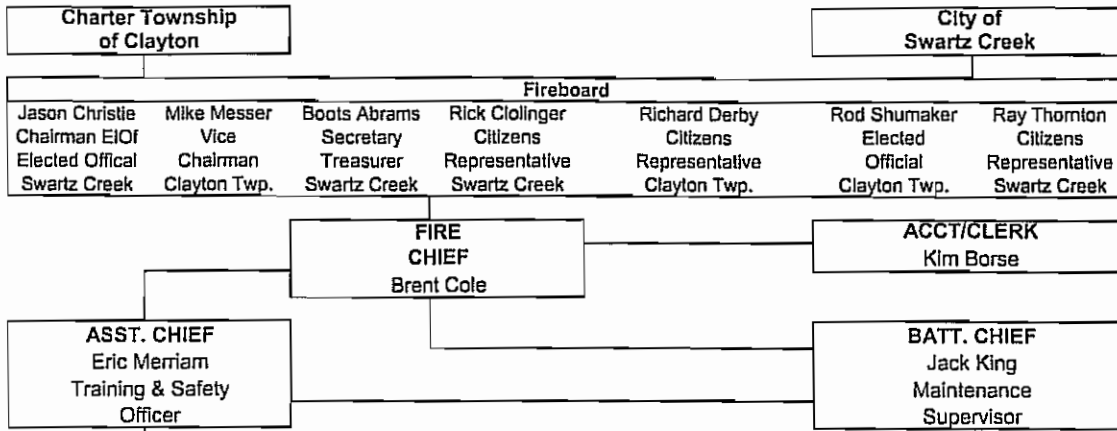
Check/Credit Memo No:

2544.44

20

# Swartz Creek Area Fire Department

## Organization Chart



STATION 1				STATION 2			
Capt. Steve Tabit - Quarter Master & Coordinator				Capt. Dave Plumb - Asst. Qtrmstr, Coordinator, Run % Monitor			
Lt. Mike Trejger - Fire Prevention & Station 1 Assignments				Lt. Dave Jones - Vehicle Inspections & Station 2 Assignments			
Lt. Brendt Cole - Medical & Rehab Supplies				Lt. Rich Tesner - Uniforms			
	Leave Expires	Dir. Res. Start	Off Prob.		Leave Expires	Dir. Res. Start	Off Prob.
<i>FF Don Adams</i>	5/30/2008		12/18/2007*	<i>FF Greg Baker</i>			06/16/09
FF Rod Armstrong				FF James Barr II			
<i>FF Kevin Bacon</i>			06/16/09	FF Robert Brandt		06/11/01	
<i>FF Rick Castano</i>			06/16/09	FF Jarrad Brooks		07/16/07	
FF Tiffany Forbes				FF Ann Christofferson			
<i>FF Jerrud Howard</i>			06/16/09	FF Anthony Davis		01/18/05	
FF Jeffery Jarrad				FF David Derby	8/26/2008		
FF Jeffrey Kelley				FF Lori McKerracher		05/31/01	
FF Todd Kimbrue				<i>FF Tim McKnight</i>			04/21/09
<i>FF Corey Leisure</i>			04/21/09	FF Karen Merriam			
FF Angela Martin				FF Bill Samida			
FF Scott Martin				<i>FF Steve Webster</i>			06/16/09
FF Walter Melen				<i>FF Joe Yambrick</i>			04/21/08
<i>FF Brian Scott</i>	10/1/2008						
FF Todd Sherrill							
FF Brian Sipes							
FF Ryan Spillane							
FF Kevin VanArsdale		04/15/04					
<i>FF Brian VanWormer</i>			11/01/08				
<i>FF Bryan Wisuba</i>			04/21/09				
FS Joe Edgerton							
FS Bob Plumb							
RO Valerie Dow							
RO Rebecca Tabit							
On personal leave/Medical=			2	On personal leave/Medical=			1
Suspended=			0	Suspended=			0
Non-Probationary Total =			12	Non- Probationary =			8
Probationary Total =			6	Probationary =			4
Firefighter Subtotal =			20	Firefighter Subtotal =			13
Radio Operators =			2	Radio Operators =			0
Support =			2	Support =			0
Station Personnel Total =			24	Station Personnel Total =			13

\*Placed on probation June 18, 2007. Extended due to none FD injury accident June 25, 2007

Total Officers =	9
Total Firefighters=	33
Support	2
Radio Operators =	2
Total active =	<u>46</u>

Name in italics = probationary status

Font = Suspension

Font = Leave of absence or sick leave

Firefighters with run direct status= 16 (9 Officers & 6 Firefighters)

Updated: 6/12/2008

Officers =	9
Active non-probationary =	20
Active probationary =	10
Active Radio Operators =	2
Support	2
Suspended=	0
Medical or extended leave =	3
Total dept. force =	<u>46</u>

21

**Paul Bueche**

---

**From:** Paul Bueche  
**Sent:** Friday, June 13, 2008 10:57 AM  
**To:** 'Brian Steckroth'  
**Subject:** RE: Property & Liability renewal premium - 2008-09 term

Brian,

Thank...

I'll get an appropriation to pay this at the City's Council Meeting of June 23rd.

Thank...

Paul Bueche

-----Original Message-----

**From:** Brian Steckroth [mailto:Brian.Steckroth@Meadowbrook.com]  
**Sent:** Friday, June 13, 2008 9:31 AM  
**To:** Paul Bueche  
**Subject:** Property & Liability renewal premium - 2008-09 term

Paul:

Just a quick note to let you know the annual renewal premium for the 2008-09 term is \$69,901.

When the policy is completed, I will call to set up a day and time to meet & review the policy with you.

Regards,

Brian M. Steckroth  
Municipal Account Executive  
Meadowbrook Insurance Group  
Phone: 1-800-482-2726 ext. 8283  
direct line: 248-204-8283  
fax: 248-281-0693  
e-mail: bsteckroth@meadowbrook.com

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michigan municipal league

# Workers' Compensation Fund

1675 Green Road, P.O. Box 1487, Ann Arbor, Michigan 48106-1487

Phone: (800) 653-2483

Fax: (734) 741-1774

## INVOICE

Swartz Creek, City Of  
8083 Civic Drive  
Swartz Creek, MI 48473

Customer #: 5000860-08  
Invoice #: 12792200  
Installment #:  
Invoice Date: 04/10/2008  
Due Date: 06/15/2008

Payment Amount: \$ \_\_\_\_\_

Make Payable and mail to: MML Workers' Comp Fund  
P.O. Box 972081  
Ypsilanti, MI 48197-0835

Please remit top portion with payment

For any questions regarding payment information, please contact Insurance Accounting at (734) 669-6373.

## MICHIGAN MUNICIPAL LEAGUE WORKERS' COMPENSATION FUND

Invoice No: 12792200

Invoice Date: 04/10/2008

Due Date: 06/15/2008

POLICY/REF NO.	DESCRIPTION	AMOUNT
5000860-08	Policy Premium	\$24,894.00
	Current Amount Due	\$24,894.00
	Previously Billed Amount	
	<b>TOTAL DUE</b>	<b>\$24,894.00</b>

### Account Summary

Empty box for account summary details.

**Michigan Municipal League Workers' Compensation Fund**

04/09/2008

Declaration Page

5000860-08

City Of Swartz Creek  
 Attn: Mary Jo Clark  
 8083 Civic Drive  
 Swartz Creek, MI 48473

Coverage Period 7/1/2008 to 6/30/2009  
 RENEWAL

Class Code	Class Description	Estimated Annual Payroll	Rate per \$100 of Payroll	Estimated Annual Premium
5221-00	Concrete Work	15,956	5.90	941
5509-00	Street Operations	104,022	5.43	5,648
7520-00	Water Operations	103,642	3.11	3,223
7580-00	Sewer Operations	40,520	2.01	814
7720-01	Police Officers	408,857	2.28	9,322
7720-02	Volunteer Police Officers	84,176	2.84	2,391
8395-00	Garage Operations	64,041	2.81	1,800
8810-01	Clerical-Office	525,855	0.40	2,103
8810-02	Elected Officials	49,009	0.19	93
9015-00	Building Operations	44,926	3.18	1,429
9102-00	Parks & Recreation	21,936	2.39	524
9220-00	Cemetery Operations	318	3.00	10
9410-00	Municipal Employee	67,392	1.23	829
	<b>Totals:</b>	<b>\$1,530,650</b>		<b>\$29,127</b>

Coverage Amount

Employers Liability: \$500,000  
 Workers' Compensation: STATUTORY

Annual Installment: 06/15/2008	\$24,894
--------------------------------	----------

Total Standard Premium:	\$29,127
Experience Modifier: .94	(\$1,748)
Modified Premium:	= \$27,379
Size of Premium Factor:	(\$178)
Expense Constant	\$150
Total Estimated Premium:	= \$27,351
(Dividend Credit)	(\$2,457)
<b>NET ESTIMATED ANNUAL PREMIUM:</b>	<b>= 54 \$24,894</b>

June 13, 2008

Mary Jo Clark  
Finance Director  
City of Swartz Creek

Dear Ms. Clark:

I have received notification of the delinquent tax revenue that has been collected from the Swartz Creek tax levy FY 07-08. This letter is a request that the revenue for the Senior Citizens Fund be disbursed to the Swartz Creek Area Senior Center in the amount of \$281.00.

I understand that this disbursement must be approved by the City Council of Swartz Creek. I would appreciate your help in receiving this approval.

Sincerely,



Melinda A. Soper, Director

**AGREEMENT**  
**Between The**  
**CITY OF SWARTZ CREEK, MICHIGAN**  
**And The**  
**POLICE OFFICERS LABOR COUNCIL**

This agreement is entered into this 25<sup>th</sup> Day of September, 2006, between the City of Swartz Creek, Michigan, a Municipal Corporation, hereinafter referred to as the "Employer" or "City" and the Police Officers Labor Council, hereinafter referred to as the "Labor Council". It is the intent and purpose of this agreement to assure sound and mutually beneficial working and economic relationship between the parties hereto, and to provide a peaceful and orderly means of resolving any misunderstandings which may arise and to set forth herein the basic and full agreement between the parties concerning the rates of pay, hours of employment, and other working conditions.

**ARTICLE NO. 1 RECOGNITION**

**Section No. 1.** Under the provisions of Act No. 379 of the Public Acts of 1965 of the State of Michigan, the Employer recognizes the Labor Council as the exclusive collective bargaining representative for the employees in the defined bargaining unit for the purposes of bargaining with respect to wages, hours of employment, and other working conditions; provided, that any individual employee at any time may present grievances to his/her Employer and have the grievances adjusted, without intervention of the bargaining representative, if the adjustment is not inconsistent with the terms of a collective bargaining contract or agreement then in effect, if the bargaining representative has been given opportunity to be present at such adjustment.

**Section No. 2.** The bargaining unit shall consist of all employees of the Swartz Creek Police Department exclusive of the Chief of Police; Command Officers assigned the rank of Sergeant or greater, any part-time officers, and any clerical employees working for said department.

**ARTICLE NO. 2 MANAGEMENT'S RIGHTS**

The City of Swartz Creek, on behalf of the Electors of the City of Swartz Creek, hereby retains and reserves unto itself, without limitation, all powers, rights, authority, duties, and responsibilities conferred upon and vested in it by the Laws and the Constitution of the State of Michigan and by generality of the foregoing rights:

**Section No. 1.** Of exclusive management and control of the governmental system, its property, facility, operations, and affairs.

**Section No. 2.** To hire employees, determine their qualifications, conditions of employment, dismissal, demotion, suspension, or layoff; to determine the number and scheduling of all employees; to promote or transfer all employees; to determine the size of the work force; and to assign duties to, and to direct all employees. To permit other employees of the Police Department not included in the bargaining unit to perform bargaining unit work, when in the opinion of the City it is necessary for the conduct of municipal services, provided however, that the use of others shall not be for or with the purpose of eroding the work force.

**Section No. 3.** To determine services, supplies and equipment; to determine all methods and means of distributing, disseminating its services, methods, scheduling, and standards of operation; to determine the means, methods, and processes of carrying on its services and duties; and to determine any changes in all of the preceding, including innovative programs and practices.



**Section No. 4.** To subcontract bargaining unit work when an immediate and unforeseen emergency places demands which exceed the labor capability of the Police Department. All other subcontracting shall be subject to collective bargaining.

**Section No. 5.** To determine the number and location or relocation of its facilities.

**Section No. 6.** To determine all financial practices and policies including all accounting procedures, and all other matters pertaining to public relations of the City of Swartz Creek.

**Section No. 7.** To determine the size of the management organization, its functions, authority, amount of supervision, and table of organization. To manage its affairs efficiently and economically, including the determination of quantity and quality of service to be rendered.

**Section No. 8.** To establish, maintain and enforce reasonable Department Rules, Regulations, Policies and Procedures.

The reasonable and responsible exercises of the foregoing powers, rights, authorities, duty, and responsibilities by the City of Swartz Creek, the adoption of policies, rules, regulations, and practices and furthermore thereof and the use of judgment and discretion in connection therewith shall be limited only by this specific and express terms of this Agreement, and then only to the extent which specific and expressed terms and in conformance with this Constitution and Laws of the State of Michigan and the United States.

**ARTICLE NO. 3 MANAGEMENT SECURITY**

**Section No. 1.** The Labor Council agrees that during the life of this Agreement, they will not cause, encourage, participate in or support any strike against the Employer or any slow down or interruption or interference of services. Violation of the provisions of this Section shall be grounds for disciplinary action up to and including discharge.

**ARTICLE NO. 4 LABOR COUNCIL SECURITY**

**Section No. 1.** On and after the 31st day following the beginning of employment, any person included in the bargaining unit as defined in Article No. 1, Section 2, who is not a member of the Labor Council and who has not made application for membership, shall, as a condition of continued employment, pay to the Labor Council each month a service fee equivalent to the amount of dues uniformly required of members of the Labor Council.

**Section No. 2.** Bargaining unit employees who are members of the Labor Council shall as a matter of course, after thirty (30) days employment, as a condition of continued employment, pay to the Labor Council each month the dues which have been certified to the Employer by the Treasurer of the Labor Council.

**Section No. 3.** The Employer agrees to deduct the Agency shop fees and dues once a month. The amounts to be deducted shall be certified to the Employer, by the Treasurer of the Labor Council within thirty (30) days after such deductions are made.

**Section No. 4.** It is further agreed between the parties that in the event of litigation or claims against the Employer and/or the Labor Council arising from this Article or any prior maintenance or membership provision of an agreement between the Employer and the Labor Council, that the Labor Council shall defend, settle, or pay such claims or judgments arising from litigation, holding the Employer harmless therefrom.

**Section No. 5.** In the event it is subsequently determined by the Michigan Employment Relations Commission or a Court of competent jurisdiction that the Union dues or Agency Shop fees have been improperly deducted and remitted to the Labor Council, the Labor Council shall return such amounts to the individuals so affected.

## **ARTICLE NO. 5 SENIORITY**

**Section No. 1.** Seniority shall not be affected by the race, sex, age, marital status, or dependents of the employee.

**Section No. 2.** The Labor Council shall represent probationary employees for the purpose of collective bargaining in respect to rates of pay, hours of employment, and other working conditions; provided, however, in the event of discharge, discipline, transfer, demotion or layoff of a probationary employee, the matter is without recourse to the grievance and/or arbitration procedure.

**Section No. 3.** The Employer will keep the seniority list up to date from time to time and upon request, will provide the Labor Council with a copy of said list.

**Section No. 4.** The probationary period shall be twelve-(12) month's continuous service from date of hire. The period of probation is expressly understood to be a part of the entrance requirements and that the appointee, as a permanent employee in the Department, is not established until completing the period of probation. Upon satisfactory completion of the twelve-(12) month probationary period, seniority shall commence with the first date of employment as a full time police officer.

**Section No. 5.** During the probationary period each employee shall be credited with vacation and absent leave accrual as are provided for, but in no instance shall such benefits have any value whatsoever unless and until the employee completes his/her probationary period except, after the first 90 days of probation, a probationary employee may be allowed to use absent days, as pro-rated in accordance with the terms of this agreement, upon approval of a supervisor. In the event the employee completes his/her probationary period, such benefits shall be credited, as if earned, to the employee to be credited from the first day of hire. An employee failing to complete the probationary period for any reason whatsoever, including but not limited to, resignation, death, discharge, or layoff, shall not be entitled, nor be considered to have earned, the value of any of the benefits he/she would have accrued had he/she satisfactorily completed his/her probationary period.

**Section No. 6.** An employee who has been promoted outside the bargaining unit shall retain his/her seniority earned while an employee within the bargaining unit and may return to the bargaining unit, seniority permitting, to his/her former position in the event of a layoff. Employees promoted outside the bargaining unit shall not continue to accumulate seniority within the bargaining unit.

## **ARTICLE NO. 6. LOSS OF SENIORITY**

**Section No. 1.** He/she quits and/or resigns.

**Section No. 2.** He/she is discharged and the discharge is not reversed through the procedures set forth in this Agreement.

**Section No. 3.** He/she is absent for three (3) consecutive work days without notifying the Chief or acting Chief of Police. After such absence, the Employer will send written notification, by certified mail, to the employee at his/her last known address that he/she has lost seniority and the employment has been

terminated.

**Section No. 4.** If he/she does not return to work when recalled from layoff as set forth in the recall procedure.

**Section No. 5.** Return from sick leave and leaves of absence will be treated as Section No. 3 above.

**Section No. 6.** The employee is laid off for a period exceeding his/her length of seniority or a two-year period, whichever is shorter.

## **ARTICLE NO. 7 LAYOFF DEFINITION**

**Section No. 1.** The word “layoff” means a reduction of the work force.

**Section No. 2.** If it becomes necessary for a layoff, the following procedure shall be mandatory:

A. All layoffs will be in reverse seniority. Probationary employees shall be laid off first, followed by seniority employees in the order of reverse seniority.

B. The lay-off of all part-time officers, as a group, shall precede any lay off of seniority bargaining unit members. This section does not apply to probationary and/or seniority members whom are funded, either in whole or in part, by outside and/or split sources. A split source can be defined as monies derived from sources other than City of Swartz Creek General Fund.

**Section No. 3.** All regular full-time employees to be laid off for an indefinite period will be given at least fourteen (14) calendar day’s notice of layoff. The Labor Council Steward will receive a list from the Employer of the employees being laid off on the same date the notices are issued to the employees.

## **ARTICLE NO. 8 RECALL PROCEDURE**

**Section No. 1.** When the work force is increased after a layoff employees will be recalled according to seniority, in reverse order of layoff.

**Section No. 2.** Notice of recall shall be sent to the employee at his/her last known address by registered or certified mail, advising the employee of the date and time he/she is to report to work. Said notice shall provide a fourteen-(14) day notice.

**Section No. 3.** If an employee fails to report for work as provided in the recall notice, he/she shall be considered a quit.

**Section No. 4.** Recall rights shall be subject to the provisions of Article 6, Section 6.

## **ARTICLE NO. 9 LABOR COUNCIL BARGAINING COMMITTEE**

**Section No. 1.** The bargaining committee of the Labor Council will include not more than two (2) employees of the Employer and not more than one (1) non-employee representative of the Labor Council. Prior to any negotiation meetings between the Employer and the Labor Council, the Labor Council will furnish the names of all members of the bargaining committee to the Employer.

**Section No. 2.** There will be no discrimination against any employee because of his/her Labor Council affiliation or his/her duties as a member of the bargaining committee.

**Section No. 3.** In the event that negotiation meetings are held at the time when the employee representative



would normally be on duty, said employee will be paid at his/her regular rate but only for those hours that he/she would normally have been working. When computing overtime for such employees, normal working hours spent in negotiations will be computed just as though they were spent on duty.

## **ARTICLE NO. 10 MEETINGS**

**Section No. 1.** Special meetings between the Employer and the Labor Council may be held at any time either party submits a written request to the other party. Such request must specify the item or items to be discussed and no other business except that set forth in the request may be discussed at such meetings.

## **ARTICLE NO. 11 REPRESENTATIVES**

**Section No. 1.** One (1) Chief Steward and one (1) Alternate Steward shall be designated by the Labor Council for the purpose of processing grievances. The Alternate Steward shall act only in the absence of the Chief Steward.

**Section No. 2.** In the event that it becomes necessary for the Chief or Alternate Steward to process a grievance on what would be normal duty time, he/she shall be paid at his/her regular rate for that time just as though he/she was working, provided, however, such time spent must be kept at a minimum and be reasonable.

## **ARTICLE NO. 12 GRIEVANCE PROCEDURE**

### **Definition of a Grievance.**

A grievance is defined as a disagreement arising under and during the term of this agreement, concerning the interpretation and application of the provisions of this agreement and/or the Swartz Creek Police Department Rules and Regulations.

Grievance procedure time limits shall exclude Saturdays, Sundays, Holidays, and any day the City Offices are closed.

### **A. Grievance Procedure - Step One.**

A grievance must be submitted in writing to the Chief of Police or his/her designee within fifteen (15) calendar days of the occurrence of the condition(s) giving rise to the grievance, or within fifteen (15) calendar days of the date the employee should reasonably have become aware of the conditions given rise to the grievance, whichever is later, in order for the matter to be considered grievable under this agreement.

The grievance shall be submitted on forms provided by the Labor Council, dated and signed by the aggrieved employee (s) and shall set forth the facts, dates and provisions of the agreement that are alleged to have been violated and the remedy desired. At the time the grievance is received, the Chief of Police or his/her designee shall sign and date a copy which shall be returned to the grievant and either Steward. A meeting shall be held if requested by either party.

The Chief of Police or his/her designee shall provide a written answer to the grievant, and/or either Steward within ten (10) calendar days.

In the event the written answer of the Chief of Police or his/her designated representative is unacceptable to the grievant, the grievance may be appealed in writing to the next higher step of this procedure. Any grievance not appealed within five-(5) calendar days after such answer shall be considered as dropped by the Labor Council.

## **B. Grievance Procedure - Step Two**

If the grievant is not satisfied with the disposition of the grievance at Step One, the grievant may appeal in writing to the City Manager.

Within ten (10) calendar days of receipt of the grievance, the City Manager shall hold a meeting with the grievant and the Labor Council in an attempt to resolve the grievance. Only persons directly related to the disposition of the grievance shall be present at the meeting. The grievance may be represented by either Steward and/or a Labor Council representative or a National representative. Representation of the Employer and the Labor Council shall not exceed two (2) each, not including the grievant. If the grievance affects more than one (1) employee, the Labor Council shall designate one employee as a representative of the group.

Within seven (7) calendar days following the conclusion of the meeting, the City Manager or his/her designee shall provide the grievant and either Steward with a written disposition of the grievance.

## **C. Grievance Procedure - Step Three**

In the event of an unsatisfactory decision, the Labor Council may submit the grievance to arbitration within ten (10) calendar days following the conclusion of the Step Two answer. Written notice to the Employer shall constitute a request for arbitration.

The Employer and the Labor Council shall meet within seven (7) calendar days after notice of the arbitration has been given for the purpose of selecting an arbitrator. If the parties fail to select an arbitrator, the Michigan Employment Relations Commission shall be requested by either party or both parties to provide a panel of arbitrators pursuant to its rules then in effect. Parties shall attempt to select an arbitrator from this panel within ten (10) working days. If there is no selection from the list the Michigan Employment Relations Commission shall be requested to provide a second panel of arbitrators. The parties shall attempt to select an arbitrator from this list within ten (10) calendar days. If there is no selection from the second list, the Michigan Employment Relations Commission shall appoint the arbitrator.

The rules of the Michigan Employment Relations Commission shall apply to all arbitration hearings. The arbitrators shall be requested to issue his/her decision within thirty (30) days after the conclusion of testimony argument, and submission of briefs. The decision of the arbitrator will be final and binding on all parties, and judgment therein may be entered in any Court of competent jurisdiction.

Fees and authorized expenses for the arbitrator shall be shared equally by the Employer and the Labor Council.

The arbitrator shall have no authority to add to or to subtract from, alter, change or modify any of the provisions of this agreement.

The arbitrator shall not substitute her/his judgment for that of the Employer where the Employer's judgment and actions are based upon reasonable cause and do not violate the written provisions of this agreement. The arbitrator may make no award which provides the employee compensation greater than would have resulted if there had been no violation.

The Employer, in no event, shall be required to pay back wages for more than thirty (30) working days prior to the date the written grievance is filed. However, in the case of a pay shortage (other than one resulting from misclassification) of which the employee could not have been aware before receiving her/his pay, any adjustment shall be retroactive to the beginning of the pay period in which the shortage occurred,

if the employee files her/his grievance within fifteen (15) calendar days after she/he becomes aware of such shortage. All claims for back wages shall be limited to the amount of wages the employee otherwise would earn less any unemployment compensation or new wages for personal services that she/he may have received during their regular course of employment for the period in question.

#### **D. Restitution/Reinstatement**

Should a decision be rendered at any step of the grievance procedure that the employee was unjustly discharged, demoted, suspended without reasonable and just cause, the Employer agrees to reinstate the employee to the employee's former position in effect on the day of discharge, demotion, or suspension. Computation for any back wages or benefits for suspensions or discharge in excess of thirty (30) days must include offsets for unemployment insurance, workmen's compensation and benefits received other than from City employment and wages earned with other employers during the period, as indicated in Step Three, above. A decision may be rendered to reinstate the employee without back compensation or benefit.

Failure of the grievant to appeal the decision within the specified time limits shall be deemed a withdrawal of the grievance and shall bar further action or appeal. The grievance shall be allowed if the Employer fails to render a decision on a grievance within the specific time limits.

Steps of the grievance procedure may be waived upon consent of the parties. The grievant may withdraw a grievance at any step of the procedure. The grievance(s) so withdrawn shall not be reinstated. Time limits herein provided for may be extended upon written consent of the parties.

Notwithstanding any provision of Article No. 12, the Labor Council may commence any grievance not arising from the daily work routine directly with the City Manager level of the grievance procedure as provided in Article No. 12(B).

### **ARTICLE NO. 13 DISCHARGE AND DISCIPLINE**

(a) The concept of the progressive discipline is hereby adopted to govern disciplinary action. It is understood and agreed, however, that the Employer reserves the right to suspend or discharge for serious infraction without instituting progressive discipline; provided further that in such instances nothing contained herein shall operate to deprive the employee of the grievance procedure.

(b) Notice of discharge or discipline. The Employer agrees promptly upon the discharge or discipline of any employee to notify in writing the Chief Steward or Alternate Steward of the discharge or discipline.

(c) The discharged or disciplined employee will be allowed to discuss his/her discharge or discipline with the Chief Steward or Alternate Steward of the group and the Employer will make available an area where he/she may do so before he/she is required to leave the property of the Employer. Upon request the Employer or his/her designated representative will discuss the discharge or discipline with the employee and the Chief Steward or Alternate Steward.

(d) Appeal of discharge or discipline. Should the discharged or disciplined employee(s) consider their discharge to be improper, the matter may be referred to the grievance procedure at (B) Formal Grievance Procedure.

(e) Use of Past Record. In imposing any discipline on a current charge, the Employer will not take into account any prior infractions which occurred more than eighteen (18) months previously.



(f) At such time as a written complaint against an employee is made and it is determined that discipline may result therefrom, the employee and the unit steward shall be furnished copies of said complaint. The information given to the employee and the steward shall be all information available including but not limited to the name and address of the complainant.

Notwithstanding the above, any information otherwise exempt pursuant to the Freedom of Information Act of the State of Michigan shall not be disclosed, and upon such being advanced by the Employer, the steward shall be advised of such and shall be advised of the nature of the information withheld. Nothing contained herein shall prohibit the employee to request information pursuant to the provisions of the Freedom of Information Act of the State of Michigan and upon such request the Employer shall respond pursuant to said Act.

**ARTICLE NO. 14 WAGES**

**Section 1.** It is agreed that the base hourly rate of pay will be 2% effective July 1, 2006, 2% effective July 1 2007, 1% effective January 1, 2008 with a wage re-opener for July 1, 2008 through the expiration of this agreement on June 30, 2009, in accordance with the following table:

Years of Service	7-1-06 Hourly Rate	7-1-07 Hourly Rate	1-1-08 Hourly Rate	7-1-08 Hourly Rate
Start	\$16.12	\$16.44	\$16.60	Open
1st Year	\$20.07	\$20.48	\$20.68	Open
2nd Year	\$20.99	\$21.41	\$21.63	Open
3rd Year	\$22.05	\$22.49	\$22.72	Open
4th Year	\$22.70	\$23.15	\$23.38	Open

**Section No. 2. Jury Duty.** Employees selected for jury duty shall be immediately transferred to the day shift and be allowed time off from work to attend to such duties. Employees are expected to work the assigned shift or any part thereof whenever possible. Employees who serve on jury duty will be paid the difference between jury duty pay and regular pay. Remuneration received for mileage shall be retained by the employee.

**ARTICLE NO. 15 OVERTIME**

**Section No. 1.** Bargaining unit employees shall be compensated at a rate of one and one-half (1 1/2) times their regular hourly rate for all hours worked in excess of eight (8) hours in any one day or over eighty (80) hours in one pay period.

**Section No. 2.** All hours worked in excess of those provided for in Section No. 1 above shall be considered overtime and shall be paid as such, provided however, that all such hours worked, to be compensable, shall first be approved by the Chief of Police. It is recognized by the parties that occasions shall arise wherein an employee, because of the circumstances, may not be able to secure prior approval for overtime in which case payment therefore shall require the approval of the Chief of Police; however, he/she shall not unreasonably refuse to approve such payment.

**Section No. 3.** Overtime worked in excess of the limits stated above as a result of normal shift changes (Swing Shift) or as a result of authorized changes in days off, etc., shall be paid at the regular rate.

**Section No. 4.** There shall be a two (2) hour minimum on call back paid at the rate of one and one-half (1



1/2) times the employee's base rate of pay, unless such call in time immediately proceeds or extends the employee's shift.

**Section No. 5.** Police command officers or, in their absence the City Manager or his/her designee may require bargaining unit employees to work overtime when necessary for efficient operations of the Department, such requirement shall not be unreasonably invoked.

**Section No. 6.** Volunteer overtime work at the Sports Creek Racetrack shall be limited to a maximum of two (2) shifts in any pay period during live racing.

## **ARTICLE NO. 16 HOLIDAYS AND HOLIDAY PAY**

**Section No. 1.** All full-time employees covered by this Agreement shall receive eight (8) hours pay at their regular rate of pay for each of the listed holidays, irrespective of whether they work said holiday or not. (Holidays denoted below with an asterisk (\*) are observed as "Monday Bill Holidays". All others are celebrated on the actual day).

New Year's Day	Thanksgiving
Good Friday	Friday following Thanksgiving
Memorial Day*	December 24th
July 4th	Christmas Day
Labor Day*	December 31st
Dr. Martin Luther King*	Employee's Birthday
Presidents Day*	

**Section No. 2.** If an employee works on any of the specified holidays then the employee shall be paid at one and one-half (1 1/2) times his/her regular rate of pay for hours worked, in addition to pay in Section No. 1 of this Article.

**Section No. 3.** An Officer assigned to a specialty unit such as investigator, liaison, narcotics or considered "extra" and not needed to cover such specialty assignment or a patrol shift, may request to take a holiday off and forgo the overtime. Such request shall be approved by the Chief of Police, or designee prior to the holiday.

## **ARTICLE NO. 17 SICK AND ACCIDENT COVERAGE**

**Section No. 1.** A sick, accident or disability insurance policy, consisting of Short Term Disability (STD, 90 days or less), and Long Term Disability (LTD, 3 months to 24 months) will be provided to each full time employee. Coverage shall commence on the first (1st) day of hospitalization or the first (1st) day of an accident, or on the eighth (8th) consecutive day of sickness. Benefits will be paid in the amount of sixty (60%) percent of the employee's gross bi-weekly base salary not to exceed One-Thousand Three Hundred (\$1,300) Dollars in any BI-weekly period. Such sick and accident coverage will be provided without cost to the employee. Sick and accident benefits shall be determined upon the basis of the employee's rate of pay at the time of the inception of sick leave. Increases in salary as provided by this contract shall not operate to increase sick and accident benefits unless and until the employee shall have worked following the effective date of any such increase. During approved sick or disability leave, the employer shall continue to provide medical, dental, and life insurance only, for a period not to exceed six (6) months commencing from the date of accident or illness. After the employee is off duty on sick or disability leave for thirty (30) days, all other fringe benefits shall be discontinued during the remaining term of the leave and shall be pro-rated upon the employee's return to work. During the period of absence leave, the

employee will continue to accumulate seniority for purposes of vacation selection and shift selection only, for a period not to exceed their length of seniority or two (2) years, whichever is shorter. Seniority accumulated while on short-term or long term disability shall not be credited toward retirement eligibility, vacation accrual or any other benefits. The Employer shall not provide any economic benefits for any other types or categories of leave, including, but not limited to, education and military leave.

**ARTICLE NO. 18 VACATIONS**

**Section No. 1.** An employee will earn credit toward vacation pay in accordance with the following schedule during the calendar year for use after January 1 of the following calendar year.

<b>Completed Years of Service</b>	<b>Annual Maximum</b>
1-5	10 Days
6-10	15 Days
11-15	20 Days
16-20	22 Days
20+	25 Days

**Section No. 2.** Employees who are entitled to four or more weeks of vacation may receive payment in lieu of vacation for that period, if at the discretion of the Chief the vacation cannot be granted. Additionally, an employee may carry up to one week (40 hours) of vacation from one calendar year to the next.

**Section No. 3.** Seniority will govern the choice of vacation period subject to the reasonable scheduling requirement of the Swartz Creek Police Department; however, the employee may be required to work all or part of the time the employee would normally have been on vacation. If vacation leave is unable to be rescheduled by the Employer pursuant to application of the employee, the employee shall be paid for such leave as provided in this Article.

**Section No. 4.** Seniority shall govern the choice of vacation provided the senior employee makes his/her application of vacation before the end of the scheduling period. The scheduling period shall be eighty-four (84) days.

**Section No. 5.** Vacations shall not be in excess of eighty (80) hours unless no other employee makes an application for the time immediately following said eighty (80) hour period, in which case, time in excess of eighty (80) hours may be approved.

**Section No. 6.** The Chief of Police shall give employees a written explanation for any denial of vacation.

**Section No. 7.** If an employee becomes ill and is under the care of a duly licensed physician prior to his/her vacation, his/her vacation will be rescheduled. In the event his/her incapacity continues through the year, he/she will be awarded payment in lieu of vacation.

**Section No. 8.** If a regular pay day falls during an employee's vacation, during which vacation the employee will be off from work at least a minimum of forty (40) consecutive hours of vacation, excluding days off, the employee shall receive that paycheck in advance; provided, however, the employee has notified the City at least thirty (30) days in advance of the date of the payday falling within the employee's vacation.

**Section No. 9.** If an employee is laid off, retires, or dies, he/she or his/her beneficiary in the case of death, will receive any unused vacation credit including that accrued in the current calendar year. A recalled employee who received credit at the time of layoff for the current year will have such credit deducted from his/her vacation the following year.

**Section No. 10.** Employees will be paid their current rate based on their regular scheduled day while on vacation and will receive credit for any benefits provided for in this agreement.

## **ARTICLE NO. 19 FUNERAL LEAVE**

**Section No. 1.** Funeral leave hours pursuant to this Article are for the express purpose of arrangements and attendance at funeral. Approved leave hours pursuant to this Article shall not be deducted from the employee's absent or vacation leave.

**Section No. 2.** An employee shall be allowed to be off from work a maximum of four (4) consecutive work days with pay, per death, beginning with the day of death and terminating with the day of funeral, as funeral leave, for a death in the immediate family. The immediate family is defined as: the employee's Mother, Father, Brother, Sister, Spouse, Son, Daughter, Grandparents, Mother-In-Law, Father-In-Law, Grandparents of Spouse, or a member of the employee's immediate household.

**Section No. 3.** Employees shall be allowed to be off from work the time necessary, up to a maximum of one (1) work day with pay, to attend the funeral of a relative. Relative is defined as the employee's Uncle, Aunt, Grandson, Granddaughter, Daughter In-Law, Son In-Law, Brother In-Law, Sister In-Law, Niece or Nephew.

## **ARTICLE NO. 20 ABSENT LEAVE**

**Section No. 1.** All full time employees will be allowed to be absent from work ninety-six (96) hours during the calendar year. Such leave will be available to the employee on January 1 of each year; however, such leave will be earned at the rate of eight (8) hours per calendar month. Accordingly, absent leave will be pro-rated on all new hires and available for use following completion of the first 90 days of probation. Terminations, sick and accident leave, educational leave and all other absences will be pro-rated at the rate of eight (8) hours per calendar month of service.

**Section No. 2.** The use of such leave for purposes other than sickness may not be less than two (2) hours.

**Section No. 3.** In the event of injury or sickness, such leave may be used in whole or in part, provided however, the Chief of Police may request a Doctor's excuse upon return to work. Further, an employee on such leave shall keep his/her supervisor informed of his/her status and expected date of return to work.

**Section No. 4.** Any unused absent leave shall be paid to the employee with the first biweekly pay of the next calendar year. Payment will be based on one hundred (100%) percent of any unused absent leave on December 31 of each year not to exceed seventy-two (72) hours.

**Section No. 5.** Earned unused leave provided for in this Article shall be paid upon death, retirement, discharge or layoff of the employee. Payment will be based on one hundred (100%) percent of any unused absent leave on the last day of employment not to exceed seventy-two (72) hours. In the event of resignation, the provisions of Article 34 apply.



## **ARTICLE NO. 21 EDUCATIONAL LEAVE**

**Section No. 1.** Employees who have acquired at least four (4) years of seniority and who desire to further their education in line with their employment may be granted a leave of absence not to exceed two (2) years.

**Section No. 2.** Seniority will not accumulate during educational leaves.

**Section No. 3.** Such leave will be without pay and employees on such leave shall not derive any benefits from this agreement.

**Section No. 4.** Employees may at their own expense continue hospitalization and life insurance coverage offered by the Employer during educational leave, provided the insurance carrier approves.

**Section No. 5.** If the employee elects to continue the coverage listed in Section No.4 as a condition of continued coverage, the employee must pay six- (6) month's premium in advance to the Employer. Insurance coverage will be canceled upon any arrears of payment by the employee.

**Section No. 6.** Each application for educational leave must be submitted in writing at least six (6) months prior to the commencement of such leave, and shall include the amount of leave requested; the pursuit of study, and the institution whereat the employee intends to enroll.

**Section No. 7.** Written response from the Employer shall be given to all educational leave applications within ninety (90) days of receipt of such application.

## **ARTICLE NO. 22 HOSPITALIZATION, LIFE INSURANCE & FALSE ARREST INSURANCE**

**Section No. 1.** For the duration of this agreement, and within the terms as set forth within the policy and riders of the provider, or within the terms of this agreement, the Employer agrees to provide for and pay the premiums for all eligible full time employees and the employee's immediate family, or retirees under the provisions set forth within, the following health care and maintenance benefits:

1. Blue Care Network (BCN-5) Package "E" with Dependent Children Rider, Family Child Continuation Rider (Plan & Benefits Summary Attached), and \$10 Office Co-Pay
2. Blue Care Network (BCN) Rx Prescription Drug Coverage \$10/\$20 Co-Pay with Contraceptives Coverage (Plan Summary Attached).
3. Delta Dental, dental plan, 100% Preventative Care, 50% Basic & Major Services (Excluding Orthodontics), With \$1,000 Maximum Annual Cap (Plan Summary Attached).
4. Delta Vision 24/24/24 vision care plan (Plan Summary Attached).
5. Community Blue PPO, Plan 2 (Plan Summary Attached), if available from the provider.

**Section No. 2.** The Employer will reimburse the employee for the co-pay amount for medical, prescription coverage (\$10.00 for office calls, \$10/\$20 for prescriptions) to the extent such co-pays are incurred by the employee and/or his/her immediate family so covered by the City plan, up to a maximum of Two-Hundred and Fifty (\$250) Dollars per contract year, per employee. Reimbursement is only for those costs incurred within the contract year. Reimbursement shall be subject to employee submission of [a] paid receipt[s] indicating the name of the provider, the name of the patient, a date and description of the service provided, and the amount paid by the employee. Payments will be made once annually, receipts to be held by the employee and submitted the last two weeks of June, but no later than June 30<sup>th</sup> of the contract year in which they were incurred.

**Section No. 3.** Medical, dental and vision insurance benefits shall be available to all new hire, full-time employees; however, costs for these benefits shall be the responsibility of the employee for the first 90 days of employment. Should an employee elect to forego coverage for the first 90 days of employment, he/she may enter the program as provided for in this section commencing on the 91st day of employment, pursuant to provider rules.

**Section No. 4.** Each full time seniority employee may, at such employee's option, elect to purchase at the employee's cost a sponsored dependent rider on such terms and conditions and at such coverage levels as are established from time to time by Blue Care Network, the provider of such coverage. The receipt of such benefits by a seniority employee is subject to the following conditions:

1. That such sponsored dependent coverage is available.
2. The days on which such sign up is permitted are those established by the provider or providers of such benefits.
3. On or before the day in which the employee signs up for such benefit, such employee shall pay to the City of Swartz Creek a sum equal to two (2) months premiums for said coverage.
4. After signing up for such benefits, the employee shall thereafter pay to the city a monthly premium for such coverage as established by the provider or providers of such benefits. Said monthly premium shall be paid on or before the first day of the month following the sign up day and shall be paid on or before the first day of each month thereafter.
5. The employee shall, in addition, be liable for and pay any other costs or expenses charged to the city by any provider in connection with the provision of such sponsored dependent rider and, upon presentation of a bill therefore, shall pay same within ten (10) days of the date thereof.
6. If the city has not received from the employee any sum due as provided in subsections 1 through 5 above, the City Manager shall forthwith terminate such benefit for such employee and shall advise the employee of such termination. Any sum due to the city as of such date shall be paid by the employee forthwith.

**Section No. 5.** Cash Opt-Out Option. An eligible full time employee, upon written request to the City Manager, may elect not to participate in the health, prescription, dental and vision insurance package currently offered to employees in the bargaining unit. In such event, those employees who elect not to participate in such package shall be paid the sum of Two Hundred Dollars (\$200) for each calendar month the employee does not participate. In the event an eligible employee wishes to opt back into the health, prescription dental and vision insurance package, he/she may do so within the terms as may be determined by the insurance provider. Any partial month shall be prorated.

**Section No. 6.** The Employer will pay a capped one hundred (100%) percent of the premium determined at the time of retirement for hospitalization medical coverage for members of the bargaining unit who are retiring and the person who is such retiree's spouse at the time of the retiree's retirement, but only during such time as said person remains the retiree's spouse. All future increases in premiums shall be paid by the retiree. The plan will be BCN-5 Package "E" listed in Article 22, Section No. 1 of this agreement, a benefits summary attached hereto. A retiree may elect to purchase any other insurance package and/or rider listed within Section No. 1 of this Article, however, all additional cost associated with the option, plan, rider or package, and/or any increase in premiums after retirement shall be paid by the retiree. In the event that a retiree relocates from the coverage area of Blue Care Network and the City is unable to purchase the Community Blue PPO Plan 2 as outlined within section 1 of this article, the City agrees to pay direct to the retiree, on a monthly or quarterly basis, the City's portion of the cost in accordance with the terms as set forth in this agreement. If a retiree returns to the coverage area of Blue Care Network, he/she shall be allowed to return to the City's retiree medical program under the terms and conditions as set forth in this



agreement.

Such coverage will be provided for the retiree commencing on the date of the retiree's retirement, provided the retiree has twenty-five (25) years credited service with the City and in the MERS retirement plan and has attained the age of fifty-five (55) years. Such coverage will continue until the earlier of: (1) the month said retiree attains the age of sixty-five (65) years; or (2) the death of such retiree. No coverage will be provided, however, for a spouse who is eligible for Medicare benefits.

A retiree shall deposit with the City a sum equal to two months of the calculated amount of said retiree's costs for maintaining either elected coverage or premium increases after retirement. The retiree will be obligated to pay, on a monthly basis, the calculated amount due to maintain the coverage. In the event the retiree fails to remit payment, such coverage may be terminated, upon depletion of the retirees' accrued deposit and, after notification at the last address on record with the City.

In the event the retired employee becomes employed by another employer, and is eligible for medical coverage, the retired employee must accept such coverage in lieu of retirement coverage provided by the City of Swartz Creek. If, or when, the retired employee elects to terminate this employment, he/she would again become eligible for coverage relative to this agreement and according to rules set forth pursuant to this Section, or by the City provider. If the retired employee should retire again, and medical coverage is offered, the retired employee must accept this coverage in lieu of coverage offered by the City of Swartz Creek. The City of Swartz Creek retains the right to verify employment and the availability of medical insurance.

**Section No. 7.** The Employer agrees to pay the full premium of term life insurance plan for each employee, face value maximum of \$40,000.00 double indemnity. Any post retirement continuation of life insurance shall be solely upon arrangement and cost made direct by the retiree and the provider, at the provider discretion, and the retiree shall hold the City harmless from any and all claims that may arise from either failure of the provider to allow such continuation, or the cancellation of such benefit.

**Section No. 8.** The Employer shall provide, as a part of general City coverage, false arrest insurance and shall continue to do so as long as such insurance is available and is economically feasible.

**Section No. 9.** The City agrees to pay, pursuant to the provisions of each Section of this Article, the medical, dental, and life insurance benefits for each month the seniority employee is actively at work. In the event the employee is unable to work due to job-related sickness or injury, the City agrees to pay the medical, dental and life insurance only, for an employee who is unable to work due to a job-related sickness or injury for a period of twenty-four (24) months.

After the employee is off duty due to a job-related sickness or injury for ninety (90) days, all other fringe benefits shall be discontinued during the remaining term of the leave and shall be pro-rated upon the employee's return to work.

During the period of duty disability, the employee will continue to accumulate seniority for a period not to exceed their length of seniority or two (2) years, whichever is shorter.

**Section No. 10.** Life insurance, dental insurance and hospitalization will become available commencing on the ninety-first (91st) day after the date of hire. A new employee may opt to join life, dental or hospitalization plans for their first ninety (90) days of employment, and within the provisions of this agreement, provided they reimburse the City for actual costs. The City reserves the right to set the terms of payment.



**ARTICLE NO. 23 RETIREMENT**

**Section No. 1.** The City will provide retirement Plan B-4 with F-55/25 (55 years of age with 25 years of service) Rider and Disability Rider D-2, contracted with the Michigan Municipal Employees Retirement System, contract on file in the City Clerk's office of the Employer, to be in full force during the life of this agreement. All full time bargaining unit members are eligible for retirement coverage.

**Section No. 2.** For the term of this agreement, employee (member) contributions to the retirement plan shall be made at the rate of 2.5% of the bi-weekly gross wages. The remaining contribution required to fund said retirement plan shall be made by the Employer.

**Section No. 3.** The bargaining unit, as a group, may elect to purchase the FAC-3 and/or the E-2 Riders, as defined by the Michigan Municipal Employees Retirement System. All costs associated with the purchase and maintenance of the FAC-3 and/or the E-2 Riders shall be the sole responsibility of the Bargaining Unit. If such purchase is desired, the Bargaining Unit shall make the request to the City Manager, in writing and under signature of the Unit Stewards and the Labor Council Representative. The request shall accompany a specific actuarial dated no more than 30 days prior. The City shall execute the request as soon as possible, in accordance with M.M.E.R.S. policy. The additional costs for such riders shall be deducted from the employee's bi-weekly gross wages. From time to time, the City may require additional actuarial data to determine payroll deduction adjustments; however, in no event shall such actuarial data be sought more than once per calendar year.

**ARTICLE NO. 24 LONGEVITY PAY**

**Section No. 1.** Longevity pay will be paid to all employees according to the following schedule based on the years of service as an employee:

5 to 8 years	2%
8 to 11 years	4%
11 to 14 years	5%
14 years or more	6%

**Section No. 2.** The above longevity pay will be paid only once a year, the last pay in October of each year, and will be paid for the year beginning October first through September thirtieth, on the base pay, overtime pay, and absent leave received by the employee during the specific period. Payments will be made with a separate check.

**Section No. 3.** In order to become eligible for the first level of longevity pay and subsequent higher levels, an employee must have a full five (5) years of service and will be prorated by anniversary date of the year in which the longevity is to be paid. To be eligible for the higher level, the employee must have eight, eleven, or fourteen years, as the case may be by the employee's anniversary date of the year in which the longevity is to be paid.

**Section No. 4.** In the case of the death of the employee, retirement or resignation with a minimum of two-(2) week's notice, longevity payment will be made on a prorated basis.

**ARTICLE NO. 25 SUPPLEMENTAL EMPLOYMENT**

**Section No. 1.** Supplemental employment is defined as any employment other than with the City of Swartz Creek.

**Section No. 2.** Employees may engage in supplemental employment if they so desire; however, for law enforcement/security employment, the following rules regarding such employment shall apply:

- A. Request for permission to engage in supplemental law enforcement/security employment shall be submitted to the Chief of Police, in writing, stating the proposed hours of work and the nature of the work. No law enforcement/security supplemental employment will be permitted without prior approval of the Chief of Police. The Chief of Police shall advise, in writing, if the request for supplemental law enforcement/security employment is approved or denied. The Chief shall, in the event of denial, state the reasons for such denial.
- B. The Chief of Police, at any time, may revoke permission for law enforcement/security employment and require the employee to terminate his supplemental employment.

**Section No. 3.** For supplemental employment other than law enforcement / security employment, permission from the Chief of Police is not required; however, the employee must advise the Chief of Police, in writing, as to the nature of the work, the place of employment, and the hours of work; however, the Chief of Police, at any time, may require the employee to terminate his / her supplemental employment, but in no case shall the Chief of Police terminate the supplemental employment without advising the employee in writing of said reason for termination.

**Section No. 4.** Hours to be worked on supplemental employment, either law enforcement / security or other, shall be limited to not more than eight hours of any duty day and not more than twelve hours on any off-duty day.

**Section No. 5.** It is understood and agreed that the first obligation of the employee is to the Employer and supplemental employment shall in no way conflict with regular assigned duties.

**Section No. 6.** No employee shall be required to terminate his/her supplemental law enforcement / security employment or other supplemental employment without reasonable and just cause.

## **ARTICLE NO. 26 FIREARMS**

**Section No. 1.** All full time employees of the Swartz Creek Police Department who are sworn law enforcement officers shall be issued a duty firearm. The City shall retain ownership of all issued weapons.

## **ARTICLE NO. 27 UNIFORMS AND EQUIPMENT**

**Section No. 1.** The Employer shall provide for the care, cleaning, and supplying of four (4) sets of uniforms, as prescribed by the Chief of Police.

**Section No. 2.** On July 1 of each year, or as nearly practical thereafter, a one time annual clothing allowance payment of \$500 shall be made to each officer that is assigned to follow-up investigation, F.A.N.G. and School Liaison, provided that the assignment is not temporary and the officer so assigned has been in the position for at least 6 continuous months prior to July. Such payment will be limited to a single officer and shall not be paid more than once annually per position.

**Section No. 2.** The Employer shall have the exclusive right to select and authorize for use all department equipment. Said equipment as determined by the Employer shall be purchased by the Employer.

**ARTICLE NO. 28 DAMAGED OR DESTROYED PERSONAL PROPERTY, REPLACEMENT**

**Section No. 1.** The Employer agrees to pay for the repair or replacement of damaged or destroyed personal property, as specified below; provided such property was damaged or destroyed in the course of employment while the officer was on duty.

The City's liability is limited to the following specified items and to the extent of the dollar amount shown:

<u>ITEM</u>	<u>DOLLAR AMOUNT</u>
Prescription Eye Glasses or Contact Lens	\$150.00
Hearing Aids	\$350.00
Dentures	\$150.00
Watches	\$ 50.00

**Section No. 2.** The burden of proof of such damaged or destroyed property shall be borne by the individual police officer and shall be duly reported on the Officer's Daily Report. Requests for reimbursement of damaged or destroyed property shall be submitted in writing to the Chief of Police within one (1) working day after occurrence.

**Section No. 3.** The City shall not be responsible for the loss or theft of an employee's personal property which has been brought to work.

**ARTICLE NO. 29 WORKMAN'S COMPENSATION**

**Section No. 1.** Each employee shall be covered by applicable Michigan Workmen's Compensation laws as amended from time to time. Any employee who becomes injured or suspects injury as a result of the performance of their duties shall immediately report such injuries or suspected injuries to their supervisor and to follow city policy with respect to on the job injury.

**Section No. 2.** During the period that an employee is entitled to Workmen's Compensation benefits, he/she shall receive supplemental compensation equal to one hundred (100%) percent of the difference between said Workmen's Compensation benefits and his/her normal net pay.

**Section No. 3.** Supplemental compensation shall be continued for a maximum of twenty-six (26) weeks after which time any request for an extension shall be referred to the City Manager for review and decision.

**ARTICLE NO. 30 BULLETIN BOARDS**

**Section No. 1.** The Employer shall provide space on a bulletin board at the Swartz Creek Police Department for the posting of notices, information, etc., by the Labor Council.

**ARTICLE NO. 31 VALIDITY**

**Section No. 1.** In the event that any section or article of this agreement shall be declared invalid or illegal, such declaration shall, in no way, effect the validity or legality of the other sections or articles.

**Section No. 2.** It is recognized by the union and the Employer that the Employer is subject to State of Michigan and federal statutes and regulations, and the parties agree that the Employer shall not be required to comply with any provision of this contract which is in violation of or contrary to any state or federal statute unless it has been declared by an appropriate court or administrative agency that the conflicting provision(s) of this contract supersedes or takes precedence over the conflicting state or federal statute.



**ARTICLE NO. 32 DUES DEDUCTION**

**Section No. 1.** The Employer shall deduct dues upon receipt of authorization of individuals who shall sign form cards to be supplied by the Labor Council. The Employer shall forward to the Director of the Labor Council such deductions each month following the month of deduction.

**ARTICLE NO. 33 USE OF PART-TIME OFFICERS / SCHEDULING**

**Section No. 1.** Scheduling shall be arranged in such a manner that, considering the need of the Department and circumstances as they may exist or arise the use of part-time officers shall be kept at a minimum use. Whenever possible, in view of circumstances as they exist or may arise, use of part-time officers shall be on a regular schedule and if possible, shall not affect regular schedules of full-time officers.

**Section No. 2.** Scheduling and use of part-time officers for work at the Sports Creek RaceTrack shall not be subject to the provisions of Section No. 1 above. Scheduling or use of part-time officers at the Sports Creek RaceTrack shall only be subject to the following condition: Any manpower needs which cannot be filled with full time employees on regular duty hours or by volunteer overtime of full time employees as provided in Article 15, Section 6, may be filled with part-time employees.

**Section No. 3.** Seniority will govern the choice of patrol shift selection. Schedules will be posted in 84-day increments. The Employer agrees to post all work schedules a minimum of 2 weeks prior to the effective date of the schedule. In addition, in those cases where a full time officer is required to work a shift for which the officer is not normally scheduled, the Employer agrees to notify the affected officer within 24 hours of the time that the Employer knew, or should have known that the additional shift would be necessary. If an unforeseen event arises that significantly changes the shift bid, the Employer shall re-bid, by seniority, the remainder of the 84-day schedule period, or, at the Employer's discretion, re-bid, by seniority, another full 84-day schedule period.

**Section No. 4.** In the event that the City chooses to assign a full time officer to the Flint Area Narcotics Group (FANG), it is agreed by the City and the Police Officer's Labor Council, that the vacant full time police officer position will, as much as humanly possible, be filled by utilizing part time officers. It is understood that this agreement applies only to the FANG assignment and is without precedent.

**Section No. 5.** Notwithstanding any other provisions of this agreement, the City agrees that any future full time police officer positions that become vacant due to retirement, resignation, promotion or termination, will be filled within 90 days from the time the position officially becomes vacant, provided that the city continues to fund said position. It is understood that the 90-day requirement applies only to the actual hiring of replacements. Training will not be included as part of the 90 day period.

**ARTICLE NO. 34 RESIGNATION**

**Section No. 1.** In the case of resignation an employee shall not be entitled to the payment of accrued benefits unless said employee shall have given the Employer, in writing, 14 days prior notice of the effective date of resignation. It is not intended nor shall this section or any other section be interpreted to mean that any other notice shall be sufficient.

**ARTICLE NO. 35 PROMOTIONAL PROCEDURE**

**Section No. 1.** The following promotional Procedure shall apply only to detective, sergeant, detective sergeant, and corporal.

**Section No. 2.** A written examination and oral interview shall constitute the testing procedure as follows:

- A. The written examination shall be obtained from the Michigan Municipal League.
- B. The City shall post, in the Police Department, a Notice of Intent and sign-up sheet to hold a written examination. Said notice and sign-up sheet shall be posted for a period of twenty-one (21) calendar days.
- C. Bargaining unit employees shall sign-up to take the test within the twenty-one (21) day period. Bargaining unit employees who do not sign-up within the twenty-one (21) day period shall be ineligible to participate in the written examination or oral interview.
- D. Following the twenty-one (21) day sign-up period, the City shall order test study bibliography from the Michigan Municipal League. Such study bibliography as received from the Michigan Municipal League shall constitute fulfillment of the City's obligation regarding study bibliography.
- E. The Chief of Police shall notify by posting a notice in the police office, that Municipal League study bibliography is available at the office of the Chief of Police.
- F. The Michigan Municipal League written examination shall not be given sooner than fourteen (14) calendar days (paragraph E above) following the posting of the notice that study bibliography is available.
- G. The Chief of Police shall post in the Police Department a notice of the date, time, and location where the written test shall be given. Said notice shall be posted for a period of seven (7) calendar days proceeding the test date.

**Section No. 3.** The following shall constitute those eligible to test for the position:

- A. Full time Swartz Creek police officers that have two (2) continuous years of seniority within the Department.
- B. If less than two (2) Swartz Creek police officers (one or none) that have two (2) continuous years of seniority within the Department pass the written and oral examinations as defined in this Article, the City may consider candidates from outside the Department, provided, they have been certified police officers continuously for two (2) years prior to setting for the examination.

**Section No. 4.** The City of Swartz Creek shall obtain the examination from the Michigan Municipal League. The examinations shall be kept sealed and in a safe place until the date and time of the examination. The examination package shall be opened in the examination room and distributed. In the event insufficient examination materials have been sent from the Michigan Municipal League to allow all persons to take the examination because of a lack of examination materials, the examination shall be rescheduled when a sufficient number of examinations are obtained in which case Section 2,G shall apply.

Upon completion of the examination, all test papers shall be placed in sealed containers and returned to the Michigan Municipal league for scoring. Upon return of the test scores the City shall notify in writing all applicants of their score.

No one shall leave the testing room until he/she has completed the examination and returned the examination to the person conducting the examination, unless excused by the person administering the examination. Unexcused persons will be disqualified from further participation in the promotional procedure.

**Section No. 5.** Scoring of the written examination shall be performed by the Michigan Municipal League, a passing score of the Michigan Municipal League Standard Score of 70 is required to proceed to the oral interview.

**Section No. 6.** Following the written test, oral interviews will be conducted. The City shall choose all of the members of the Oral Board. Its appointees shall be persons not employed by or associated with the City, who are police officers or who work in related fields, who hold, at least, the functionally equivalent rank to the one for which employees are being tested, and who are not all of the same rank or position. The Chief of Police shall notify persons to be interviewed by posting in the Police Department a notice of the time, date, and place of the oral interview.

**Section No. 7.** The Oral Interview Board shall rank each applicant by assign points on a one (1) to one hundred (100) point basis. A passing score of seventy (70) points is required for the applicant to have passed the Oral Interview Board. Persons receiving less than a score of 70 from the Oral Board shall not be considered eligible for promotion.

**Section No. 8.** Additional points for seniority with the Swartz Creek Police Department shall be added as follows:

- A. One-half (½) point shall be added to the combined written and oral interview score for each full calendar year of service in the Swartz Creek Police Department with a maximum of five (5) such points.

**Section No. 9.** The Oral Interview Board, after all interviews have been held and scored, shall prepare a compilation of the composite scores by adding the written test score, the oral interview score and seniority points. The Board shall issue a certification list of those persons who are eligible for promotion.

**Section No. 10.** The City shall select for promotion the individual who has the highest composite score; provided, however, the individual must have attained a minimum score of 70 on the written examination and 70 on the oral examination. The Chief of Police shall appoint the person in those instances where the top candidates have identical scores.

**Section No. 11.** To be considered for promotion, a police officer must have two continuous years of seniority within the Department and have passed the written and oral examinations. If two or more employees are eligible, the appointment shall be from within the Department. If less than two employees are eligible (one or none), the City may consider candidates from outside the Department, provided they have been certified police officers continuously for two years prior to sitting for the examination and have passed the written and oral examinations.

**Section No. 12.** The City shall maintain for a two- (2) year period from the date of certification, a list of those individuals eligible for promotion.

**Section No. 13.** As a condition of promotion, employees shall maintain a residency radius of 50 miles or less.

## **ARTICLE NO. 36 COURT TIME**

For the time spent in any legal proceeding by an Employee during his/her off duty hours, providing said proceeding is the result of, or arises from, the performance of such Employee's duties as a police officer, the Employee shall be compensated at time and one-half (1 ½) his/her normal rate of pay for a minimum of two (2) hours. For purposes of this Article, a legal proceeding shall be defined as any of the following:



1. Time spent in Federal or State Court, under subpoena or Court order;
2. Time spent in attending implied consent hearings, under notice of hearing;
3. Time spent in responding to a subpoena for the taking of depositions;

Employees shall report for said legal proceedings in uniform when notified to do so by the City or Assistant Prosecutor in charge of the proceedings.

When an Employee is required to attend a legal proceeding during a regularly scheduled work day, he/she will be compensated at straight time, however, any Employee called to appear at any legal proceeding immediately prior to or immediately subsequent to a normal work shift shall be paid at time and one-half (1 ½) his/her normal rate of pay only for the time actually worked before or after the Employee's scheduled work shift. Off-duty hours, for the purpose of this Article shall not include those hours when an Employee is drawing sick or injury pay.

All subpoena fees received by the Employee shall be submitted to the City; mileage fees received by the Employee shall be submitted to the City whenever transportation has been furnished by the City. An Employee required to travel outside Genesee County in response to a subpoena or Court order shall be provided with a City vehicle, if one is available. In the event no City vehicle is available, the Employee shall be responsible for providing his/her own transportation for which he/she shall be compensated at the rate of ten (\$.10) cents per mile, both ways.

It is understood that the above provisions do not apply where the Employee is called by the Union as a witness in a legal proceeding against the City or where the Employee is an adverse party in interest to the City.

### **ARTICLE NO. 37 DEFERRED COMPENSATION**

**Section No. 1.** Employees, at their option, may choose to participate in the Preferred Employment Retirement Trust Deferred Compensation Plan; provided, the employee submits a signed document, acceptable to the City, holding the City harmless from all responsibility regarding the employee's personal funds which have been withheld through payroll deduction.

### **ARTICLE NO. 38 UNENFORCEABILITY / ENTIRE AGREEMENT**

**Section No 1.** If any provision of this agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of this agreement which shall remain in full force and effect and enforceable in accordance with its terms.

**Section No. 2.** This agreement supersedes all previous or contemporaneous negotiations and/or agreements and constitutes the entire agreement between the parties. No written materials not specifically incorporated in this agreement have been relied upon by the parties in entering into this agreement.

### **ARTICLE NO. 39 TERM OF CONTRACT**

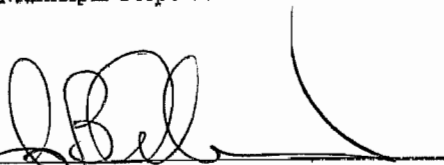
**Section No. 1.** The term of this agreement shall be July 1, 2006 through June 30, 2009. The City and the Labor Council agree that the provisions as set forth within shall be retroactive.

This Agreement shall automatically be renewed from year to year unless either party shall notify the other in writing not less than ninety (90) days prior to its expiration of their desire to modify or alter the

Agreement. If such notification is given, this Agreement shall remain in full force and effect until such time a new agreement is executed.

**CITY OF SWARTZ CREEK, MICHIGAN**  
A Municipal Corporation

**POLICE OFFICERS LABOR COUNCIL**

  
**RICHARD ABRAMS, Mayor**

  
**HOMER LAFFINERE, Field Representative**  
Police Officers Labor Council

  
**MARY JO CLARK, City Clerk**


  
**GREGORY RACOSTA, Bargaining Team**

  
**NICHOLAS PAUL, Bargaining Team**

APPROVED AS TO FORM:

  
**RICHARD J. FIGURA**  
City Attorney

# Memo

**To:** Paul Bueche  
**From:** Mary Jo Clark   
**CC:** City Council  
**Date:** June 18, 2008  
**Re:** Financial Audit for Fiscal Year 2008

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On April 7, 2008, the City received an engagement letter for us to sign from Rehmann Robson for this year's audit. In it was a \$2,800 increase from the quoted third year price. This increase was a result of Statement of Auditing Standards 114 which expands the work auditors are to do during an audit.

Upon being notified of this, you directed me to go out for bids for the final year of the 'contract'. Being so close to the end of the fiscal year, I sent a request for bids to eight CPA firms, one of them being Rehmann Robson. After those requests were sent, we received at least three phone inquiries asking why we were only asking for a one year bid. Of the eight firms notified, only one returned a bid. This firm also questioned a one year bid – separate from the three phone inquiries, and within the bid showed the difference that would have been bid over a three year time frame. Since nothing was received from Rehmann Robson, not even a letter stating to use the aforementioned engagement letter as their bid, I feel they did not wish to remain our auditors.

In looking back at the 2006 audit bids, all the bids were fairly close except for Rehmann Robson.

At this time, we have three options:

Council could have us sign the engagement letter from Rehmann Robson which may result in a later year audit (last year's was delivered on Dec 17th) and a material internal control weakness statement because City staff did not fully prepare the financial statements.

Council could have us go out for bids again, which would be right during one of the busiest seasons for audit firms, resulting in a difficult time getting scheduled for our audit to be completed by the State's deadline (December 31<sup>st</sup>).

Council could accept the one year bid (for \$1,000 less than the stated bid price due to staff negotiations with Plante Moran), which would result in a timely audit and an audit without a material weakness statement for City staff not fully preparing the financial statements.



**Governmental Audit Proposal**

***City of Swartz Creek***

**Year Ended June 30, 2008**

*Peggy Haw Jury*  
810-766-6007  
[peggy.jury@plantemoran.com](mailto:peggy.jury@plantemoran.com)



May 23, 2008

Paul Bueche, City Manager  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, Michigan 48473

Dear Mr. Bueche:

We are pleased to have the opportunity to briefly review our qualifications to once again serve as the auditors and financial consultants for the City of Swartz Creek. We believe Plante & Moran is uniquely qualified to serve your city based on our methods of operation (as outlined in Exhibit F) and on our experience with auditing approximately 150 municipalities, 50 special purpose governmental entities, over 70 school districts, 16 universities and colleges and 400 nonprofit organizations in the State of Michigan (Exhibit E). The additional services have been helpful to many communities similar in size to the City of Swartz Creek.

### **Facilities and Capabilities**

Since our inception more than 80 years ago, Plante & Moran has had extensive experience in all phases of auditing and accounting. Our staff presently numbers more than 1500 professionals with more than 500 staff members who are Certified Public Accountants. We are equipped to accommodate all of your present and future requirements.

The size of our firm enables us to provide the specialized services your City may require. Because of our history and vast experience in serving municipalities, we have developed a thorough understanding of the close attention and responsiveness that you will require from your professional advisors. Our clients obtain the benefits of our size, while having the close relationship that develops when working with a small group within a wide pool of talented, caring professionals.

Our commitment to municipal auditing, accounting and consulting has provided us with a range and depth of experience that we feel is unequaled by any other firm. Because of this commitment to serving governmental clients, we provide specialized training to our professional staff serving governmental units. We regularly attend and frequently provide speakers for training sessions conducted by the Michigan Township Association, the Michigan Governmental Finance Officers Association (MGFOA), the Michigan Municipal League and others.

## **General Comments**

The City Council, like most city councils, is a policy-setting board and has delegated substantial administrative authority to the City administration. In its fiduciary role as protector of the public trust in City government, it is incumbent upon the City Council to exercise appropriate oversight. An integral part of this oversight is the audit function, provided by a firm that answers to the City Council and performs a comprehensive examination of management's financial procedures and transactions.

Plante & Moran's municipal audit procedures center around a comprehensive study and evaluation of all significant financial-related systems.

Plante & Moran partners maintain extremely close contact with their clients throughout the year, as well as during the course of examinations. Our partners spend a considerable amount of time supervising the audit. This enables the partners to know the audit and the clients' challenges which, in turn, enables us to more effectively and efficiently serve our clients. It is our firm's operating policy that partners contact their clients monthly if assignments do not present an opportunity to meet more frequently. These contacts give us the opportunity to discuss any accounting or operational problems or changes that might affect our clients or their financial reports as they arise, rather than waiting until the audit date. The early identification of audit and financial reporting issues is one of the key elements in the efficient performance of an audit and usually results in the best resolution of such issues.

## **Personnel to be Assigned to the Audit**

Professionals with experience in auditing and serving governmental units will be assigned to your account if Plante & Moran is appointed as independent accountants for the City of Swartz Creek. We have provided, as part of Exhibit C, a more detailed description of our approach to assigning staff to each engagement. This Exhibit also includes resumes for the primary partner, Peggy Jury, the senior manager, Brian Ross and the manager, Jennifer Hornak. It is our firm's policy to partially rotate staff to minimize disruptions while ensuring the quality and efficiency of our fieldwork. Our large number of municipal auditors allow for easy rotation of staff assigned to your account. Maintaining the partner and in-charge on the audit team assures that the engagement will benefit from the background and historical knowledge of the City gained over the number of years that the City has been a client.

## **Understanding of Your Services Requirements**

The following is our understanding of the services required by the City of Swartz Creek:

1. Annual audit of the City's Basic Financial Statements in accordance with generally accepted auditing standards, and the requirements of the State of Michigan.
2. Preparation of the State of Michigan Act 51 Report and Form F-65.
3. Availability during the year for administrative consultation and assistance.

### **Timetable for Delivery of Services**

We consider the timeliness of the audit report an important factor in presenting an accurate financial picture. We will complete the audit by November 1st.

At the conclusion of our examination, we will submit a letter of comments and recommendations setting forth thoughts for improvement in areas such as accounting systems, internal accounting controls and procedures, computer controls and procedures, observations with respect to organization and other matters. We will also report to the board on significant findings from the audit. Also included is an oral presentation of the audit report to the City Council that highlights the important aspects of the report.

### **Fee Structure**

Because of our long-standing, pleasant relationships with our clients, and our success in obtaining new municipal clients, we believe that our services have met our clients' expectations and that our fees are fair and reasonable. Our service fees are primarily based upon the time required to complete the assignment.

The amounts quoted in our proposal represent the hours billed, exclusive of certain hours incurred but unbilled. We seek to establish long-term relationships with our new clients and we are willing to make a substantial investment in our client relationships. When quoting audit fees, we estimate the amount of time that the audit will take on a recurring, annual basis and base our proposed fee on that estimate.

Included in the annual audit fee at no additional cost to the City are the following:

1. Periodic municipal current events letters
2. Mini seminar to newly elected officials (upon request)
3. Ability to get quick answers to financial questions because of our specialist capability

We strongly believe that the firm you select should be the firm best qualified to serve your needs, based on its technical expertise as municipal auditors, its operating method and the experience and competence of its personnel. In the long run, these factors will result in your obtaining the best service and value at the lowest cost, which is our firm's objective.

### **Conclusion**

In conclusion, we believe Plante & Moran is uniquely qualified to provide the specific financial assistance needs of your City because:

1. We currently serve over 200 governmental units in the State of Michigan.
2. We are specialists in governmental auditing and consulting with over 200 trained municipal auditors on our staff.
3. We have audited the City in the recent past. As a result, we are familiar with your staff and accounting systems.

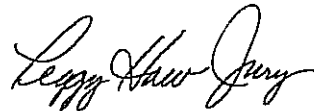
4. Because of the size of our governmental practice, we are staffed to provide partial rotation of staff in order to achieve an ongoing fresh look, balanced with partial continuity of staff to minimize the inevitable disruption which occurs during an audit.
5. Our audit will include a comprehensive evaluation of all significant finance-related systems.
6. We can deliver the audit report on a timely basis.
7. We provide information regarding current events in municipal finance as part of our basic audit service.

The enclosed proposal is a firm and irrevocable offer for a period of 60 days from the date of this letter.

We are most interested in being a part of the City of Swartz Creek team, an independent part, but a part nevertheless. We feel we are in a position to assist you in achieving your objectives.

Sincerely yours,

**PLANTE & MORAN, PLLC**



Peggy Haw Jury, CPA, CFE  
Partner



# Contents

	<u>Exhibit</u>
<b>Technical Proposal</b>	
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<b>Our Commitment to Public Sector</b>	<b>B</b>
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<b>Fee Philosophy</b>	<b>G</b>
<b>Thank You</b>	
<b>Copy of most recent Peer Review Report Letter</b>	
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<b>Bidder Identification</b>	

## Independence/License to Practice in Michigan/Affirmations

### Independence

Our firm meets the independence requirements of the American Institute of Certified Public Accountants (AICPA) and the U.S. General Accounting Office's *Government Auditing Standards* issued by the Comptroller General of the United States, 2007 revision. We further confirm that Plante & Moran is independent of the City of Swartz Creek and all of its component units.

### License to Practice in Michigan

Plante & Moran and all assigned key professional staff are properly licensed to practice in Michigan.

### Quality Affirmation

The firm does not have a record of substandard audit work and has a Quality Control System in place to assure that the audits are performed in accordance with industry standards. The firm also participates in the AICPA Peer Review Program. A copy of our most recent Peer Review Program Report letter is included at the end of this proposal.

### Engagement Performance Affirmation

We will follow the AICPA "Interpretation 501-3 Failure to Follow Standards and/or Procedures or Other Requirements in Governmental Audits".

### Implementation of Statement of Auditing Standards No. 112 - Communicating Internal Control Related Matters Identified on an Audit

Plane & Moran has had extensive experience in implementing this auditing standard in both large and small governmental units. The standard requires the auditor to evaluate internal control deficiencies identified during the financial statement audit and report those deficiencies to the governing body. This reporting would include deficiencies that prevent the government from preparing financial statements in-house that are in accordance with Generally Accepted Accounting Principles (GAAP).

Given the comprehensive footnote information and the complexity of reporting both full accrual and modified accrual financial information, many governments rely upon their auditor for assistance in preparing financial statements in accordance with GAAP. However, the standard does not automatically consider such a situation as a control deficiency. The determination of whether a control deficiency exists is a function of auditor judgment and that determination is dependent on the unique controls present at each government. Supplemental guidance issued by the AICPA provides the auditor with assistance in making that determination. That guidance indicates that if the government identifies and provides the data necessary to prepare the statements and footnotes and also possesses the expertise to evaluate the statements for errors and omissions, it is not necessarily a deficiency in internal control. Plane & Moran follows this AICPA guidance when evaluating internal controls.

## Our Commitment to Public Sector

Our commitment to objectivity and a high level of independence are fundamental to our proven and consistent ability to meet the needs of our public sector clients. We have more than 200 professionals that have made substantial commitments to working with local governmental entities. We've been successful in developing long-term relationships with our current governmental clients, which includes serving to more than 200 Michigan governmental entities, including municipalities and special purpose entities.

Managing a multi million dollar organization such as the City of Swartz Creek is very challenging, especially during difficult financial times. We understand and work closely with our clients all year long to help them meet these challenges. Below are some of the ways we proactively work with our clients.

- We help our governmental clients stay informed of current legislative and accounting issues by maintaining frequent contact throughout the year through a combination of telephone calls and various mailings, including our newsletter entitled *Governmental Advisor* and specific mailings when issues arise.
- We've taken a leadership position among Michigan CPA firms with our education presentations and our proactive initial development of implementation methodologies for new accounting standards and pronouncements, such as Governmental Accounting Standards Board Statement Number 34 (The New Reporting Model).
- Upon completion of the audit, we'll make a full presentation to the City Commission of the audit report (at no additional charge).
- We actively participate and maintain significant involvement in various governmental and professional organizations at the national, state, and local levels to keep our clients informed about current developments.
- Our firm provides a mini seminar on municipal finance on governmental finances and accounting concepts for new council members, as requested by our clients (at no additional charge). The mini seminar covers topics such as budgeting, property taxes, and state-shared revenue.
- We were hired by the Michigan Municipal League to perform a study on Michigan's Municipal Finance Model. Over the last several years, the study has generated considerable interest in the financial condition of local governments.

## Governmental Experience and Expertise

We believe Plante & Moran is uniquely qualified to serve the City of Swartz Creek based on our comprehensive understanding of governmental finance, our methods of operation, and our experience in auditing more than 125 municipalities, 50 special purpose governmental entities, 70 school districts, 16 universities and colleges, and 400 not-for-profit organizations in Michigan. In addition, to complement our auditing services, we offer a wide range of pertinent governmental services that have been used and considered to be beneficial by many communities similar in size to the City of Swartz Creek.

## Engagement Team

The composition of our staff is distinct from other certified public accounting firms. Our clients want and deserve to have experienced professionals serving their organizations. As a result, our partners and managers have significant involvement with our clients. We believe the best end result is a valuable service performed at a reasonable price.

As a firm we are proud of being on FORTUNE's list of "100 Best Places to Work For" ten years in a row. This demonstrates our commitment to and investment in our people. As a client of Plante & Moran, this translates into staff who enjoy their careers and want to serve you. It also means continuity of staff in completing our assignments. Our turnover rate is significantly lower than most other certified public accounting firms. As a result, we'll be more familiar with your accounting procedures and personnel and will require less training from you. In addition, all levels of our staff assigned to your organization will have significant experience working with governmental clients.

Our goal is to communicate our progress so that there are no surprises. We'll work to ensure that all deadlines for financial statement and tax return preparation are met.

We emphasize planning and consistent communication in the completion of our work. We'll develop a timeline of our work activities and discuss our plans with you ahead of time so that we both agree on our approach and timing.

The work will be performed out of our Flint Office. There are eight Partners, eleven Managers, and twenty-four other professionals in the Flint Office.



Engagement Team

**Peggy Haw Jury, CPA, Partner**  
**Governmental and Not-for-Profit Service Teams**



**Experience**

- More than 35 years of experience serving not-for-profit, governmental, and real estate organizations in all areas of accounting, auditing, and management consulting.

**Education**

- Western Michigan University, B.A.
- Walsh College, Tax Classes
- Over 40 hours annually in courses sponsored by Plante & Moran, the MACPA, the AICPA, and other sponsors.

**Professional Affiliations**

- Member Michigan and American Institute of Certified Public Accountants
- Council member of the American Institute of Certified Public Accountants (AICPA)
- Past Chair of the Michigan Association of Certified Public Accountants (MACPA)
- Past Chair of Fentura Audit Committee (SEC entity)
- Past Board member of Davison State Bank and Fentura (SEC entities)
- Chair of the MACPA Audit Committee
- Member of the Legislative Committee of the MACPA
- Member of Association of Certified Fraud Examiners

**Community Involvement**

- Treasurer of Communication Access Center
- Secretary of Davison Youth Hockey Association

**Contact Information**

111 East Court Street, Suite 1A  
Flint, Michigan 48502  
810-766-6007  
Peggy.Jury@plantemoran.com

Engagement Team

**Brian L. Ross, CPA, Associate - Governmental Auditing and Consulting Group Municipal Professional Standards**



**Experience**

- More than 20 years of experience serving not-for-profit and governmental organizations in all areas of accounting, auditing, and management consulting.
- Brian is a member of Plante & Moran's Professional Standards Review Team responsible for monitoring assurance engagement compliance with professional standards.
- Brian has been a member of the team performing the City's previous audits and as such has an in-depth knowledge of the City's financial systems and procedures.

**Education**

- Central Michigan University, Bachelor of Accounting
- Over 40 hours annually in courses sponsored by Plante & Moran the MACPA, the AICPA and other sponsors.

**Professional Affiliations**

- American Institute of Certified Public Accountants
- Michigan Association of Certified Public Accountants

**Contact Information**

111 E. Court Street, Suite 1A  
Flint, MI 48502-1647  
810.766.6001  
Brian.Ross@plantemoran.com

Engagement Team

**Jennifer Hornak, Manager Auditor  
Governmental and Not-for-Profit Service Teams**



**Experience**

- Jennifer has over eight years of experience serving not for-profit and governmental organizations in all areas of accounting, auditing, and single audits.

**Education**

- University of Michigan-Flint  
Bachelor of Business Administration
- Over 40 hours annually in courses sponsored by Plante & Moran the MACPA, the AICPA and other sponsors.

**Contact Information**

111 East Court Street, Suite 1A  
Flint, Michigan 48502-1647  
810-766-6044  
jennifer.hornak@plantemoran.com

Prior Engagements with the City of Swartz Creek

Our firm has conducted the City's annual audit in prior years.

The staff scheduled in the proposal are the same staff who performed the City's audit in the past.



Similar Engagements

Similar Engagements

The following is a list of similar engagements that were performed by staff out of our Flint office:

	<u>Scope of Work</u>	<u>Dates</u>	<u>Partner &amp; Manager</u>	<u>Client Contact</u>
<b>City of Burton</b>	Audit of Financial Statement CAFR	June 30, 1970 to present	Tadd Harburn Angela Stevens	Karen Foster 810-743-1500
<b>City of Fenton</b>	Audit of Financial Statement CAFR	June 30, 1996 to present	Tadd Harburn Angela Stevens	Cindy Shane 810-629-2261
<b>City of Mt. Morris</b>	Audit of Financial Statement	June 30, 2003 to present	Dave Helisek Kellie Goines	Jake Lafursey 810-686-2160
<b>City of Davison</b>	Audit of Financial Statement	June 30, 1970 to present	Peggy Jury Jennifer Hornak	Cynthia VanMegroet 810-653-2191

In addition, see the following pages for a complete listing of our governmental clients.

Similar Engagements

Michigan Governmental Clients of Plante & Moran, PLLC

Cities, Townships and Villages

**Oakland County**

City of Auburn Hills  
 City of Berkley  
 Village of Beverly Hills  
 City of Birmingham  
 City of Bloomfield Hills  
 Township of Brandon  
 City of Farmington  
 City of Farmington Hills  
 City of Hazel Park  
 Township of Highland  
 Township of Independence  
 City of Lathrup Village  
 City of Madison Heights  
 Township of Milford  
 Village of Milford  
 City of Novi  
 Township of Orion  
 City of Pontiac  
 City of Rochester Hills  
 City of Southfield  
 Southfield Township  
 City of South Lyon  
 City of Walled Lake  
 Township of Waterford  
 Township of West  
     Bloomfield  
 City of Wixom

**Washtenaw County**

Village of Chelsea  
 Salem Township  
 City of Saline  
 Township of Scio  
 Township of Sylvan  
 City of Ypsilanti

**Genesee County**

City of Burton  
 City of Clio  
 City of Davison  
 Clayton Township  
 Davison Township  
 City of Fenton  
 Fenton Township  
 City of Flint  
 Flint Township  
 Flushing Township  
 Township of Grand Blanc  
 City of Montrose  
 City of Mt. Morris  
 Township of Mt. Morris  
 Mundy Township  
 Richfield Township  
 Thetford Township  
 Vienna Township

**Macomb County**

Township of Bruce  
 City of Center Line  
 Township of Clinton  
 City of Eastpointe  
 City of Fraser  
 Township of Lake  
 Township of Macomb  
 City of Memphis  
 City of Mt. Clemens  
 City of Richmond  
 Township of Richmond  
 City of Roseville  
 Township of Shelby  
 City of St. Clair Shores  
 City of Sterling Heights  
 Township of Washington

**Wayne County**

City of Belleville  
 Township of Brownstown  
 Township of Canton  
 City of Dearborn  
 City of Dearborn Heights  
 City of Garden City  
 City of Gibraltar  
 Township of Grosse Pointe  
 City of Grosse Pointe Farms  
 City of Grosse Pointe Park  
 Village of Grosse Pointe  
     Shores  
 City of Hamtramck  
 City of Harper Woods  
 City of Highland Park  
 Township of Huron  
 City of Lincoln Park  
 City of Livonia  
 City of Melvindale  
 City of Northville  
 Township of Northville  
 Township of Plymouth  
 Township of Redford  
 City of River Rouge  
 City of Riverview  
 City of Rockwood  
 City of Romulus  
 City of Southgate  
 City of Taylor  
 City of Trenton  
 Township of Van Buren  
 City of Westland  
 City of Wyandotte

Similar Engagements

Michigan Governmental Clients of Plante & Moran, PLLC

Cities, Townships and Villages  
(continued)

**OTHER**

Village of Augusta  
Township of Bedford  
Township of Benton  
City of Benton Harbor  
Township of Berrien  
Village of Berrien Springs  
Township of Bertrand  
City of Brighton  
City of Buchanan  
City of Charlotte  
Township of Clay  
City of Coldwater  
City of Coloma  
Township of Coloma  
Township of Convis  
Township of East Bay  
City of East Lansing  
Village of Eau Claire  
Township of Emmett  
Township of Fredonia  
City of Grandville  
Township of Hagar

Township of Hamburg  
Township of Hartford  
Township of Johnstown  
Township of Keeler  
Township of Lee  
Township of Marshall  
City of Mason  
Township of Meridian  
City of Midland  
City of Monroe  
Township of Orangeville  
City of Owosso  
Township of Parma  
Township of Pokagon  
City of Port Huron  
City of Springfield  
City of Three Rivers  
Tyrone Township

**Efficient and Cost-Effective Audit Approach****Scope of the Audit and Audit Planning**

Our examination would be made in accordance with generally accepted auditing standards and would accordingly include such tests of the accounting records and other auditing procedures that we consider necessary to enable us to render an opinion on the fairness of your financial statements. This audit would meet the requirements of Michigan Act No. 2 of the Public Acts of 1968, audit standards prescribed by the Treasurer of the State of Michigan for local units of government in the Bulletin for the Audits of Local Units of Government in Michigan, pronouncements published by the American Institute of Certified Public Accountants, and other pronouncements as published by the Governmental Finance Officers Association of the United States and Canada and the Governmental Accounting Standards Board.

At Plante & Moran, we believe that advanced planning is a key ingredient in performing an effective and efficient audit. Our planning involves meeting with your personnel prior to year end, to review a list of schedules that will be helpful in completing the audit. Preparation of these schedules would help ensure that interruptions to your financial staff are minimized and that appropriate deadlines are met.

Before the audit report is printed, our Professional Standards Department reviews the audit report and all significant accounting conclusions for conformity to generally accepted accounting principles and industry practices.

**Risk Assessment Procedures**

As required by the new Audit Risk Standards (SAS 104-111) we will assess risk of material misstatement within the City's financial reporting system. We believe appropriately assessing risk is essential to performing an effective and efficient audit. Our risk assessment for the City of Swartz Creek's engagement will involve the following:

- Meeting with individuals involved in the City of Swartz Creek's accounting department to identify areas of risk
- Obtaining detailed documentation of the City's accounting procedures and control procedures and reviewing them for strengths and weaknesses
- Reviewing the City of Swartz Creek's general ledger, subsidiary ledgers, and supporting detail and analysis
- Meeting with management and the audit committee (or equivalent) to discuss our audit plan

With the information gathered in this process, we'll gain an understanding of the account balances and related elements of the City of Swartz Creek's financial statements. Based on that understanding, we will assess the risk of material misstatements in each element of the financial statements. This assessment will drive our review of internal controls and systems, and the design of our tests of year-end balances.

## Efficient and Cost-Effective Audit Approach

Our goal is to plan and conduct examinations that are focused on areas with a risk of material misstatement, taking into account the systems, policies, and procedures that will mitigate that risk and reduce the amount of work we must perform. In addition, we'll work with your staff to identify and resolve any audit, accounting, and reporting issues well in advance of year end.

### Accounting Procedures and Internal Control Assessment

As part of our risk assessment process, we'll review and assess the adequacy of the City of Swartz Creek's accounting procedures and internal control structure for those transaction cycles involving account balances we conclude are material to the City of Swartz Creek's financial statements

### Method of System Evaluation and Documentation

The accounting procedures and internal controls assessment described above will be conducted by senior audit specialists. The audit specialists will evaluate procedures and controls in significant transaction cycles. The systems and procedures documentation needed to support these assessments will be gathered and generated using specialized tools and forms that will help streamline the audit process. These assessments will supply additional support to our assessments of risk, prove the integrity of the information provided by these systems, and help determine the design of our tests of year-end balances. In addition, these assessments will allow us to determine the extent we can utilize technology-based tools and specialized audit software in the performance of our work.

### Tests of Transactions

Our audit procedures will include tests of transactions in all significant transaction cycles. The purpose of these tests is to allow us to place appropriate reliance on internal controls in order to streamline year-end testing procedures.

### Timing of Year-End Fieldwork

Our preliminary fieldwork will be performed in September 2008, and the final fieldwork will begin in October, 2008 when the City's information is ready and the audit will be completed by November 1<sup>st</sup>.

### Communication

Communication during the planning process will be frequent. In addition to scheduled meetings, we'll provide frequent updates during the course of the engagement, and any audit issues will be discussed as they're identified.

At the completion of our engagement, we'll issue a letter of recommendation to the City Council that focuses on higher risk policy-level issues, as well as the information required by our professional guidelines. In addition, we'll provide City management with input on less significant issues where warranted.



## Efficient and Cost-Effective Audit Approach

### Closing Conference

Prior to finalizing our work, we'll meet with the management team to review draft copies of the financial statements and management letter. Our goal and intentions are that all wording and presentation issues will be resolved before this meeting. We've found that this is not only more efficient, but it also avoids any prolonged delays due to issues that are easily resolved face to face.

### Audit Programming

The programming for the City of Swartz Creek audit will be specifically tailored to the organization.

In general, our audit programming will be the result of our assessments of risk, our determinations of materiality, and our ability to rely on accounting procedures and internal controls. Based on these factors, we will determine the extent and nature of the audit tests to be performed. The tests will consist primarily of verification of year-end balance examination of client-prepared analyses, third-party confirmations, and analytical review procedures.

### Automated Tools to Be Used

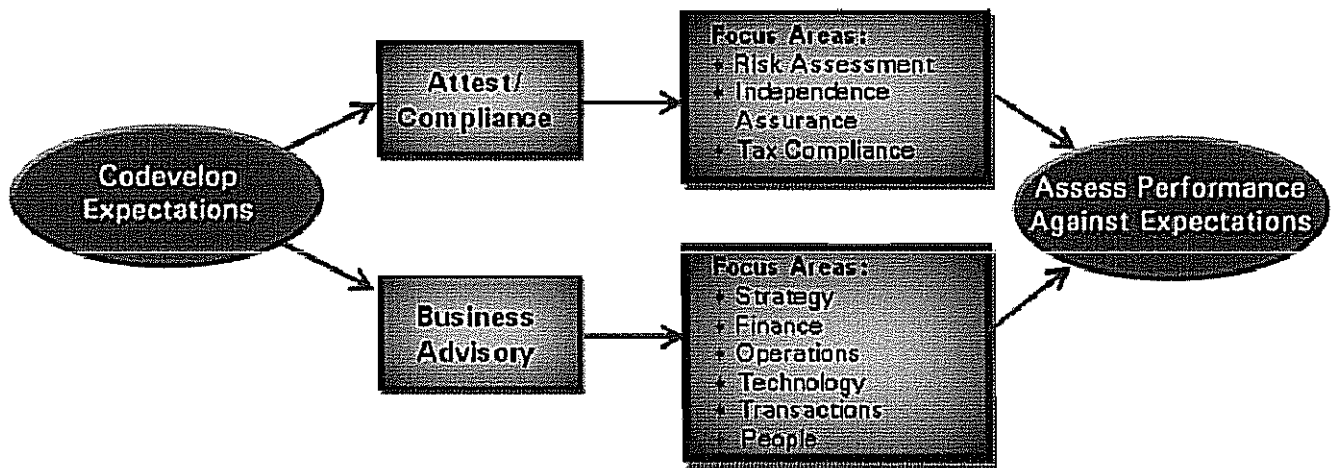
All of our staff are provided with a laptop computer and supporting hardware. All audit work is performed and documented using our proprietary audit software. Our auditors also have access to several technology-based tools, including Excel, Word, and IDEA audit software, as well as a number of other proprietary analytical tools. The extent to which these and other tools are used depends on the needs of the engagement and the results of our systems review. We'll use these tools to enhance the quality of our work, improve efficiency, and reduce the amount of work that the City of Swartz Creek's staff must do. Our experience has been that technology-based tools and software are generally most effective in the extraction and analysis of data, particularly in high-transaction activity areas such as gifts, grants, and investment income.

Efficient and Cost-Effective Audit Approach

Two questions we're frequently asked by governments considering prospective accounting, tax, and consulting firms are: "How do you serve your current clients?" and "How will we work together if your firm is selected?"

The best answers to these questions are not in this or any proposal document. It is (or should be) demonstrated by how you've worked with a given firm in the past, or how we've worked together during this proposal process. In this section, however, we'd like to share our perspectives and overall approach to serving clients, which are outlined in the graphic below.

Engagement Planning	Relationship Dimensions	Implementation	Reporting and Wrap Up
A solid relationship begins with listening and the development of mutual expectations and relationship protocols.	Our relationship should exist on at least two levels: <ul style="list-style-type: none"> <li>◆ Delivering core services</li> <li>◆ Delivering business advice and insights</li> </ul>	We'll deliver our core services and focus on your key areas of importance to bring value and leading-practice ideas.	We'll deliver our services, communicate our findings and recommendations, and assess our performance against your expectations.



Fee Philosophy

- The fee quotes assume that books, records, and all supporting schedules will be prepared accurately by your staff and that we'll receive accurate and complete depreciation schedules.
- Additional nonrecurring services will be provided at your request at hourly rates with fee quotes provided at your request.
- You will not be charged for phone calls or travel expenses.
- The quoted fees do not reflect any changes in the scope of our work that may occur prior to our fieldwork.
- The quoted fees do not include additional work that may be required by revisions to Generally Accepted Auditing Standards adopted subsequent to this proposal.
- Our fees will be billed monthly as the work is performed and are payable within 30 days.

## Thank You

We'd like to thank you for the opportunity to meet with you and present this proposal. The City of Swartz Creek would be a highly valued and prestigious client of our firm, and we're delighted to once again have the opportunity to establish a long-term, mutually beneficial relationship with you. Our goals are to communicate well with you and exceed your service expectations.

*For more information, please contact:*

Peggy Haw Jury  
111 East Court Street  
Suite 1A  
Flint, Michigan 48502  
810-766-6007

[peggy.jury@plantemoran.com](mailto:peggy.jury@plantemoran.com)

plante  
moran



November 9, 2007

To the Partners of  
Plante & Moran, PLLC and  
The Center for Public Company  
Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2007. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Plante & Moran, PLLC in effect for the year ended June 30, 2007, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

*Clifton Gunderson LLP*



## **Attachment to the Peer Review Report of Plante & Moran, PLLC Description of the Peer Review Process**

### **Overview**

Firms enrolled in the AICPA Center for Public Company Audit Firms (the Center) Peer Review Program have their system of quality control periodically reviewed by independent peers. These reviews are system and compliance oriented with the objectives of evaluating whether:

The reviewed firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers has been designed to meet the requirements of the Quality Control Standards established by the AICPA.

The reviewed firm's quality control policies and procedures applicable to non-SEC issuers were being complied with to provide the firm with reasonable assurance of complying with professional standards.

A peer review is based on selective tests and directed at assessing whether the design of and compliance with the firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers provides the firm with reasonable, not absolute, assurance of complying with professional standards. Consequently a peer review on the firm's system of quality control is not intended to, and does not, provide assurance with respect to any individual engagement conducted by the firm or that none of the financial statements audited by the firm should be restated.

The Center's Peer Review Committee (PRC) establishes and maintains peer review standards. At regular meetings and through report evaluation task forces, the PRC considers each peer review, evaluates the reviewer's competence and performance, and examines every report, letter of comments, and accompanying response from the reviewed firm that states its corrective action plan before the peer review is finalized. The Center's staff plays a key role in overseeing the performance of peer reviews working closely with the peer review teams and the PRC.

Once the PRC accepts the peer review reports, letters of comments, and reviewed firms' responses, these documents are maintained in a file available to the public. In some situations, the public file also includes a signed undertaking by the firm agreeing to specific follow-up action requested by the PRC.

Firms that perform audits or play a substantial role in the audit of one or more SEC issuers, as defined by the Public Company Accounting Oversight Board (PCAOB), are required to be registered with and have their accounting and auditing practice applicable to SEC issuers inspected by the PCAOB. Therefore, we did not review the firm's accounting and auditing practice applicable to SEC issuers.

### **Planning the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers**

To plan the review of Plante & Moran, PLLC, we obtained an understanding of (1) the nature and extent of the firm's accounting and auditing practice, and (2) the design of the firm's system of quality control sufficient to assess the inherent and control risks implicit in its practice. Inherent risks were assessed by obtaining an understanding of the firm's practice, such as the

industries of its clients and other factors of complexity in serving those clients, and the organization of the firm's personnel into practice units. Control risks were assessed by obtaining an understanding of the design of the firm's system of quality control, including its audit methodology, and monitoring procedures. Assessing control risk is the process of evaluating the effectiveness of the reviewed firm's system of quality control in preventing the performance of engagements that do not comply with professional standards.

### **Performing the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers**

Based on our assessment of the combined level of inherent and control risks, we identified practice units and selected engagements within those units to test for compliance with the firm's system of quality control. The engagements selected for review included engagements performed under the Government Auditing Standards, and audits of Employee Benefit Plans. The engagements selected for review represented a cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagement reviews included examining working paper files and reports and interviewing engagement personnel.

The scope of the peer review also included examining selected administrative and personnel files to determine compliance with the firm's policies and procedures for the elements of quality control pertaining to independence, integrity, and objectivity; personnel management; and acceptance and continuance of clients and engagements. Prior to concluding the review, we reassessed the adequacy of scope and conducted a meeting with firm management to discuss our findings and recommendations.

00305\FS

**CITY OF SWARTZ CREEK**  
**Vendor/Bid Proposal**  
 General Cost Log, Identification Form

**Cost Item #1**

1. Pre fiscal year end audit planning, consultation, scheduling, and interim transaction and testing.
2. Annual Fiscal Field and Site Audit of July 1 through June 30 cycle.
3. General reports of results, internal control and compliance, suggestions for improvements, significant audit findings, and an appearance before the Swartz Creek City Council at a regularly scheduled meeting explaining conclusions and observations.
4. Preparation of executable copies of reports including, but not limited to:
  - A. Audited Annual Financial Statements (25 copies)
  - B. Michigan Act 51 Report
  - C. Michigan F-65 Form
  - D. Any and all reports routinely requested by the State of Michigan and/or the County of Genesee and/or the U.S. Federal Government, or any other governmental subdivision thereof.

**Fiscal Year Ending June 30:  
2008**

<b>One year only fee</b>	<b>\$16,600</b>	<b>audit fee</b>
	<b><u>\$6,600</u></b>	<b>implementation of new risk assessment standards</b>
	<b><u>\$22,600</u></b>	<b>total fee</b>

However we believe we can provide more effective and consistent service if we are allowed to serve you for multiple years which is reflected in the multiple year bid below.

Our bid for multiple years would be:

	<u>Audit Bid</u>	<u>Risk Standards</u>	<u>Total</u>
June 30, 2008	\$16,600	\$3,300	\$19,900
June 30, 2009	17,265	2,000	19,265
June 30, 2010	17,955	2,100	20,055
June 30, 2011	18,675	2,200	20,875

**Cost Item #2**

1. Year long availability for administrative consultation, review and site work, if needed.

Fees would be based on the active time spent at our standard hourly rates. Our standard hour rates vary depending on staff level but they start at \$100 per hour.

**BIDDER IDENTIFICATION**

**IDENTIFICATION**

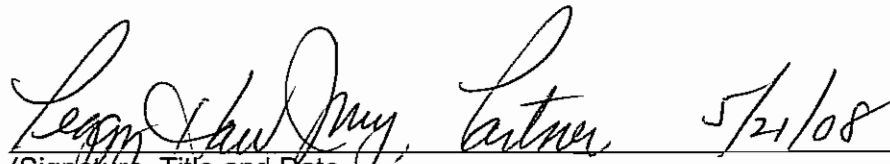
Name of Firm: Plante & Moran PLLC

Pointe of Contact: Peggy Haw Jury, CPA, CFE

Address: 111 East Court Street, Suite 1A Phone: (810)767.5350

Flint, Michigan 48502 FAX: (810)767.8150

E-mail: peggy.jury@plantemoran.com

  
(Signature, Title and Date)

Peggy Haw Jury, CPA, CFE, Partner  
(Printed Name & Title)

June 11, 2008

Paul Bueche, City Manager  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, Michigan 48473-1377

Dear Mr. Bueche:

We are complimented by your selection of our firm to assist you. We are sending this letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, to confirm our understanding of the nature and limitations of the services we will provide and the terms of our engagement with City of Swartz Creek to provide these services.

#### **Scope of Services**

We will audit City of Swartz Creek's financial statements as of and for the year ended June 30, 2008.

If you require any additional services, including accounting, consulting, or tax assistance, those services will be detailed in a separate engagement letter.

#### **Timing of Services**

We expect to begin fieldwork for this engagement at your offices on September 15, 2008.

#### **Fees and Payment Terms**

Our fee for this engagement will be based on the actual time that Plante & Moran staff expend at our standard hourly rates, which, subject to the terms and conditions of the accompanying Professional Services Agreement, will be approximately \$21,600. This includes the time involved to implement the new audit risk standards (i.e. SAS 104-111) that are applicable with this year's audit.

Invoices will be issued as follows:

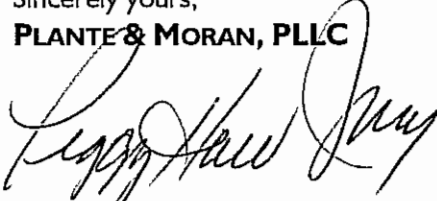
September 15, 2008	\$10, 800
October 15, 2008	\$10, 800

Invoices for audit services will be rendered to reflect this payment schedule. Invoices for other services and out-of-pocket costs will be rendered as services are provided and are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.



If you are in agreement with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you.

Sincerely yours,  
**PLANTE & MORAN, PLLC**  
  
Peggy Haw Jury, CPA, CFE

**Agreed and Accepted**

**We accept this engagement letter and the accompanying Professional Services Agreement, which set forth the entire agreement between City of Swartz Creek and Plante & Moran, PLLC with respect to the services specified in the Scope of Services section of this engagement letter.**

City of Swartz Creek

\_\_\_\_\_  
Paul Bueche, City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**Professional Services Agreement – Audit Services**  
**Addendum to Plante & Moran, PLLC Engagement Letter Dated June 11, 2008**

1. **Financial Statements** – The financial statements of City of Swartz Creek being audited by Plante & Moran, PLLC (referred to herein as "P&M," "we," "our," or "us") are to be presented in accordance with accounting principles generally accepted in the United States of America (GAAP). City of Swartz Creek (also referred to herein as "you," or "your") management is responsible for the presentation of these financial statements, including compliance with the requirements of accounting principles generally accepted in the United States of America and the completeness and accuracy of the information presented and disclosed therein, as well as for the capability and integrity of City of Swartz Creek personnel responsible for City of Swartz Creek's underlying accounting and financial records.
2. **Objective of Audit of Financial Statements** – The objective of our audit is the expression of an opinion on the City of Swartz Creek financial statements specified in the accompanying engagement letter. We offer no guarantee, express or implied, that our opinion will be unqualified or that we will be able to form an opinion about these financial statements in the event that City of Swartz Creek's internal controls or accounting and financial records prove to be unreliable or otherwise not auditable. If our opinion is to be other than unqualified, we will discuss the reasons with City of Swartz Creek management in advance of the issuance of our report. If, for any reason, we are prevented from completing our audit or are unable to form an opinion on these financial statements, we may terminate our engagement and decline to issue our report.
3. **Audit Procedures** – Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include examination, on a test basis, of evidence supporting the amounts and disclosures in the City of Swartz Creek financial statements specified in this engagement letter. An audit in accordance with these standards involves judgment about the number of transactions to be tested and the overall approach to testing in each area. As a result, and because our audit will be designed to provide reasonable rather than absolute assurance that these financial statements are free from material misstatements, errors or fraud may exist and not be detected by our audit. In addition, our audit is not designed to detect errors or fraud that are immaterial to these financial statements. In recognition of these limitations, City of Swartz Creek acknowledges that our audit cannot guarantee that all instances of error or fraud will be identified.
4. **Auditor Communications** – We are obligated to communicate certain matters related to our audit to those responsible for governance of City of Swartz Creek, including instances of error or fraud and significant deficiencies in internal control that we identify during our audit. We will communicate these matters to members of City of Swartz Creek's governing board, and you acknowledge and agree that communication in this manner is sufficient for City of Swartz Creek's purposes.
5. **Accounting and Financial Records** – City of Swartz Creek agrees that it is responsible for providing us with accounting and financial records that are closed, complete, accurate, and in conformity with the requirements of GAAP, for providing schedules and analyses of accounts that we request, and for making all City of Swartz Creek financial records and related information available to us for purposes of our audit. Where we have provided estimates of the timing of our work and completion of our engagement and issuance of our report, those estimates are dependent on City of Swartz Creek providing us with all such accounting and financial records, schedules, and analyses on the date our work commences. We will assess the condition of City of Swartz Creek's accounting and financial records, schedules, and analyses of accounts prior to commencing our work. In the event that such records, schedules, and analyses are not closed, complete, accurate, or in conformity with GAAP, we may reschedule our work, including the dates on which we expect to complete our on-site procedures and issue our report.

In any circumstance where our work is rescheduled, we offer no guarantee, express or implied, that we will be able to meet any previously established deadlines related to the completion of our work or issuance of our report. Because rescheduling our work imposes additional costs on us, in any circumstance where we have provided estimated fees, those estimated fees may be adjusted for the additional time we incur as a result of rescheduling our work. These additional fees will be determined based on the actual additional time that P&M staff expend because of the delay. City of Swartz Creek acknowledges and agrees that payment for all such adjustments will be made in accordance with the payment terms provided in this agreement.

In any circumstance where we have provided estimated fees, fixed fees, or not-to-exceed fees, those estimated, fixed, or not-to-exceed fees do not include accounting assistance; corrections to City of Swartz Creek's accounting and financial records; or implementation of generally accepted accounting principles. If such services are provided in the course of our work on this engagement, additional fees for those services will be determined based on the actual time that P&M staff expend at our standard hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and included as an adjustment to our invoices related to this engagement. You acknowledge and agree that payment for all such adjustments will be made in accordance with the payment terms provided in this agreement.

6. **Internal Controls** – City of Swartz Creek is responsible for establishing and maintaining sound internal controls, including controls established for the purpose of preventing or detecting errors in financial reporting, preventing fraud or

## Professional Services Agreement – Audit Services

misappropriation of assets, and identifying and complying with applicable laws and regulations. As part of our audit, we will obtain an understanding of City of Swartz Creek's internal controls sufficient to plan our audit procedures. Our audit will not be designed to provide assurance on the design or operating effectiveness of City of Swartz Creek's internal controls or to identify all conditions that represent significant deficiencies in those internal controls. We will communicate all significant deficiencies in internal controls, instances of fraud, or misappropriation of assets that come to our attention.

7. **Audit Adjustments** – We will recommend any adjustments to City of Swartz Creek's accounting records that we believe are appropriate. City of Swartz Creek management is responsible for adjusting City of Swartz Creek accounting records and financial statements to correct material misstatements and for affirming to us in writing that the effects of any unrecorded adjustments identified during our audit are immaterial, both individually and in the aggregate, to the City of Swartz Creek financial statements specified in this agreement.
8. **Management Representations** – City of Swartz Creek is responsible for the financial statements being audited and the implicit and explicit representations and assertions regarding the recognition, measurement, presentation, and disclosure of information therein. During the course of our audit, we will request information and explanations from City of Swartz Creek management regarding accounting and financial matters, including information regarding internal controls, operations, future plans, and the nature and purpose of specific transactions. We will also require that management make certain representations to us in writing as a precondition to issuance of our report. Our audit procedures will be significantly affected by the representations and assertions we receive from management and, accordingly, false representations could cause material error or fraud to go undetected by our procedures. In view of this, you acknowledge and agree that we will not be responsible for any misstatements of the City of Swartz Creek financial statements being audited that we fail to detect as a result of false or misleading representations, whether oral or written, that are made to us by City of Swartz Creek management and, as a condition of our engagement, you agree to indemnify and hold P&M and its partners, affiliates, and employees harmless from any and all claims, including associated attorneys' fees and costs, based on our failure to detect material misstatements in City of Swartz Creek financial statements resulting in whole or in part from false or misleading representations made to us by any member of City of Swartz Creek management.
9. **Assistance** – As a condition of our engagement, City of Swartz Creek personnel will provide us, in a timely and orderly manner, with assistance and information we request during the course of our audit, including retrieval of records and preparation of schedules, analyses of accounts, and confirmations. A written request for information to be provided will be submitted under separate cover and supplemented by additional written and verbal requests as necessary during the course of our audit. In addition, you will provide us with all information in your possession that has a material impact on any material transaction and that information will be complete, truthful, and accurate.
10. **Use of Report** – If our report on the financial statements being audited is to be published in any manner or if you intend to make reference to P&M in a publication of any type, you agree to submit proofs of the publication to us for review prior to such publication and cooperate with us in our performance of any additional audit procedures we deem necessary in the circumstances, the nature and extent of which will be at our sole discretion. You acknowledge and agree that additional fees for such work will be determined based on the actual time that P&M staff expend at our standard hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and that payment for all such additional fees will be made in accordance with the payment terms provided in this agreement.
11. **Securities Offerings** – Our audit does not contemplate, and does not include, any services in connection with any offering of securities, whether registered or exempt from registration. In the event you elect to incorporate or make reference to our report in connection with any offering of debt or equity securities and request our consent to such incorporation or reference, you acknowledge and agree that we will perform additional procedures, the nature and extent of which will be at our sole discretion, that additional fees for such work will be determined based on the actual time that P&M staff expend at our standard hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and that payment for all such additional fees will be made in accordance with the payment terms provided in this agreement.
12. **Tax Return Preparation** – This engagement does not include preparation of any tax returns or filings. If you require tax services, including tax consulting or preparation of tax returns, those services will be detailed in a separate engagement letter.
13. **Confidentiality, Ownership, and Retention of Workpapers** – During the course of this engagement, P&M and P&M staff may have access to proprietary information of City of Swartz Creek, including, but not limited to, information regarding trade secrets, business methods, plans, or projects. We acknowledge that such information, regardless of its form, is confidential and proprietary to City of Swartz Creek, and we will not use such information for any purpose other than our audit or disclose such information to any other person or entity without the prior written consent of City of Swartz Creek.

In some circumstances, we may use third-party service providers to assist us with our audit services. In order to enable these service providers to assist us in this capacity, we must disclose information to these service providers that is relevant to the services they provide. Disclosure of such information shall not constitute a breach of the provisions of this agreement.



## **Professional Services Agreement – Audit Services**

Professional standards require that we create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of P&M. We will maintain the confidentiality of all such workpapers as long as they remain in our possession.

Both City of Swartz Creek and P&M acknowledge, however, that we may be required to make our workpapers available to regulatory authorities or by court order or subpoena. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this agreement. In the event that a request for any confidential information or workpapers covered by this agreement is made by regulatory authorities or pursuant to a court order or subpoena, we agree to inform City of Swartz Creek in a timely manner of such request and to cooperate with City of Swartz Creek should you attempt, at your cost, to limit such access. This provision will survive the termination of this agreement.

Both City of Swartz Creek and P&M acknowledge that upon completion of our audit we are required to send an electronic copy of City of Swartz Creek's financial report, our official letter of comments and recommendations, and our auditing procedures report directly to the State of Michigan pursuant to Michigan Department of Treasury Regulations. You authorize and direct us to provide such information and our disclosure of such information shall not constitute a breach of the provisions of this agreement.

We reserve the right to destroy, and it is understood that we will destroy, workpapers created in the course of this engagement in accordance with our record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. P&M has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon City of Swartz Creek's written request, we may, at our sole discretion, allow others to view any workpapers remaining in our possession if there is a specific business purpose for such a review. We will evaluate each written request independently. You acknowledge and agree that we will have no obligation to provide such access or to provide copies of our workpapers, without regard to whether access had been granted with respect to any prior requests.

- 14. Fee Estimates** – In any circumstance where we have provided estimated fees, fixed fees, or not-to-exceed fees, these estimated, fixed, or not-to-exceed fees are based on information provided by City of Swartz Creek regarding the nature and condition of its accounting, financial and tax records; the nature and character of transactions reflected in those records; and the design and operating effectiveness of its internal controls. In the event that the actual work required for this engagement varies from our estimates due to undisclosed or unforeseen facts regarding these matters, our estimated fees will be adjusted for the additional time we incur as a result. Any additional fees will be determined based on the actual time that P&M staff expend at our standard hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and included as an adjustment to our invoices related to this engagement. You acknowledge and agree that payment for all such adjustments will be made in accordance with the payment terms provided in this agreement.
- 15. Payment Terms** – Our invoices for audit services are due on the agreed-upon dates. Other invoices are due upon receipt. In the event any of our invoices are not paid in accordance with the terms of this agreement, we may elect, at our sole discretion, to suspend work until we receive payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, we offer no guarantee, express or implied, that we will be able to meet any previously established deadlines related to the completion of our audit work or issuance of our audit report upon resumption of our work.
- 16. Termination of Engagement** – After the date of our report on the financial statements, we have no obligation to make any further or continuing inquiry or perform any other auditing procedures with respect to the audited financial statements covered by our report, unless new information that may affect the report comes to our attention. If we become aware of information that relates to these financial statements but was not known to us at the date of our report, and that is of such a nature and from such a source that we would have investigated it had it come to our attention during the course of our audit, we will, as soon as practicable, undertake to determine whether the information is reliable and whether the facts existed at the date of our report. In this connection, we will discuss the matter with you and request cooperation in whatever investigation and modification of the financial statement that may be necessary. Additional fees for such work will be determined based on the actual time that P&M staff expend at our standard hourly rates, plus all reasonable and necessary travel and out-of-pocket costs incurred, and you acknowledge and agree that payment for all such additional fees will be made in accordance with the payment terms provided in this agreement.

This agreement may be terminated by either party upon written notice. Upon notification of termination, our services will cease and our engagement will be deemed to have been completed. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination of this engagement.

- 17. Governing Law** – This agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

## **End of Agreement – Audit Services**



# REHMANN ROBSON

*Certified Public Accountants*

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

April 5, 2008

City Council  
City of Swartz Creek  
Swartz Creek, MI

We are pleased to confirm our understanding of the services we are to provide *City of Swartz Creek* (the "City") for the year ended June 30, 2008. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City as of and for the year ended June 30, 2008. Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to accompany the City's basic financial statements. As part of our engagement, we will apply certain limited procedures to the City's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. We will disclaim an opinion on RSI. Management's Discussion and Analysis is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

Supplementary information other than RSI, such as combining and individual fund financial statements, also accompanies the City's basic financial statements. We will subject the supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements.

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether the City's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the second paragraph when considered in relation to the basic financial statements taken as a whole. Our audit of the City's financial statements does not relieve management or those charged with governance of your responsibilities. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with management in advance. If, for any reason, we are unable to complete



the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of the Audit Committee, management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Management Responsibilities**

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein.

Management is responsible for management decisions and functions. As part of the audit, we will prepare a draft of the City's financial statements and related notes. In accordance with *Government Auditing Standards*, the City will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, the City is required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information, Management's responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us

during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We understand that management will provide us with such information required for our audit, including a reasonably adjusted trial balance, and that management is responsible for the accuracy and completeness of that information. Assistance provided in the preparation of a reasonably adjusted trial balance is considered an additional service. We will advise management (and the Audit Committee, as necessary) about appropriate accounting principles and their application and may assist in the preparation of the City's financial statements, but the responsibility for the financial statements remains with management with oversight by those charged with governance. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to the City's financial statements. Management is responsible for reviewing the entries, understanding the nature of any proposed entries and the impact they have on the financial statements, and the implications of such entries on the City's internal control over financial reporting. Further, the City is responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these services.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving 1) management, 2) employees who have significant roles in internal control, and 3) others where the fraud or illegal acts could have a material effect on the financial statements. Management's responsibilities include informing us of its knowledge of any allegations of fraud, suspected fraud, or illegal acts affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. Management is also responsible for identifying any violations by employees of the City's code of conduct.

Management is responsible for establishment and maintenance of a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. Management is also responsible for providing its views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, and the timing and format related thereto.

If the City intends to publish or otherwise reproduce the financial statements concurrently with the original issuance of our audit report and make reference to our firm name, such as for inclusion in an annual report, prospectus or similar document, the City agrees to provide us with

printer's proofs, drafts, or masters for our review and approval before printing. The City also agrees to provide us with a copy of the final reproduced material for our approval before it is distributed. Fees, if any, for reissuance or inclusion of our audit report in such other document, will be based on our standard hourly rates.

If the City decides to include, publish or otherwise reproduce the financial statements and our report thereon at a date subsequent to their original issuance, such as for inclusion in a bond offering, prospectus or similar document, our firm is presumed not to be associated with such document, and we have no obligation to perform any procedures with respect to such document. If, however, management takes certain actions, such as requesting a written consent from us prior to including our audit report in such an offering document, our firm then becomes associated with the offering and in accordance with professional standards, we will be required to perform certain limited procedures with respect to unaudited information contained in the document. Fees for reissuance or inclusion of our audit report in such a document will be based on our standard hourly rates.

### **Audit Procedures - General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from 1) errors, 2) fraudulent financial reporting, 3) misappropriation of assets, or 4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance about whether the financial statements are free from misstatement, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct



confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We may request written representations from the City's attorneys as part of the engagement, and they may bill the City for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from management about the financial statements and related matters.

We have advised the City of the limitations of our audit regarding the detection of fraud and the possible effect on the financial statements (including misappropriation of cash or other assets). We can, as separate engagements, perform extended procedures specifically designed to detect defalcations. Management acknowledges that the City has not engaged us to do so at this time.

We perform services for the City based on present professional standards, laws and regulations. While we may on occasion be able to communicate with management with respect to changes in professional standards, laws and regulations, as a general principle we cannot undertake with clients to advise them of every change that may occur. The City can always obtain reassurance in this regard by contacting us for an updated review of the City's situation.

During the course of our engagement, we will request information and explanations from management regarding the City's operations, internal controls, various matters concerning fraud risk, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written management representation letter. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. Accordingly, misleading, incomplete or omitted representations could cause us to expend unnecessary efforts or could cause material error or a fraud to go undetected by our procedures. In view of the foregoing, the City agrees that we shall not be responsible for any material misstatements in the City's financial statements that we may fail to detect as a result of false, inaccurate, incomplete, or misleading representations that are made to us by management. In addition, the City further agrees to indemnify and hold us harmless for any liability and all reasonable costs, including legal fees, that we may incur as a result of the services performed under this engagement in the event there are false or misleading representations made to us by any member of the City's management.

#### **Audit Procedures - Internal Controls**

Our audit will include obtaining an understanding of the entity and its business environment, including internal control over financial reporting sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures that are appropriate in the circumstances. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting

misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control, to identify deficiencies in internal control, or to express an opinion on the effectiveness of internal control over financial reporting. However, during the audit, we will communicate to the appropriate level of management and those charged with governance internal control related matters that are required to be communicated under professional standards and *Government Auditing Standards*. These matters refer to significant matters related to the financial statement audit that are, in our professional judgment, relevant to the responsibilities of those charged with governance in overseeing the entity's financial reporting process. When applicable, we are responsible for communicating certain matters required by laws or regulations, or by additional requirements that may be applicable to this engagement. Generally accepted auditing standards do not require the auditor to design or perform procedures for the purpose of identifying other matters to communicate with those charged with governance. Management is responsible for assessing the implications of and correcting any internal control-related matters brought to the entity's attention by us.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Audit Administration, Fees, and Other**

We understand that the City's employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing. In addition, the City's staff will provide us with copies of all minutes of the governing body meetings and other documents that we believe may have bearing on our evaluation of the City's financial affairs.

The City shall provide reasonable work space for Rehmann Robson personnel at audit worksites, as well as occasional secretarial support services. The City understands that Rehmann Robson's performance is dependent on the City's timely and effective satisfaction of its own activities and responsibilities in connection with this engagement, as well as timely decisions and approvals by the City personnel.



Management agrees to ensure that all information provided to us is accurate and complete in all material respects, contains no material omissions and is updated on a prompt and continuous basis. Rehmann Robson shall be entitled to rely on all information provided by and decisions and approvals of the City in connection with our work. Rehmann Robson will not be responsible if any information provided by the City is not complete, accurate or current. In addition, management will also be responsible for obtaining all third-party consents and security clearances, if any, required to enable Rehmann Robson to access and use any third-party products necessary to our performance.

The City acknowledges that a) Rehmann Robson, the City and others, if any, participating in this engagement may correspond or convey documentation via Internet e-mail unless the City expressly requests otherwise, b) no party has control over the performance, reliability, availability, or security of Internet e-mail, and c) Rehmann Robson shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond Rehmann Robson's reasonable control.

It must be understood that the nature of our engagement requires us to exercise our independent professional judgment with respect to various auditing, accounting and related issues. In reaching our conclusions, we must retain the right to judge the nature and scope of the work required in order to conform to professional standards, as well as the work we deem necessary to enable us to reach the conclusions and form the opinions required of us. If our judgment as to the scope of the work required causes us to reassess our estimate of fees for this engagement, we will so advise the City. We reserve the right to refrain from performing additional work (and thereby incurring additional time charges) unless and until the City has confirmed its understanding of, and agreement to, any additional estimated charges.

Professional standards require us to be independent with respect to the City in the performance of our services. Any discussions that management has with personnel of our firm regarding employment could pose a threat to our independence. Therefore, we request that management inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Neither party shall, during the term of this engagement letter and for one (1) year after its termination, solicit for hire as an employee, consultant or otherwise any of the other party's personnel without such other party's express written consent. If the City desires to offer employment to an associate of Rehmann Robson and the associate is hired in any capacity by the City and the City agrees, a market-driven compensation placement fee may apply.

The City may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with management regarding the scope of the additional services and the estimated fees. We also may issue a change order form or a separate

engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

**Our fee for the audit services for the year ended June 30, 2008, will be \$9,900. In addition, fees of \$2,800 will be charged for implementation of new auditing standards as explained in the attached letter.**

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

This fee is based on the assumption that unexpected circumstances will not be encountered during the audit. This fee is based on anticipated cooperation from the City's personnel, continued readiness and proactive assistance on their part in providing us with complete and accurate information (whether financial or nonfinancial in nature) considered necessary by us to form an appropriate opinion, and the assumption that unexpected circumstances will not be encountered during the audit. Such circumstances include, but are not necessarily limited to significant addition or deletion of funds, component units or related entities and first-time application of significant new professional accounting or auditing pronouncements. In addition, the fee above assumes management will analyze and maintain appropriate support for significant valuation assertions embodied in the financial statements.

Our estimate of these fees is based upon our discussions with management, in which management has disclosed no unusual problems or issues which would require us to conduct an audit of unusual scope or otherwise expend time and effort in excess of that normally anticipated in an engagement of this type. The estimate also assumes that we will have the full cooperation of the City personnel, as required, and that there is a reasonable continuity of the City's personnel familiar with the matters to which our engagement relates. In addition, our fee is based on the experience level of our personnel, at their respective standard hourly rates, performing certain audit procedures at certain timeframes. If we are caused to vary from that planning formula, additional fees will need to be charged to allow for more experienced personnel performing the work, reallocation of our client priority, overtime, etc. Further, management will provide us with the schedules and records that we request (which ordinarily are detailed in a request list in advance of our fieldwork) and that all such schedules and records will be provided to us timely in accordance with the scheduled fieldwork dates, to be mutually agreed upon. If the requested schedules and records are not provided to us in accordance with the scheduled dates and we are unable to continue our work, we will resume our work as soon as the schedules and records are provided to us and our professionals assigned to the engagement again become available. If significant additional time is necessary, we will discuss the related circumstances with management and arrive at a new fee estimate before we incur additional costs, which may or may not occur before we incur the additional time.

In accordance with our firm policies, work may be suspended if the City's account becomes 30 days or more overdue and will not be resumed until the account is paid in full or we have a definitive payment agreement approved by our firm administrator in Saginaw, Michigan. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. The City will be obligated to compensate us for all time expended and to reimburse us for out-of-pocket expenditures through the date of termination.

Our terms and conditions impose a late charge of 1.5% per month, which is an annual percentage rate of 18%. Balances not paid within 30 days of the receipt of invoice are past due and a late charge of 1.5% will be applied to the entire past due amount.

Because there are inherent difficulties in recalling or preserving information as the period after an engagement increases, the City agrees that, notwithstanding the statute of limitations of the State of Michigan, any claim based on the audit engagement must be filed within (12) months after performance of our service, unless management has previously provided us with a written notice of a specific defect in our services that forms the basis of the claim.

We reserve the right to suspend or terminate services for reasonable cause, such as failure to pay our invoices on a timely basis or failure to provide the information or cooperation necessary for successful performance of our services. Our engagement will be deemed to be completed upon the notification of termination, even if we have not completed the audit and issued our signed report. The City is obligated to compensate us for the time expended to that point.

We acknowledge the City's right to terminate our services at any time, and the City acknowledges our right to resign at any time, including, but not limited to, for example, instances where, in our judgment, a) our independence has been impaired, b) we can no longer rely on the integrity of management, or c) management (or the Audit Committee, if applicable) fails to reasonably support our efforts to perform the engagement in accordance with what we believe is necessary to comply with professional standards, subject in either case to our right to payment for charges incurred to the date of termination or resignation.

In the event that we determine to resign, and the City seeks damages allegedly resulting from such resignation, our maximum liability to the City in the event we are held liable because of such resignation shall be limited to the fees actually paid to us for current year audit work performed up to the date of resignation.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.



The audit documentation for this engagement is the property of Rehmann Robson and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a cognizant or grantor agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify management of any such request. If requested, access to such audit documentation will be provided under the supervision of Rehmann Robson personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the cognizant agency, oversight agency for audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

As part of our audit engagement we may provide advice on operating, internal control and other matters that come to our attention. Informal advice is not considered to be a consulting service unless we have entered into a separate engagement.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on the City's Internet website, the City understands that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be part of a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

As a result of our prior or future services to the City, we might be requested to provide information or documents to management or a third party in a legal, administrative, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to the City as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with this request. For all requests, we will observe the confidentiality requirements of our profession and will notify management promptly of the request.

Our firm, as well as all other major accounting firms, participates in a "peer review" program, covering our audit and accounting practices. This program requires that once every three years

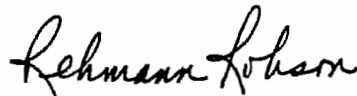
City Council  
City of Swartz Creek  
April 5, 2008  
Page 11

we subject our quality assurance practices to an examination by another accounting firm. As part of the process, the other firm will review a sample of our work. It is possible that the work we perform for the City may be selected by the other firm for their review. If it is, they are bound by professional standards to keep all information confidential. If management objects to having the work we do for the City reviewed by our peer reviewer, please notify us in writing.

The City consents to Rehmann Robson's use of the City's name and a factual description of the services to be performed by Rehmann Robson under this agreement in Rehmann Robson's advertising and promotional materials and other proposal opportunities.

*Government Auditing Standards* require that we provide the City with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2005 peer review report and letter of comments accompanies this letter.

We appreciate the opportunity to be of service to the **City of Swartz Creek** and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

  
Gerald J. Desloover, CPA  
Principal

**ACKNOWLEDGEMENT:**

This letter correctly sets forth the understanding of *City of Swartz Creek*.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



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CPAs, Consultants & Advisors  
www.larsonallen.com

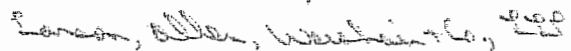
To the Principals of Rehmann Robson  
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson (the firm) in effect for the year ended July 31, 2005, and have issued our report thereon dated November 11, 2005. The matters described below were not considered to be of sufficient significance to affect the opinion expressed in that report, which should be read in conjunction with this letter.

## Engagement Performance

*Comment* – The firm acquired two practices since the last peer review and may complete similar acquisitions in the future. As part of its acquisition procedures, the firm provided training and required preissuance review of all audits from the date of acquisition. In our review of the audits of the acquired practices, we noted that documentation was not adequate for various audit procedures, including those related to fraud, sampling, and subsequent events. However, we were able to satisfy ourselves that, in each case, these areas were appropriately considered in determining the nature and extent of auditing procedures.

*Recommendation* – We recommend the firm develop more specific training for acquired practices to allow the new personnel to better understand the firm's audit policies, procedures and documentation requirements. In addition, we recommend the firm use a more defined second review process for the audits acquired to reinforce the training provided and to assist engagement personnel in meeting the documentation expectations of the firm. Personnel performing the second review should be encouraged to emphasize the conformity of audit documentation with the firm's standards and to more actively challenge the extent of documentation found on each engagement.

  
LARSON, ALLEN, WEISHAIR & CO., LLP

November 11, 2005  
Minneapolis, Minnesota

# LarsonAllen<sup>SM</sup>

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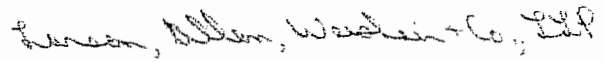
To the Principals of  
Rehmann Robson  
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson (the firm) applicable to non-SEC issuers in effect for the year ended July 31, 2005. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Rehmann Robson in effect for the year ended July 31, 2005, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matter described in the letter was not considered to be of sufficient significance to affect the opinion expressed in this report.

  
LARSON, ALLEN, WEISHAIR & CO., LLP

November 11, 2005  
Minneapolis, Minnesota



## GFOA Recommended Practice

### Mitigating the Negative Effects of Statement on Auditing Standards No. 112 (2007) (CAAFR)

**Background.** In May 2006, the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants (AICPA) issued Statement on Auditing Standards No. 112, *Communicating Internal Control Related Matters Identified in an Audit*. This new pronouncement significantly increases the likelihood that a government's independent auditors may be required to report either a *significant deficiency*<sup>1</sup> or a *material weakness*<sup>2</sup> in conjunction with the financial statement audit.

SAS No. 112 clarifies that it is *not* sufficient that the independent auditor determine that the financial statements under audit are, in fact, *fairly presented* in accordance with generally accepted accounting principles (GAAP). Generally accepted auditing standards (GAAS) also require that the financial statements be the product of a financial reporting system that offers reasonable assurance that management is able to produce financial statements that comply with GAAP.

Independent auditors often assist clients with the preparation of their financial statements. Such assistance poses no problem if it is provided merely a matter of convenience (i.e., management could produce the financial statements, but chooses not to). However, such assistance will constitute either a significant deficiency or a material weakness under SAS No. 112 if it is provided as a matter of necessity rather than of convenience (i.e., management does not have the skills needed to prepare GAAP financial statements).

If management does not possess the skills to prepare GAAP financial statements on its own, the government could always choose to engage the services of someone other than the independent auditor to provide the needed assistance. Because such contractors would work for management (unlike the *independent* auditors) they would qualify as part of the government's financial reporting system, thus avoiding an automatic finding of a significant deficiency or material weakness.

SAS No. 112 also makes it clear that material auditor-identified audit adjustments typically will require that a significant deficiency or material weakness be reported.

**Recommendation.** The GFOA recommends that governments take into account the following considerations in crafting a strategy for minimizing any potential negative effect resulting from the implementation of SAS No. 112.

- ***Be prepared to provide evidence that the government has a sound financial reporting system in place.*** GFOA recommends that a government establish and document a system of financial reporting that is sufficient to provide reasonable assurance that management is able to prepare financial statements in conformity with GAAP. Appropriate criteria for evaluating the adequacy of a government's financial reporting system can be found in *Internal Control: Integrated Framework*, published by the Council of

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<sup>1</sup>"A control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected."

<sup>2</sup>"A significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected."

Sponsoring Organizations of the Treadway Commission (COSO).<sup>3</sup> In particular, the financial reporting system should incorporate an anti-fraud program and controls, as well as ongoing internal audit/risk assessment activity commensurate with the size and complexity of the entity.

- ***Minimize the likelihood of material audit adjustments.*** Every practical step should be taken to minimize the possibility of material auditor-initiated audit adjustments. For example, a government should carefully review its cutoff procedures and the method it uses to uncover unrecorded liabilities at the end of the fiscal period (items found by the auditor rather than by management could result in a significant deficiency or material weakness being reported). Special care also should be taken to ensure the timely and effective implementation of new accounting standards.
- ***Review any financial statement preparation assistance provided by the independent auditors.*** If management chooses to make use of the services of the independent auditors in helping to prepare the financial statements as a matter of convenience, it should carefully document that a staff member with the requisite skills has reviewed all of the work performed by the auditor (e.g., by completing the GFOA financial reporting checklist or by using some similar review tool). If management does *not* have the skills necessary to prepare GAAP financial statements and desires the assistance of its independent auditors to help it do so, but without exposing itself to the risk of an automatic significant deficiency or material weakness, it may wish to consider obtaining the services of a consultant or some other outside party (e.g., retiree volunteer) to review the auditor's work on the government's behalf.

The GFOA does *not* recommend that governments engage the services of a second accounting firm to assist in preparing its financial statements solely to avoid having a significant deficiency or material weakness reported. It is by no means assured that the benefits of engaging a second firm would outweigh the costs. Moreover, a significant deficiency or material weakness might still be reported as the result of some other weakness in the financial reporting system (e.g., auditor-discovered audit adjustment), which could defeat the purpose of hiring the second firm.

If management decides that the costs of remedying a significant deficiency or material weakness in its financial reporting system cannot be justified by the benefits to be obtained, it should take care to alert the governing body as early as possible to explain its conclusion. In that case, governments subject to a Single Audit should explore the possibility of obtaining a waiver pursuant to paragraph 530c of U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," so as not to jeopardize the audit's "low risk" status.

Approved by the GFOA's Executive Board, October 19, 2007.

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<sup>3</sup> The guidance offered in this report is discussed and applied specifically to local governments in the GFOA publication *Evaluating Internal Controls: A Local Government Manager's Guide*.



## The Potential Impact of Statement on Auditing Standard Number 112 (SAS 112)

*Scott A. Clelland, CPA, PSA, RMA*



The American Institute of Certified Public Accountants (AICPA) recently issued Statement on Auditing Standards Number 112 (SAS 112), “Communicating Internal Control Related Matters Identified in an Audit,” causing much discussion amongst practitioners who audit and opine on financial statements of commercial entities. If an auditor identifies control deficiencies and determines that these meets the definition of a significant deficiency or a material weakness (see sidebar), the auditor is required to communicate these findings in writing to management and those charged with governance (i.e., Board or Council). SAS 112 was issued to establish standards and provide guidance on communicating matters related to an entity’s internal control.

Although SAS 112 pertains directly to auditors who express opinions on financial statements, its impact will be felt by commercial entities if the audit firm prepares the financial statements as part of the audit process. Much of the discussion surrounding SAS 112 concerns whether or not this practice can continue.

### ***Potential Impact***

One concern is the volume and aggregate amount of journal entries that an auditor proposes during the course of an audit. SAS 112 states that if the auditor has made a “significant” number of journal entries or proposed journal entries that are material to the financial statements, it is assumed that the entity does not have adequate controls in place over the processing and recording of transactions. What exactly is a “significant” number of audit adjustments is not defined and left to the judgment of the auditor. If the auditor determines that the audit adjustments are considerable, the auditor would be required to report at least a significant deficiency and potentially a material weakness in internal controls.

The other area of concern is whether or not the auditor can prepare the financial statements of the entity. SAS 112 states that it is a strong indication of a material weakness if an entity has ineffective controls over the preparation of their financial statements such that controls are absent or not effective in preventing or detecting material misstatements in the preparation of financial statements, including the related footnotes. According to SAS 112, an auditor can still propose adjustments and assist in the assembling or drafting of the financial statements, but cannot establish or maintain the entity’s controls, since doing so could impair their independence.

### ***AICPA Offers Some Clarity***

In response to the debate, the AICPA recently issued an Audit Risk Alert, in which they address “Lack of Client Expertise in Financial Accounting and Reporting.” In the

example presented, it is assumed that the auditor provides assistance in the drafting of the financial statements yet is able to remain independent. That is, the auditor records client-approved adjusting entries and assists in the drafting of financial statements and notes from a client-prepared trial balance. (The auditor cannot be responsible for preparing the trial balance or preparing and approving the adjusting entries.)

Prior to signing the final client representation letter, management obtains the drafted financial statements and the related footnotes and support, and reviews and approves them. Management also reviews and answers the current disclosure checklist from AICPA to ensure propriety and completeness of the footnotes. The financial statements are read, revised, and approved by appropriate members of management.

Under this scenario, SAS 112 does not believe there is an observed control deficiency. Despite management asking the auditor to assist in the drafting of the financial statements and footnotes, they do possess the necessary accounting expertise to prevent, detect, and correct a potential misstatement in the financial statement or notes. There would not be a control deficiency that would be required to be reported.

The auditor is, however, expected to gain a further understanding of the entity's controls to ensure they are designed appropriately and operating effectively. This is also dependent upon the competence and expertise of management. If during the course of this evaluation, the auditor determines that management lacks the necessary accounting expertise to detect a material misstatement, then that control deficiency would have to be evaluated by the auditor.

### *Options for Preparation of Financial Statements*

SAS 112 leaves three options for preparation of financial statements:

- (1) The entity should prepare the financial statements and have them available for audit. It is the responsibility of management, not the auditor, to implement and ensure that controls are in place over financial reporting and that the financial statements are those of the entity, not the auditor.
- (2) If an entity does not have the personnel on staff that can prepare the financial statements, potentially resulting in a material weakness, the entity should consider hiring someone that can perform the function. Alternatively, the entity could contract with a third party that has the ability to prepare the financial statements, but would not issue an opinion.
- (3) The last option (although not recommended) is to have the auditor prepare the financial statements and live with a material weakness being communicated in writing.

### *Conclusion*

The auditor can still assist in the drafting of the financial statements and related footnotes as long as the following questions can be answered in the affirmative:

- a. Does your entity have management skilled and knowledgeable enough to prepare and understand the financial statements?
- b. Is management current with standards applicable to your entity and able to complete the applicable AICPA disclosure checklist?

SAS 112 was issued to provide guidance mainly for auditors for communicating internal control related matters identified in an audit and placed much more emphasis on reporting control deficiencies as part of the audit process. However, as noted in this article, it does indeed impact some commercial entities and how they handle the financial statement process. Remember, the auditor cannot serve as a prevent or detect control over the financial reporting process. Therefore, each entity must consider and determine whether they believe they have the ability to prepare the financial statements and footnotes and prepare them without the auditor proposing significant audit adjustments. Since SAS 112 is effective for the upcoming December 31, 2006 audits, it is important to assess your current status and address this situation now or risk dealing with a surprise material weakness comment communicated at the end of the audit process.

*Scott A. Clelland, CPA, PSA, RMA is Partner-in-Charge of Public Sector Services for Wiss & Company, LLP, an accounting and consulting firm in Livingston, NJ. Scott can be reached at 973-994-9400 or [sclelland@wiss.com](mailto:sclelland@wiss.com).*

#### ***Deficiencies Explained***

SAS 112 defines three important terms:

- A **control deficiency** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.
- A **significant deficiency** is a control deficiency(ies) that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably such that there is a remote likelihood that a misstatement of the entity's financial statements will not be prevented from being detected.
- A **material weakness** is a significant deficiency(ies) that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected. An important example of a material weakness is employees or management who lack the qualifications and training to fulfill their assigned functions; for example, the Chief Financial Officer lacks the knowledge and skill to apply New Jersey Accounting Principles or GAAP in recording the entity's financial transactions or preparing its financial statements.

REQUEST FOR SEALED BID  
GOVERNMENT AUDIT SERVICES

CITY OF SWARTZ CREEK, MICHIGAN

Sealed bid proposals will be received by the City of Swartz Creek, located at 8083 Civic Drive, Swartz Creek, Michigan 48473, until 3:00 P.M., Eastern Daylight Time, Monday, April 24, 2006, for the acquisition of professional government audit services.

Specifications and proposal forms may be obtained at the City of Swartz Creek Municipal Offices, 8083 Civic Drive, Swartz Creek Michigan 48473, Monday through Friday between 8:30 A.M. and 4:30 P.M. All proposals must be made on provided City of Swartz Creek bid specification form. All envelopes containing proposals must be plainly marked "**AUDIT SERVICES BID PROPOSAL**".

The City of Swartz Creek reserves the right to reject any and all proposals, or any part of same, to waive any irregularities or informalities, and to make the award in part or entirely as may appear to the City of Swartz Creek to be in the best interests of the City.

**Mary Jo Clark**  
City Clerk  
City of Swartz Creek

"AN EQUAL OPPORTUNITY EMPLOYER"

\*\*\*\*\*

Publish: \_\_\_\_\_

One Time, Swartz Creek News

Remit Invoice To:           City Clerk  
                                  City of Swartz Creek  
                                  8083 Civic Drive  
                                  Swartz Creek, Michigan 48473

Proof Required



**PROPOSAL SPECIFICATIONS FOR THE ACQUISITION OF PROFESSIONAL  
GOVERNMENT AUDIT SERVICES**

**GENERAL STATEMENT, SCOPE OF SERVICES**

*THIS IS AN INVITATION TO SUBMIT PROPOSALS AND NOT A PURCHASE ORDER*

It is the intent of the City of Swartz Creek to hire, as a professional services contractor, an "audit firm" or "auditor" that includes:

**Cost Item #1**

1. Pre fiscal year end audit planning, consultation, scheduling, and interim transaction and testing.
2. Annual Fiscal Field and Site Audit of July1 through June 30 cycle, including Component Units.
3. General reports of results, internal control and compliance, suggestions for improvements, and an appearance before the Swartz Creek City Council at a regularly scheduled meeting explaining conclusions and observations.
4. Completion of Audit by November 1.
5. Preparation of executable copies of reports including, but not limited to:
  - A. Certified Annual Financial Statements (25 copies)
  - B. Michigan Act 51
  - C. Michigan F-65
  - D. Any and all reports routinely requested by the State of Michigan and/or the County of Genesee and/or the U.S. Federal Government, or any other governmental subdivision thereof.

**Cost Item #2**

6. Year long availability for administrative consultation, review and site work, if needed.

**TERM OF PROPOSAL**

Three year award, commencing with fiscal year ending June 30, 2006, June 30, 2007 & June 30, 2008.

**APPLICANTS RESPONSIBILITY, QUALIFICATIONS**

Each bid shall include:

1. Firm history statement, qualifications of auditors that may be assigned to the City of Swartz Creek
2. Compliance with generally accepted auditing standards of A.I.C.P.A.
3. Thorough knowledge and compliance with Industry Audit Guide, Audits of State and Local Governmental Units (A.I.C.P.A.), Governmental Accounting, Auditing and Financial Reporting (G.A.A.F.R.), Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in

Michigan, Michigan Government Accounting and Auditing Guide (Michigan Department of Treasury), Governmental Accounting Standards Board (GASB), and any other standard or promulgated rules or procedure that the City of Swartz Creek, State of Michigan and the U.S. Federal Government may require.

4. Reference listing of past and current public and governmental or component units to which the applicant is or has performed audit services.

### **FORM OF BID PROPOSALS**

All proposals must be sealed and clearly marked on the outside of the envelope “**AUDIT SERVICES BID PROPOSAL**”. The recipient firm shall furnish the City of Swartz Creek with the Company's address, telephone number and contact person. In the event said information is changed, the recipient firm shall immediately advise the Swartz Creek, City Manager's Office.

All the information within this form, including the bid cost of services consistent with the aforementioned cost items 1 & 2, should be marked on the pages attached with this document. Additional supportive, explanation, firm historical, qualification and similar documentation are welcome and encouraged.

### **INTERPRETATION OF BID PROPOSALS**

Any person or firm who is submitting a proposal may request clarification as to the true meaning of any part of these specifications or other contract documents by submitting a written request for such interpretation to the Swartz Creek City Manager's Office. Interpretation of the request for bid proposal will be made only by addendum. A copy of each addendum may be mailed or delivered to each person obtaining a set of the contract documents from the City of Swartz Creek. Additional historical audit information can be obtained from the Clerk's Office upon request.

### **SUBMISSION OF BID PROPOSALS**

Proposals shall be legibly prepared in ink. All proposals must be submitted to the City of Swartz Creek City Manager's Office prior to Monday April 24, 2006 @ 3:00 p.m. to:

**City of Swartz Creek  
City Manager PAUL BUECHE  
8083 Civic Drive  
Swartz Creek, Michigan 48473**

Submission of a proposal will be construed as a conclusive presumption that the applicant is thoroughly familiar with the proposal and specifications, and that the applicant understands and agrees to abide by each and all of the stipulations and requirements contained therein.

The proposal must be delivered in person or sent by mail to the City of Swartz Creek, City Manager's Office, 8083 Civic Drive, Swartz Creek, Michigan 48473. It shall be in a sealed envelope.

Proposals will not be accepted after the time designated for the opening of the proposals. The applicant shall assume full responsibility for delivery of proposals prior to the appointed hour for opening same, and shall assume the risk of late delivery or non-delivery regardless of the manner the applicant employs for the transmission thereof. The City of Swartz Creek shall accept proposals only during normal business hours, said hours being 8:30 A.M. to 4:30 P.M., Mondays through Fridays, legal holidays excepted.

### **CITY OF SWARTZ CREEK, RIGHT TO REJECT BID PROPOSAL**

The City of Swartz Creek reserves the right to reject any or all proposals, or any part of the same, to waive any irregularities or informalities, and to make the award in part or entirety as may appear to the City of Swartz Creek to be in the best interest of the of the City.

### **DISQUALIFICATION OF APPLICANT**

Although not intended to be an exhaustive list of causes for disqualification, any one or more of the following causes, among others, may be considered sufficient for the disqualification of an applicant and the rejection of the applicant's proposal:

- A. Evidence of collusion among applicants.
- B. Lack of competency.
- C. Inadequate performance, qualifications, experience, or adherence to specifications.

### **SUCCESSFUL AWARD, EXECUTION OF AWARD, INVOICING**

All bids submitted will be forwarded to the City Council inclusive of compliancy or non-compliancy with specifications as set forth within. Bid proposals submitted to the City Council for selection will include administrative recommendations. The City Council is the final authority in determining the selection.

The City of Swartz Creek will consider the proposals as early as practicable after tabulation, and initiate the award soon thereafter.

The Office of the City Manager will notify the successful Awardee. Unless other advance provisions are made with the City Manager's Office, the City of Swartz Creek remits all approved invoices on a "net due 30 day basis".

### **POINT OF CONTACT**

All correspondence, discussion, questions, etc. between the bidder and the City of Swartz Creek shall be directed to the Swartz Creek City Manager.

**CITY OF SWARTZ CREEK  
VENDOR / BID PROPOSAL**

General Cost Log, Identification Form

*(All bidders should complete this sheet and attaché with their proposal)*

**Cost Item #1**

1. Pre fiscal year end audit planning, consultation, scheduling, and interim transaction and testing.
2. Annual Fiscal Field and Site Audit of July1 through June 30 cycle, including Component Units.
3. General reports of results, internal control and compliance, suggestions for improvements, and an appearance before the Swartz Creek City Council at a regularly scheduled meeting explaining conclusions and observations.
4. Preparation of executable copies of reports including, but not limited to:
  - A. Certified Annual Financial Statements (25 copies)
  - B. Michigan Act 51
  - C. Michigan F-65
  - D. Any and all reports routinely requested by the State of Michigan and/or the County of Genesee and/or the U.S. Federal Government, or any other governmental subdivision thereof.

	Fiscal Year Ending June 30:		
	2006	2007	2008
<b>Total:</b>	\$ _____	\$ _____	\$ _____
<b>All Other Expenses (Travel, mailing, etc.)</b>	\$ _____	\$ _____	\$ _____

**Cost Item #2**

1. Year long availability for administrative consultation, review and site work, if needed.

	Fiscal Year Ending June 30:		
	2006	2007	2008
<b>Total:</b>	\$ _____	\$ _____	\$ _____
<b>All Other Expenses (Travel, mailing, etc.)</b>	\$ _____	\$ _____	\$ _____



**BIDDER IDENTIFICATION**

**IDENTIFICATION**

Name of firm:

---

Point of contact:

---

Address:

---

Phone: ( )

---

FAX: ( )

---

E-mail:

---

---

---

---

*(SIGNATURE, TITLE AND DATE)*

---

(PRINTED NAME & TITLE)

# Bid TAB Sheet

A-24-06

Mary Jo Clark

	Experience City Audits 10	Knowledge of GASB 35 10	Staff % of audit time 10	How many City Audits? 10	Update Training? 10	Mention of Single audit 10	Overall Rating of Proposal? 20	Total Points	Ranking
<del>Abraham &amp; Gaffney</del>								0	
<del>Berthiaume &amp; Company</del>								0	
<del>Plante Moran</del>									
#4 Dupuis & Ryden	14,600	15,600	16,600	100/hr				0	
#2 Lewis & Knopf	10,500	11,025	11,575	65-200/hr				0	
#5 Stewart & Whipple	16,950	17,500	18,000	60-12.5				0	
#3 Taylor & Morgan	14,650	15,175	15,475	90-170/hr				0	
#1 Rehmann Group	8,900	9,600	9,900	125/hr					

**Totals from all three reviewers**

	Experience City Audits <b>30</b>	Knowledge of GASB 35 <b>30</b>	Staff % of audit time <b>30</b>	How many City Audits? <b>30</b>	Update Training? <b>30</b>	Mention of Single audit <b>30</b>	Overall Rating of Proposal? <b>60</b>	Total Points <b>240</b>	Ranking	Average Price
Lewis & Knopf	13	24	27	0	25	15	38	142	4	11,033.33
Plante Moran	29	28	17	30	26	30	53	213	1	15,600.00
Rehmann Robson	29	28	16	30	26	30	52	211	2	9,466.67
Stewart, Beauvais & Whipple	25	27	27	17	23	30	48	197	3	17,486.67
Taylor & Morgan	10	18	6	7	4	16	20	81	5	15,100.00

Plante Moran came in first in points with Rehmann Robson a close second. Pricewise, Rehmann Robson is on average \$ 6,133.33 cheaper.

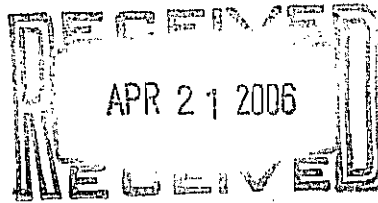
Plante Moran Prices:

- 14,600.00
- 15,600.00
- 16,600.00

Rehmann Robson Prices:

- 8,900.00
- 9,600.00
- 9,900.00

Due to the fact that the average bid was \$ 14,805.00 without Rehmann Robson, I really wonder why their price is so low. I have bad feelings when there is that much of a difference. I understand there have been significant staff changes in the Saginaw office in the past couple of years. Since this change has occurred, several long time clients have chosen not to renew their contracts with this firm. Therefore I suggest renewing with Plante Moran.



Deloitte & Touche LLP  
700 Bridgewater Place  
333 Bridge St., N.W.  
Grand Rapids, MI 49504-5359  
USA

Tel: +1 616 336 7900  
Fax: +1 616 336 7950  
[www.deloitte.com](http://www.deloitte.com)

April 18, 2006

Ms. Mary Jo Clark  
Finance Director/City Clerk  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473

Dear Ms. Clark:

Thank you for your request for a proposal from Deloitte to provide audit services to the City of Swartz Creek.

After very careful consideration of the timing of the work and our existing client commitments, we will not be responding to the City's request for a proposal at this time.

We would like, however, to be considered in the future for other professional services the City may require, and we may be in a different position the next time the City of Swartz Creek seeks proposals for audit services. We provide a number of valuable services including benefits planning; computer consulting; compliance; litigation support; business systems consulting (including reengineering and strategic cost management); and many other areas.

Again, thank you for your consideration and we wish you much success.

Sincerely,

  
Mary Ellen Rodgers  
Office Managing Partner



# Governmental Audit Proposal

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## CITY OF SWARTZ CREEK



Years Ended June 30, 2006, 2007 and 2008

plante  
*moran*  
moran

*Peggy Jury*  
810.766.6007  
[peggy.jury@plantemoran.com](mailto:peggy.jury@plantemoran.com)

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April 24, 2006

Paul Bueche, City Manager  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, Michigan 48473

Dear Mr. Bueche:

We are pleased to have the opportunity to briefly review our qualifications to continue to serve as the auditors and financial consultants for the City of Swartz Creek. We believe Plante & Moran is uniquely qualified to serve your city based on our methods of operation (as outlined in Exhibit F) and on our experience with auditing approximately 150 municipalities, 50 special purpose governmental entities, over 70 school districts, 16 universities and colleges and 400 nonprofit organizations in the State of Michigan (Exhibit E). In addition to our auditing services, we offer a wide range of additional services, as shown in Exhibit B, along with information on our firm's background and governmental services. The additional services have been helpful to many communities similar in size to the City of Swartz Creek.

#### **FACILITIES AND CAPABILITIES**

Since our inception more than 80 years ago, Plante & Moran has had extensive experience in all phases of auditing and accounting. Our staff presently numbers more than 1500 with more than 600 staff members who are Certified Public Accountants. We are equipped to accommodate all of your present and future requirements.

The size of our firm enables us to provide the specialized services your City may require. Because of our history and vast experience in serving municipalities, we have developed a thorough understanding of the close attention and responsiveness that you will require from your professional advisors. Our clients obtain the benefits of our size, while having the close relationship that develops when working with a small group within a wide pool of talented, caring professionals.

Our commitment to municipal auditing, accounting and consulting has provided us with a range and depth of experience that we feel is unequalled by any other firm. Because of this commitment to serving governmental clients, we provide specialized training to our professional staff serving governmental units. We regularly attend and frequently provide speakers for training sessions conducted by the Michigan Township Association, the Michigan Governmental Finance Officers Association (MGFOA), the Michigan Municipal League and others. We have also been hired by the MGFOA to present a series of three, one-day seminars for their "Back to Basics" series on topics such as "Fundamental Elements of Governmental Accounting, Governmental Budgeting and Public Financial Statements."

## **GENERAL COMMENTS**

The City Council, like most city councils, is a policy-setting board and has delegated substantial administrative authority to the City administration. In its fiduciary role as protector of the public trust in City government, it is incumbent upon the City Council to exercise appropriate oversight. An integral part of this oversight is the audit function, provided by a firm that answers to the City Council and performs a comprehensive examination of management's financial procedures and transactions.

Plante & Moran's municipal audit procedures center around a comprehensive study and evaluation of all significant financial-related systems.

Plante & Moran partners maintain extremely close contact with their clients throughout the year, as well as during the course of examinations. Our partners spend a considerable amount of time supervising the audit. This enables the partners to know the audit and the clients' challenges which, in turn, enables us to more effectively and efficiently serve our clients. It is our firm's operating policy that partners contact their clients monthly if assignments do not present an opportunity to meet more frequently. These contacts give us the opportunity to discuss any accounting or operational problems or changes that might affect our clients or their financial reports as they arise, rather than waiting until the audit date. The early identification of audit and financial reporting issues is one of the key elements in the efficient performance of an audit and usually results in the best resolution of such issues.

## **PERSONNEL TO BE ASSIGNED TO THE AUDIT**

Professionals with experience in auditing and serving governmental units will be assigned to your account if Plante & Moran is appointed as independent accountants for the City of Swartz Creek. We have provided, as part of Exhibit C, a more detailed description of our approach to assigning staff to each engagement. This Exhibit also includes resumes for the primary partner, Peggy Jury, the manager, Brian Ross and the in-charge, Jennifer Hornak. It is our firm's policy to partially rotate staff to minimize disruptions while ensuring the quality and efficiency of our fieldwork. Our large number of municipal auditors allow for easy rotation of staff assigned to your account. Maintaining the partner and in-charge on the audit team assures that the engagement will benefit from the background and historical knowledge of the City gained over the number of years that the City has been a client.

## **UNDERSTANDING OF YOUR SERVICES REQUIREMENTS**

The following is our understanding of the services required by the City of Swartz Creek:

1. Annual audit of the City's Basic Financial Statements in accordance with generally accepted auditing standards, government auditing standards and the requirements of the State of Michigan.

2. When needed, performance of an annual single audit of the City's federal financial assistance and preparation of related reports and schedules.
3. The basic financial statements will be prepared in accordance with the GFOA Certificate of Achievement for Excellence in Financial Reporting program standards.
4. Preparation of the State of Michigan Act 51 Report and Form F-65.
5. Availability during the year for administrative consultation and assistance.

### **TIMETABLE FOR DELIVERY OF SERVICES**

We consider the timeliness of the audit report an important factor in presenting an accurate financial picture. We will meet the engagement deadlines required by the State of Michigan.

At the conclusion of our examination, we will submit a letter of comments and recommendations setting forth thoughts for improvement in areas such as accounting systems, internal accounting controls and procedures, computer controls and procedures, observations with respect to organization and other matters. Also included in our examination is an oral presentation of the audit report to the City Council that highlights the important aspects of the report.

### **FEE STRUCTURE**

Because of our long-standing, pleasant relationships with our clients, and our success in obtaining new municipal clients, we believe that our services have met our clients' expectations and that our fees are fair and reasonable. Our service fees are primarily based upon the time required to complete the assignment.

The amounts quoted in our proposal represent the hours billed, exclusive of certain hours incurred but unbilled. We seek to establish long-term relationships with our new clients and we are willing to make a substantial investment in our client relationships. When quoting audit fees, we estimate the amount of time that the audit will take on a recurring, annual basis and base our proposed fee on that estimate.

Included in the annual audit fee at no additional cost to the City are the following:

1. Presentation of audit results to the City Manager and Council
2. Letter of recommendations to the City Manager and Council
3. Periodic municipal current events letters
4. Miniseminar to newly elected officials (upon request)
5. Ability to get quick answers to financial questions because of our specialist capability



## **FEE STRUCTURE (Continued)**

We strongly believe that the firm you select should be the firm best qualified to serve your needs, based on its technical expertise as municipal auditors, its operating method and the experience and competence of its personnel. In the long run, these factors will result in your obtaining the best service and value at the lowest cost, which is our firm's objective.

## **CONCLUSION**

In conclusion, we believe Plante & Moran is uniquely qualified to provide the specific financial assistance needs of your City because:

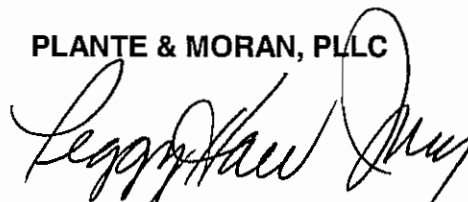
1. We are appointed by and report directly to the City Council.
2. We currently serve over 200 governmental units in the State of Michigan.
3. We are specialists in governmental auditing and consulting with over 200 trained municipal auditors on our staff.
4. We have audited the City in the recent past. As a result, we have developed a thorough understanding of the City's financial systems.
5. Because of the size of our governmental practice, we are staffed to provide partial rotation of staff in order to achieve an ongoing fresh look, balanced with partial continuity of staff to minimize the inevitable disruption which occurs during an audit.
6. Our audit will include a comprehensive evaluation of all significant finance-related systems.
7. We can deliver the audit report on a timely basis.
8. We provide information regarding current events in municipal finance as part of our basic audit service.
9. We are a full-service firm and can provide additional services as described in "Firm Qualifications and Experience" in an efficient, integrated manner.

The enclosed proposal is a firm and irrevocable offer for a period of 60 days from the date of this letter.

We are most interested in being a part of the City of Swartz Creek team, an independent part, but a part nevertheless. We feel we are in a position to assist you in achieving your objectives.

Very truly yours,

**PLANTE & MORAN, PLLC**



Peggy Haw Jury, CPA, CFE  
Partner

# TECHNICAL PROPOSAL – Independence/ License to Practice in Michigan



## INDEPENDENCE

Our firm meets the independence requirements of the U.S. General Accounting Office's *Government Auditing Standards* issued by the Comptroller General of the United States, 1994 revision. We further confirm that Plante & Moran is independent of the City of Swartz Creek and all of its component units.

Our firm has conducted the City's annual audit for the past three years. The audits were performed in accordance with generally accepted auditing standards which require us to maintain our independence.

## LICENSE TO PRACTICE IN MICHIGAN

Plante & Moran and all assigned key professional staff are properly licensed to practice in Michigan.

## QUALITY AFFIRMATION

The firm does not have a record of substandard audit work and has a Quality Control System in place to assure that the audits are performed in accordance with industry standards. The firm also participates in the AICPA Peer Review Program.

## ENGAGEMENT PERFORMANCE AFFIRMATION

We will follow the AICPA "Interpretation 501-3 Failure to Follow Standards and/or Procedures or Other Requirements in Governmental Audits".

# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## FIRM QUALIFICATIONS AND EXPERIENCE

Because of our broad governmental client base, we are able to devote the necessary time to specialize and thus provide maximum service. To assist us in this specialization, we are members of various municipal government professional associations and subscribe to their publications. We also subscribe to several specialized news service publications, such as:

- ◆ *Single Audit Information Service*
- ◆ *Community Development Reporter*
- ◆ *Federal Grants Management Service*
- ◆ *Community Development Digest*
- ◆ *CCH Federal Audit Guide Service*

Our commitment to our governmental client base has resulted in our participation in the following activities:

- ◆ *Michigan Committee on Governmental Accounting and Auditing* – One of our partners serves on this board, which determines auditing and reporting procedures for all municipalities in the State of Michigan. As a result, he spends a considerable amount of time working with representatives of the State Treasury Department, Local Audit and Finance Division and the Department of Transportation.
- ◆ *Michigan Government Finance Officers Association* – Currently we have partners participating on the Professional Development Committee, the Legislative Committee, Accounting Standards Committee, and the Technology Resource Committee. One of our partners has served on the Executive Board of Directors.
- ◆ *Michigan Municipal Treasurers Association* – We continue to be involved in this group and have had the privilege of providing instructors for nearly all of the group's winter seminars, annual institutes, and fall conferences for the past several years.

# TECHNICAL PROPOSAL – Firm Qualifications and Experience



Our commitment to our governmental client base has resulted in our participation in the following activities (continued):

- ◆ *American Institute of CPAs* – One of our partners chaired the AICPA's Governmental Accounting Committee that published the Industry Audit Guide for Audits of State and Local Governmental Units. This is the guide used throughout the country on every governmental audit.
- ◆ *Governmental Accounting Standards Board* – One of our partners has served on the Governmental Accounting Standards Advisory Council (an advisory board to the GASB). In addition, we actively participate in the GASB's due process system relative to issuance of new pronouncements.
- ◆ *AICPA Governmental Technical Standards Subcommittee* – Three of our partners have served on this committee, which was formed to process ethics complaints related to governmental audits. In addition, one of which is a member of the Professional Ethics Executive Committee of the AICPA Professional Ethics Division and the AICPA Task Force on the Quality of Audits of Federal Funds.
- ◆ *Government Finance Officers Association* – One of our audit managers served on the GFOA Special Review Committee for the Certificate of Achievement for Excellence in Financial Reporting.
- ◆ *Presidents Council on Integrity and Efficiency* – One of our partners is an invited participant on the Subcommittee on Audit Standards Roundtable discussions.



# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## Training

Because of our commitment to provide excellent governmental service, we have developed several training programs to assist us in achieving our objectives. We have technical seminars throughout the year for our municipal auditors covering various municipal auditing, accounting, and legislative issues.

We regularly conduct miniseminars for the elected officials of our clients. These seminars cover a variety of topics, primarily relating to municipal finance. We usually give an overview of topics such as budgeting, property taxation, bonding, self-insurance, federal grants, retirement plans, operational auditing, cash management and investments, Campaign Reform Act, Open Meeting and Freedom of Information Law, and the current status of proposed legislation. Our auditors regularly attend and frequently are speakers at the training seminars conducted by various governmental organizations. Within the last year, we have participated in seminars sponsored by:

- ◆ County Road Association of Michigan
- ◆ Governmental Finance Officers Association
- ◆ International City Managers Association
- ◆ Michigan Municipal League
- ◆ Michigan Governmental Finance Officers Association
- ◆ Michigan Municipal Treasurers Association
- ◆ Michigan Townships Association
- ◆ Annual Governmental Accounting and Auditing Conference (cosponsored by Michigan Association of CPAs, Department of Treasury and Michigan State University)
- ◆ Southeast Michigan Municipal Finance Officers Association



# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## Training (Continued)

We also have worked with the State of Michigan in providing training for governmental units. One of our partners served on the Advisory Committee to the State Treasurer on the Budgeting Act (Act 621). As a result, we were retained by the state to write the manual on implementation of Act 621 that was distributed to all municipalities in the state. We then assisted in conducting training seminars on the Budget Act and manual.

One of our audit partners is a specialist in the area of Community Development Block Grants and assisted in writing an accounting manual for the State of Michigan for CDBG recipients. He also serves as a resource person to the state, providing special assistance to those communities who request it. One of our municipal audit partners prepared a workbook and conducted training sessions for the Michigan Court Executive Training Program.

# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## Scope of the Audit and Audit Planning

Our examination would be made in accordance with generally accepted auditing standards and would accordingly include such tests of the accounting records and other auditing procedures that we consider necessary to enable us to render an opinion on the fairness of your financial statements. This audit would meet the requirements of Michigan Act No. 2 of the Public Acts of 1968, audit standards prescribed by the Treasurer of the State of Michigan for local units of government in the Bulletin for the Audits of Local Units of Government in Michigan, pronouncements published by the American Institute of Certified Public Accountants, and other pronouncements as published by the Governmental Finance Officers Association of the United States and Canada and the Governmental Accounting Standards Board.

At Plante & Moran, we believe that advanced planning is a key ingredient in performing an effective and efficient audit. Our planning involves meeting with your personnel prior to year end, to review a list of schedules that will be helpful in completing the audit. Preparation of these schedules would help ensure that interruptions to your financial staff are minimized and that appropriate deadlines are met.

Before the audit report is printed, our Professional Standards Department reviews the audit report and all significant accounting conclusions for conformity to generally accepted accounting principles and industry practices.

# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## Additional Services

To enable you to become better acquainted with us and to evaluate the wide variety of related services available through our firm, we have prepared the following summaries of the major areas of service that may be of use to your organization:

- ◆ Management Consulting Services
- ◆ Employee Benefits Consulting Services
- ◆ Personnel Services
- ◆ Federal, State, and Local Tax Services

We also are active in the area of public offerings and filings with the Securities and Exchange Commission but have omitted information thereon due to the lack of applicability to your operation.

- ◆ Management Consulting Services

The range of consulting services we provide to our public sector clients includes operations analysis, organization planning, human resources administration, actuarial and benefits administration, systems and data processing analysis, and financial management services.

Each engagement is structured to provide the services and level of professional support required to meet the individual needs of the client. We do not employ a standard approach on an engagement. Therefore, we attempt to understand the fundamental problems and concerns, and develop an approach that addresses those problems and concerns. Below are listed areas where we have recently provided assistance to our clients.

# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## Additional Services (Continued)

### ◆ Management Consulting Services (Continued)

#### ■ Organization Planning

- ▲ Organizational structure analysis – reporting relationships, levels of authority, spans of control, staffing level, and personnel resources analysis
- ▲ Decision-making processes and management practices reviews
- ▲ Communication channels evaluations

#### ■ Telecommunications Analysis

- ▲ Reconciliation of telephone utility charges to actual equipment and services in use
- ▲ Identification of cost reduction opportunities in prime cost areas of equipment, network, local and long distance calling, cabling, and maintenance
- ▲ Identification of service level and feature improvement opportunities based on evaluation of design options in the incumbent system and available equipment and services in the telecommunications marketplace
- ▲ Development of bid specifications for telecommunications equipment and services
- ▲ Evaluation of vendor proposals using predefined selection criteria, including such areas as features provided, equipment reliability, cost performance, and upgrade or expansion capabilities
- ▲ Assistance with contract negotiation to ensure most effective use of resources
- ▲ Project management during implementation to ensure vendor compliance with contractual terms and conditions
- ▲ Ongoing management services, including move and change requirements, multivendor coordination, and cost control

# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## Additional Services (Continued)

- ◆ Management Consulting Services (Continued)
  - Employee Benefits Administration
    - ▲ Benefit program evaluation and feasibility studies
    - ▲ Plan implementation
    - ▲ Funding vehicles for pension and welfare plans
    - ▲ Ongoing plan administration
  - Information Systems and Data Processing Analysis
    - ▲ Systems planning
    - ▲ Preparation of systems requirements
    - ▲ Preparation of systems design
    - ▲ Preparation of program specifications
    - ▲ Supervision of computer programming
    - ▲ User training
    - ▲ Systems documentation
    - ▲ User procedure development and documentation
    - ▲ Computer facility design
    - ▲ Computer system operational procedures development
    - ▲ Computer scheduling and production control
    - ▲ Systems evaluation



# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## Additional Services (Continued)

- Management Consulting Services (Continued)
  - Financial Management Services
    - ▲ Utility rate studies
    - ▲ Cash planning and management
    - ▲ Budgeting and controls
    - ▲ Cost reduction and cost control
    - ▲ Investment strategies
    - ▲ Assistance in various procedures relating to special assessments
    - ▲ Assistance in grant accounting (including CDBG, LPW, FRS and other grant programs)
    - ▲ Special projects related to highway department monies and their use
    - ▲ Creation of motor pool fund
    - ▲ Capital budgeting
    - ▲ Fixed asset inventory and accounting systems
    - ▲ Self-insurance considerations
    - ▲ Feasibility studies
  - Other
    - ▲ Bond official statements for sale of bonds
    - ▲ Miniseminars on municipal finances for recently elected officials
    - ▲ Assistance in tax anticipation note borrowings
    - ▲ Assistance in interpreting state campaign filing laws

# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## Additional Services (Continued)

- ◆ Employee Benefits Consulting Services

With the cost of fringe benefits being an ever-increasing portion of an employee's total compensation, it is imperative that employers receive competent, comprehensive, and independent consulting in this area.

To meet this need, Plante & Moran has assembled a team of tax specialists, CPAs, and management consultants to address the issues involved in all areas of employee benefits' design, development, implementation, and ongoing administration. Plante & Moran is the only regional public accounting firm to have an Employee Benefits Consulting Group that provides these all-important services.

The Group's interaction with the audit and tax staff assures that employee benefit programs fit within the organization's overall business plan.

Our consultants have significant experience providing services in the following areas:

- Retirement Plans
- Defined Benefit Pension Plans
- Money Purchase Pension Plans
- Capital Accumulation Plans
- Profit-Sharing and Thrift Plans
- 401(k) (salary reduction/cash or deferred) Plans
- ESOP, TRASOP and PAYSOP Plans
- Welfare Planning
- Basic, Comprehensive, and Major Medical Plans
- Group Life, AD&D, etc.
- HMO Coverage and Options



# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## Additional Services (Continued)

- ◆ Employee Benefits Consulting Services (Continued)

- Cafeteria Plans
- Voluntary Employee Benefit Associations (VEBA-501(c)(9))

Our consultants have significant experience providing services in the following areas (continued):

- Executive Compensation Planning
- Deferred Compensation or Salary Continuation Plans
- Capital Accumulation Plans
- Funding Vehicles for Pension Planning
- Evaluation of Investment Managers
- Evaluation of D.A., I.P.G., and G.I.C. Contracts
- Annual Administration Services
- Recordkeeping Services for Defined Contribution and Profit-Sharing Plans
- Reporting and Disclosure Material (5500s, SARs, etc.)
- Special Situation Services
- Mergers and Acquisitions
- Union Negotiations
- Plan Terminations

# TECHNICAL PROPOSAL – Firm Qualifications and Experience



## Additional Services (Continued)

### ◆ Personnel Services

The services rendered by our Personnel Services Department are summarized below:

- Personnel Testing
  - Vocational Counseling
  - Career Counseling
- ◆ Federal, State, and Local Tax Services

Although your municipality, by its very nature, is not subject to most forms of taxation, the numerous regulations and releases relating to nonprofit organizations require review and interpretation.

We have a fully qualified tax staff rendering tax services (federal, state, and local) to our clients.

Plante & Moran stays abreast of developments in new legislation and in interpretations made by the Internal Revenue Service. This is done through direct communication with government officials and through professional and business organizations. In turn, we keep our clients currently advised of tax developments, using releases and general interest memorandums.

As a part of the continuous service offered by our firm, our tax department performs personal tax services, including preparation of returns, estate tax planning and consultation on personal tax concerns.

# TECHNICAL PROPOSAL –

# Individual Qualifications and Experience

Exhibit C



## INDIVIDUAL QUALIFICATIONS

When we are appointed as independent accountants, professionals with experience in auditing and serving governmental units are assigned to the account. During the preliminary planning stages, two partners are assigned to each account. During this planning period, each of the partners takes part in the review of systems and procedures, determination of the scope of the audit work and preparation of the audit programs. We have developed specialized governmental audit programs and internal control questionnaires for governmental units.

These programs and questionnaires are tailored to the particular governmental unit under audit. Once this work is completed, one of the partners is assigned prime responsibility for the account and another partner, familiar with the governmental unit, is available for consultation in the absence of the partner-in-charge. This colleague partnering approach, along with the substantial number of partners involved with our governmental practice, allows us to periodically rotate the partner in-charge of the audit when desired by the client. This allows a fresh look with no sacrifice of efficiency and no increased disruption. Additional staff, at various experience levels, are assigned in order to enable us to complete the examination as economically and efficiently as possible. We also feel that it is advantageous to have continuity in the staff we assign to specific clients' accounts so that we operate as effectively as possible with the least disruption to our clients. Because of our low staff turnover, we have been successful in retaining staff continuity year after year on our audit engagements.

Staff from our Flint office will be assigned to the engagement.

We will assign Peggy Haw Jury as lead engagement partner. Peggy is a CPA licensed to practice in Michigan and has exceeded the continuing professional education requirements during the last three years. These requirements include governmental training required by the GAO "Yellow Book" (24 hours over two years). The MACPA also requires 40 hours per year of continuing professional education. Their resumes (which include audit experience, professional education and professional organizations) follow this introduction.



# TECHNICAL PROPOSAL –

# Individual Qualifications and Experience

Exhibit C



## INDIVIDUAL QUALIFICATIONS (Continued)

Peggy has a considerable commitment to local units of government in Michigan. The same would be true of the additional individuals chosen to assist in the performance of the City of Swartz Creek audit. Brian Ross, Manager, has over 20 years experience in auditing municipalities and has served the City since 2003. Jennifer Hornak, In-Charge, will also be assigned to the engagement. She has six years of concentrated experience in auditing municipalities. She has considerable knowledge of the City's systems having served as the City's engagement audit in-charge for the past three years. We anticipate that additional individuals would be utilized in the audit; we currently have a pool of over 100 Michigan-based auditors who specialize in auditing local units of government in Michigan and who meet the required governmental continuing professional education requirements. This assures not only the quality of the staff that would be assigned for the year ending June 30, 2006 but also the continuing ability to assign competent government-specialized staff over the term of our audit service agreement.

One additional benefit to the City of Swartz Creek that results from our firm's substantial commitment to serve local units of government in Michigan is that there is very little training required of our staff. Even staff members that are newly assigned to the City's audit (as a result of promotions, for instance) would already be very familiar with the governmental concepts.

Plante & Moran's commitment to affirmative action can best be expressed by the fact that our firm has been awarded the Certificate of Awardability from the State of Michigan (see attached).

# TECHNICAL PROPOSAL –

# Individual Qualifications and Experience

Exhibit C



## Peggy Haw Jury, CPA, Partner Governmental and Not-for-Profit Service Teams



### Experience

- ◆ Peggy Jury has more than 28 years of experience serving governmental and not-for-profit organizations in all areas of accounting, auditing and management consulting
- ◆ Peggy's experience includes governmental audit engagements, water and sewer rate studies, financial forecasts, agreed-upon procedure engagements and financial feasibility consulting

### Education

- ◆ Western Michigan University, Bachelor of Arts
- ◆ Over 40 hours annually in courses sponsored by Plante & Moran, the MACPA, the AICPA and other sponsors

### Professional Affiliations

- ◆ American Institute of Certified Public Accountants
- ◆ Michigan Association of Certified Public Accountants
- ◆ Chair of Michigan Association of Certified Public Accountants
- ◆ Member of Association of Certified Fraud Examiners

### Community Involvement

- ◆ Past Chairman of the Flint Chamber of Commerce, current Board Member
- ◆ President Genesee Chamber Foundation
- ◆ Board Member of the Michigan Chamber of Commerce
- ◆ Citizen/Lay Advisory Committee for Mott Community College
- ◆ Treasurer for Communication Access Center

# TECHNICAL PROPOSAL –

# Individual Qualifications and Experience

Exhibit C



## Brian L. Ross, CPA, Associate - Governmental Auditing and Consulting Group Municipal Professional Standards



### Experience

- ◆ Brian Ross specializes in local government auditing and consulting. He is the firm's primary technical specialist for municipals. In addition, he coordinates the ongoing audit and consulting engagements for several cities and townships.
- ◆ Brian's recent experience includes several governmental audit engagements, plus the following consulting assignments: GASB 34 planning and implementation, water and sewer rate studies, and 312 arbitration assistance.

### Education

- ◆ Central Michigan University, Bachelor of Business Administration (with honors), 1986

### Current Professional Responsibilities

- ◆ Member, Michigan Government Finance Officers Association Accounting Standards Committee (2002 to present)

### Professional Affiliations

- ◆ Michigan Government Finance Officers Association
- ◆ American Institute of Certified Public Accountants
- ◆ Michigan Association of Certified Public Accountants

# TECHNICAL PROPOSAL –

# Individual Qualifications and Experience

Exhibit C



## Jennifer Hornak, In-Charge Auditor Governmental and Not-for-Profit Service Teams



### Experience

- ◆ Six years of experience serving governmental and not-for-profit organizations in all areas of accounting, auditing, tax and management consulting
- ◆ Jennifer has been a member of the team performing the City's previous audits and as such has an in-depth knowledge of the City's financial systems and procedures.

### Education

- ◆ University of Michigan – Flint, Bachelor of Business Administration in Accounting
- ◆ Over 40 hours annually in courses sponsored by Plante & Moran, the MACPA, the AICPA and other sponsors.

# TECHNICAL PROPOSAL – Individual Qualifications and Experience

Exhibit D



## PRIOR ENGAGEMENTS WITH THE CITY OF SWARTZ CREEK

Our firm has conducted the City's annual audit for the past three years.



# TECHNICAL PROPOSAL – Similar Engagements



## SIMILAR ENGAGEMENTS

The following is a list of similar engagements that were performed by staff out of our Flint office:

	<u>City of Burton</u>	<u>City of Fenton</u>	<u>City of Flushing</u>	<u>City of Davison</u>
Scope of Work	Audit of GPFS CAFR	Audit of GPFS CAFR	Audit of GPFS CAFR	Audit of GPFS
Dates current	June 30, 1970-current	June 30, 1996-current	June 30, 1996 - current	June 30, 1970 - current
Engagement Partner	Tadd Harburn	Tadd Harburn	Tadd Harburn	Peggy Jury
Engagement Manager	Angela Stevens	Angela Stevens	Angela Stevens	Jennifer Hornak
Telephone number	810.743.1500	810.629.2261	810.659.5665	810.653.2191
Contact	Karen Foster	Cindy Shane	Nancy Parks	Cynthia VanMegroet

In addition, see the following pages for a complete listing of our governmental clients.

# TECHNICAL PROPOSAL – Similar Engagements



## MICHIGAN GOVERNMENTAL CLIENTS OF PLANTE & MORAN, PLLC

### CITIES, TOWNSHIPS AND VILLAGES

#### Oakland County

City of Auburn Hills  
 City of Berkley  
 Village of Beverly Hills  
 City of Birmingham  
 City of Bloomfield Hills  
 Township of Brandon  
 City of Farmington  
 City of Farmington Hills  
 Village of Franklin  
 City of Hazel Park  
 Township of Highland  
 Township of Independence  
 City of Lathrup Village  
 City of Madison Heights  
 Township of Milford  
 Village of Milford  
 City of Novi  
 City of Swartz Creek  
 Township of Orion  
 City of Pontiac  
 City of Rochester Hills  
 Southfield Township  
 City of South Lyon  
 City of Walled Lake  
 Township of Waterford  
 Township of West Bloomfield  
 City of Wixom  
 Village of Wolverine Lake

#### Washtenaw County

Village of Chelsea  
 Salem Township  
 City of Saline  
 Township of Scio  
 Township of Sylvan  
 City of Ypsilanti

#### Genesee County

City of Burton  
 City of Clio  
 City of Davison  
 Davison Township  
 City of Fenton  
 Fenton Township  
 City of Flint  
 Flint Township  
 City of Flushing  
 Flushing Township  
 Genesee Township  
 City of Grand Blanc  
 City of Montrose  
 City of Mt. Morris  
 Township of Mt. Morris  
 Mundy Township  
 Richfield Township  
 Thetford Township  
 Vienna Township

#### Macomb County

Township of Bruce  
 City of Center Line  
 Township of Clinton  
 City of Eastpointe  
 City of Fraser  
 Township of Lake  
 Township of Macomb  
 City of Memphis  
 City of Mt. Clemens  
 City of New Baltimore  
 City of Richmond  
 Township of Richmond  
 City of Roseville

#### Macomb County (cont'd)

Township of Shelby  
 City of St. Clair Shores  
 City of Sterling Heights  
 Township of Washington  
**Wayne County**  
 City of Belleville  
 Township of Brownstown  
 Township of Canton  
 City of Dearborn  
 City of Dearborn Heights  
 City of Garden City  
 City of Gibraltar  
 Township of Grosse Pointe  
 City of Grosse Pointe Farms  
 City of Grosse Pointe Park  
 Village of Grosse Pointe Shores  
 City of Hamtramck  
 City of Harper Woods  
 City of Highland Park  
 Township of Huron  
 City of Lincoln Park  
 City of Livonia  
 City of Melvindale  
 City of Northville  
 Township of Northville  
 Township of Plymouth  
 Township of Redford  
 City of River Rouge  
 City of Riverview  
 City of Rockwood  
 City of Romulus  
 City of Southgate  
 City of Taylor  
 City of Trenton  
 Township of Van Buren  
 City of Westland  
 City of Wyandotte

# TECHNICAL PROPOSAL – Similar Engagements



## MICHIGAN GOVERNMENTAL CLIENTS OF PLANTE & MORAN, PLLC

### CITIES, TOWNSHIPS AND VILLAGES (Continued)

#### OTHER

Village of Augusta  
Township of Bedford  
Township of Benton  
City of Benton Harbor  
Township of Berrien  
Village of Berrien Springs  
Township of Bertrand  
City of Brighton  
City of Buchanan  
City of Charlotte  
Township of Clay  
City of Coldwater  
City of Coloma  
Township of Coloma  
Township of Convis  
Township of East Bay  
City of East Lansing  
Village of Eau Claire  
Township of Emmett  
Township of Fredonia  
City of Grandville  
Township of Hagar

Township of Hamburg  
Township of Hartford  
City of Hastings  
City of Howell  
Township of Howell  
City of Imlay City  
Township of Johnstown  
Township of Keeler  
Township of Lee  
Township of Marshall  
Township of Meridian  
City of Midland  
City of Monroe  
Township of Orangeville  
City of Owosso  
Township of Parma  
Village of PawPaw  
Township of Pokagon  
City of Port Huron  
City of Springfield  
City of Three Rivers  
Tyrone Township

# TECHNICAL PROPOSAL – Specific Audit Approach



Our examination would be made in accordance with generally accepted auditing standards and would, accordingly, include such tests of the accounting records and other auditing procedures that we consider necessary to enable us to render an opinion on the fairness of your financial statements. This audit would meet the requirements of Michigan Act No. 2 of the Public Acts of 1968, audit standards prescribed by the Treasurer of the State of Michigan for local units of government in the Bulletin for the Audits of Local Units of Government of Michigan, and pronouncements published by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board.

At Plante & Moran, we believe that advanced planning and identification of audit and reporting issues are key ingredients in performing an effective and efficient audit. Our planning involves meeting with your personnel prior to year end, to review a list of schedules that will be helpful in completing the audit. Preparation of these schedules would help insure that interruptions to your financial staff are minimized and that appropriate deadlines are met. We also review budgets, organization charts, manuals, programs, minutes, and information systems. Typically, our exit conference will include discussions on how we can make the audit more efficient and effective in future years. This approach allows us to "Build in Quality" rather than "Inspect in Quality" regarding our audit process.

Another key element of our audit approach is the amount of partner involvement in the audit process. Partners will be involved in the planning, performance, supervision, and review stages of the audit. Our partners are committed to performing real-time review of workpapers and reports. In addition, our partners and staff hold frequent quality circle meetings to identify and resolve issues on a timely basis while obtaining the valuable input of the entire team. These quality circle meetings will often include key members of your staff.

Communication with all levels of staff is another element of our audit approach that is somewhat unique. We take great care in making sure you are aware of our audit plan and the results of the audit process. There will never be any problems or issues that will not be communicated promptly to you. In addition, we take extra time when performing the audit to provide guidance to your staff on new or more efficient ways to do things.

# TECHNICAL PROPOSAL – Specific Audit Approach



We often make use of wall charts to help chart our progress in performing the audit and in achieving milestones that we have set during the planning process. We challenge each and every staff member to make the most efficient use of their time and the client's time, but still request that each staff member form recommendations that they feel would have a meaningful impact on the client's operations. In this way we are constantly striving to offer you ways to improve the efficiency and effectiveness of your systems and procedures and/or save valuable resources.

Before the audit report is printed, our professional standards department reviews the audit report and all significant accounting conclusions for conformity to generally accepted accounting principles and industry practices.

Our analytic procedures include ratio analysis and fluctuation analysis. We compare current year results to budget, prior year and to what we know about the governmental environment based on our thorough understanding of the industry. We utilize this type of analysis extensively in our review of the income and expenditures of the various funds.

Our audit programs are constantly reviewed and updated to take into account new laws, regulations, and technical pronouncements. We have a series of checklists that we use in combination with face-to-face interviews and observations to document our understanding of the internal control structure and in determining if laws and regulations have been complied with.



# TECHNICAL PROPOSAL – Identification of Anticipated Potential Audit Problems

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## IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

As the City's auditors for the past 3 years, we have developed a thorough understanding of the City's financial operations. Accordingly, we do not anticipate potential audit problems; on the contrary, we feel we are the best-equipped firm to provide an efficient and effective audit.

**CITY OF SWARTZ CREEK**  
**Vendor/Bid Proposal**  
 General Cost Log, Identification Form

**Cost Item #1**

1. Pre fiscal year end audit planning, consultation, scheduling, and interim transaction and testing.
2. Annual Fiscal Field and Site Audit of July 1 through June 30 cycle, including Component United
3. General reports of results, internal control and compliance, suggestions for improvements, and an appearance before the Swartz Creek City Council at a regularly scheduled meeting explaining conclusions and observations.
4. Preparation of executable copies of reports including, but not limited to:
  - A. Certified Annual Financial Statements (25 copies)
  - B. Michigan Act 51
  - C. Michigan F-54
  - D. Any and all reports routinely requested by the State of Michigan and/or the County of Genesee and/or the U.S. Federal Government, or any other governmental subdivision thereof.

	<b>Fiscal Year Ending June 30:</b>		
	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Total</b>	<b><u>\$14,600</u></b>	<b><u>\$15,600</u></b>	<b><u>\$16,600</u></b>
<b>All Other Expenses (travel mailing, etc)</b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>

**Cost Item #2**

1. Year long availability for administrative consultation, review and site work, if needed.

Fees would be based on the active time spent at our standard hourly rates. Our standard hour rates vary depending on staff level but they start at \$100 per hour.

**BIDDER IDENTIFICATION**

**IDENTIFICATION**

Name of Firm: Plante & Moran PLLC

Pointe of Contact: Peggy Haw Jury, CPA, CFE

Address: 111 East Court Street, Suite 1A Phone: (810)767.5350

Flint, Michigan 48502 FAX: (810)767.8150

E-mail: peggy.jury@plantemoran.com

*Peggy Haw Jury, CPA, CFE, Partner* 4/24/06  
(Signature, Title and Date)

Peggy Haw Jury, CPA, CFE, Partner  
(Printed Name & Title)



October 29, 2004

To the Partners of  
Plante & Moran, PLLC  
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Plante & Moran, PLLC (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2004. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Plante & Moran, PLLC in effect for the year ended June 30, 2004, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

*Clifton Gunderson LLP*

Offices in 13 states and Washington, DC



**Attachment to the Peer Review Report of Plante & Moran, PLLC**  
**Description of the Peer Review Process**

**Overview**

Firms enrolled in the AICPA Center for Public Company Audit Firms (the Center) Peer Review Program have their system of quality control periodically reviewed by independent peers. These reviews are system and compliance oriented with the objective of evaluating whether:

The reviewed firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers has been designed to meet the requirements of the Quality Control Standards established by the AICPA.

The reviewed firm's quality control policies and procedures applicable to non-SEC issuers were being complied with to provide the firm with reasonable assurance of complying with professional standards.

A peer review is based on selective tests and directed at assessing whether the design of and compliance with the firm's system of quality control for its accounting and auditing practice applicable to non-SEC issuers provides the firm with reasonable, not absolute, assurance of complying with professional standards. Consequently a peer review on the firm's system of quality control is not intended to, and does not, provide assurance with respect to any individual engagement conducted by the firm or that none of the financial statements audited by the firm should be restated.

The Center's Peer Review Committee (PRC) establishes and maintains peer review standards. At regular meetings and through report evaluation task forces, the PRC considers each peer review, evaluates the reviewer's competence and performance, and examines every report, letter of comments, and accompanying response from the reviewed firm that states its corrective action plan before the peer review is finalized. The Center's staff plays a key role in overseeing the performance of peer reviews working closely with the peer review teams and the PRC.

Once the PRC accepts the peer review reports, letters of comments, and reviewed firms' responses, they are maintained in a file available to the public. In some situations, the public file also includes a signed undertaking by the firm agreeing to specific follow-up action requested by the PRC.

Firms that perform audits or play a substantial role in the audit of one or more SEC issuers, as defined by the Public Company Accounting Oversight Board (PCAOB), are required to be registered with and have their accounting and auditing practice applicable to SEC issuers inspected by the PCAOB. Therefore, we did not review the firm's accounting and auditing practice applicable to SEC issuers.



### **Planning the Review for the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers**

To plan the review of Plante & Moran, PLLC, we obtained an understanding of (1) the nature and extent of the firm's accounting and auditing practice, and (2) the design of the firm's system of quality control sufficient to assess the inherent and control risks implicit in its practice. Inherent risks were assessed by obtaining an understanding of the firm's practice, such as the industries of its clients and other factors of complexity in serving those clients, and the organization of the firm's personnel into practice units. Control risks were assessed by obtaining an understanding of the design of the firm's system of quality control, including its audit methodology, and monitoring procedures. Assessing control risk is the process of evaluating the effectiveness of the reviewed firm's system of quality control in preventing the performance of engagements that do not comply with professional standards.

### **Performing the Review of the Firm's Accounting and Auditing Practice Applicable to Non-SEC Issuers**

Based on our assessment of the combined level of inherent and control risks, we identified practice units and selected engagements within those units to test for compliance with the firm's system of quality control. The engagements selected for review included engagements performed under the Government Auditing Standards, an audit performed under FDICIA and audits of Employee Benefit Plans. The engagements selected for review represented a cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagement reviews included examining working paper files and reports and interviewing engagement personnel.

The scope of the peer review also included examining selected administrative and personnel files to determine compliance with the firm's policies and procedures for the elements of quality control pertaining to independence, integrity, and objectivity; personnel management; and acceptance and continuance of clients and engagements. Prior to concluding the review, we reassessed the adequacy of scope and conducted a meeting with firm management to discuss our findings and recommendations.

# Partners

# in Progress

Proposal to provide professional auditing services to



City of  
Swartz  
Creek

For the Years Ending  
June 30, 2006 through 2008

Submitted by:

Gerald Desloover, CPA, Principal  
5800 Gratiot  
Saginaw, Michigan 48638  
Ph (989) 799-9580 Ext 8312  
gdesloov@rehmann.com

April 18, 2006  
Effective for 90 days



**REHMANN ROBSON**

*Certified Public Accountants*

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# REHMANN ROBSON

*Certified Public Accountants*

*A member of THE REHMANN GROUP*

April 18, 2006

City of Swartz Creek  
Paul Bueche  
City Manager  
8083 Civic Drive  
Swartz Creek, MI 48473

Dear Mr. Bueche:

We are pleased to submit our proposal to audit the financial statements of *City of Swartz Creek* as of and for the years ending June 30, 2006 through 2008. Our audits will be made in accordance with auditing standards generally accepted in the United States of America; *Governmental Auditing Standards*, issued by the Comptroller General of the United States; the provisions of the Single Audit Amendments of 1996; and applicable U.S. Office of Management and Budget circulars.

### ***Why Rehmann Robson?***

As the “Auditor of Choice” for well over 160 Michigan local governments and similar nonprofits, we understand that long-term, successful business relationships are built on a foundation of trust and maintained with the delivery of valuable services, in a timely manner with the highest degree of integrity possible. At Rehmann Robson, a member of The Rehmann Group, we consider ourselves your partner in accomplishing this commitment.

In this proposal, we will provide you with a picture of Rehmann Robson’s capabilities and the benefits of becoming a strategic partner with our firm. Here’s what you can expect:

#### **A. Industry Expertise**

A key ingredient in a successful audit relationship is an intimate understanding of our clients’ operations. Rehmann Robson is one of the largest providers of assurance (audit) services to Michigan local governments. Your audits will be not only be managed but also staffed by professionals from our governmental industry group. Members of the governmental industry group spend 365 days a year performing municipal and similar nonprofit assurance services. The benefits to the City are:

1. Less interruption from your schedule in order to “train” the auditors.
2. Comments and suggestions that are not only proactive but provide real value to the City.
3. Timely updates on new accounting pronouncements and strategies for implementation.
4. Faster issuance of your reports.

To our knowledge, Rehmann Robson has the largest number of registered reviewers for the Governmental Finance Officers Association (GFOA) *Certificate of Achievement for Excellence in Financial Reporting*.

## B. Team Approach

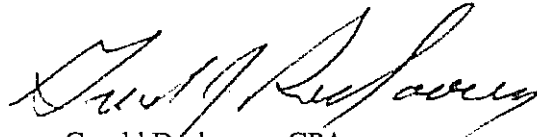
We will meet with individuals from the City's financial management team and believe that this engagement will provide a unique opportunity for a positive, productive partnership. Trust is created through timely preparation and delivery of all financial reports and meeting agreed-upon deadlines. Our team will be dedicated to working with you in identifying detailed engagement requirements, meeting your established timeframes for completion, and managing your evolving expectations throughout the engagement.

## C. Executive Level Responsibility and Communication

Principals and Senior Managers within our firm will have an on-going, strategic relationship with your management team. We assure that you and your management team will receive prompt meaningful communication from our associates throughout the year.

We look forward to the next step in this process—a step we hope leads to a long-term audit relationship. Thank you for considering Rehmann Robson as the independent Certified Public Accountants for *City of Swartz Creek*. We would be happy to answer any questions you may have on any aspect of our firm, our capabilities and the accompanying proposal. Feel free to call (989) 799-9580 Ext. 8312 and speak to Gerald Desloover, C.P.A.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald Desloover". The signature is fluid and cursive, written over a light blue horizontal line.

Gerald Desloover, CPA  
Principal



## Engagement Scope

Rehmann Robson is committed to providing financial tools and information to help you make the right business decisions. We understand the scope of work to be as follows:

- Financial audit of the City's basic financial statements (25 copies)
- Preparation of Forms F-65 and ACT 51
- Management letter
- Presentation to the Board

The format and presentation of the financial statements will conform to the applicable standards set forth by the American Institute of Certified Public Accountant's Audits of State and Local Governments, *Government Auditing Standards 2003 revision* issued by the Comptroller General of the United States, standards established by the Governmental Accounting Standards Board (GASB), Audits of State and Local Governments and the Michigan Department of Treasury.

## Understanding Your Concerns

### Experience

Our experience in providing the proposed services is impressive. We audit over 160 local government and similar nonprofit entities throughout the State as well as many large local governments including Saginaw, Ann Arbor, Jackson, Battle Creek, Kalamazoo, Royal Oak, Oak Park and Ferndale. Please refer to page 5 for a listing of Governmental Audit Clientele. During 2005, we invested approximately 83,000 hours in our governmental and non-profit clients (roughly 20% of the firms total billable hours).

### Independence

Rehmann Robson is independent of **City of Swartz Creek** as defined by auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Rehmann Robson currently has no professional relationships that may constitute a conflict of interest relative to performing the City's audit.

### License to Practice in Michigan and Errors and Omissions Insurance

Rehmann Robson and all assigned key professional staff for this engagement are properly licensed to practice in Michigan. Rehmann Robson carries \$1,000,000 in general liability and \$5,000,000 in professional liability insurance.

### Continuity of Staff

All of the associates who will be assigned to your audit are full-time auditing and consulting professionals specializing in governmental audits. It is our policy to assign the same staff to continuing engagements each year, whenever possible. Promotions, new responsibilities, and circumstances beyond our control may necessitate the substitution of certain staff accountants with associates of comparable experience over the course of a three to five year contract. However, we will not change our engagement executives without prior approval from the City.

## **Quality Control - Peer Review**

As part of our ongoing efforts to fulfill our Mission of continuous improvement, Rehmann Robson has voluntarily participated in the AICPA's peer review program since its inception in 1979. The program, which became mandatory for all firms in 1988, requires that a CPA firm have an independent audit of its quality control documents, systems and procedures every three years. A copy of our most recent peer review report, for which Rehmann Robson received an unqualified opinion, is included in Exhibit B.

We have received no negative comments from the numerous field and desk reviews which have taken place on the audits submitted to the various state departments and single audit clearing house over the last several years.

## **Quality Control – Internal**

We are highly confident in the exemplary quality of the work performed by Rehmann Robson. In order to insure that all our engagements meet our high quality standards, we have implemented a firm-wide system of quality control. The significant components of this system, as they relate to your audit, are as follows:

- All workpapers and audit programs are reviewed by the associates' immediate supervisors, and ultimately, the engagement principal.
- We use specialized audit programs and internal control questionnaires for Cities and then customize them to address specific issues or client concerns.
- Draft financial statements and other reports are detail reviewed by an associate not connected with their preparation.
- Finally, the financial statements and other reports are reviewed for format, presentation, and compliance with all applicable professional guidance and technical pronouncements by the engagement principal and a top-level executive independent of the engagement team. We call this final step our Technical Standards Review process, or TSR.

Through the TSR process, we are able to assure our clients that their financial reports have been subjected to the most stringent review of technical compliance and reporting excellence available. In fact, Linda Stephen, our primary governmental technical standards reviewer, has a long and distinguished tenure as a registered reviewer for the Government Finance Officer's Association's prestigious Certificate of Excellence in Financial Reporting program.

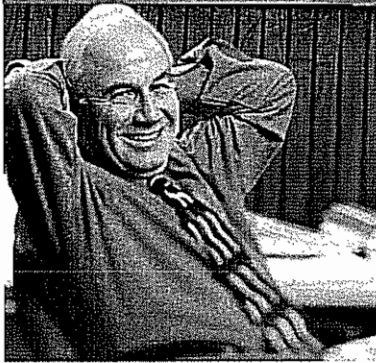
Linda's thorough review of all governmental reports is supplemented by an additional review by Jerry Deslover, Principal-In-Charge of the Governmental Industry Group. Their combined governmental experience of over 60 years provides the highest possible assurance that every report that bears the Rehmann Robson name exhibits the high level of quality our clients have come to expect from an industry leader.

## **Ability to Audit Federal Awards**

Because our Government Industry Group is staffed by professionals who do nothing but governmental accounting, auditing and consulting, all of the people assigned to your audits will have prior experience in auditing federal programs. One of the benefits in serving a large number of Michigan Cities is the experience that we gain from it. This includes experience with a broad range of federal programs. What this means is that you will not have to educate your auditors about your federal programs, but instead you will receive meaningful comments and advice on how to enhance your financial management of those programs.

Rehmann Robson has not had any unfavorable comments or finding related to field reviews performed by state or federal agencies during any of the past three years. During the past three years we are sure that numerous desk reviews have been performed due to the extent of our governmental practice. During the past three years, the only issues identified through desk reviews were the occasional classification issues within the schedule of federal awards.

## A Successful Working Relationship



*"Nineteen ninety-eight was the first year our financials were not audited by one of the "Big Five". We are pleased to report that you delivered on all your promises.*

*- Huron-Clinton Metropolitan Parks Authority*

*"The April 30 issuance of the CAFR was the earliest completion date in our history, by a wide margin. We were pleasantly surprised when you not only delivered on your promises, but you exceeded our expectations.*

*- - Washtenaw County*

## Similar Engagements

Simply put, Rehmann Robson has one of the largest governmental practices in Michigan. We currently serve over 160 governmental and non-profit entities in the State. This is very convincing evidence of our knowledge of your business and our abilities to service your account without disruption and without the need for your people to *train* the auditors.

The following is a partial summary of our clients all reported in the GASB 34 Format:

- |                            |                            |
|----------------------------|----------------------------|
| 1. Saginaw Township        | 20. City of Coleman        |
| 2. Spaulding Township      | 21. City of Boyne City     |
| 3. Carrollton Township     | 22. City of Charlevoix     |
| 4. City of Ferndale        | 23. City of Cheboygan      |
| 5. City of Grosse Pointe   | 24. City of Belding        |
| 6. City of Oak Park        | 25. City of Big Rapids     |
| 7. City of Mackinac Island | 26. City of Carson City    |
| 8. City of Kalamazoo       | 27. City of Cedar Springs  |
| 9. City of Jackson         | 28. City of Holland        |
| 10. City of Battle Creek   | 29. City of Hudsonville    |
| 11. City of South Haven    | 30. City of Kentwood       |
| 12. Clayton Township       | 31. City of Rockford       |
| 13. City of Bridgman       | 32. City of Traverse City  |
| 14. City of Hillsdale      | 33. City of Manistee       |
| 15. City of Olivet         | 34. City of Pleasant Ridge |
| 16. City of Portage        | 35. City of Lowell         |
| 17. City of Tecumseh       | 36. City of Troy           |
| 18. City of St. Ignace     | 37. City of Ann Arbor      |
| 19. City of Saginaw        | 38. City of Royal Oak      |



# GFOA Certificate of Achievement

Our experience in assisting clients to receive (and keep receiving) the GFOA Certificate is extensive. For first time submitters, we provide sample CAFRs (Comprehensive Annual Financial Reports), the checklist used by the GFOA reviewers and spreadsheets for the statistical section. More importantly, though, we explain the process and identify the additional information that needs to be gathered, where it can be found, and what you will need to prepare.

Especially for first time submitters, it is quite common for us to do most of the work in preparing the statistical section and the financial schedules and narratives in the transmittal letter. This leaves only the major initiatives portion of the transmittal letter for City management to write. In subsequent years, we encourage the client to take on more duties and tasks for the CAFR preparation, but this certainly varies among clients and we are happy to do as much or as little as you like.

Clients we are currently assisting or have recently assisted in receiving the GFOA Certificate include:

- Washtenaw County
- Ingham County
- Ottawa County
- Midland County
- Jackson County
- Calhoun County
- Cass County
- Saginaw County
- Isabella County
- Allegan County
- Bay County
- Tuscola County
- City of Ann Arbor
- City of Oak Park
- City of Battle Creek
- City of Kalamazoo
- City of Jackson
- City of Saginaw
- City of Big Rapids
- City of South Haven
- City of Tecumseh
- City of Charlotte
- City of Belding
- City of Bridgeman
- Village of Holly
- Saginaw Charter Township
- Plainfield Charter Township
- Huron-Clinton Metropolitan Parks

## Audit Approach

Our audits of the financial statements of the City will be made in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Accordingly, they will include such tests of the accounting records and such other auditing procedures as we consider necessary and appropriate in the circumstances. Our audits will comply with all applicable U.S. Office of Management and Budget Circulars; the AICPA audit guide, Audits of State and Local Governmental Units; and the Michigan Department of Treasury guidelines.

### Proprietary Approach and Methods

We have developed a proprietary system for preparing governmental financial statements, within the framework of Microsoft Excel. Our approach has several advantages. First, it provides for draft financial statements at the beginning of the audit before fieldwork even begins. Secondly, it provides account level detail to be summarized and read into the financial statement without keying in any account balances. Thirdly it allows for easy GASB 34 adjustments and financial statement adjustments (when necessary)

through journal entries, fourthly, detail of account balances and journal entries included in each financial statement account caption can be easily reviewed and printed. Finally, it greatly increases our efficiency, by allowing us to focus our audit procedures at the financial statement level of detail on which our opinion is expressed.

An outgrowth of your use of this approach will be the technical expertise you gain which will allow you and your staff to take advantage of our system to prepare various reports efficiently on a day-to-day basis.

In addition to technology solutions, we have developed techniques to further enhance engagement efficiency through the use of advanced auditing techniques. Although it has long been called for by the AICPA's Professional Standards, most CPA firms have not properly implemented risk based assessments in establishing their audit procedures. Consequently, other firms often over-audit certain areas, and neglect areas that are more important. Our system of extensive analytical review of the financial statements, and risk related audit procedures, assures our clients that they are receiving the highest quality audit, in the fewest possible hours.

Another distinctive process, of which we are particularly proud, is our engagement planning. At the start of each engagement, we hold a meeting involving all associates assigned to the job. Relying on our extensive knowledge of governmental operations and previous experiences with our clients, we ask, "how should we approach the audit this year?" This process spurs ongoing enhancement of audit efficiency.

A natural outgrowth of our re-engineering process is our philosophy that our engagement executives belong in the field, not in the office. We believe that optimum audit efficiency can only be achieved when our best people are investing a considerable amount of time in the effective planning and implementation of an engagement. Accordingly **you can expect a substantial on-site presence by the executives responsible for your audit throughout the duration of the engagement.**

### **Engagement Execution**

We will complete our work in three phases: planning, year-end fieldwork, and assistance with financial statement preparation and issuance. The details of each phase are discussed below.

**Planning.** In accordance with your time schedule, we will conduct a planning meeting with your staff to meet one another, schedule the dates of our on-site fieldwork, arrange for downloads from your computer systems, document internal and compliance controls, and review the materials you typically provide your auditors. At roughly the same time, we will work closely with you in preparing the format and structure of the financial statements in Microsoft Excel and Word.

As part of an interim site visit, we will document and test the City's financial systems and internal controls. Through this process, we will gain an understanding of your systems and controls and establish an initial basis for our risk assessments, including fraud risk as required by the new auditing standard (SAS 99 – Assessing Fraud Risk in Financial Statement Audits). This process will include the preparation of various checklists and memorandums by your staff. Each subsequent year, these checklists and memorandums will be reviewed with your staff to document any changes in systems or controls.

This will also serve as the beginning step in tests of controls and compliance for single audit purposes (if required). We anticipate selecting samples of 25 or 40 transactions (depending on the size of the population being tested) to test for controls and compliance over federal award programs.



During the first few days of our primary on-site fieldwork in July / August, we will complete the planning process. Our engagement executives will analytically review the draft financial statements, and document our assessment of audit risk. Along with the information gathered during the other planning procedures, this will allow us to:

- Identify the significant audit areas and the substantive procedures to be performed in each audit area.
- Modify our standard governmental audit programs to correlate with our risk assessments.
- Quantify materiality by opinion unit.
- Finish all quality control planning documents.

Year-end Fieldwork. Once the City is ready, approximately August 1<sup>st</sup>, and has available a reasonably adjusted trial balance, we will begin our year-end fieldwork. The draft financial statements, rather than the City's detailed trial balances, will be used to prepare lead schedules and audit workpapers. This allows us to conduct our audit at the same level of detail on which our opinion will be expressed, and enhances the efficiency of the entire process.

A typical audit would involve the following substantive procedures:

- *Cash and cash equivalents* – obtain and test bank reconciliations, agreeing the bank balances to the bank statements, the book balances to the financial statements, and investigating material reconciling items; prepare a master cash schedule to aid in the preparation of the cash footnote.
- *Receivables* – obtain detailed schedules; tracing receivable balances to subsequent receipts.
- *Interfund Transactions* – reconcile and agree at the government-wide financial statement level.
- *Capital assets* – obtain or prepare a summary schedule of fixed assets by government type showing beginning balances, additions, deletions, and ending balances for capital assets and accumulated depreciation; agree the summary balances to detailed records, vouch significant additions and deletions, and recalculate current depreciation expense.
- *Accounts payable* – obtain detailed schedules and vouch individually significant items; perform a search for unrecorded liabilities from July disbursements.
- *Accrued payroll* – obtain schedules and detail test the balance.
- *Compensated absences* – obtain a download of accumulated hours and pay rates by individual; recalculate the accrual subject to any personnel policy or union contract limits.
- *Long-term debt* – Read loan and bond documents, obtain amortization schedules and agree balances. Vouch select principal and interest payments. Test any restrictive covenants.
- *Deferred revenue* – reconcile and agree to related receivable balances or grant agreements.
- *Equity* – agree to prior audit; vouch any changes in reserves.
- *Federal Revenue and State Aid* - Reconcile all federal and state revenue to appropriate support.
- *Property taxes* – Reconcile tax revenues based on approved millage rates and taxable value of property in the City.

- *Other Revenues and Expenditures* – Test the revenue recognition policy. Analytically review (i.e., compare) budget, actual and prior year balances using quantified materiality as a measurement tool; this will generate various inquiries, which will be directed to the appropriate department heads, whose responses we will then corroborate.

As the year-end fieldwork procedures are completed, the workpapers will be reviewed as part of our internal system of quality control. All comments and issues generated by these reviews will be resolved in the field. Also while the audit team is in the field, all quality control documents, audit programs, and checklists will be finished and reviewed.

*Assistance with Financial Statement Preparation and Issuance.* Upon your completion of the financial statements, it will be processed through our Technical Standards Review (TSR).

The TSR process is the final step of our internal quality control. Following firm policy, two reviews are required on every governmental audit report issued by Rehmann Robson. Linda Stephen from our Saginaw office will perform an independent review along your engagement principal for the second review.

Following the TSR, we will meet with you to discuss any potential issues and to address any changes or corrections that need to be made. After incorporating the input of your management and our TSR process, we will finalize, reproduce, assemble and deliver the financial statements in accordance with your deadlines. Financial statements will be delivered prior to November 1st.

## GASB 34

We understand that the City had completed its implementation of GASB Statement 34 in prior years. **Congratulations!** It is our understanding that the City may still be evaluating the best and most effective way to record and monitor the required adjustments at the end of each fiscal year. Rehmann Robson has considerable experience related to your concerns. We have been developing and implementing effective solutions to those very issues since early in the year 2000. In fact, Rehmann Robson assisted a few of our municipal clients in becoming some of the first to adopt GASB Statement 34 not only in the State of Michigan but also in the nation.

## Service Team

A team of highly qualified governmental associates from our Saginaw office will service the City.

Our Principals represent our most experienced people. The Principal who will direct your audit is **Gerald (Jerry) Deslover, CPA, CGFM**. Jerry is the firm's governing partner for all governmental engagements and brings over 30 years of governmental experience to the City. Jerry will be involved in the planning and completion phases of the audit and will maintain contact with the City throughout the year.

The engagement Manager is responsible for overseeing the engagement, completing fieldwork and supervising staff. **Angela Gwizdala, CPA** will serve as engagement manager. Angela has over 7 years of experience and has served as the engagement manager for numerous large townships, cities, and counties.

*Technical Standards Review* support will be provided by **Linda Stephen, CPA**. Linda is a Senior Manager and *GFOA Certificate of Excellence in Financial Reporting* reviewer.

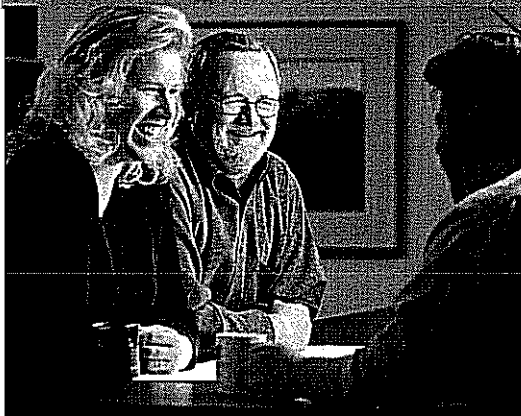
Our *Senior and Staff Accountants* have one to five years of experience, and will perform most of the audit procedures, as directed by Jerry and Lisa. The decision of which individual staff we will assign to your audit will be made when we prepare our fall schedule.

All of the associates who will be assigned to your audit are full-time governmental auditing and consulting professionals. It is our policy to assign the same staff to continuing engagements each year, whenever possible. Promotions, new responsibilities, and circumstances beyond our control may necessitate the substitution of certain staff accountants with associates of comparable experience over the course of the contract. However, we will not change our engagement executives without prior approval from the City.

Resumes for each of the key associates expected to be assigned to **City of Swartz Creek** audit are included in Exhibit A.

We dedicate a significant amount of firm resources to service the local government arena. As such, we have dedicated certain aspects of our consulting practice to specialize and assist local governments in issues that affect them the most. We would propose to assign **Mark Nottley, MPA, SPHR** as a service consultant to the City. Mark would be available to listen and understand management, operational and development issues of the City and offer effective possible solutions or alternatives for the City's consideration.

## Firm Profile



Beginning in 1941 as a traditional accounting firm, Rehmann Robson has grown to be one of the largest CPA and consulting organizations in the Midwest. In 2001, The Rehmann Group, a holding company, was formed to bring all of the Rehmann companies together under a common umbrella and identity. This collection of business services includes traditional accounting and tax services, consulting services, financial planning services, professional investigation and security consulting, and receivables management. The common mission of all of these entities is to provide valuable business solutions.

The Firm is headquartered in Saginaw, Michigan, and has 12 offices with approximately 500 professional staff. "Public Accounting Report" ranked Rehmann Robson as the 31st largest public accounting firm in the United States in 2003. In fact, our firm has several times been ranked among the fastest growing in the country and listed in Crain's 100 best companies to work for.

The Rehmann Group participates in fair employment practices and is an equal opportunity employer. A copy of our policies are available upon request.

## Commitment to the Governmental Industry

We have established a strong commitment to the governmental sector and have approximately 50 employees fully devoted to our governmental sector. Our governmental executives dedicate substantially all their billable time to servicing Michigan governments and Cities, and have done so for years. **In fact, the average level of experience of a Rehmann Robson governmental executive is approximately 15 years.**

Your engagement team is made up of members that work with governmental clients on a full time basis.

Our governmental staff is constantly striving to improve the quality and efficiency of its work. Associates attend at least 60 hours of continuing professional education annually, both externally and in-house, of which more than half is specifically government related. We also hold an annual firm-wide "planning" meeting to discuss the issues that will affect the audit of our municipal clients each year.

A partial listing of the governmental clients we work with is presented on page 5. We urge you to contact our clients, and ask them about the unparalleled service they receive from Rehmann Robson.



# Consulting and Other Services

We have worked especially hard to expand the scope of services that we provide to local governments. As a result, we have established a Governmental Consulting Services Division staffed with professionals dedicated to government and experienced in serving your management needs. This group will work with your audit team to provide the best solutions possible. Some of the services we have provided to local governments include:

- 120-Day Bond Audits in accordance with Michigan Department of Treasury requirements.
- Central Service Cost Allocation Plans in accordance with Circular A-87.
- Assistance with bond issue pre-qualification – financial consultation and representation in Michigan Department of Treasury meetings.
- Analysis of Departments – Privatize versus retain studies, cash flow analyses, etc.
- Feasibility studies, projections for adding/changing/deleting programs and services.
- Human Resources Consulting –
  - Wage and salary studies
  - Classification studies
  - Seminars and Training
  - Discipline and Discharge
  - Fringe benefit analysis
- Early retirement program – projections and accounting
- Employee Benefits Consulting –
  - Retirement plan administration
  - Cafeteria and flex plan – administration and consulting
- Operational consulting –
  - Payroll processing
  - Department procedures and function analysis
- Security and investigation consulting (through Kerby Bailey & Associates – a subsidiary of The Rehmann Group)
  - Facilities layout
  - Background investigations
  - Fraud investigations
  - Emergency planning
  - Computer security
- On-line investing opportunities
  - TreasuryPoint.com – vehicle for governmental units to invest excess funds at competitive rates.
  - Analysis tools for investment activities
- Health care reviews (through Rehmann Financial a subsidiary of The Rehmann Group)
  - Plan design and consulting
  - Carrier selection
  - Savings through a healthier plan



# Fees

We believe we have demonstrated that we possess the necessary qualifications, including substantial experience serving governmental units, personnel who specialize in this area, and the depth of staff and other resources to effectively serve your organization as independent auditors and accountants. We would look forward to meeting with management to further review our qualifications and answer any questions they may have.

Our not-to-exceed fees, including out-of-pocket expenses, for the services outlined in this proposal are as follows. These fees include the audit of the basic financial statements under GASB 34, a PDF filing to the City and Department of Treasury, and preparation of Form F-65 and ACT 51.

## Audit Price Proposal

### Each Year Ending

June 30, 2006	\$ 8,900
June 30, 2007	\$ 9,600
June 30, 2008	\$ 9,900

Optional Years - This multi year proposal, if accepted, can be cancelled by either party prior to March 31 of each year.

June 30, 2009	\$ 10,500
June 30, 2010	\$ 10,900

We understand that you will provide us with basic information required for our engagement, which will include a reasonably adjusted trial balance. Assistance provided in the preparation of a reasonably adjusted trial balance is considered an additional service and will be billed accordingly.

*include 25 hard copies of fin stmts ?*

**CITY OF SWARTZ CREEK  
VENDOR / BID PROPOSAL**

General Cost Log, Identification Form

*(All bidders should complete this sheet and attaché with their proposal)*

**Cost Item #1**

1. Pre fiscal year end audit planning, consultation, scheduling, and interim transaction and testing.
2. Annual Fiscal Field and Site Audit of July1 through June 30 cycle, including Component Units.
3. General reports of results, internal control and compliance, suggestions for improvements, and an appearance before the Swartz Creek City Council at a regularly scheduled meeting explaining conclusions and observations.
4. Preparation of executable copies of reports including, but not limited to:
  - A. Certified Annual Financial Statements (25 copies)
  - B. Michigan Act 51
  - C. Michigan F-65
  - D. Any and all reports routinely requested by the State of Michigan and/or the County of Genesee and/or the U.S. Federal Government, or any other governmental subdivision thereof.

	Fiscal Year Ending June 30:		
	2006	2007	2008
<b>Total:</b>	\$ 8,900	\$ 9,600	\$ 9,900
<b>All Other Expenses (Travel, mailing, etc.)</b>	\$ -0-	\$ -0-	\$ -0-

**Cost Item #2**

1. Year long availability for administrative consultation, review and site work, if needed. Phone calls - No Charge, Site Visits and Coorespondence Billed Hourly.

	Fiscal Year Ending June 30:		
	2006	2007	2008
<b>Total:</b>	\$ 125/Hr	\$ 125/Hr	\$ 125/Hr
<b>All Other Expenses (Travel, mailing, etc.)</b>	\$ -0-	\$ -0-	\$ -0-

**BIDDER IDENTIFICATION**

**IDENTIFICATION**

Name of firm:

REHMANN ROBSON

Point of contact:

GERALD DESLOOVER, CPA, PRINCIPAL

Address:

5800 GRATIOT RD

SUITE 201

SAGINAW, MI 48638

Phone: (989)  
799-9580

FAX: (989)  
799-0227

E-mail: [gdesloov@rehmann.com](mailto:gdesloov@rehmann.com)

 CPA, Principal  
(SIGNATURE, TITLE AND DATE)

Gerald Desloover, CPA, Principal  
(PRINTED NAME & TITLE)

# Exhibit A

## Resumes

# Gerald J. Desloover, CPA, CGFM

*Engagement Principal In Charge of Governmental Services – Saginaw*



## Areas of Expertise

- Governmental Audit Services
- Federal Circular A-133 Single Audit Compliance
- Governmental Consulting Services

## Contact Information

Phone: 989.799.9580

Fax: 989.799.0227

Email: [gdesloov@rehmann.com](mailto:gdesloov@rehmann.com)

## Current Position

Jerry is the firm's Principal In Charge of Governmental Services and resides in the Saginaw Office.

## Experience

Jerry has over thirty years of experience in providing governmental units with audit and consulting services. His scope of services encompasses a multitude of areas including audit compliance at the state and federal level, privatization analysis, financial/budget projections, utility rate studies, GASB 34 implementation, and management and operational reviews.

Prior to joining the firm, Jerry worked three years for a city as an accountant and one year for a county as a budget analyst.

## Education

Jerry graduated from the University of Detroit with a Bachelor of Arts Degree in Accounting. He is also a Certified Government Financial Manager.

## Professional Organizations

- American Institute of Certified Public Accountants
- Michigan Association of Certified Public Accountants
- Michigan Association of County Administrative Officers
- Michigan City Managers Association
- Michigan Government Finance Officers Association

## Personal Mission Statement

Jerry believes that assisting governments with their management and accounting needs provides for a better environment in our community.



**THE REHMANN GROUP**  
*Business wisdom 193 lined.*



# Linda A. Stephen, CPA

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## *Senior Manager*



### **Areas of Expertise**

- Audits of Governmental Entities, Including School Districts
- Audits of Non-Profit Entities
- Review of Governmental Financial Statements
- Governmental and School District Financial Reporting
- Non-Profit Financial Reporting

### **Contact Information**

Phone: 989.799.9580

Fax: 989.799.0227

Email: [lstephen@rehmann.com](mailto:lstephen@rehmann.com)

### **Current Position**

Linda is a Senior Manager in the Governmental Audit Department and resides in the Saginaw office. She performs a technical standards review on governmental financial statements and non-profit organization financial statements prepared within the firm. Linda provides technical expertise and serves as a technical resource for our firm-wide governmental staff.

### **Experience**

Linda has spent twenty years with The Rehmann Group. During this period, she has worked with several governmental, school district and non-profit entities in a supervisory capacity. She is extensively involved in the technical review process for the governmental and non-profit sectors and serves as a reviewer on the special review committee for the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program. Linda has assisted on several peer reviews performed by the firm. She has also served on several school district and governmental committees over the past several years.

### **Education**

Linda is a graduate of Central Michigan University with a Bachelor of Science degree in Accounting.

### **Professional Organizations**

- American Institute of Certified Public Accountants
- Government Finance Officers Association, Special Review Committee
- Michigan Association of Certified Public Accountants
- National Association of Career Women, Saginaw Chapter
- St. John Vianney Finance Committee, Chairman



# Angela M. Gwizdala, CPA

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*Senior*



## **Areas of Expertise**

- Governmental & Not-For-Profit Auditing
- Federal Award Compliance & Auditing

## **Contact Information**

Phone: 989.799.9580

Fax: 989.799.0227

Email: [agwizdal@rehmann.com](mailto:agwizdal@rehmann.com)

## **Current Position**

Angela is a Senior in the Governmental Audit and Assurance department in the Saginaw office.

## **Experience**

Angela joined the firm in 1999. She has provided traditional audits, federal award compliance and auditing, and federal award compliance monitoring services to various clients.

Selected engagements on which Angela has served include: Saginaw County, Bay County, Sanilac County, City of Saginaw, Thomas Township, Village of Chesaning, Special Olympics Michigan, Inc. and Freeland Community School District.

## **Education**

Angela is a graduate of Northwood University with a Bachelor of Arts in Business Administration and Accounting.

## **Professional Organizations**

- Michigan Association of Certified Public Accountants



# Jamie M. Holbrook

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*Staff Associate*



## **Areas of Expertise**

- Governmental & Not-For-Profit Auditing
- Federal Award Compliance & Auditing

## **Contact Information**

Phone: 989.799.9580

Fax: 989.799.0227

Email: [jcarruth@rehmann.com](mailto:jcarruth@rehmann.com)

## **Current Position**

Jamie is a Staff Associate in our Governmental Audit and Assurance Department and is located in the Saginaw office.

## **Experience**

Jamie joined the firm in 2003. She has worked on traditional audits and federal award compliance and auditing.

Selected engagements on which Jamie has served include Isabella County, Midland County, Tuscola County, City of Saginaw, Village of Chesaning and Carrollton Township.

## **Education**

Jamie is a graduate of Central Michigan University with a Bachelor of Arts in Business Administration in accounting.



# Exhibit B

## Peer Review Report



Business Consultants • Certified Public Accountants

To the Principals of  
Rehmann Robson and the SEC Practice Section Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson (the firm) in effect for the year ended July 31, 2002. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. In addition, the firm has agreed to comply with the membership requirements of the SEC Practice Section of the AICPA Division for CPA Firms (the Section). Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system and the Section's membership requirements based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Section and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it or with the membership requirements of the Section since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Rehmann Robson in effect for the year ended July 31, 2002, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards. Also, in our opinion, the firm complied during that year with the membership requirements of the Section in all material respects.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

*Larson, Allen, Weishair & Co., LLP*  
LARSON, ALLEN, WEISHAIR & CO., LLP

November 8, 2002  
Minneapolis, Minnesota





Business Consultants & Certified Public Accountants

To the Principals of  
Rehmann Robson and the Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson (the firm) in effect for the year ended July 31, 2002. The matters described below were not considered to be of sufficient significance to affect the opinion expressed in that report, which should be read in conjunction with this letter.

### Monitoring

Comment – The firm’s monitoring policies and procedures for inspection require the preparation of memoranda summarizing the results of the firm’s inspection procedures and the implementation of corrective actions. However, in the last two years, not all corrective actions identified were followed up in a timely manner.

Recommendation – The firm should complete all phases of its inspection procedures in a timely manner so that corrective actions can be implemented before engagements are performed in the subsequent year and quality control elements can be improved appropriately. As part of the corrective actions decided upon, the firm’s assurance executive committee should monitor follow-up with each action and set a timetable for completion of each corrective action. In addition, the firm’s Board of Directors should monitor completion of all corrective actions.

### SECPS Membership Requirements

Comment – The Section’s membership requirements require that member firms establish independence policies specifically requiring making a restricted entities list available to all employees and updating it on at least a monthly basis, developing a monitoring system to test information received from principals and managers on annual independence statements is accurate, and develop as part of its policies guidelines for actions to be taken against professionals for violations of independence. Our review disclosed that the above policies were not documented or implemented by the firm.

Recommendation – The firm should establish written independence policies and procedures consistent with the Section’s membership requirements. In addition, a training session should be held for all firm professionals to review those independence policies.

*Larson, Allen, Weishair & Co., LLP*  
LARSON, ALLEN, WEISHAIR & CO., LLP

November 8, 2002  
Minneapolis, Minnesota







---

Certified Public Accountants

Business Organization:

Firm Name: Taylor & Morgan PC  
2302 Stonebridge Dr.  
Building D  
Flint, MI 48532

Professional Corporation – Michigan Corporation

Statement of Project:

We will conduct a financial statement audit of the City of Swartz Creek for the year ended September 30, 2005. We will also complete the Michigan Act 51, and Michigan F-65. In addition to these reports, we will issue any and all reports requested by the State of Michigan, Genesee County, U.S. Federal Government, or any other governmental subdivision thereof, as outlined in the RFP.

Management Summary:

We will audit the financial statements of the City of Swartz Creek for the year ended June 30, 2006, 2007, and 2008. In performing these audits, we will comply with all professional standards as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and Office of Management and Budget (OMB) circulars as required. Our work product will consist of a bound audit report and a management letter and will be produced as prescribed in the RFP.

Work Plan:

We would plan on starting our test work in mid to the end of June. The test work portion of the audit is designed to assess the level of internal controls in place. We would accomplish this through sampling disbursements and receipts and tracing them through the accounting records. In addition to these procedures, we would also assess the potential of fraud risks, especially those related to improper revenue recognition and if condition exist making the City of Swartz Creek more susceptible to fraudulent financial reporting as well as material defalcations.

Work Plan-(continued):

We would then use that information to complete the audit programs by financial statement and risk areas and complete the substantive testing of the trial balance accounts. We would then conduct an exit meeting with management and present any findings or management letter items we noted. Upon completion of the fieldwork we would take the finalized trial balances to our office and complete the audit report. We would then issue a draft financial statement to management for comment and review before finalizing. After the final report is complete, the partner in-charge would be available to present them at the next available board meeting.

Prior Experience

Taylor & Morgan PC audit a large number of municipalities and school districts. Our audit clients include nine local public school districts, a village and a township and many non-profit agencies. A large number of these receive federal grants that require compliance audits on which we report. Below is a listing of our current governmental audit clients.

<u>Client</u>	<u>Engagement Partners</u>	<u>Hours</u>	<u>Client Contact</u>
Summerfield Township	William S. Morgan	40	Joan Wiederhold 734-279-1213
Gaines Township	Lawrence A. Gawthrop	65	Michael Dowler 810-635-8000
Beecher Community Schools	William S. Morgan	250	Margaret Clinton 810-591-9203
Carman-Ainsworth Community Schools	Thomas M. Taylor	200	Karen Moffitt 810-591-3207
Goodrich Area Schools	William S. Morgan	200	Dr. Raymond Green 810-591-2550
Lake Fenton Community Schools	Thomas M. Taylor	160	Lucy Diamond 810-591-4141
Lakeville Community Schools	William S. Morgan	175	James Richardson 810-591-6525
Montrose Community Schools	Lawrence A. Gawthrop	175	John Coyle 810-591-8813
Perry Public Schools	Lawrence A. Gawthrop	175	Robert Hahn 517-625-0101
Swartz Creek Community Schools	Lawrence A. Gawthrop	225	James Bleau 810-591-2312
Croswell-Lexington Community Schools	William S. Morgan	225	Tammie Schadd 810-679-1000
City of Flint-DDA	Lawrence A. Gawthrop	75	James Rutherford 810-767-2297



### Labor Requirements

We anticipate assigning an engagement partner, manager, a senior auditor, and a staff accountant all possessing extensive experience in auditing local units of governments and their component units. The following individuals are available for this engagement.

*Lawrence A. Gawthrop, engagement partner:* Larry, a Certified Public Accountant, has over 12 years of accounting experience, the past nine in public accounting. A graduate of Walsh College, he is a partner responsible for audits of school districts, non-profit organizations and governmental agencies. Larry is currently working on obtaining his Certified Fraud Examiner designation.

Prior to joining Taylor & Morgan, Larry's experience in public accounting included municipal engagements of a county and a local city, where he was assigned various responsibilities for field work in various funds, review of internal controls, and financial statement preparation.

Larry has been a mentor for the FLAG program and is a classroom consultant for Junior Achievement of Southeast Michigan. He is also knowledgeable in computerized accounting systems and has performed many consulting and operational review engagements. Larry is a member of the AICPA and MACPA.

*Shawna Ferry, CPA:* Shawna, a Certified Public Accountant, has been with Taylor & Morgan, P.C. since 1993. She graduated from the University of Michigan-Flint with distinction and has participated in the management and fieldwork of numerous municipal and nonprofit audit engagements.

Shawna also has extensive experience in financial reporting of local units of government and has participated in operational reviews and forensic accounting engagements for several clients. She has been a classroom consultant for Junior Achievement and is proficient in computerized accounting systems. Shawna is a member of the MACPA.

*Renee Guckian, CPA:* Renee, a Certified Public Accountant, has been with Taylor & Morgan, P.C. since September of 1988. She graduated from the University of Michigan - Flint with high distinction and has been responsible for the management of field work for several not-for-profit organizations, as well as having in-charge experience on several other school audit engagements. Renee is a member of the MACPA.

*Courtney Knox-* Courtney joined Taylor & Morgan in June 2004. She is a graduate of Michigan State University and is currently enrolled at the University of Michigan-Flint to obtain the additional credit hours necessary for the CPA certification. Courtney has worked on several governmental and not-for-profit audits with increasing responsibilities.

Authorized Negotiations:

Lawrence A. Gawthrop is authorized to negotiate the proposed contract with Genesee County. He can be reached at 810-230-8200 or email [larry@tmcpa.com](mailto:larry@tmcpa.com).


Additional Information and Comments

In addition to our current governmental audit clients, two Principals of Taylor & Morgan, P.C. have extensive experience in auditing municipalities while at other firms. Thomas M. Taylor was considered a municipal auditing expert in the Midwest region while at Ernst & Ernst and Lawrence A. Gawthrop was a senior level staff person on the engagement team at the Genesee County and City of Burton for four years.

If there should be circumstances beyond our control, and we are unable to perform the work in the timetable presented in the RFP, we reserve the right to modify the estimated costs portion of this proposal.

We appreciate the opportunity to bid on these services and this proposal will remain in effect for 90 days from the date of this bid

Sincerely,

  
Lawrence A. Gawthrop, CPA  
Principal

REQUEST FOR SEALED BID  
GOVERNMENT AUDIT SERVICES

CITY OF SWARTZ CREEK, MICHIGAN

Sealed bid proposals will be received by the City of Swartz Creek, located at 8083 Civic Drive, Swartz Creek, Michigan 48473, until 3:00 P.M., Eastern Daylight Time, Monday, April 24, 2006, for the acquisition of professional government audit services.

Specifications and proposal forms may be obtained at the City of Swartz Creek Municipal Offices, 8083 Civic Drive, Swartz Creek Michigan 48473, Monday through Friday between 8:30 A.M. and 4:30 P.M. All proposals must be made on provided City of Swartz Creek bid specification form. All envelopes containing proposals must be plainly marked "**AUDIT SERVICES BID PROPOSAL**".

The City of Swartz Creek reserves the right to reject any and all proposals, or any part of same, to waive any irregularities or informalities, and to make the award in part or entirely as may appear to the City of Swartz Creek to be in the best interests of the City.

**Mary Jo Clark**  
City Clerk  
City of Swartz Creek

"AN EQUAL OPPORTUNITY EMPLOYER"

\*\*\*\*\*

Publish: \_\_\_\_\_

One Time, Swartz Creek News

Remit Invoice To: City Clerk  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, Michigan 48473

Proof Required

# CITY OF SWARTZ CREEK

## VENDOR / BID PROPOSAL

### General Cost Log, Identification Form

*(All bidders should complete this sheet and attaché with their proposal)*

**Cost Item #1**

1. Pre fiscal year end audit planning, consultation, scheduling, and interim transaction and testing.
2. Annual Fiscal Field and Site Audit of July1 through June 30 cycle, including Component Units.
3. General reports of results, internal control and compliance, suggestions for improvements, and an appearance before the Swartz Creek City Council at a regularly scheduled meeting explaining conclusions and observations.
4. Preparation of executable copies of reports including, but not limited to:
  - A. Certified Annual Financial Statements (25 copies)
  - B. Michigan Act 51
  - C. Michigan F-65
  - D. Any and all reports routinely requested by the State of Michigan and/or the County of Genesee and/or the U.S. Federal Government, or any other governmental subdivision thereof.

Fiscal Year Ending June 30:

2006                      2007                      2008

Total:            \$ 14,650    \$ 15,175    \$ 15,475

All Other Expenses (Travel, mailing, etc.) \$ Inclusive    \$ Inclusive    \$ Inclusive

**Cost Item #2**

1. Year long availability for administrative consultation, review and site work, if needed.

Fiscal Year Ending June 30:

2006                      2007                      2008

Total:            \$ 90-170/hr    \$ 90-170/hr    \$ 90-170/hr

All Other Expenses (Travel, mailing, etc.) \$ Inclusive    \$ Inclusive    \$ Inclusive

**BIDDER IDENTIFICATION**

**IDENTIFICATION**

Name of firm: Taylor & Morgan, P.C.

Point of contact: Larry Gawthrop

Address: G-2302 Stonebridge Dr. Phone: (810) 230-8200

Building D FAX: (810) 230-8203

Flint, MI 48532 E-mail: larry@tmcpa.com

Lawrence A. Gawthrop, CPA Principal  
(SIGNATURE, TITLE AND DATE)

Lawrence A. Gawthrop, CPA Principal  
(PRINTED NAME & TITLE)



**PROPOSAL TO PROVIDE AUDITING  
SERVICES TO  
CITY OF SWARTZ CREEK**

**April 17, 2006**

**Contact Person:**

Stephen L. Kidd, CPA – Principal or Jamie M. Cowan, CPA, MBA – Manager  
e-mail: [skidd@lewis-knopf.com](mailto:skidd@lewis-knopf.com) or [jcowan@lewis-knopf.com](mailto:jcowan@lewis-knopf.com)

**Audit Firm:**

Lewis & Knopf, P.C.  
5206 Gateway Center, Ste. 100  
Flint, Michigan 48507  
Phone: (810) 238-4617  
Fax: (810) 238-5083  
[www.lewis-knopf.com](http://www.lewis-knopf.com)

**City of Swartz Creek Proposal**

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*Lewis & Knopf, CPAs, P.C.*

Serving You with Trust and Integrity

April 17, 2006

Paul Bueche, City Manager  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473

Dear Mr. Bueche:

We appreciate this opportunity to submit our proposals for selection as certified public accountants to provide auditing services to the City of Swartz Creek.

We understand that the work to be performed (in summary), is as follows:

### **Auditing Services**

1. Preparation of audited financial statements and notes to the financial statements in accordance with generally accepted auditing standards, as well as Government Auditing Standards (Yellow Book) and the provisions of U. S. Office of Management and Budget (OMB) Circular A-133 (if necessary). The audit shall also be made in accordance with the Bulletin for Audits of States and Local Governments and Nonprofit organizations, as well as laws and standards prescribed by the State of Michigan and its Treasurer.
2. Submission of final audit reports at an agreed-upon date, for the fiscal year ended June 30, 2006.
3. Attendance at Board and Committee meetings as requested to present audit and management letter recommendations.

Under auditing standards, we must communicate with the predecessor auditor prior to accepting this engagement.

**Professional Services to Meet Your Needs**

The cornerstone of the Lewis & Knopf service philosophy is an understanding of your needs and objectives. We recognize that the City of Swartz Creek is a local municipality with many concerns and pressures. Our goal is to perform a quality audit and bring you ideas that enhance City of Swartz Creek's financial performance and success.

Our extensive experience and in-depth understanding of governmental operations permits us to efficiently design, perform and complete the audit engagement in a timely fashion with little disruption to City of Swartz Creek's operations. Lewis & Knopf serves as auditors for many governmental units. We also have access to experts in the Michigan governmental arena through an alliance with BDO Seidman (an international firm). Our personnel are experienced in auditing governmental units and are very familiar with the authoritative guidance.

**Quality and Service**

Lewis & Knopf is responsive to the specific needs of its clients. The hallmark of our client service approach is active, high-level partner and senior manager involvement. As a member of the BDO Alliance we have access to other BDO and Alliance Firm specialists on a national basis should the need arise. We strive to maintain continuity of assignment of audit staff and ensure that all are properly trained and supervised.

The City of Swartz Creek will be served by a client service team that can quickly adapt to and understand your current and changing needs. With this in mind, we have assembled a team that includes professionals who are highly skilled and experienced in helping our governmental clients achieve their goals. We are confident the experience of your client service team, combined with our specialized industry resources, will exceed your expectations of a professional service firm.

**Audit Approach**

Our audit approach emphasizes gaining a thorough knowledge of City of Swartz Creek's accounting system. Accordingly, we offer suggestions for improving operating efficiency and effectiveness of City of Swartz Creek. We believe the management letter is an important part of our audits - serving a purpose much greater than just compliance—because we strive to make our recommendations meaningful and valuable.

Lewis & Knopf began operations in Michigan in 1934 and serves primarily nonprofit and local governmental entities in Michigan. A substantial amount of our resources and the talent of our 40 employees is directed toward nonprofits and local governmental entities.

Lewis & Knopf works to give back to the industry we serve. Our team members belong to organizations like the Michigan Association of CPA's and the GFOA, and routinely serve as speakers at seminars and conferences benefiting nonprofits and local governments.

We earned an excellent reputation in the local community by providing consistent high-quality services. As a result, for many of the clients we serve, the term of our service may be measured in decades rather than years. These lengthy relationships, a bit unusual in the local government and nonprofit sector, are a direct result of Lewis & Knopf maintaining an organization-wide commitment to excellence on each and every engagement. To maintain our high quality, we continuously improve and streamline our audit processes and invest significantly in training and technology to support efficiencies in service provision and consistency in service quality.

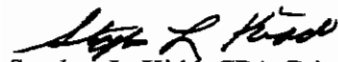
**Audit Approach (Continued)**

Because our commitment to excellence bears a cost associated with the investment in processes and standards, we recognize we are not often the lowest cost audit provider. Though we are not likely to be the least expensive audit provider that you will consider, we are confident that the quality of our services and the exceptional level of value you will receive from working with our experienced consultants will far surpass any difference in fees you may encounter. Also know that we abide by our fee quotes and will not exceed the amounts quoted where flat fees are provided.

We guarantee our work and make an unequivocal commitment to perform the work requested by the City of Swartz Creek and meet the deadlines you have proposed. This proposal is firm and remains irrevocable for 90 days from April 17, 2006.

We are enthusiastic about this opportunity to serve you. If you have any questions or comments on this proposal, please call me. Please visit our Web site ([www.lewis-knopf.com](http://www.lewis-knopf.com)) for more information about the firm.

Sincerely,



Stephen L. Kidd, CPA, Principal  
LEWIS & KNOPF CPAs, P.C.



# City of Swartz Creek Proposal

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## BUSINESS ORGANIZATION

### Independence

Lewis & Knopf and its employees are independent of City of Swartz Creek as defined by GAAS and the GAO Yellow Book standards. Lewis & Knopf and its employees are independent of all the component units and contract service providers of City of Swartz Creek as defined by GAAS and the GAO Yellow Book standards. The firm has had no professional relationships involving the City of Swartz Creek or its component units in the past five (5) years.

### Licensure

Lewis & Knopf and its employees are properly licensed to practice public accounting in Michigan. Our firm's registration number is 60-2912. We meet the continuing professional education and other requirements of Government Auditing Standards and the Single Audit Act of 1996.

We have never been subject to any enforcement action from any Ethics or regulatory body. We have had no federal or state desk or field reviews of our audits in the past three (3) years.

### Auditing Services

City of Swartz Creek's work will be performed with full-time audit staff as follows:

<b>Audit Team Time by Level/Experience</b>	<b>Years of Experience</b>
Partner	25+
Manager	7+
Senior Accountant	2+
Secondary Partner	20+

If additional assistants are needed, they will be assigned on a part-time basis for blocks of time that generally include a week.

Our firm participates in the AICPA Peer Review Program. We have undergone three external reviews all of which have included government engagements, most recently in December 2005, and each time we received an unqualified opinion on the conduct of our practice: a copy of our latest peer review report is enclosed.

Lewis & Knopf and its employees have never been subject to any enforcement action from any Ethics or regulatory body.

## City of Swartz Creek Proposal

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### Key Personnel Qualifications and Experience

All the professionals listed below are licensed CPAs in the State of Michigan.

Many organizations are concerned about their audit team's skill level and consistency of staffing from year to year. First of all, Lewis & Knopf's staff turnover is far below the industry average. The quality of staff over the term of the engagement is assured through policies governing assignment of personnel to engagements and professional development. In assigning personnel, we seek to maintain consistency, yet over time, new personnel are rotated in to maintain a fresh perspective. All employees of the firm are required to attend between 40 to 50 hours of CPE a year. Because much of our business is related to nonprofit entities, almost all of the CPE is on nonprofit and governmental auditing, consulting and related subjects.

### Audit Team Hours by Level/Experience:

	<u>Anticipated Engagement Hours</u>
Partners	8
Manager	40
Senior Accountants	40
Staff Assistants	8

Stephen L. Kidd, CPA will be the Engagement Principal for City of Swartz Creek and Jamie M. Cowan, CPA, MBA will be City of Swartz Creek's Engagement Manager. Resumes of these individuals and your audit planning/ implementation personnel follow. Lewis & Knopf has other partners with extensive governmental experience should the need or desire arise for City of Swartz Creek to switch team members.

**Stephen Kidd**  
Principal  
skidd@lewis-knopf.com

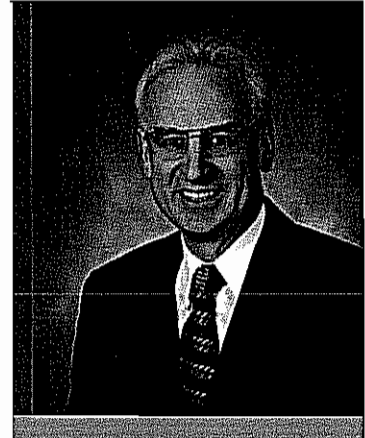
Steve, a Principal at Lewis & Knopf, CPAs, P.C., works mainly with school districts, governmental entities, manufacturers, professional service firms, and wholesale and retail organizations.

For his entrepreneurial clients, Steve is focused on facilitating their growth as they become more profitable business owners. He has helped manufacturing clients return to profitability by restructuring cost accounting systems to provide accurate and timely work process. In other instances, Steve has been intricately involved in the negotiation of various company transitions of ownership.

Steve's personal philosophy is "You have to understand your clients business and personal needs, and how these things come together, in order to successfully impact their business."

Steve attributes much of his success to his mother – She worked two jobs to support her family while maintaining a positive outlook on life and people. Her work ethic and positive attitude were the catalysts for Steve's determination. Today, he believes hard work and an open mind lend to his long-standing client relationships.

Steve grew up in Otisville, Michigan. He currently lives in Frankenmuth, Michigan with his wife, Lynn, and their three teenage sons. In his spare time Steve enjoys sports, outdoor recreational activities with family, and church activities.



***Designations:***

- Certified Public Accountant

***Memberships:***

- American Institute of Certified Public Accountants
- Michigan Association of Certified Public Accountants
- Institute of Business Appraisers

***Education:***

- Ferris State College  
– BS, Accounting, 1978



*Lewis & Knopf, CPAs, P.C.*

*Serving You with Trust and Integrity*

5206 Gateway Centre  
Suite 100  
Flint, MI 48507  
T (810) 238-4617 • (877) 244-1787  
F (810) 238-5083  
www.lewis-knopf.com

**Jamie Cowan**  
**Manager**  
jcowan@lewis-knopf.com

Jamie, an Audit Manager at Lewis & Knopf, CPAs, P.C., works primarily with governmental and non-profit organizations. She is also a member of the firm's Accounting & Auditing Committee, helping to ensure quality service for clients.

Primarily, Jamie focuses on helping clients to enhance operational efficiencies, use financial reporting tools to better facilitate good business decisions, and improve internal controls through implementation of better management tools. She has also assisted numerous clients in selection, training and implementation of new accounting software.

Jamie lives and works by the golden rule: "Do unto others as you would have them do unto you." She attributes much of her success to her college instructors and the support of her family.

Jamie and her family currently reside in Swartz Creek. In her spare time, Jamie enjoys movies, playing cards, walking, golf and activities with her family.



***Designations:***

- Certified Public Accountant

***Memberships:***

- American Institute of Certified Public Accountants
- Michigan Association of Certified Public Accountants
- Flint Women's Forum  
– Editor, Board Member

***Education:***

- University of Michigan  
– MBA, 2001
- University of Michigan  
– BBA, 1996
- Mott Community College  
– AA, 1992



*Lewis & Knopf, CPAs, P.C.*

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5206 Gateway Centre  
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F (810) 238-5083  
www.lewis-knopf.com

# City of Swartz Creek Proposal

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## PRIOR EXPERIENCE

### Prior Engagements with City of Swartz Creek

The firm has not provided City of Swartz Creek professional services in the past.

### Similar Engagements

We currently provide **Audit Services** for several governmental units. A partial list is provided and it reflects the most significant engagements performed, similar to the work described in City of Swartz Creek' request for proposal are listed below.

### Governmental Client List (Audits done for the 2004-2005 Fiscal Year)

<u>GOVERNMENTAL UNITS</u>	<u>CONTACT PERSON</u>	<u>PHONE #</u>
Attica Township	Nancy Herpolsheimer	(810) 724-8128
Clio Area Fire Authority	Chief Jim Bronson	(810) 686-7580
Mideastern Michigan Library Cooperative	Roger Mendel, Director	(810) 232-7119
Village of Goodrich	Jakki Sidge	(810) 636-2570
Village of Ortonville	Edward Coy - Village Manager	(248) 627-4976
Village of Otisville	Dave Tatrow	(810) 631-4680
Village of Vernon	Daniel Luick	(989) 288-2300

## TOTAL BID COST

### Schedule of Fees

Our fee for the above services, as well as the preparation of the federal and state income tax returns, as applicable City of Swartz Creek will be as follows:

June 30, 2006	\$ 10,500.00
June 30, 2007	11,025.00
June 30, 2008	11,575.00
<u>Total 3 Year Bid</u>	<u>\$ 33,100.00</u>

### Out-of-Pocket Expenses

Lewis & Knopf does not charge an additional fee for out-of-pocket costs.



## **City of Swartz Creek Proposal**

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### **Rates for Additional Professional Services**

Additional services outside the scope of the proposed audit are billed as a separate engagement. If a need arises during the audit for additional services, Lewis & Knopf will promptly bring the need to the attention of City of Swartz Creek' management. A change in the scope of the audit engagement will result in the presentation of a Change Order that must be approved by City of Swartz Creek in writing prior to performance of the work therein. Fees for additional services are either based on a fixed fee (whenever possible) or at the hourly rates described in the preceding "Personnel Rates and Time Budget" section based on the nature of the work needed and the level of the professional(s) performing the work.

### **Manner of Payment**

Payment is expected upon receipt of bills. City of Swartz Creek will be billed when final reports are approved.

## Peer Review Program

American Institute of Certified Public Accountants

Administered by the

Michigan Association of CPAs

March 1, 2006

Thomas K. Shade, CPA  
Lewis and Knopf PC  
5206 Gateway Ctr Ste 100  
Flint, MI 48507-3917

Dear Mr. Shade:

It is my pleasure to notify you that on February 22, 2006 the Peer Review Task Force accepted the report on the most recent peer review of your firm. The due date for your next review is December 31, 2008. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the reviewer's opinion was unmodified. The Task Force asked me to convey its congratulations to the firm.

Sincerely,



David Pickering  
Peer Review Manager

cc: James K Wallace, CPA

Firm Number: 10042252

Review Number: 230314



# REHMANN ROBSON

*Certified Public Accountants*

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

September 15, 2005

To the Partners  
Lewis & Knopf, CPA's, P.C.

We have reviewed the system of quality control for the accounting and auditing practice of Lewis & Knopf, CPA's, P.C. (the "Firm") in effect for the year ended June 30, 2005. A system of quality control encompasses the Firm's organizational structure, the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The Firm is responsible for designing a system of quality control and complying with it to provide the Firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the Firm, interviewed Firm personnel and obtained an understanding of the nature of the Firm's accounting and auditing practice, and the design of the Firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the Firm's system of quality control. The engagements selected represented a reasonable cross-section of the Firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, audits of Employee Benefit Plans and engagements performed under *Government Auditing Standard*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with Firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the Firm's accounting and auditing practice. In addition, we tested compliance with the Firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the Firm's policies and procedures on selected engagements. Our review was based on selected tests therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent

limitations in the effectiveness of any system of quality control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Lewis & Knopf, CPA's, P.C. in effect for the year ended June 30, 2005 has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the Firm with reasonable assurance of conforming with professional standards.

A handwritten signature in cursive script that reads "Lehmann Johnson".

**CITY OF SWARTZ CREEK  
VENDOR / BID PROPOSAL**

General Cost Log, Identification Form

*(All bidders should complete this sheet and attaché with their proposal)*

**Cost Item #1**

1. Pre fiscal year end audit planning, consultation, scheduling, and interim transaction and testing.
2. Annual Fiscal Field and Site Audit of July1 through June 30 cycle, including Component Units.
3. General reports of results, internal control and compliance, suggestions for improvements, and an appearance before the Swartz Creek City Council at a regularly scheduled meeting explaining conclusions and observations.
4. Preparation of executable copies of reports including, but not limited to:
  - A. Certified Annual Financial Statements (25 copies)
  - B. Michigan Act 51
  - C. Michigan F-65
  - D. Any and all reports routinely requested by the State of Michigan and/or the County of Genesee and/or the U.S. Federal Government, or any other governmental subdivision thereof.

	Fiscal Year Ending June 30:		
	2006	2007	2008
<b>Total:</b>	\$ <u>10,500.00</u>	\$ <u>11,025.00</u>	\$ <u>11,575.00</u>

**All Other Expenses (Travel, mailing, etc.)** \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

**Cost Item #2**

1. Year long availability for administrative consultation, review and site work, if needed.

	Fiscal Year Ending June 30:		
	2006	2007	2008
<b>Total:</b>	\$ _____	\$ _____	\$ _____

**All Other Expenses (Travel, mailing, etc.)** \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

We would charge an hourly rate between \$65.00 - \$200.00



**BIDDER IDENTIFICATION**

**IDENTIFICATION**

Name of firm:

Lewis & Knopf, P.C.

Point of contact:

Stephen L. Kidd, CPA

Address:

5206 Gateway Centre - Ste 100

Flint, MI 48507

Phone: (810) 238-4617

FAX: (810) 238-5083

E-mail:

skidd@lewis-knopf.com

*Stephen L. Kidd - Principal 4/12/06*  
(SIGNATURE, TITLE AND DATE)

Stephen L. Kidd, CPA - Principal  
(PRINTED NAME & TITLE)

**THE CITY OF SWARTZ CREEK, MICHIGAN**

**AUDIT PROPOSAL**

**FOR THE YEARS ENDING JUNE 30, 2006,  
2007 AND 2008**

**STEWART, BEAUVAIS & WHIPPLE, PC  
1979 Holland Avenue  
Port Huron, MI 48060**

**810-984-3829**

**Contact Persons:**

**Paul L. Bailey, CPA  
Larry J. Allen, CPA**

**Stewart,  
Beauvais  
& Whipple P.C.**

CERTIFIED PUBLIC ACCOUNTANTS



THE CITY OF SWARTZ CREEK, MICHIGAN

AUDIT PROPOSAL

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March 4, 2006

City Council  
City of Swartz Creek, Michigan  
805 St. Clair River Drive  
Swartz Creek, MI 48473

Dear City Council:

We are pleased that you are considering our firm to perform the Annual Financial Audit of the City of Swartz Creek, Michigan, for the years ending June 30, 2006, 2007 and 2008.

The annual audit of the City of Swartz Creek will be performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and Government Audit Standards issued by the Comptroller General of the United States. All applicable State of Michigan regulations will apply. We will adhere to the requirements of the AICPA Industry Audit Guide *Audits of State and Local Governmental Units*. The Single Audit, if required will be made in accordance with the requirements promulgated by OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*.

The financial statements of the City will be prepared in accordance with the Industry Audit Guide *Audit of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants; the *Governmental Accounting, Auditing and Financial Reporting* (GAAFR) manual issued by the Governmental Finance Officers Association (GFOA); the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* and *Michigan Governmental Accounting and Auditing Guide* issued by the State of Michigan, Department of Treasury; and all NCGA Statements and Interpretations given authoritative status by Statement 1 of the Governmental Accounting Standards Board (GASB) and all applicable Governmental Accounting Standards Board Series (GASB Statements).

We are committed to providing professional services to the public sector. We believe we are uniquely qualified to conduct the audit of the City of Swartz Creek, Michigan. Our experience with governmental organizations, the blending of professional skills, and experience of the assigned audit team give us the ability to deliver the services you are requiring.

In reviewing our proposal, you will find that -

- We currently provide services to more than **fifty (50)** local units of government in Michigan, including a number of Cities and Townships.
- Because of our recognized expertise in governmental accounting and auditing, we offer your City an independent audit and assessment of its operations conducted by highly trained and experienced staff.

- We are committed to governmental accounting and auditing and exert considerable effort in providing continuing education to our staff.
- We work closely with the State of Michigan and are well informed as to the State's interpretation of new accounting, auditing and reporting requirements.
- We are uniquely aware of governmental accounting systems and are able to provide management advisory services which your City may request.
- We are a member of the Private Companies Practice Section of the AICPA and have always received unqualified opinions on the firms quality control procedures. A copy of the report is attached.
- We have provided a considerable amount of time and effort in the area of financial reporting and currently assist (3) governmental units in receiving the **GFOA Certificate of Achievement for Excellence in Financial Reporting**.
- We are very knowledgeable of GASB 34, the new financial reporting model, and annually prepared 50 financial statements under the new reporting model, including Cities and other Governmental Units similar to the City of Swartz Creek.
- We are large enough to complete the audits in a timely and efficient manner; however, small enough that Principals and Managers perform a considerable amount of the audit work.
- The Principals, Manager and staff assigned to your City spend virtually 100% of their time performing governmental audits and consulting with governmental units.
- As your past auditor, we are very familiar with the City of Swartz Creek, which will provide a very efficient audit, with little disruption to your office.
- We are very client oriented and pride ourselves on having very personable staff.
- We are available throughout the year for consultation either at your office or by phone should the need arise. **Telephone consultations are free of charge.**
- You will be an **important client**, and we will provide personal services on a timely basis.

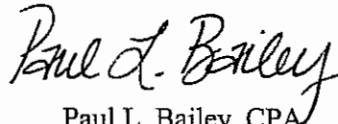
Prior to awarding the contract, we would like to have the opportunity of discussing our proposal with you and the appropriate officials. Although the proposal appears to be complete, there are always questions that may arise that could affect the outcome of the awarding any contract, and we would like to have the opportunity to answer any questions you may have as to our firm and this proposal. Should something come to your attention, do not hesitate to contact Paul L. Bailey, CPA, Principal or Larry J. Allen, CPA, Principal, at (810) 984-3829. They will be able to answer your questions either at your office or by telephone. We welcome your inquiries about our firm.



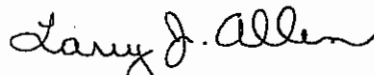
The terms of this proposal are valid for ninety (90) days after opening the bids. Paul L. Bailey, Principal or Larry J. Allen, Principal, are authorized to represent and to bind Stewart, Beauvais & Whipple to this contract.

Thank you for the opportunity of presenting this proposal, and we are looking forward to hearing from you.

Sincerely,



Paul L. Bailey, CPA  
Principal



Larry J. Allen, CPA  
Principal

PLB/cks

**SECTION I - ORGANIZATION SIZE AND STRUCTURE OF FIRM:**

**A. Organization Size and Location -**

The firm of Stewart, Beauvais & Whipple, is located in Port Huron, Michigan. The firm is organized as a professional corporation and is classified as a local firm; however, we perform services state-wide and nationally. Our firm has three (3) principals and twenty (20) staff, seven (7) of which are CPA's.

The firm, all principals and CPA's are properly licensed in the State of Michigan, and meet the independence standards of the *Government Audit Standards* issued by the U.S. General Accounting office.

Because we specialize in governmental and nonprofit accounting and auditing, we are able to provide highly experienced staff that are not committed to tax and commercial work. The staff committed to your audit will be available throughout the year should you request any other services and will be available each year to perform your audit, allowing us to provide prompt attention to accounting and financial problems in person as the need arises.

**B. Organizational Structure of Firm -**

Our firm is divided into two (2) departments, with a principal or principals in charge of each.

Governmental and Nonprofit Services	- Larry J. Allen, CPA - Paul L. Bailey, CPA
Tax and Business Services	- Michael T. Turnbull, CPA

Governmental Services Involve -

- a. Audits
  - 1. Local Units of Government All-Funds Audits
  - 2. Component Unit Audits
  - 3. Single Audits
  - 4. Specific Grant Audits
- b. Accounting
  - 1. Computerized accounting; either monthly, quarterly, and/or annually
  - 2. Specialized account and fund detail analysis
- c. Management Advisory Services
  - 1. Cost allocation plans - both direct and indirect
  - 2. EDP conversions
  - 3. Emergency accounting assistance
  - 4. Implementation of GASB Statement 34
  - 5. Various other studies and assistance

- d. Grant Conflict Resolution
  - 1. Documentation
  - 2. Expert witness
  - 3. Negotiations
  
- e. Monitoring
  - 1. Local units of government activities
  - 2. Federal and State financial programs

Our firm has a close working relationship with Daniel H. Krivit of the law firm of Krivit and Krivit, P.C. of Washington, D.C. Mr. Krivit deals daily with problems arising from grant programs in local units of government throughout the United States. His expertise is drawn on by our firm to explain various grant regulations that are unclear. Mr. Krivit utilizes the services of Stewart, Beauvais & Whipple to provide him with financial expertise in explaining and verifying grant audits which have resulted in questioned costs. This relationship gives us continuous contact and access at the federal level to the various department heads and personnel who administer grants to local units of government.

Our firm has a working agreement with Grant Thornton, CPA's to provide shared professional services. This relationship is for the purpose of providing additional strength in our firm's Management Services Department. Grant Thornton is one of the largest CPA firms in the United States. This affords us the opportunity of providing depth to our manpower, if needed.

With the blending together of these firms' **expertise, time and talents**, our firm is uniquely qualified to provide any services you may request including: auditing, accounting, tax, management advisory services, or legal compliance for grants. At the same time, you have the advantage of working with a firm small enough that principals and managers perform a considerable amount of the audit work.

### C. Firm Levels of Responsibility -

Our firm is structured on six levels of responsibility as follows:

The first level is the **Principal**. At this level, management of the firm takes place and necessary firm services are divided among the principals into departments such as firm administration, management advisory services, governmental auditing and accounting services, business auditing and accounting services and tax services.

The second level is the **Manager**. The Manager works closely with the principals and senior accountants to direct several engagements simultaneously. This often involves coordinating services at several locations.

The third level is the **Senior Accountant**. The Senior works closely with the principal and manager and directs the day-to-day operations of each engagement to which he is assigned. To be a Senior, there must be a demonstration of ability to carry assignments to completion while dealing with more than one client at a time. Seniors also supervise the work of staff accountants, thus maintaining control over the audit engagement. Our Seniors must have sufficient knowledge of accounting, tax and data processing system matters to make constructive suggestions regarding clients' affairs. As a result, they have the opportunity to contribute significantly to the overall impression of the firm held by the client personnel.

The fourth level of responsibility is the **Staff Accountant**. This level provides newcomers to the firm with the opportunity to learn and display skill, judgment, and initiative, because it is the conscientious effort of the staff accountant that ensures the quality of our work. Important disclosures affecting our professional opinion quite often result from apparently insignificant details noticed by alert staff accountants. As experience is gained, staff accountants handle more complex accounting and auditing situations and assume increasing supervisory duties.

The final two levels consist of **Paraprofessional** and **Clerical** staff. Such individuals will be assigned non-audit accounting and tax functions. These personnel are responsible for typing and assembling the various reports issued by our firm.

**D. Independence -**

Stewart, Beauvais & Whipple, PC and all of its employees meet all the independence standards of the AICPA and Governmental Auditing Standards.

**E. Membership in Professional Organization -**

- Member of the American Institute of Certified Public Accountants
- Member of the Michigan Association of CPA's
- Member of the Governmental Finance Officers Association (GFOA)
- Member of the Michigan Township Association
- Member of the Michigan Committee on Governmental Accounting and Auditing
- Member of the Michigan School Business Officers (MSBO)
- Member of the National Association of Job Training Assistance
- Member of the Michigan Municipal League
- Member of the Michigan Municipal Finance Officers Association

**SECTION II - GOVERNMENTAL EXPERIENCE:**

**A. Auditing Governmental Units -**

We perform services for more than 50 local units of government throughout Michigan, and have performed services in Ohio, Illinois, Minnesota, New York, New Jersey, Indiana and the Commonwealth of Puerto Rico. **Governmental auditing and accounting is a significant portion of our accounting practice and currently represents more than 60% of our gross fees.** The growth of our governmental accounting practice is due, to a great extent, to our recognized expertise in the field. We are frequently consulted by other members of our profession on accounting and auditing problems relating to governmental units. Larry J. Allen, CPA and Paul L. Bailey, CPA (Governmental Principals) serve or have served on the Accounting and Auditing Procedures Committee of the Michigan Association of Certified Public Accountants and are active on the subcommittee that is associated with the Department of Treasury of the State of Michigan.

**B. Auditing Similar Entities -**

We have provided All Funds Audits and Single Audits for cities, villages, townships, school districts and counties for over fifty (50) years.

Listed below are a few of our local governmental clients that are similar in size to your City, which we are now serving. We encourage you to contact any of these units for their comments.

Governmental Clients

City of Marysville, Michigan  
Carolyn East, Clerk  
(810) 364-6613

City of Algonac, Michigan  
Chris Wilson, City Manager  
(810) 794-9361

City of Durand, Michigan  
Lynn Markland, City Manager  
(989) 288-3113

Lapeer County, Michigan  
John Biscoe, County Administrator  
(810) 667-0372  
Craig Horton, Financial  
Officer  
(810) 667-0240

Village of Romeo, Michigan  
Marian McLaughlin, Clerk  
(586) 752-3565

Charter Township of East China, Michigan  
Jack Randolph, Supervisor  
(810) 765-1145

Village of Capac, Michigan  
Candy Frankwiak, Clerk  
(810) 395-4355

Charter Township of China, Michigan  
Linda Schwehofer, Supervisor  
(810) 765-1145

Village of Lexington, Michigan  
David Thayer, Village Manager  
(810) 359-8631

Charter Township of Port Huron, Michigan  
Barbara Hopp, Clerk  
(810) 987-6600

St. Clair County, Michigan  
Robert Kempf, Deputy Admin/Controller  
(810) 989-6905

Charter Township of Fort Gratiot, Michigan  
Rob Crawford, Clerk  
(810) 385-4489

**SECTION III - QUALIFICATIONS OF STAFF:**

**A. Qualifications and Audit Team Make-Up -**

An important consideration in selecting an auditing firm is the personnel assigned to your audit. Our principals and staff are experienced and well trained in governmental accounting. We offer our audit personnel, on the average, *60 hours* of continuing education per year. Approximately *40 hours* are concentrated on governmental accounting and auditing.



The firm also holds in-house training sessions for all staff working on governmental or grant audits. The various background materials reviewed are the *Guidelines for Financial and Compliance Audits of Federally Assisted Programs (Red Book)*; *OMB Circular 133*; *Government Auditing Standard (Yellow Book)*; *Audits of State and Local Governmental Units* (Industry Audit Guide of the AICPA); *Uniform Chart of Accounts for Counties and Local Units*; and various other materials we consider necessary to perform our audit engagements.

The audit team assigned to your audit will include the following:

<u>Name</u>	<u>Years of Governmental Auditing Experience</u>
Paul L. Bailey, Principal	25
Larry J. Allen, Principal	36
Tammy Riley, Senior	15
Other Audit Staff	2

Mr. Bailey and Mr. Allen have been the discussion leaders at numerous conferences and also have served on the Auditing and Accounting Committee of the Michigan Association of CPA's. Mr. Allen currently serves on the Michigan Committee on Governmental Accounting and Auditing.

Mr. Bailey and Mr. Allen have completed the Governmental Accounting and Auditing Certificate of Education Achievement Program which provided extensive education in various aspects of governmental auditing, accounting and reporting. The completion of this program resulted in these individuals having obtained sixty-four (64) continuous education hours and a certificate of achievement in governmental accounting and auditing.

The following is a list of the personnel that would be assigned to perform your audit. You will note that a principal will work directly on the audit. (See Exhibit I for resumes of assigned professionals).

**Engagement Principal** - Paul L. Bailey, CPA, will be the person responsible for all fieldwork and reporting requirements for your annual financial audit. Mr. Bailey has twenty-five (25) years of experience in governmental accounting and auditing. Mr. Bailey is a Principal in the Government Services Department and is the Quality Control Principal for the firm. Mr. Bailey has completed the Governmental Accounting and Auditing Certificate of Education Achievement Program. This program consists of sixty-four (64) hours of extensive training in auditing governmental units. Annually he attends in excess of eighty (80) hours of continuing education. He is the Principal-In-Charge of the Cities of Durand, Algonac and Marysville, the Charter Township of Port Huron and Fort Gratiot, the Village of Romeo and Capac and the County of St. Clair.

**Consulting and Back-up Principal** - Larry J. Allen, CPA, will be the consulting and back-up principal and will perform the final review of the City's financial statements before they are issued. Mr. Allen has thirty-six (36) years of experience in governmental accounting and auditing and is the Departmental Principal in charge of all Single and Compliance Audits performed by Stewart, Beauvais & Whipple. Mr. Allen has completed the Governmental Accounting and Auditing Certificate of Education Achievement Program. This program consists of sixty-four (64) hours of extensive training in auditing governmental units. Annually he attends in excess of eighty (80) hours of continuing education. He is the Principal-In-Charge of the Lapeer County, Charter Township of East China, and China Township audits.

**Senior Accountant** – Tammy Riley, is a senior accountant in our governmental services department. Ms. Riley has fifteen (15) years of experience in providing accounting, auditing and management services to governmental and nonprofit clients. Ms. Riley is the senior on the Villages of Romeo and Capac, the Charter Township of Port Huron, Fort Gratiot and East China, etc. She was the senior on the Swartz Creek audit when Stewart, Beauvais & Whipple performed the audit in previous years.

**Staff Accountant** - Other staff accountants will be assigned as needed, however all will have experience consulting and auditing governmental clients.

## **B. Supervision of Audit Team -**

Because we are committing a team of highly qualified individuals, you will not have to worry about staff working on the audit who are not knowledgeable of City systems or the changing of staff part way through the audit.

To maintain our high degree of quality control, our firm has a formal supervision and review policy which stipulates that all staff will be supervised and reviewed by a Manager, and all audits reviewed by a Principal. Because of the size of our firm, the Principal assigned to the audit is closely involved with the fieldwork which provides a highly skilled individual to directly participate in the audit.

Because our firm utilizes the audit team approach to our engagements, we can afford excellent supervision as it relates to all audits performed.

The quality control procedures utilized by our firm to review the workpapers and audit report include, but are not limited to:

1. Continuous review in the field by the Senior and Principal.
2. A review of the workpapers by the Principal when the fieldwork is 50% to 75% complete. This assures adequate coverage of the examination prior to the completion and creates as little disruption to the City's office routine as possible.
3. A review of the various reports, after the Senior has completed drafting, by the Principal to determine if there are any unusual items that could change the opinion, or if there has been adequate disclosures in accordance with generally accepted auditing standards. At this point, the workpapers are given their final review and are reviewed with the audit report to assure continuity between the two sets of documents.

## **SECTION IV - ENGAGEMENT PLAN:**

### **A. Audit Philosophy -**

Stewart, Beauvais & Whipple, PC's philosophy is to practice as true professionals by settling for nothing but the highest quality of service to our clients. As it relates to our auditing work, we emphasize independence, proficiency and competence, while still maintaining an advocacy relationship with our clients. We are committed to providing our clients with management oriented management letters that stress ways to improve operations, efficiency or reduce costs.

**B. Approach to Examination -**

Our examination will be conducted in accordance with U.S. generally accepted auditing standards as promulgated by the American Institute of CPA's and adopted by the Michigan Department of Treasury, and the standards for financial and compliance audits contained in the *Government Audit Standards*, issued by the Comptroller General of the United States.

The financial statements of the City will be prepared in accordance with the Industry Audit Guide, *Audits of State and Local Government Units*, issued by the American Institute of Certified Public Accountants; the *Governmental Accounting, Auditing and Financial Reporting* (GAAFR) manual issued by the Governmental Finance Officers Association (GFOA); the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* and *Michigan Governmental Accounting and Auditing Guide* issued by the State of Michigan, Department of Treasury; and all NCGA Statements and Interpretations given authoritative status by Statement 1 of the Governmental Accounting Standards Board (GASB) and subsequent statements.

As part of our obtaining an understanding of the City's internal controls required by SAS No. 99, we will complete detailed narratives and/or flow charts of each of the City's accounting systems.

Our tests are based on sampling methods and include such tests and other auditing techniques as considered necessary in the circumstances in order to express an opinion on the financial statements as a whole. Since we are not examining all transactions, our tests may or may not disclose defalcations or other irregularities.

However, if conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, the auditor will promptly advise the City Manager and/or City Council.

If we encounter work that we believe to be outside the normal process of the audit, we will approach the City to determine if the work will be performed by the City or Stewart, Beauvais & Whipple, PC.

**No extended services will be performed unless they are authorized by the City in the contractual agreement or amendment thereto.**

In the summarization of our overall work plan, we will perform various planning and administrative functions and any interim financial audit testing in June/July. We will return as soon as the trial balances and the other client prepared schedules are completed.

Governmental auditing, as mentioned previously, is a major portion of our work. You are and will continue to be an important client to us, and you are not a means of fill-in work. Because we are committed to governmental auditing, our staff will not be affected by commercial clients or tax returns.

We intend to utilize the services of the City personnel, to assist in areas such as identifying internal control systems, preparing reconciliation's and other necessary schedules and workpapers. This is standard procedures for audit firms and our time and cost estimates have incorporated this proposed assistance.

**C. Audit Work Plan & Time Schedule -**

Our Audit Work Plan and Audit Time Schedule is set forth in the following example and is represented as percentages for each task required to complete the engagement. (The following dates correlate to the dates outlined in your request for proposal. If your records are available sooner, we can discuss arranging an earlier audit date).

<u>Description</u>	<u>Time Schedule (Based on RFP)</u>	<u>Estimated (Percentage)</u>
1. Audit planning/interim testing (internal control and compliance control questionnaires and transaction testing)	June/July	18 %
2. Fiscal year end audit fieldwork. (After notification that records are ready, we will complete our audit fieldwork)	Aug./Sept.	57
3. Drafting reports, Internal Control and Compliance Letter, and Final Quality Review (includes processing of the drafts and final copies)	October	15
4. Review of draft report and various letters with City Administration and delivery of final product and audit presentation	1 <sup>st</sup> Meeting in November	<u>10</u>
		<u>100 %</u>

**SECTION V - COMPREHENSIVE ANNUAL FINANCIAL REPORTS:**

The Comprehensive Annual Financial Report of a governmental unit per NCGA Statement 1 should contain three sections (Introductory, Financial and Statistical). We have prepared the Financial Section of the Comprehensive Annual Financial Report for over 50 local units of government in Michigan. We have assisted in preparation of the other two sections for five governmental units. **The financial section is what will be prepared for your City.**

Larry J. Allen, CPA, Governmental Principal, has conducted seminars nationally on preparation of sections of the Comprehensive Annual Financial Report and problems with implementation per NCGA Statement 1.

We are available for consultation throughout the year and we encourage our clients to utilize this service. *There is no charge for telephone questions that can be readily answered.* Topical research, written communication, meetings, etc will be billed at our standard rate.



We have assisted a number of clients in receiving the Certificate of Achievement for Excellence in Financial Reporting.

Lapeer County	1996-2004
St. Clair County	1986-1996 and 2002-2004
Ingham County (no longer a client)	1988-1991
Isabella County (no longer a client)	1993-1998
St. Clair County Road Commission	1999-2004

#### SECTION VI - QUALITY CONTROL PROGRAMS:

We are a member of the Private Companies Practice Session (PCPS) of the American Institute of Certified Public Accountants and have had external review of quality control procedures utilized by our firm for the past ten years. **The firm has always received an unqualified opinion.** In addition, we annually attend seminars sponsored by the AICPA and MACPA pertaining to development of quality control procedures for local CPA firms and the conducting of PEER and Quality Review. We also cooperate extensively with the State of Michigan's financial reporting quality control programs.

Paul L. Bailey, CPA, Quality Control Principal, has participated in PEER Reviews of other CPA firm's quality control procedures, and is very cognizant of the importance of control procedures for CPA firms.

Many of the Single Audits submitted by Stewart, Beauvais & Whipple have had desk reviews by *U.S. Office of Inspector* as well as a number of other general grant audits. *In all cases the reports were deemed acceptable by the applicable agencies.*

#### SECTION VII - GASB STATEMENT 34:

GASB Statement 34 "Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments", makes dramatic changes in the way State and Local Governments report their finances to the public. The objective of this statement is to enhance the understandability and usefulness of the general purpose external financial reports of state and local governments for its citizens, legislative and oversight bodies and investors and creditors. Among other things, GASB 34 requires that governmental units to present full accrual based financial statements. This requires the City to record and depreciate all land, building and equipment, any infrastructure which includes roads, sidewalks, drainage systems easements, as well as recording all long-term liabilities, within the Government-wide Financial Statements.

Since we specialize in servicing governmental units, we are very knowledgeable and active in assisting our clients in implementing GASB 34. All audit principals and staff have attended numerous conferences and Larry J. Allen, Principal is active on the Michigan Committee on Governmental Accounting and Auditing and serves on an advisory group to the Michigan Department of Treasury for the implementation of GASB 34.

All of the firm's governmental clients have adopted GASB No. 34, and we have some clients that have reported in accordance with the GASB No. 34 reporting model for four years.



**SECTION VIII - COMPENSATION:**

The cost of the audit is based on the amount of time it takes to perform the financial and single audit of the City of Swartz Creek, Michigan. Our charges for audit of financial statements or management services are based on the level of staff necessary to perform the services. Our hourly governmental billing rates for 2006 are as follows:

Principal	\$ 125.00
Senior	75.00
Staff	60.00
Other	30.00

The hours summarized represent the estimated hours we believe it will take to perform the 2006 audit of the City of Swartz Creek, Michigan. It is our policy to perform audits in the most efficient manner possible, thus reducing hours and creating as little disruption to the client's routine as possible. However, if we should have underestimated our audit time based on the funds in the 2005 Financial Statements, the additional audit time will not result in any additional cost to the City.

The following is the summary of estimated hours per firm position with applicable rates:

**Financial Audit -**

<u>Firm Position</u>	<u>Hours</u>	<u>Rate</u>	<u>Not-to-Exceed Amount</u>
Principal - P. Bailey	40	\$ 125	\$ 5,000
Senior - T. Riley	90	75	6,750
Audit Staff	120	60	7,200
Support Staff	20	30	600
	<u>270</u>		<u>19,550</u>
Discount			( 2,600)
			<u>\$ 16,950</u>

The above fee includes the preparation of the following reports.

- Certified Annual Financial Statements (25 copies)
- Michigan Act 51
- Michigan F-65

You will note that approximately 130 hours or 48% of the total hours will be completed by a Principal or Senior who have a minimum of fifteen years experience providing services to governmental units.

We are available for consultation during the year, and we encourage our clients to utilize this service. There is no charge for telephone inquiries that can readily be answered. Topical research, written communications, meetings, etc., will be billed at our standard rates.

The above fee does not include the cost to perform a Single Audit of the City's federal programs, which is only required if the City receives in excess of \$300,000 of federal revenue in any year. During the past year, a Single Audit was not required and based on discussions with the City Administrator, it is not anticipated that one will not be required in 2006. Should a Single Audit be required, there would be an additional charge of \$1,500.

The three-year not to exceed contracts are as follows:

<u>Year Ended</u> <u>June 30,</u>		
2006	\$	16,950
2007		17,500
2008		18,000

**RESUMES OF ASSIGNED PROFESSIONALS**

## PAUL L. BAILEY, CPA

**Paul L. Bailey, CPA, (Principal)**, a native of Michigan, is a graduate of Central Michigan University with a Bachelor of Science degree in Business Administration, majoring in Accounting. He has twenty-five (25) years of experience auditing and consulting governmental units in the State of Michigan. Mr. Bailey became a Principal in January 1990. His auditing experience includes auditing of Cities, Counties, Townships and School Districts, as well as commercial enterprises and related tax services. He has also performed management advisory services for a number of our governmental clients which has included utility rate studies and adaptation of accounting systems to data processing.

Mr. Bailey has completed the Governmental Accounting and Auditing Certificate of Education Achievement Program. This program consists of sixty-four (64) hours of extensive training in auditing governmental units. He obtains a minimum of sixty (60) hours of continuing education per year in governmental accounting and auditing per year.

Mr. Bailey has served as a PEER Review team member, responsible for reviewing the quality control procedures of other CPA firms that are a member of the Private Companies Section of the AICPA.

### Member of -

- American Institute of CPA's (AICPA)
- Michigan Association of CPA's (MACPA)
- Governmental Finance Officers Association (National)
- Michigan Municipal Finance Officer Association
- Michigan Township Association

Served on the Accounting and Auditing Procedures Committee of the Michigan Association of CPA's Subcommittees -

- Cooperation with State Treasurer's Department
- Cooperation with State Board of Education

Discussion leader for numerous governmental seminars.

## LARRY J. ALLEN, CPA

Larry J. Allen, CPA, (Principal), a native of Michigan, is a graduate of Eastern Michigan University's School of Business Administration and majored in accounting and finance. His experience includes two years with the Detroit office of Haskins and Sells, a national certified public accounting firm; and twenty-nine years with the firm of Stewart, Beauvais & Whipple. Mr. Allen became a principal in January, 1979. His auditing experience includes auditing of governmental units, including road commissions and school districts, auditing and monitoring Federal programs, grant cost resolution, as well as commercial enterprises and related tax services.

Mr. Allen has completed the Governmental Accounting and Auditing Certificate of Education Achievement Program. This program consists of sixty-four (64) hours of extensive training in auditing governmental units. He obtains a minimum of sixty (60) hours of continuing education per year in governmental accounting and auditing.

He is the Principal in Charge of governmental accounting in our firm and is responsible for the quality control review of all government audits and staff training in that area.

Member of -

- American Institute of CPA's (AICPA) (Former Member of Governing Council)
- Michigan Association of CPA's (MACPA)
- Governmental Finance Officers Association (National)
- Michigan Municipal League
- National Association of Job Training Assistance

Served on the Accounting and Auditing Procedures Committee of the Michigan Association of CPA's Subcommittees -

- Cooperation with State Treasurer's Department
- Cooperation with State Board of Education

Serves on the State of Michigan Department of Treasury Committee on Governmental Accounting and Auditing

Discussion leader for the following seminars sponsored annually by the Michigan Association of CPA's -

- Governmental Accounting and Auditing Conference, Lansing, Michigan  
*Subject: "Federal Program Audits, State Aid and Deferred Compensation"*
- Governmental Accounting and Auditing Conference, Lansing, Michigan  
*Subject: "Implementation of Single Audits"*
- Governmental Accounting and Auditing Conference, Lansing, Michigan  
*Subject: "Federal Single Audit Update"*

Discussion leader for the following seminars sponsored by the National Association of School Business Officials -

- Convention of Association of School Business Officials, New Orleans, Louisiana - *Subject: "Current Reporting Standards in Accordance with Statement 1"*
- Convention of Association of School Business Officials, Kansas City, Missouri - *Subject: "Technical Problems Incurred in Complying with GAAFR Statement 1"*



## TAMMY RILEY

**Tammy Riley**, (Senior Accountant), is a graduate of Ferris State University, with a Bachelor of Science degree in Accounting in September of 1990. She is a senior accountant in our governmental services department and has been the senior accountant on numerous audits of Townships, Cities, Villages, Counties, and School Districts as well as nonprofit and commercial clients.

**CLIENTS SERVED**

# STEWART, BEAUVAIS & WHIPPLE

## AUDIT EXPERIENCE

### Local Government Clients:

The examination of these clients included a detailed review of the internal control surrounding the handling of cash, receivables, inventories, fixed assets, payables, revenues and expenses so as to identify where improvements could be made to control costs or improve operating efficiency.

Also included is a detailed review of the operation of data processing departments.

The purpose of the examination was to express an opinion on the financial statements of the client in accordance with generally accepted accounting principles.

Other work performed for these clients included designing and implementing accounting systems in accordance with state and federal requirements.

### Partial List of Clients Served:

#### Counties -

St. Clair County	Port Huron, Michigan
Lapeer County	Lapeer, Michigan
Mackinac County	St. Ignace, Michigan
Ingham County	Mason, Michigan
Eaton County	Charlotte, Michigan
Calhoun County	Marshall, Michigan
Tuscola County	Caro, Michigan
Isabella County	Mt. Pleasant, Michigan

#### Road Commissions -

Cheboygan County Road Commission	Cheboygan, Michigan
Emmett County Road Commission	Petoskey, Michigan
Lapeer County Road Commission	Lapeer, Michigan
St. Clair County Road Commission	Port Huron, Michigan
Mackinac County Road Commission	St. Ignace, Michigan
Ingham County Road Commission	Mason, Michigan
Eaton County Road Commission	Charlotte, Michigan
Otsego County Road Commission	Gaylord, Michigan
Presque Isle County Road Commission	Rogers City, Michigan
Genesee County Road Commission	Flint, Michigan
Roscommon County Road Commission	Roscommon, Michigan
Cass County Road Commission	Cassopolis, Michigan
Washtenaw County Road Commission	Ann Arbor, Michigan
Bay County Road Commission	Kawkawlin, Michigan
Alpena County Road Commission	Alpena, Michigan
Ionia County Road Commission	Ionia, Michigan

Cities -

Algonac  
Marysville  
St. Clair  
Croswell  
Memphis  
Sandusky  
Yale  
Plymouth  
Durand  
Swartz Creek

Algonac, Michigan  
Marysville, Michigan  
St. Clair, Michigan  
Croswell, Michigan  
Memphis, Michigan  
Sandusky, Michigan  
Yale, Michigan  
Plymouth, Michigan  
Durand, Michigan  
Swartz Creek, Michigan

Villages -

Carsonville  
Lexington  
Port Sanilac  
New Haven  
Romeo  
Capac

Carsonville, Michigan  
Lexington, Michigan  
Port Sanilac, Michigan  
New Haven, Michigan  
Romeo, Michigan  
Capac, Michigan

Townships -

Brockway  
Burtchville  
China  
Cottrellville  
Grant  
Greenwood  
Kenockee  
Kimball  
Port Huron  
Sanilac  
St. Clair  
Watertown Township  
Fort Gratiot  
East China  
Clyde  
Lenox

Yale, Michigan  
Jeddo, Michigan  
Marine City, Michigan  
Marine City, Michigan  
Jeddo, Michigan  
Yale, Michigan  
Avoca, Michigan  
Port Huron, Michigan  
Port Huron, Michigan  
Port Sanilac, Michigan  
St. Clair, Michigan  
Sandusky, Michigan  
Fort Gratiot, Michigan  
East China, Michigan  
Clyde, Michigan  
Lenox, Michigan

Medical Facilities -

Lapeer County  
St. Clair County  
Mackinac County  
Eaton County  
Ingham County

Lapeer, Michigan  
Goodells, Michigan  
St. Ignace, Michigan  
Charlotte, Michigan  
Marshall, Michigan

Health Departments -

St. Clair County  
Lapeer County  
Tuscola County

Port Huron, Michigan  
Lapeer, Michigan  
Caro, Michigan

Mental Health Departments -

St. Clair County  
Tuscola County  
Lapeer County  
Eaton County  
Isabella County

Port Huron, Michigan  
Caro, Michigan  
Lapeer, Michigan  
Charlotte, Michigan  
Mt. Pleasant, Michigan

# STEWART, BEAUVAIS & WHIPPLE

## AUDIT EXPERIENCE

### School District Clients:

The examination of these clients included a detailed review of the internal control surrounding the handling of cash, receivables, inventories, fixed assets, payables, revenues, and expenses so as to identify where control could be improved or areas in which cost reduction, operating efficiency, or increased profitability could be achieved. Also included was a detailed review of cafeteria operations, and the operation of data processing departments.

The purpose of the examination was to express an opinion on the financial statements of the client in accordance with generally accepted accounting principles.

Other work performed for these clients included designing and implementing accounting systems in accordance with state and federal requirements.

### Partial List of Clients Served:

Anchor Bay Schools	New Baltimore, Michigan
Lakeview Public Schools	St. Clair Shores, Michigan
Marysville Public Schools	Marysville, Michigan
Memphis Community Schools	Memphis, Michigan
New Haven Community Schools	New Haven, Michigan
Port Huron Area School District	Port Huron, Michigan
St. Clair County Intermediate School District	Marysville, Michigan
South Lake Schools	St. Clair Shores, Michigan
Yale Public Schools	Yale, Michigan
Armada Area Schools	Armada, Michigan
Croswell-Lexington Community Schools	Croswell, Michigan
Northville Public Schools	Northville, Michigan
St. Clair County Community College	Port Huron, Michigan
Almont Community Schools	Almont, Michigan
Howell Public Schools	Howell, Michigan



# STEWART, BEAUVAIS & WHIPPLE

## AUDIT EXPERIENCE

### Not-for-Profit Organizations:

We audit a significant number of nonprofit organizations annually. The examination of these clients include a detailed review of the internal control surrounding the recording of cash, receivables, inventories, fixed assets, payables, etc. As a result of this review we offer written suggestions to the clients where they can improve the internal control to safeguard their assets more effectively.

The purpose of the examination was to express an opinion on the financial statements of the client in accordance with generally accepted accounting principles.

We have also assisted some of the clients in revising and updating their accounting system.

### Partial List of Clients Served:

Blue Water Council, Boy Scouts of America  
Blue Water Festival, Inc.  
Blue Water Library Federation  
Blue Water Mental Health and Child Guidance Clinic  
Blue Lake Residential Care Facilities, Inc.  
Blue Water Developmental Housing, Inc.  
Oakland Family Services  
Greater Port Huron-New Baltimore Chamber of Commerce  
Industrial Development Corporation of St. Clair County  
International Symphony Orchestra of Sarnia and Port Huron  
Port Huron Hospital Auxiliary  
St. Clair County Conservation District  
St. Clair County Council on Aging  
St. Clair/Sanilac County Nurses Association  
United Methodist Women  
Catholic Social Services  
Family Services Agency  
Tri Hospital Emergency Medical Services  
ARC of St. Clair County  
Blue Water Area Tourism Bureau, Inc.  
St. Clair County Board of Realtors  
DARES  
YMCA  
St. Clair County United Way  
Blue Water Center for Independent Living  
Elks Lodge #343  
Port Huron Golf Club  
Goodwill Industries of St. Clair County  
Michigan Community for Drug-Free Youth

**PEER REVIEW OPINION**

January 22, 2003

To the Principals  
Stewart, Beauvais, & Whipple, P.C.  
Port Huron, Michigan

We have reviewed the system of quality control for the accounting and auditing practice of Stewart, Beauvais, & Whipple, P.C. in effect for the year ended September 30, 2002. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants ("AICPA"). The design of the system and compliance with it are the responsibility of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with the system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it.

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Stewart, Beauvais, & Whipple, P.C. in effect for the year ended September 30, 2002, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of complying with professional standards.

*Burnside & Lang, P.C.*

Burnside & Lang, P.C.

January 22, 2003

To the Principals  
Stewart, Beauvais, & Whipple, P.C.  
Port Huron, Michigan

We have reviewed the system of quality control for the accounting and auditing practice of Stewart, Beauvais, & Whipple, P.C. (the "firm") in effect for the year ended September 30, 2002, and have issued our report thereon dated January 22, 2003. That report should be read in conjunction with the comments in this letter, which were considered in determining our opinion.

### **Engagement performance**

*Finding* – The firm's quality control policies and procedures for compilation and review engagements require completion of a reporting and disclosure checklist. However, on several engagements reviewed, we noted inappropriate answers on the checklists. As a result, we noted instances where the accountant's report was not according to professional standards and financial statements did not include all the disclosures required by generally accepted accounting principles. The missing or incomplete disclosures were in such areas as disclosure of significant estimates and non-cash transactions. Deficiencies in the accountant's report were observed in such areas as reporting on departures from generally accepted accounting. None of the missing or incomplete disclosures or departures from professional standards were of such a significance as to make the financial statements misleading. (Disclosure deficiencies were noted in the prior review).

*Recommendation* – The principals and professional staff involved in completing review and compilation engagements should carefully review the reporting and disclosure checklist as part of the final engagement review and participate in an appropriate amount of professional education related to accounting and reporting issues related to the industry areas in which those personnel practice. Further, we recommend that the Firm's monitoring process be expanded to include ongoing and routine inspection of compilation and review engagements by a member of the firm's audit department.

*Burnside & Lang, P.C.*

Burnside & Lang, PC

**VENDOR BID/PROPOSAL**



**CITY OF SWARTZ CREEK  
VENDOR / BID PROPOSAL**

**General Cost Log, Identification Form**

*(All bidders should complete this sheet and attaché with their proposal)*

**Cost Item #1**

1. Pre fiscal year end audit planning, consultation, scheduling, and interim transaction and testing.
2. Annual Fiscal Field and Site Audit of July1 through June 30 cycle, including Component Units.
3. General reports of results, internal control and compliance, suggestions for improvements, and an appearance before the Swartz Creek City Council at a regularly scheduled meeting explaining conclusions and observations.
4. Preparation of executable copies of reports including, but not limited to:
  - A. Certified Annual Financial Statements (25 copies)
  - B. Michigan Act 51
  - C. Michigan F-65
  - D. Any and all reports routinely requested by the State of Michigan and/or the County of Genesee and/or the U.S. Federal Government, or any other governmental subdivision thereof. **(IF THIS ITEM IS NECESSARY WILL BE BILLED AT OUR PER DIEM RATES AS OUTLINED IN COST ITEM #2 BELOW.)**

	Fiscal Year Ending June 30:		
	2006	2007	2008
<b>Total:</b>	\$ <u>16,950</u>	\$ <u>17,500</u>	\$ <u>18,000</u>

**All Other Expenses (Travel, mailing, etc.)** \$ INCLUDED ABOVE \$ \_\_\_\_\_

**Cost Item #2**

1. Year long availability for administrative consultation, review and site work, if needed.

	Fiscal Year Ending June 30:		
	2006	2007	2008
<b>Total:</b>	\$ <u>SEE ATTACHED PER DIEM RATES</u>	\$ _____	\$ _____

**All Other Expenses (Travel, mailing, etc.)** \$ MILEAGE RATE @ \$.45 PER MILE \$ \_\_\_\_\_

Cost Item #2

We are available for consultation throughout the year, and we encourage our clients to utilize this service. There is no charge for telephone inquiries that can readily be answered. Topical research, written communication, meetings, etc., will be billed at our standard rates:

Principal	\$125.00
Senior	75.00
Staff	60.00
Other (Clerical)	25.00

**BIDDER IDENTIFICATION**

**IDENTIFICATION**

Name of firm:

STEWART, BEAUVAIS & WHIPPLE

Point of contact:

PAUL BAILEY

Address:

1979 HOLLAND AVENUE

PORT HURON

MICHIGAN

Phone:

( )

(810) 984-3829

FAX:

( )

(810) 984-8943

E-mail:

PBAILEY@SBWCPA.COM

*Paul L. Bailey, Principal*

4.19.06

(SIGNATURE, TITLE AND DATE)

PAUL L. BAILEY, PRINCIPAL

(PRINTED NAME & TITLE)

## Paul Bueche

---

**From:** Don Korth [dkorth@comcast.net]  
**Sent:** Wednesday, June 04, 2008 8:46 AM  
**To:** Paul Bueche; Juanita Aguilar  
**Subject:** FW: Phone System

Paul,

Here's the quote for the phone system that I sent you about a month ago in case you have misplaced it. Swartz Creek is also due to renew its Anti-Virus and Backup software.

You were going to crunch the numbers with Juanita and get back to me on the proposal I had submitted to Swartz Creek when I turned in my bid for IT services. Just wondering if you have discussed it yet?

In addition to the above mentioned issues, WinXP Service Pack 3 has been released and proven to be stable. I will want to bring everything up to date at city hall, police and the senior center in the near future. There's lots of work to be done this summer ☺

Thanks,  
 Don Korth

-----Original Message-----

**From:** Don Korth [mailto:dkorth@comcast.net]  
**Sent:** Tuesday, May 06, 2008 8:58 AM  
**To:** 'Paul Bueche'; 'Juanita Aguilar'  
**Subject:** Phone System

Paul,

I haven't heard back from you yet as to what you want to do about the existing phone lines!

I have an accurate quote on the Partner/Avaya ACS R7.0 (latest & greatest) hardware to get your phone systems replaced. Your current phones are totally compatible with the new system and it will come with a backup/restore card which also allows for remote access so I can make any changes necessary to the system from home.

The just of it is this:

City Hall including all shipping/handling etc Phone system will provide for 8 Phone lines, 17 extensions and 16 Voice Mailboxes and a remote access/backup card  
 \$1,428.92

Police Phone system will provide a total of 5 Phone lines, 9 extensions and 16 Voice Mailboxes and a remote access backup/restore card  
 \$1,056.94

The total for both City Hall and Police with all shipping etc is  
 \$2,485.86

This is my recommendation as it is the most cost effective solution to replacing your current system. I would love to install an Asterisk system at City Hall however there is absolutely no way that I could do it that cheap. The new features included in the Partner/Avaya ACS systems:

- Remote access
- PC programming
- AAA battery to keep programmed in case of power outage (eliminating the need for a UPS)
- Backup/restore card

- 100% compatibility with current phones

Make this the cheapest way to go. You will of course have to pay me for the installation however that will be a nominal fee due to the fact that all wiring etc. is already in place!

In addition, I will have my proposal turned in to Juanita either today or tomorrow and would like to meet with the two of you ASAP regarding this!

Thanks,  
Don Korth





# GENESEE COUNTY ROAD COMMISSION

AN EQUAL OPPORTUNITY EMPLOYER

211 WEST OAKLEY STREET  
FLINT, MICHIGAN 48503-3995  
PHONE (810) 767-4920  
TOLL FREE (800) 249-4027

Website - [www.gcrc.org](http://www.gcrc.org)  
Fax (810) 767-5373 - Administration  
Fax (810) 767-3634 - Maintenance  
BOARD MEETINGS - TUESDAYS @ 10 A.M.

BILLY W. BRADSHAW  
Chairperson

DAVID L. MILLER  
Vice-Chairperson

JAMES A. POMEROY  
Commissioner

K. MICHAEL HARVEY  
Commissioner

ROBERT C. JOHNSON  
Commissioner

**June 9, 2008**

**City of Swartz Creek**  
Tom Svrcek  
8083 Civic Dr  
Swartz Creek, MI 48473



**Subject: 2008-2009 Winter Season - Item #32-Bulk Rock Salt**

Dear Mr. Svrcek:

By now you should have received from me a letter of award for our 2008-2009 Winter Season – Item #32-Bulk Rock Salt bid. Enclosed is a copy of the tabulations for your records.

If you have any questions, please contact Joyce McClane in the Purchasing Department at (810) 767-4920, ext. 282.

Sincerely,

GENESEE COUNTY ROAD COMMISSION

Joyce McClane  
Purchasing Coordinator

OUR MISSION, AS GENESEE COUNTY ROAD COMMISSION EMPLOYEES, IS TO COLLECTIVELY PROVIDE AND MAINTAIN A SAFE, COST EFFICIENT AND QUALITY COUNTY ROAD SYSTEM FOR THE MOTORISTS IN GENESEE COUNTY



ITEM #32 - BULK ROCK SALT							
Company Name	ESTIMATED APPROXIMATE TONS	MATERIALS UNIT PRICE PER TON	TOTAL PRICE	TERMS	EEOP	MSDS	Remarks
Detroit Salt Company	96,390	\$ 41.43	\$ 3,993,437.70	Net 30 days	Expires 5/16/2011	Yes	
	REMARKS						
	Location where salt is being trucked from: Detroit, Michigan Location where salt is being stockpiled: Detroit, Michigan						
North American Salt Co.	96,390	\$ 46.03	\$ 4,436,831.70	Net 30 days	Expires 6/7/2009	Yes	No Conveyor Service
	REMARKS						
	Location where salt is being trucked from: Carrollton, MI and River Rouge, MI Location where salt is being stockpiled: Carrollton, MI and River Rouge, MI						
Morton Salt	96,390	\$ 58.64	\$ 5,652,309.60	Net 30 days	Sent EEOP with Bid	Yes	50 Ton Minimum Dump Truck Delivery
	REMARKS						
	Location where salt is being trucked from: Ojibway, CN Location where salt is being stockpiled: Detroit, MI						
Cargill Inc. - Deicing Technology Business Unit	NO BID						
Central Salt, L.L.C.	NO BID						

**Appropriation and Bid Award – Purchase Road Salt**

**Resolution No. 070529-07**

**(Carried)**

Motion by Councilmember Hurt,  
Second by Councilmember Adams,

**Whereas**, the City possesses the need to purchase 980 tons of rock salt for application to public rights of way during those long, cold Michigan winters; and

**Whereas**, the City's Purchasing Ordinance, Chapter 2, Article VI, Section 2-406 provides for and encourages cooperative government purchasing practices; and

**12688**

**Whereas**, the Genesee County Road Commission accepts and awards bids for the purchase of rock salt for application to public rights of way during those long, cold Michigan winters; and

**Whereas**, a bid has been awarded to the lowest bidder, Detroit Salt Company of 12841 Sanders, Detroit, at a unit cost of \$32.88 per ton, a copy of the bid tabulation attached hereto, and a cooperative purchasing invitation has been extended to the City from the Genesee County Road Commission.

**Now, Therefore, Be It Resolved, that** the Swartz Creek City Council accepts the Genesee County Road Commission's cooperative purchasing extension and appropriates an amount not to exceed \$32,222, plus 10% contingency, for the purchase of rock salt from the low bidder of Detroit Salt Company, expenses to be distributed proportionate to use at the direction of the City's Finance Department.

Discussion ensued.

YES: Abrams, Adams, Christie, Hurt, Porath, Shumaker.

NO None. Motion declared carried.

6/17/2008

Dear City Council Members,

My name is Bryan Schopieray and I am a member of Boy Scout Troop 110. I am currently working on the rank of Eagle. For my project I was planning on resurfacing and repairing the 2 courts located in Winshall Park.

I plan to powerwash, repair any cracks or depressions, repaint the courts [All red with white lines], paint the fencing, make a new hitting wall, and replace the nets with new ones provided by the city.

This project is planned to be done within the first 2 weeks of July. After this project the courts will be cleaned up and ready for play! I hope you all agree with this project so I can finish my work on the Eagle rank. Thank you.

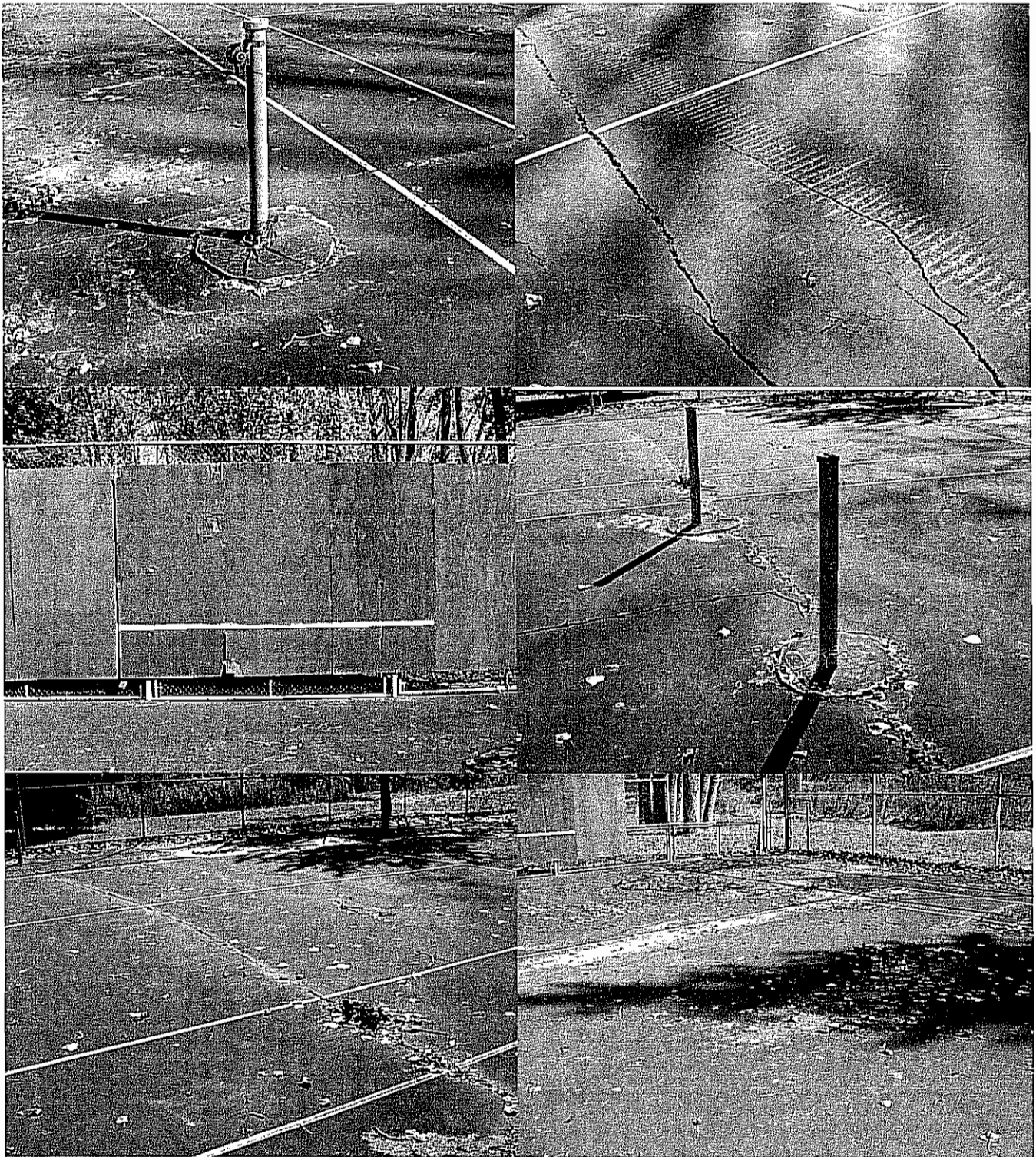
Sincerely,

A handwritten signature in black ink, appearing to read 'Brylan', with a stylized flourish at the end.

Bryan Schopieray  
Troop 110



Before shots of the damage done to the courts:







## Applied *Eco*Systems-Great Lakes, Inc.

*Environmental Management, Consulting and Field Services*

- An Affiliate of Keystone Environmental, Inc. -

June 11, 2008

Æ Proposal No. 08-3635-715

Mr. Adam Zettel  
Assistant City Manager  
8083 Civic Dr  
Swartz Creek, Michigan 48473  
VIA EMAIL: azettel@cityofswartzcreek.org

Subject: PROPOSAL FOR PHASE I ENVIRONMENTAL SITE ASSESSMENT  
5129 Morris Road  
Swartz Creek, Michigan

Dear Mr. Zettel:

Thank you for giving Applied *Eco*Systems-Great Lakes, Inc. (Æ), the opportunity to present this Proposal for a Phase I Environmental Site Assessment for the above referenced property. The purpose of a Phase I Environmental Site Assessment is to evaluate recognized environmental conditions of the site that may indicate an environmental concern in order to determine prior site use and provided a basis for satisfaction of All Appropriate Inquiry in order to establish a defense to liability under the Comprehensive Environmental Response, Compensation, and Liability Act.

Æ will perform the Scope of Services in accordance with the industry accepted American Society of Testing and Materials (ASTM) standard for conducting Phase I Environmental Site Assessments (ASTM E 1527-05). Necessary deviations from this standard will be explained in the Environmental Site Assessment Report. Unless otherwise indicated in the report, no attempt will be made to assess compliance of present or past owners of the site with federal, state, or local laws, and regulations. The conclusions presented in the report will be based upon the services described, and not on scientific tasks, physical sampling, or procedures beyond the scope of described services.

Any entity considering the use, acquisition, or other involvement concerning the property that is the subject of the report shall enter into any use, occupation, or the like on sole reliance of its own judgment and on its own personal investigation of such property.

Æ will perform this limited assessment in a professional manner using the degree of skill and care exercised for similar projects under similar conditions by reputable and competent environmental consultants. Æ shall not be responsible for conditions or consequences arising from relevant facts that were concealed, withheld, or not fully disclosed during the course of the investigation.

If you wish to have us proceed with the Project as described, please sign and return the *Notice to Proceed*.

**NOTICE TO PROCEED**

**SITE ADDRESS 5129 MORRIS ROAD, SWARTZ CREEK, MICHIGAN**

Please sign below to acknowledge and accept the attached Terms and Conditions (dated January 14, 2008), which are incorporated into this Proposal by reference, the Scope of Services as stated in this Proposal, and the ESA User Responsibilities, as noted below.

If this Proposal is accepted, this Proposal shall become a contract between Æ and the client so named below. Please return a copy of the Proposal, signature page to Æ's Burton, Michigan, office. This document will serve as our Notice to Proceed. Also, please complete the billing address information below.

*Note that payment in full is required upon receipt of invoice. Payment is not contingent on MDEQ approval, comment, or acceptance, nor is payment to be delayed pending other associated property transactions or a closing.*

**PROPOSAL NO. 08-3635-715-ACCEPTED BY:**

**BILLING ADDRESS:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Company

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Date

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Fax Number

\_\_\_\_\_  
Contact

**ESA User Responsibilities:**

Based on the US EPA's All Appropriate Inquiry (AAI) rule (40 CFR Part 312), the ESA User has specific obligations that must be met in order to qualify for Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) liability protection; failure to provide this information to Æ could jeopardize CERCLA liability protection. It is the responsibility of the ESA User to provide the following information to Æ:

- ◆ Environmental cleanup liens for the property as noted in land title records, judicial records, or filed under federal, tribal, state or local law;
- ◆ Activity or land use limitations, such as deed restrictions or engineered contaminant controls at the property;
- ◆ Specialized knowledge or experience, commonly known or reasonably ascertainable information, or any obvious indications of recognized environmental conditions at the property or adjacent properties, including a significantly lower purchase price.
- ◆ The reason why the User is requesting a Phase I ESA be performed. Unless otherwise stated, Æ will assume the Phase I ESA will be performed to qualify for the innocent landowner defense to the CERCLA liability.

**SCHEDULE**

The Project Report will be issued as soon as possible within approximately two weeks following your Notice to Proceed.

**PROJECT FEE**

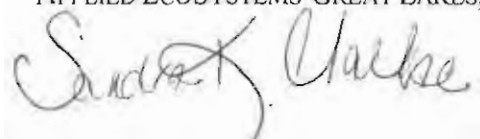
**Phase I Environmental Site Assessment** **\$1,500.00**

Work beyond the stated scope will be performed only with the Client's prior authorization. Æ will provide an estimate for additional work, if requested by the Client. Æ will honor this cost estimate for a period of 90 days.

We appreciate the opportunity to be considered for this project and look forward to working with you. Should you have any questions concerning this Proposal, please feel free to contact me at (810) 715-2525.

Sincerely,

APPLIED *ECOSYSTEMS*-GREAT LAKES, INC.



Sandra K. Clark  
President

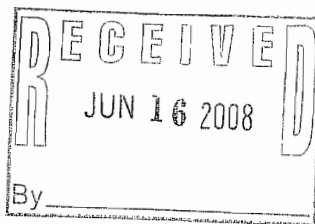
SKC:ac

Attachments

## TERMS AND CONDITIONS

1. APPLIED ECOSYSTEMS – GREAT LAKES, INC. (Æ) shall perform all work under this Agreement as an independent contractor. Neither execution of this Agreement nor performance by the parties under this Agreement shall create any partnership, joint venture, or agency relationship between the parties.
2. Æ periodically shall submit invoices to CLIENT. CLIENT shall pay each invoice upon receipt. CLIENT shall pay an additional charge of one and one half (1½%) of the amount of the invoice per month or the maximum percentage allowed by law, whichever is the lesser, for any payment received by Æ more than fifteen (15) days from the receipt of the invoice. The retainer fee and first installment payment are due upon receipt of invoice.
3. The CLIENT, at its expense, shall provide full information regarding its knowledge of the Project, the identity, nature, quantity, and location of hazardous substances, hazardous waste, or toxic materials at or on the site; all reports, data, maps diagrams, studies, specifications, and other documents or any information relating to said substances, materials, and wastes; and surface or subsurface conditions at the site which would assist Æ to perform its services hereunder; and any circumstances known ordinarily be expected. Æ shall be entitled to rely on all Client-provided documents and information in performing services under the Agreement; however, Æ assumes no responsibility or liability for the accuracy or completeness of such documents or information.
4. The CLIENT, at its expense, shall provide Æ with access to and egress from all property to which Æ may require access to perform its services under this Agreement.
5. In recognition of the inherent risks associated with these types of projects, CLIENT agrees that for any damage caused by professional negligence, Æ's liability, including that of its employees, agents, subcontractors, and related legal fees, in the aggregate under this Agreement shall not exceed the total cost of the project. In no event shall Æ be liable for consequential damages. Æ will not be responsible if work is not completed within required deadlines due to circumstances beyond Æ's control.
6. For any damages caused by negligence other than professional negligence, Æ's liability, including that of its employees, agents, and subcontractors, in the aggregate under this Agreement shall not exceed the limits of Æ's comprehensive general, automotive liability insurance coverage, or other insurance policies.
7. Subject to Paragraph 5 above and otherwise to the fullest extent permitted by law, CLIENT and Æ shall indemnify, defend, and hold harmless each other and their subcontractors, consultants, agents, officers, directors, and employees from and against all claims, damages, losses, and expenses, whether direct, indirect, or consequential, including, but not limited to fees and charges of attorneys and court and arbitration costs, arising from their negligent acts or omissions.
8. Either party may terminate this Agreement for cause if the other commits a material, uncured breach of this Agreement. Termination shall be effective ten (10) days from receipt of the Notice of Termination. CLIENT shall pay Æ upon receipt of invoice for services performed.
9. Æ shall not specify work procedures, manage, or supervise work for which it is not responsible under this Agreement, or implement or be responsible for health and safety procedures for persons other than its own employees.
10. This agreement shall be governed by the law of the State of Michigan. Parties consent to venue in Genesee County, of any action brought to enforce the terms of this agreement or to collect any monies due under it.
11. CLIENT shall compensate Æ for any and all cost, expense, obligation, or damage arising out of any litigation, investigations, or regulatory procedures in which Æ is compelled to participate, that relate to this Project.
12. CLIENT shall indemnify, defend, and hold harmless Æ from and against all claims, damages, losses, and expenses, whether direct, indirect, or consequential, arising from damage to or destruction of subsurface utilities or other underground structures as a result of any work Æ conducts under this agreement.
13. In any action to recover fees owed it under this agreement, Æ has the right to choose the legal forum in which to initiate an action for collection of such fees. The CLIENT agrees to pay Æ any and all expenses incurred in recovering any delinquent amounts, including, but not limited to, reasonable attorney's fees and court costs. All other claims, disputes, or other matters in question between CLIENT and Æ that arise out of, or relate to, the performance of services under this agreement, or its breach, unless both CLIENT and Æ shall agree otherwise, shall be resolved through submittal to arbitration in accordance to the then current rules of the American Arbitration Association.
14. In the event that, due to circumstances beyond Æ's control, damages occur to the site that is the subject of the proposed investigation, CLIENT agrees to hold Æ harmless for costs associated with necessary repairs as well as resulting consequential damages if levied against Æ. If CLIENT is not the owner of the site that is subject to the proposed investigation, CLIENT agrees to immediately reimburse Æ for costs associated with necessary repairs if levied against Æ, as well as claims brought against Æ by the property owner, associated with Æ's investigations and not due to an act of Æ's negligence.
15. Reports are prepared and intended solely and exclusively for the persons or entities named therein and their lender(s), and are not to be used or relied on by any other person or entity.
16. Client shall receive physical copies of Æ's reports and a license to employ them as necessary in connection with the sale, financing, or improvement of the property to which they relate. Æ retains all other rights with respect to the reports including all rights provided by applicable copyright law and exclusive ownership of all samples, notes and raw data gathered or other information extrapolated therefrom.
17. Client will arrange, obtain permission with the property owner, and provide ready access to the site as necessary for Æ to perform the work. Site security and escort will be arranged by Client at Client's expense if required.
18. The provisions of this Agreement shall survive the completion of the Services under this Agreement and the termination of this Agreement for any cause.

June 12, 2008



City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, Michigan 48473

Attention: Adam Zittel  
Assistant City Manager

Reference: 5129 Morrish Road  
(Blacksmith Building)

Dear Mr. Zittel:

In response to your request for a quotation for our environmental services, we offer the following:

We can provide a Phase I Environmental Site Assessment report for the referenced site, for a fee of .....\$2,000.00

Please contact our office if we can be of service.

Very truly yours,

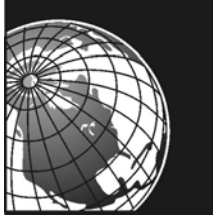
FSE Environmental Consultants

A handwritten signature in cursive script that reads "William J. Archer".

William J. Archer  
Environmental Manager

WJA/ljs





June 10, 2008

Mr. Adam Zettel  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, Michigan 48473  
Phone: (810) 635-4464

Re: Phase I Environmental Site Assessment Proposal for:  
5129 Morrish Road, Swartz Creek, Michigan 48473  
Proposal Number 06-08-04F

Dear Mr. Zettel:

Global Environmental Engineering Inc. (Global) is pleased to present the following proposal to complete a Phase I ESA for the above site, herein referred to as the subject property.

Global currently maintains Liability Insurance at its own expense. The client shall be added as an "additional insured" on the liability policy with respect to the services provided under this contract. A copy of Global's Certificate of Liability Insurance is available upon request.

#### 1.0 SCOPE OF SERVICES

The report will be performed in conformance with the scope and limitations of ASTM practice E 1527-05 and The Environmental Protection Agency (EPA) All Appropriate Inquiry (AAI) rule. The following tasks will be performed during the Phase I ESA.

##### 1.1 Site Reconnaissance

A site reconnaissance will be performed to identify the likelihood of environmental conditions from past or current uses at the subject property (interior and exterior) through visual and physical observations. A visual inspection will be performed of the subject property and adjoining sites from the subject property, to document the existence of:

- Evidence of hazardous substances and petroleum products
- Evidence of storage tanks and/or drums
- Evidence of odors
- Evidence of pools of liquid
- Evidence of PCBs
- Evidence of stains or corrosion
- Evidence of drains and sumps
- Evidence of pits, ponds or lagoons
- Evidence of stained soil or pavement
- Evidence of stressed vegetation
- Evidence of solid waste and waste water disposal
- Evidence of wells
- Evidence of septic system
- Evidence of contamination on adjacent properties

No borings, soil/groundwater sampling, or other subsurface investigation will be undertaken as a part of this assessment.

### 1.2 Interviews

Interviews will be conducted to establish past uses of the subject property and the surrounding area, along with identifying any potential concerns that may exist currently. Global will attempt to interview the following:

- Readily available current and previous owners and occupants
- At least one local government agency official or local office agency serving the area.

### 1.3 Review of Standard Environmental Resources

The following databases will be reviewed:

- National Priority List (NPL)
- Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS)
- CERCLIS No Further Remediation Action Planned (NFRAP)
- RCRA Generators Resource Conservation and Recovery Act (RCRA), Treatment, Storage and/or Disposal Facilities (TSD)
- RCRA Generators
- RCRA Corrective Action Sites (CORRACTS)
- Emergency Response Notification System (ERNS)
- Michigan State Hazardous Waste Sites (SHWS)
- Michigan Solid Waste Facilities (SWF)
- Michigan Leaking Underground Storage Tank List (LUST)
- Michigan Department of Environmental Quality, Registered UST List (UST)
- Plus a review of any additional databases that may aid in identifying environmental concerns

### 1.4 Physical Setting Sources

A review of *readily available* sources to document geologic, hydrogeologic, hydrologic, or topographic characteristics of the subject property will be conducted.

- *Current U.S.G.S. Topographic Map* showing the area on which the subject property is located
- *Additional physical setting sources*, at the discretion of the environmental professional

### 1.5 Historical Site Use Information

A review of the following information, if reasonably ascertainable, will be conducted to develop a detailed history of the previous uses of the subject property and the surrounding area, in order to identify past uses that may have caused environmental conditions in connection with the subject property.

- *Local tax assessment records* to determine current and historical site use
- *Historical aerial photography* for the subject property
- *Available fire insurance maps* for the subject property
- *Other-historical sources* at the discretion of the environmental professional

## 2.0 REPORT

Results of the Phase I ESA will be presented in report format documenting the findings of the assessment in accordance with ASTM guidelines. Two copies of the Phase I ESA report will be submitted, unless otherwise requested. Global can also provide a digital copy of the report as Adobe Acrobat® file upon request.

## 3.0 PROJECT FEE

Global will conduct the Phase I ESA on the subject property for the following cost:

<b>Phase I ESA</b>	<b>\$1800.00</b>
--------------------	------------------

As of November 1, 2006 the U.S. Environmental Protection Agency's (EPA's) new Standards and Practices for All Appropriate Inquiries (AAI) and revised ASTM standards went into effect. One change in the new standards is the required title search to identify environmental cleanup liens against the subject property which is commonly included as part of the title search identifying historic ownership. **Upon request, Global will subcontract a company who can provide a cleanup lien search to our client at an additional cost of \$170.00.** If the client provides Global title search work that contains cleanup lien information, which the client obtained from a title company of their choice, Global can incorporate the lien search results into the Phase I ESA at no additional cost to the client.

## 4.0 PROJECT SCHEDULE

Global will complete the report within three week of a signed Notice to Proceed. If the Phase I ESA requires a file review at the MDEQ, additional time may be necessary to complete the project.

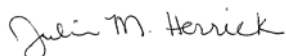
## 5.0 NOTICE TO PROCEED

If you would like to proceed with the Phase I ESA, please sign and fax back the last two pages of this proposal, which includes the **Notice to Proceed** and **ESA User Questionnaire**. This will serve as our contract and as our Notice to Proceed.

If environmental concerns are identified in the Phase I ESA, a Phase II ESA may be necessary. If the Phase II ESA identifies contamination, a Baseline Environmental Assessment (BEA) may be prepared to provide an exemption from the liability of the contamination to a prospective owner or operator. The BEA must be completed within 45 days of purchase of the property or within 45 days of the beginning of operations at the property.

I look forward to working with you. If you have any questions, please call me at (810) 238-9190.

Sincerely,  
GLOBAL ENVIRONMENTAL ENGINEERING INC.



Julie M. Herrick  
Site Assessor

Attachments: Notice to Proceed  
ESA User Questionnaire

**NOTICE TO PROCEED**

If this Proposal is accepted, this Proposal shall become a contract between Global Environmental Engineering Inc. and the below named client. Please return the signed Notice to Proceed to Global Environmental Engineering Inc. at 6140 Rashelle Drive, Suite 1, Flint, Michigan 48507, or by fax at (810) 238-9195. This document will serve as our contract and as our Notice to Proceed.

**Proposal Number:** 06-08-04F  
**Service:** Phase I Environmental Site Assessment  
**Location:** 5129 Morrish Road, Swartz Creek, Michigan 48473  
**Proposed Cost:** Not to exceed \$1800.00 without prior approval. Payment is not contingent upon the results of the assessment or transfer of the property and is due upon completion and delivery of the report.

**PLEASE COMPLETE THE FOLLOWING INFORMATION**

<b>BILLING INFORMATION</b>			
Accepted By		Company Name	
Street Address Code	City	State	Zip
Phone		Fax	
<b>ACCEPTED BY</b>			
<b>SIGNATURE</b>		<b>DATE</b>	
<b>SITE INFORMATION</b>			
Contact Person for Site Inspection		Contact Telephone Number	
Parcel ID (if known)		Property Owner(s) Name	
<b>Site</b> Street Address	City	State	Zip Code
<b>Site</b> Township		<b>Site</b> County	
Name/Company of any other party relying on Phase I ESA and BEA (e.g. bank, lender, or partner)			
<b>Complete the ESA User Questionnaire on the following page.</b>			

### ESA USER QUESTIONNAIRE

In order to qualify for one of the Landowner Liability Protections (LLPs) offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001 (the "*Brownfields Amendments*"), the ESA User must provide the following information (if available) to Global. Failure to provide this information could result in a determination that "*all appropriate inquiry*" is not complete. Please answer the following questions and include any comment necessary:

- Yes    No   Are you aware of any environmental cleanup liens against the property that are filed or recorded under federal, tribal, state, or local law?
- Yes    No   Have you or do you plan to conduct a title search for the subject property?
- Yes    No   Are you aware of any activity use limitations such as engineering controls, land use restrictions or institutional controls that are in place at the site and/or have been filed or recorded in a registry under federal, tribal, state, or local law?
- Yes    No   As the user of this ESA do you have any specialized knowledge or experience related to the property or nearby properties? For example, are you involved in the same line of business as the current or former occupants of the property or an adjoining property so that you would have specialized knowledge of the chemicals and processes used by this type of business?
- Yes    No   Does the purchase price being paid for this property reasonably reflect the fair market value of the property? If you conclude that there is a difference, have you considered whether the lower purchase price is because contamination is known or believed to be present at the property?
- Yes    No   Are you aware of commonly known or reasonably ascertainable information about the property that would help Global to identify conditions indicative of releases or threatened releases? For example, as user,
- Do you know the past uses of the property?
  - Do you know of specific chemicals that are present or once were present at the property?
  - Do you know of spills or other chemical releases that have taken place at the property?
  - Do you know of any environmental cleanups that have taken place at the property?

Provide the reason for performing Phase I ESA (for example, purchase, refinance).

Provide any specific scope of services, any considerations beyond the requirements of ASTM Practice E 1527 necessary, or special terms and conditions which must be agreed upon by Global.

Please provide any other knowledge or experience with the property that may be pertinent to Global (for example, property surveys, blueprints, previous environmental assessments, and documents or correspondence concerning the environmental condition of the property).

---

Name/Title of Person Completing ESA User Questionnaire



# Code Enforcement Violation Record

*City of Swartz Creek*

## Alleged Violation Information:

Name: Eric Schuchaski Address: 8506 Chesterfield

Telephone: Parcel ID: 58-02-501-059

Owner / Agent / Tenant / Other: Owner

## Complainant Information:

Name: Address: 8500 (5/28) & 8518 (6/19) Chesterfield

Telephone: Date: 5/28/2008 Time: ~3:00pm

Nature of Violation (as described): Tall grass in backyard. Unopened pool creating problems.

## Code of Ordinances / Appendix A

Applicable Sections of Ordinance: Charter 10.9

## Description of Violation (as observed by Administrator):

Violation not observable due to fence. No one home. Site visited at ~6:00pm on May 28th. Accessed site on June 19 (~12:45) by access through an unlocked fence on the front/east side of the property. Pictures taken. Pool appears to be a hazard.

Witnesses: Ronald Hawley

Potential Witnesses:

Requested Remedy (if any): Have hazard abated by order of City Council

Course of Action Taken (See 'Violation Tracker' database):

Other Notes:

Report Taken By: Adam Zettel Ticket #:

Date: Time:

**Paul Bueche**

---

**Subject:** FW: Emailing: DSCF0165, DSCF0166, DSCF0167, DSCF0168, DSCF0164

**Attachments:** DSCF0165.jpg; DSCF0166.jpg; DSCF0167.jpg; DSCF0168.jpg; DSCF0164.jpg



DSCF0165.jpg (168 KB)



DSCF0166.jpg (161 KB)



DSCF0167.jpg (61 KB)

a

|



DSCF0168.jpg (131 KB)



DSCF0164.jpg (155 KB)

Attached are pictures of 8506 Chesterfield. I have fielded two complaints about this house. It appears to be abandoned, and I believe we have been mowing it. Monday night I am looking to have the pool declared a hazard using the charter language below:

**Section 10.9. Hazards and nuisances.**

When any lot, building, or structure within the city, because of age or dilapidation, the accumulation of refuse or debris, the uncontrolled growing of noxious weeds, or because of any other condition or happening becomes, in the opinion of the Council, a public hazard or nuisance which is dangerous to the health, safety, or welfare of the inhabitants of the city or of those residing or habitually going near such lot, building, or structure, the Council may, after investigation, give notice to the owner or owners of the land upon which such nuisance exists, or to the owner or occupant of the building or structure itself, by posting notice upon the premises, by publication, by personal service, or by registered or certified mail addressed to the address set forth in the current assessment roll of the city, or the records of the assessor, specifying the nature of the nuisance and requiring such owner or occupant to alter, repair, tear down, abate, or remove the nuisance within a time to be specified by the Council which shall be commensurate with the nature of the nuisance. If, at the expiration of the time limit in said notice, the owner has not complied with the requirements thereof, or in any case where the owner of the land or of the building or structure itself is not known or cannot be found, the Council may order such hazard or nuisance abated by the proper department or agency of the city which is qualified to do the work required, or may do the work by contract or by hire, and the cost of such abatement may be assessed against the lot, premises, or description of real property upon which such hazard or nuisance is located, by special assessment.

Your message is ready to be sent with the following file or link attachments:

DSCF0165  
DSCF0166  
DSCF0167  
DSCF0168  
DSCF0164

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.











**PRESS RELEASE**  
**CITY OF SWARTZ CREEK TO HOLD**  
**COMMUNITY DEVELOPMENT HEARING**

Swartz Creek City will hold a Community Development Citizen Needs Hearing on Monday, July 14th, 2008 at 7:00pm in the City Council Chambers at 8083 Civic Drive, Swartz Creek, MI 48473.

The purpose of the hearing is to obtain citizen needs and project proposals concerning use of the federal Community Development Block Grant (CDBG) funds for the 2007 program year.

The City of Swartz Creek expects to receive approximately \$37,672 CDBG funds for the program year beginning May 1, 2007. The funds are provided by the Genesee County Community Development Program from an annual entitlement grant received from the U.S. Department of Housing and Urban Development (HUD).

The funds are intended primarily for physical development projects in low and moderate income neighborhoods.

Juanita Aguilar, City Clerk  
City of Swartz Creek, Michigan

“An Equal Opportunity Employer”

\*\*\*\*\*

**PUBLISH: SUNDAY, JUNE 29, 2008**  
**PROOF REQUIRED**  
**THE SWARTZ CREEK NEWS**

Please bill: City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473

TO: Mayor Abrams, City Manager Bueche  
FROM: David Hurt  
DATE: June 4, 2008  
SUBJECT: Another absence

I will miss another city council meeting, in this case the second one of this month, June 23. We will be "up north" on our annual family outing to Northport.



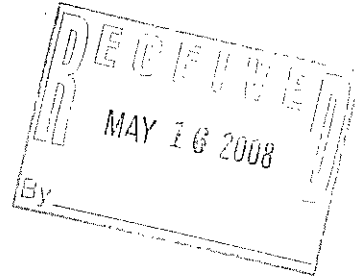
STATE OF MICHIGAN

DEPARTMENT OF TRANSPORTATION  
DAVISON TRANSPORTATION SERVICE CENTER

KIRK T. STEUDLE, P.E.  
DIRECTOR

JENNIFER M. GRANHOLM  
GOVERNOR

May 15, 2008



Mr. Paul Bueche  
Swartz Creek City Manager  
8083 Civic Drive  
Swartz Creek, MI 48473

Dear Mr. Bueche:

We have been made aware of possible funding to light the Carpool Lot in your city. The lot is located at I-69 and Miller Road. At your earliest convenience, please let us know if the city is interested in this potential funding and we will gladly pursue it for you.

Although the department may be able to pay for the lights and the installation, the monthly cost for the energy would be the responsibility of the City of Swartz Creek. An estimated monthly energy cost from a local utility company, is approximately \$12.00 per month, per light.

Thank you for your consideration and response. I can be reached at the Davison TSC at (810) 653-7470.

Sincerely,

Jackie Pethers  
Cost & Scheduling Engineer



STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
BAY REGION

**JACQUELINE Y. PETHERS, P.E.**  
COST & SCHEDULING ENGINEER  
TRANSPORTATION SERVICE CENTER

DAVISON TSC  
9495 E. POTTER ROAD  
DAVISON, MI 48423

PHONE: (810) 653-7470  
FAX: (810) 653-1248  
E-mail: pethersj@michigan.gov  
www.michigan.gov

9495 EAST POTTER ROAD • DAVISON, MICHIGAN 48423

www.michigan.gov • (810) 653-7470

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Every Sunday

Open Now

9 AM – 2 PM

Civic/Senior Center Parking Lot  
May – September 2008



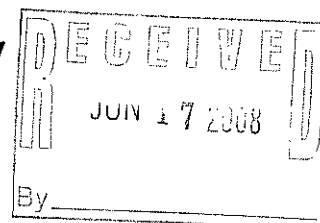
- Local Fresh Produce
- Full Concessions
- Baked Goods
- Local Artwork
- Homemade Crafts
- Potted Plants
- Fresh Flowers
- Local Honey
- Handmade Soaps
- Live Music

Interested Vendors, entertainers, or for any comments or questions please call Swartz Creek City Hall - (810) 635-4464



**State of Michigan  
Department of Environmental Quality**

Land and Water Management Division  
P.O. Box 30458  
Lansing, Michigan 48909-7958  
517-335-3183



File No. 08-25-0046-P

Date: June 11, 2008

**PUBLIC NOTICE**

Genesee County Road Commission, 211 West Oakley Street, Flint, Michigan 48503, has applied to this office for a permit under the authority of Part 301, Inland Lakes and Streams, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. The applicant proposes to remove the existing structure at the Raubinger Road crossing of West Branch Swartz Creek; construct a 38-foot single span by 12-foot rise concrete box beam bridge; and place road fill and riprap slope protection. The project is located in T6N, R5E, Section 1, Gaines Township, Genesee County, Michigan, in accordance with plans attached to this notice.

**THIS NOTICE IS NOT A PERMIT**

The proposed project may also be regulated by one or more additional parts of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, that are administered by the Land and Water Management Division (LWMD). The requirements of applicable parts are considered in determining if it is in the public interest to issue a permit.

When a permit application is received requesting authorization to work in or over the inland waters of the State of Michigan, pursuant to PART 301, INLAND LAKES AND STREAMS, OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, AS AMENDED, the Act provides that the department submit copies for review to the department of public health, the city, village or township, and the county where the project is to be located, the local soil conservation district, any local watershed council organized under Part 311, and the local port commission. Additional notification is provided to certain persons as required by statute or determined by the department.

Those persons wanting to make comments on the proposed project shall furnish this office with their written comments no later than 20 days from the date of this notice. Written comments will be made part of the record and should reference the above file number. Objections must be factual, specific, and fully describe the reasons upon which any objection is founded. Unless a written request is filed with the department within the 20-day public comment period, the department may make a decision on the application without a public hearing. The determination as to whether a permit will be issued or a public hearing held will be based on evaluation of all relevant factors defined in Sections 30106 and 30311, or permit criteria defined by other appropriate Parts of the NREPA. These Sections address the effect of the proposed work on the public trust or interest including navigation, fish, wildlife, and water quality among other criteria. Public comments received will also be considered.

cc: Genesee County Clerk	Genesee County Health Department
Genesee County Drain Commission	Genesee Soil Conservation District
Gaines Township Clerk	Jim Baker, DNR, Fisheries
Timothy Payne, DNR, Wildlife	Tim Benton, DEQ, Water Bureau
Tom Kolhoff, DEQ, LWMD	Alex Sanchez, DEQ, Transportation-ENV
Minmin Shu, DEQ, Transportation-HYD	Nate Whiting, Rowe Incorporated
City of Swartz Creek	Silver Creek Village
Genesee County Road Commission, applicant	



AGENCY USE	Previous USACE Permit or File Number	RECEIVED  JUN 02 2008  TRANSPORTATION AND INFRASTRUCTURE DIVISION	Land and Water Management Division, MDEQ File Number <b>08-25-0046-P</b>	AGENCY USE
	USACE File Number		Marina Operating Permit Number	
			Fee received \$	

• Complete all items in Sections 1 through 9 and those items in Sections 10 through 21 that apply to the project. Clear drawings and cross sections must be provided.

**1 PROJECT LOCATION INFORMATION**

• Refer to your property's legal description for the Township, Range, and Section information, and your property tax bill for your Property Tax Identification Number(s).

Address <b>Raubinger Road Bridge over the West Branch of the Swartz Creek</b>		Township Name(s) <b>Gaines</b>	Township(s) <b>6N</b>	Range(s) <b>5E</b>	Section(s) <b>1</b>
City/Village	County(ies) <b>Genesee</b>	Property Tax identification Number(s)			
Name of Waterbody <b>West Branch of the Swartz Creek</b>	Project Name or Job Number	Subdivision/Plat	Lot Number	Private Claim	
Project types (check all that apply)	<input type="checkbox"/> private <input type="checkbox"/> building addition <input type="checkbox"/> other (explain)	<input checked="" type="checkbox"/> public/government <input checked="" type="checkbox"/> new building or structure	<input type="checkbox"/> industrial <input type="checkbox"/> building renovation or restoration	<input type="checkbox"/> commercial <input type="checkbox"/> river restoration	<input type="checkbox"/> multi-family <input type="checkbox"/> single-family

The proposed project is on, within, or involves (check all that apply)

<input type="checkbox"/> a stream	<input type="checkbox"/> a pond (less than 5 acres)	<input checked="" type="checkbox"/> a legally established County Drain (date established) (M/D/Y) <b>1/27/1905</b>	<input type="checkbox"/> a Great Lake or Section 10 Waters	<input type="checkbox"/> a natural river	<input type="checkbox"/> a new marina
<input type="checkbox"/> a river	<input type="checkbox"/> a channel/canal	<input type="checkbox"/> a designated high risk erosion area	<input type="checkbox"/> a dam	<input checked="" type="checkbox"/> a structure removal	<input type="checkbox"/> a utility crossing
<input checked="" type="checkbox"/> a ditch or drain	<input type="checkbox"/> an Inland lake (5 acres or more)	<input type="checkbox"/> a designated critical dune area	<input type="checkbox"/> a wellland	<input type="checkbox"/> a utility crossing	<input type="checkbox"/> a utility crossing
<input type="checkbox"/> a floodway area	<input checked="" type="checkbox"/> a 100-year floodplain	<input type="checkbox"/> a designated environmental area	<input type="checkbox"/> 500 feet of an existing waterbody		

**2 DESCRIBE PROPOSED PROJECT AND ASSOCIATED ACTIVITIES, AND THE CONSTRUCTION SEQUENCE AND METHODS**

• Attach separate sheets, as needed, including necessary drawings, sketches, photographs, aerials, or plans.

**Removal of existing bridge. Replacement of existing structure with a precast concrete box beam bridge system. Reconstruct approx. 500 feet of roadway adjacent to the bridge.**

**3 APPLICANT, AGENT/CONTRACTOR, AND PROPERTY OWNER INFORMATION**

• The applicant can be either the property owner or the person or company that proposes to undertake the activity.  
• If the applicant is a corporation, both the corporation and its owner must provide a written document authorizing the agent/contractor to act on their behalf.

Applicant (individual or corporate name) <b>Genesee County Road Commission</b>	Agent/Contractor (firm name and contact person) <b>Rowe Incorporated, Nate Whiting</b>
Mailing Address <b>211 W. Oakley Street</b>	Address <b>PO Box 3748</b>
City <b>Flint</b> State <b>MI</b> Zip Code <b>48503</b>	City <b>Flint</b> State <b>MI</b> Zip Code <b>48502</b>
Daytime Phone Number with Area Code Cell Phone Number <b>810-767-4920 - -</b>	Daytime Phone Number with Area Code Cell Phone Number <b>810-341-7500 - -</b>
Fax <b>810-767-6570</b> E-mail	Fax <b>810-341-7573</b> E-mail <b>nwhiting@roweincorp.com</b>

Is the applicant the sole owner of all property on which this project is to be constructed and all property involved or impacted by this project?  No  Yes  
If No, provide a letter signed by the property owner authorizing the agent/contractor to act on his or her behalf or a copy of easements or right-of-ways. If multiple owners, attach all property owners' names, mailing addresses, and telephone numbers. Disclose any DEQ conservation easements or other easements, deed restrictions, leases, or any other encumbrance upon the property in the project area. A copy of the land restriction must be provided.

Property Owner's Name (if different from applicant)	Mailing Address
Daytime Phone Number with Area Code Cell Phone Number <b>- - - - -</b>	City State Zip Code



**4 PROPOSED PROJECT PURPOSE, INTENDED USE, AND ALTERNATIVES CONSIDERED** (Attach additional sheets if necessary)

- The purpose must include any new development or expansion of an existing land use.
- Include a description of alternatives considered to avoid or minimize resource impacts. Include factors such as, but not limited to, alternative construction technologies; alternative project layout and design; alternative locations; local land use regulations and infrastructure; and pertinent environmental and resource issues.
- For utility crossings, include both alternative routes and alternative construction methods.

*The purpose of this project is to remove the existing deteriorated structure and replace it with one that is structurally superior and better suits the flow of the waterway during highwater events. Alternative layouts were considered. The proposed roadway over the bridge is being widened to match the width of the existing roadway to the north.*

**5 LOCATING YOUR PROJECT SITE**

- Provide the requested information listed below to help staff locate your project site.
- Attach a copy of a map, such as a plat, county, or USGS topographic map, clearly showing the site location and include an arrow indicating the north direction.
- Project area must be staked at the time of application submittal.

Is there an access road to the project?  No  Yes (If Yes, type of road, check all that apply)  private  public  Improved  unimproved

Name of roads at closest main intersection *Miller Road* and *Raubinger Road*

Directions from main intersection *South from intersection 1/3 mile*

Style of house or other building on site  ranch  2-story  cape cod  bi-level  cottage/cabin  pole barn  none  other (describe)

Color \_\_\_\_\_ Color of adjacent property house and/or buildings \_\_\_\_\_

House number \_\_\_\_\_ Address is visible on  house  garage  mailbox  sign  other (describe)

Street name \_\_\_\_\_ Fire lane number \_\_\_\_\_ Lot number \_\_\_\_\_

How can your site be identified if there is no visible address? *0.3 miles south on Raubinger Road from Miller Road*

Provide directions to the project site, with distances from the best and nearest visible landmark and waterbody

Does project cross boundaries of two or more political jurisdictions? (City/Township, Township/Township, County/County, etc.)

No  Yes (If Yes, list jurisdiction names.) *City of Swartz Creek, Gaines Township*

**6** List all other federal, interstate, state, or local agency authorizations required for the proposed activity, including all approvals or denials received.

Agency	Type approval	Identification number	Date applied	Date approved / denied	If denied, reason for denial
<i>Michigan Department of Transportation</i>					
<i>Genessee County Drian Commission - SWM</i>					

**7** If a permit is issued, date activity will commence (M/D/Y) *4/1/2009*

Proposed completion date (M/D/Y) *4/1/2011*

Has any construction activity commenced or been completed in a regulated area?  No  Yes

If Yes, identify the portion(s) underway or completed on drawings or attach project specifications and give completion date(s) (M/D/Y) */ /*

Were the regulated activities conducted under a MDEQ permit?  No  Yes

If Yes, list the MDEQ permit number \_\_\_\_\_

Are you aware of any unresolved violations of environmental law or litigation involving the property?  No  Yes (if Yes, explain)

**8 PUBLIC NOTIFICATION** (Attach additional sheets if necessary)

- Complete information for all adjacent and impacted property owners and the lake association or established lake board, including the contact person's name.
- If you own the adjacent lot, provide the requested information for the first adjacent parcel beyond your property line.

Property Owner's Name	Mailing Address	City	State	Zip Code
<i>See attached Riparian Owners</i>				

Name of  Established Lake Board  or Lake Association and the Contact Person's name, phone number, and mailing address

**9 APPLICANT'S CERTIFICATION** **READ CAREFULLY BEFORE SIGNING**

I am applying for a permit(s) to authorize the activities described herein. I certify that I am familiar with the information contained in this application, that it is true and accurate, and, to the best of my knowledge, is in compliance with the State Coastal Zone Management Program and the National Flood Insurance Program. I understand that there are penalties for submitting false information and that any permit issued pursuant to this application may be revoked if information on this application is untrue. I certify that I have the authority to undertake the activities proposed in this application. By signing this application, I agree to allow representatives of the MDEQ, USACE, and/or their agents or contractors to enter upon said property in order to inspect the proposed activity site and the completed project. I understand that I must obtain all other necessary local, county, state, or federal permits and that the granting of other permits by local, county, state, or federal agencies does not release me from the requirements of obtaining the permit requested herein before commencing the activity. I understand that the payment of the application fee does not guarantee the issuance of a permit.

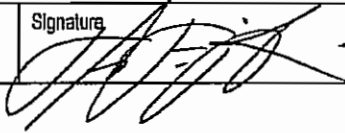
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- All applicants must complete all of the items in Sections 1 through 9 on pages 1 and 2 of this application.
- Complete those items in Sections 10 through 21 that apply to the project. Submit only those pages where you have provided information.
- Your application will not be processed if the application form is not completely filled out.
- List here the application page numbers being submitted and a brief description of other attachments included with your application.
- Submit 8.5" by 11," 8.5" by 14" or 11" by 17" size drawings with 4 copies. The USACE requires one set of drawings on 8.5" x 11" paper, with all notations clearly legible. Larger copies may be submitted in addition to the standard size copies.
- A letter of authorization from the owner must be included if not signed below by the owner.

<input checked="" type="checkbox"/> Property Owner <input type="checkbox"/> Agent/Contractor <input type="checkbox"/> Corporation - Title <i>GCRC</i>	Printed Name <i>Fred Peivandi, PE</i>	Signature 	Date (MM/YY) <i>05/16/08</i>
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**10 PROJECTS IMPACTING WETLANDS OR FLOODPLAINS OR LOCATED ON AN INLAND LAKE OR STREAM OR A GREAT LAKE**

- Check boxes A through N that may be applicable to your project and provide the requested information.
- If your project may affect wetlands, also complete Section 12. If your project may impact regulated floodplains, also complete Section 13.
- Provide an overall site plan showing existing lakes, streams, wetlands, and other water features; existing structures; and the location of all proposed structures, land change activities and soil erosion and sedimentation control measures. Review sample drawings for guidance in completing site-specific drawings for your project.
- Some projects on the Great Lakes require an application for conveyance prior to Joint Permit Application completeness.
- On a Great Lake use (GLD 85  surveyed  converted from observed still water elevation. On inland waters,  NGVD 29  local datum  other
- Observed water elevation (ft) 757.26, date of observation (M/D/Y) 02/13/2008

**A. PROJECTS REQUIRING FILL** (See All Sample Drawings)

- To calculate volume in cubic yards (cu yd), multiply the average length in feet (ft) times the average width (ft) times the average depth (ft) and divide by 27.
- Attach both plan and cross-section views to scale showing maximum and average fill dimensions.

(Check all that apply)  floodplain fill  wetland fill  riprap  seawall, bulkhead, or revetment  bridge or culvert  
 boat launch  off-shore swim area  beach sanding  boatwell  crib dock  other

Fill dimensions (ft) Length      width      maximum depth	Total fill volume (cu yd) <u>200</u>	Maximum water depth in fill area (ft)
Type of clean fill <input type="checkbox"/> pea stone <input checked="" type="checkbox"/> sand <input type="checkbox"/> gravel <input type="checkbox"/> wood chips <input type="checkbox"/> other	Will filter fabric be used under proposed fill? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (If Yes, type)	
Source of clean fill <input type="checkbox"/> on-site, if on-site, show location on site plan <input checked="" type="checkbox"/> commercial <input type="checkbox"/> other, if other, attach description of location		
Fill will extend      feet into the water from the shoreline and upland      feet out of the water.	Fill volume below OHWM (cu yd) <u>25</u>	

**B. PROJECTS REQUIRING DREDGING OR EXCAVATION** (For dredging projects see Sample Drawing 7, for excavation see other applicable Sample Drawings)

- To calculate volume in cubic yards (cu yd), multiply the average length in feet (ft) times the average width (ft) times the average depth (ft) and divide by 27.
- Attach both plan and cross-section views to scale showing maximum and average dredge or excavation dimensions.
- The applicant will be notified if sediment sampling is required.

(Check all that apply)  floodplain excavation  wetland dredge or draining  seawall, bulkhead, or revetment  
 navigation  boat well  boat launch  other Bridge

Total dredge/excavation volume (cu yd) <u>509</u>	Dimensions length      width      depth	Dredge/excavation volume below OHWM (cu yd) <u>50</u>	Method and equipment for dredging <u>Hydraulic Excavator</u>
Has proposed dredge material been tested for contaminants? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (If Yes, attach testing results)		Will dredged or excavated spoils be placed <input type="checkbox"/> on-site <input checked="" type="checkbox"/> off-site. Attach a detailed disposal area site plan, location map. If dispose off site, provide address and letter of authorization.	
Has this same area been previously dredged? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (If Yes, provide date and permit number, if available)      /      /      /			
If Yes, are you proposing to enlarge the previously dredged area <input type="checkbox"/> No <input type="checkbox"/> Yes			
Is long-term maintenance dredging planned? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (If Yes, when and how much?)			

**C. PROJECTS REQUIRING RIPRAP** (See Sample Drawings 2, 3, 8, 12, 14, 17, 22, and 23. Others may apply)

Riprap waterward of the <input checked="" type="checkbox"/> shoreline OR <input type="checkbox"/> ordinary high water mark	Dimensions (ft) length <u>bridge</u> width      depth	Volume (cu yd) <u>150</u>
Riprap landward of the <input checked="" type="checkbox"/> shoreline OR <input type="checkbox"/> ordinary high water mark	Dimensions length <u>bridge</u> width      depth	Volume (cu yd) <u>150</u>
Type of riprap <input type="checkbox"/> field stone <input checked="" type="checkbox"/> angular rock <input type="checkbox"/> other	Will filter fabric be used under proposed riprap? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (If Yes, type) <u>Geotextile Fabric</u>	

**D. SHORE PROTECTION PROJECTS** (See Sample Drawings 2, 3, and 17)

(check all that apply)  
 riprap - length (ft.)       seawall/bulkhead - length (ft.)       revetment - length (ft.)

Distances of project from both property lines (ft)

**E. DOCK - PIER - MOORING PILING** (See Sample Drawing 10)

Type  open pile  filled  crib      Seasonal structure?  No  Yes

Proposed structure dimensions (ft) length      width      depth      Dimensions of nearest adjacent structures (ft) length      width

**F. BOAT WELL** (No Sample Drawing available)

Type of bank stabilization  wood  steel  concrete  vinyl  riprap  other

Boat well dimensions (ft)  
Length      width      depth      Number of boats JUN 02 2003

Volume of backfill behind sidewall stabilization (cu yd)      Distances of boat well from adjacent property lines (ft)

**G. BOAT LAUNCH** (No Sample Drawing available) (check all that apply)  new  existing  public  private  commercial  replacement

Proposed overall boat launch dimensions (ft)  
length      width      depth      Type of material  concrete  wood  stone  other

Existing overall boat launch dimensions (ft)  
Length      width      depth      Boat launch dimensions (ft) below ordinary high water mark  
Length      width      depth

Distances of launch from both property lines (ft)      Number of skid piers      Skid pier dimensions (ft) width      length

**H. BOAT HOIST** (No Sample Drawing available)

(Check all that apply)  seasonal  permanent  cradle  side lifter  
 other      located on  seawall  dock  bottomlands

**I. BOARDWALKS AND DECKS IN WETLANDS - OR - FLOODPLAINS** (See Sample Drawings 5 and 6. Provide table if necessary)

(Check all that apply)  boardwalk  deck      Boardwalk or deck is on  fill  piling      Dimensions (ft) length      width



**13 FLOODPLAIN ACTIVITIES** (See Sample Drawing 5. Others may apply.)

- Attach additional sheets with the requested information when multiple floodplain activities are included in this application.

(check all that apply)  fill  excavation  other

Site is 10 feet above  ordinary high water mark (OHWM) OR  observed water level. Date of observation (M/D/Y) 2/13/2008

Fill volume below the 100-year floodplain elevation (cu yd) 25      Compensating cut volume below the 100-year floodplain elevation (cu yd) 50

**14 BRIDGES AND CULVERTS** (Including Foot and Cant Bridges)

- Provide detailed site-specific drawings of existing and proposed Plan View (Sample Drawing 14A), Elevation View (Sample Drawing 14B), Stream and Floodplain Cross-Section (Sample Drawing 14C), Stream Profile (Sample Drawing 14D) and Floodplain Fill (Sample Drawing 5) at a scale adequate for detailed review.
- Provide the requested information that applies to your project. If there is not an existing structure, leave the "Existing" column blank.
- If you choose to have a Licensed Professional Engineer "certify" that your project will not cause a "harmful interference" for a range of flood discharges up to and including the 100-year flood discharge, then you must use the "Required Certification Language." You may request a copy by phone, email, or mail. A hydraulic report supporting this certification may also be required.
- Attach additional sheets with the requested information when multiple crossings are included in this application.

	Existing	Proposed		Existing	Proposed
Culvert type (box, circular, arch) and material (corrugated metal, timber, concrete, etc.)			Bridge span (length perpendicular to stream) OR culvert <input type="checkbox"/> width <input type="checkbox"/> diameter (ft)	<u>36</u>	<u>38</u>
Bridge type (concrete box beam, timber, concrete I-beam, etc.)	<u>Steel I-Beam</u>	<u>Concrete Box Beam</u>	Bridge width (parallel to stream) OR culvert length (ft)	<u>34.5</u>	<u>39.0</u>
Entrance design (projecting, mitered, wingwalls, etc.)	<u>Wingwalls</u>	<u>Wingwalls</u>	Bridge rise (from bottom of beam to streambed) OR Culvert rise (from top of culvert to streambed) (ft)	<u>12.4 ft</u>	<u>12.0 ft</u>
Total structure waterway opening above streambed (sq ft)	<u>447</u>	<u>471</u>			
<input type="checkbox"/> elevation of culvert crown	Upstream <u>765.17</u>	<u>764.76</u>	Higher elevation of <input type="checkbox"/> culvert invert OR <input type="checkbox"/> streambed within culvert (ft)	Upstream	
<input checked="" type="checkbox"/> bottom of bridge beam (ft)	Downstream <u>765.17</u>	<u>764.76</u>		Downstream	
Elevation of road grade at structure (ft)	<u>768.05</u>	<u>766.76</u>	Distance from low point of road to mid-point of bridge crossing (ft)	<u>240</u>	<u>240</u>
Elevation of low point in road (ft)	<u>765.8</u>	<u>765.8</u>			
Cross-sectional area of primary channel (sq ft) (See Sample Drawing 14C) <u>525</u>			Average stream width at OHWM outside the influence of the structure (ft)	Upstream <u>26.5</u>	Downstream <u>34</u>
Reference datum used (show on plans with description) <input checked="" type="checkbox"/> NGVD 29 <input type="checkbox"/> IGLD 85 (Great Lakes coastal areas) <input type="checkbox"/> local					
High water elevation – describe reference point and highest known water level above or below reference point and date of observation.					

**15 STREAM, RIVER, OR DRAIN CONSTRUCTION ACTIVITIES** (No sample drawing available)

- Complete Section 10A for fill, Section 10B for dredge or excavation, and Section 10C for riprap activities.
- If side casting or other proposed activities will impact wetlands or floodplains, complete Sections 12 and 13, respectively.
- Provide an overall site plan showing existing lakes, streams, wetlands, and other water features; existing structures; and the location of all proposed structures and land change activities. Provide cross-section (elevation) drawings necessary to clearly show existing and proposed conditions. Be sure to indicate drawing scales.
- For activities on legally established county drains, provide original design and proposed dimensions and elevations.

(check all that apply)  maintenance  improvement  relocation  enclosure  new drain  wetlands  other

Dimensions (ft) of existing stream/drain channel to be worked on.	length	width	depth	<b>RECEIVED</b> JUN 02 2008
Dimensions (ft) of new, relocated, or enclosed stream/drain channel.	length	width	depth	
Existing channel average water depth in a normal year (ft)	Proposed side slopes (vertical / horizontal)			
How will slopes and bottom be stabilized?				
Will old/enclosed stream channel be backfilled to top of bank grade? <input type="checkbox"/> No <input type="checkbox"/> Yes	Length of channel to be abandoned (ft)		Volume of fill (cu yds)	
If an enclosed structure is proposed, check type <input type="checkbox"/> concrete <input type="checkbox"/> corrugated metal <input type="checkbox"/> plastic <input type="checkbox"/> other	Dimensions of the structure size length volume of fill			
Will spoils be disposed of on site? <input type="checkbox"/> No <input type="checkbox"/> Yes (if Yes, show location of spoils on site plan in an upland area.)				
Reference datum used (show on plans with description) <input type="checkbox"/> NGVD 29 <input type="checkbox"/> IGLD 85 (Great Lakes coastal areas) <input type="checkbox"/> local				

Raubinger Road Bridge over the West Branch of the Swartz Creek  
Riparian Property Owners

25-58-01-100-043  
Swartz Creek, City of  
8083 Civic Dr  
Swartz Creek, MI 48473

25-10-01-200-006  
Silver Creek Village  
4101 W. Pierson Rd  
Flint, MI 48473

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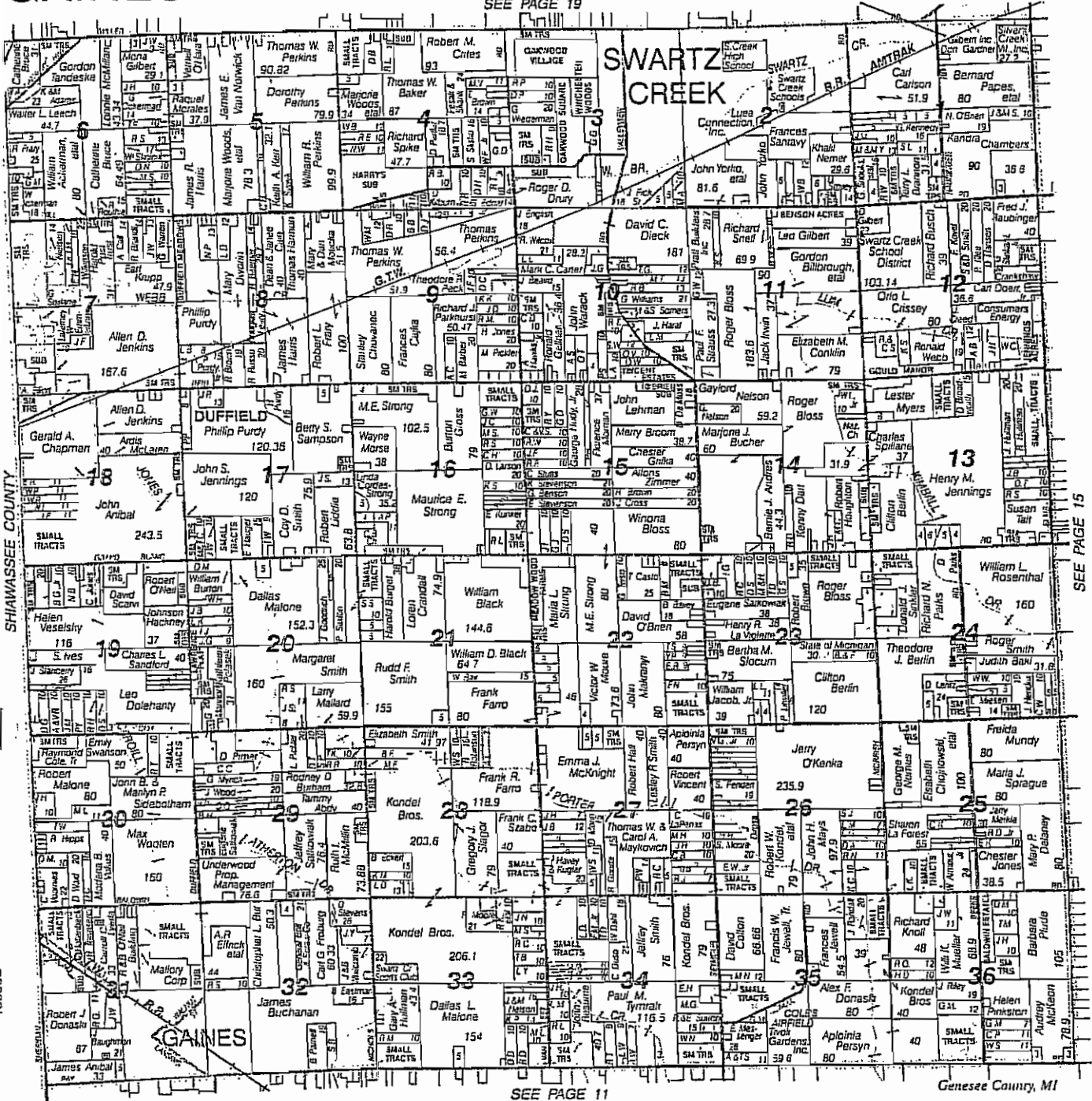
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# GAINES

LOCATION

T.6N.-R.5E.

SEE PAGE 19



SEE PAGE 15

SEE PAGE 11

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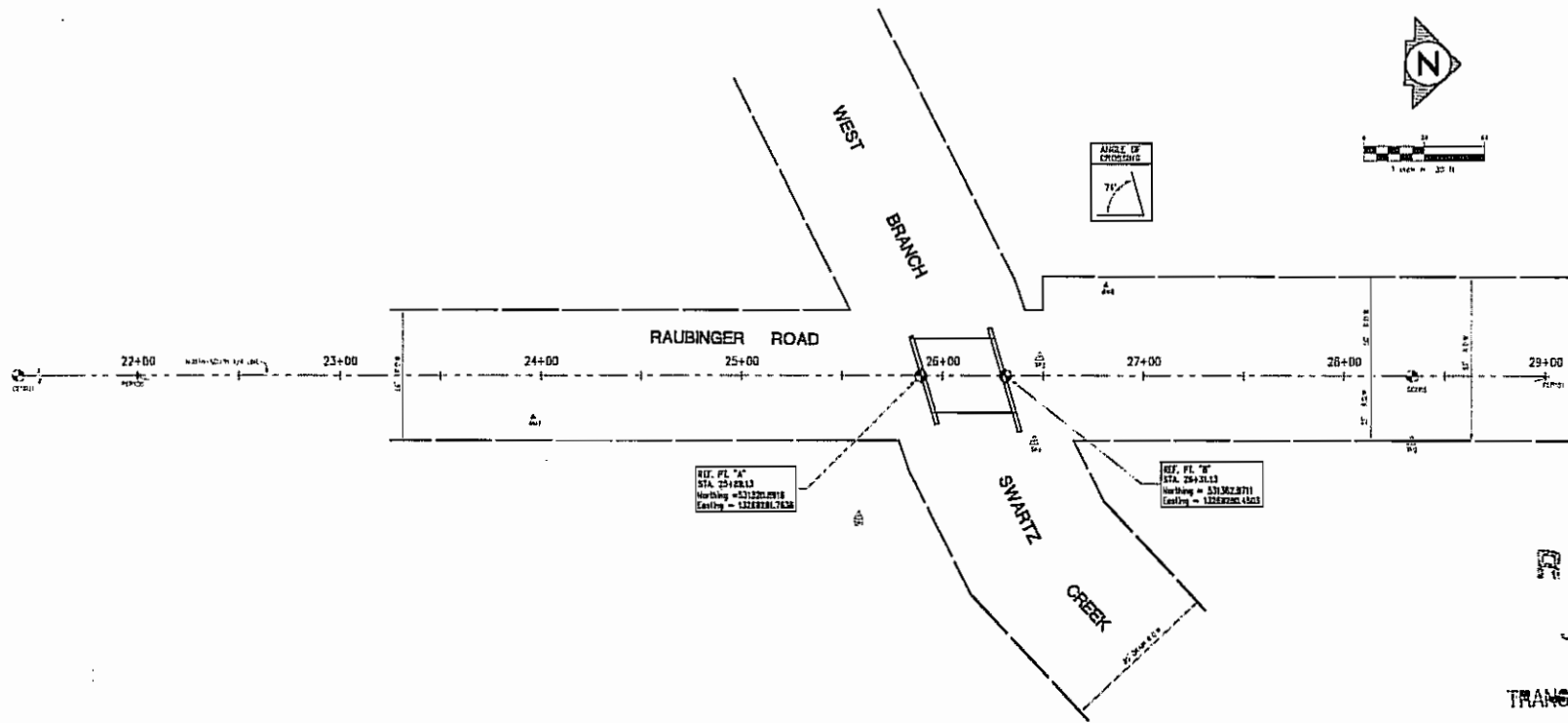
1952 Wilder Court  
 Haslett, Michigan  
 48840

(800) 624-6089

Fax: (810) 230-7844

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BENCHMARK DATA TABLE

NUMBER	NORTHING	EASTING	STATION	OFFSET	ELEVATION	DESCRIPTION
BM7	531128	13289306	23+45.98	21.07	702.68	SET RAILROAD SPIKE IN WEST FACE OF 36" COTTONWOOD, 25' E. OF RAUBINGER ROAD, 250' S. OF SWARTZ CREEK
BM4	531411	13289233	26+01.18	-43.47	696.51	ARROW ON FIRE HYDRANT, WEST SIDE OF RAUBINGER ROAD, 100' S. NORTH OF CENTERLINE OF CREEK

SECTION CORNER DATA TABLE

NUMBER	NORTHING	EASTING	STATION	OFFSET	DESCRIPTION
OC015	531065	13289774	29+33.79	0.07	1-1 INTERIOR CORNER SECTION 1, GAMES TOWNSHIP, GENESEE COUNTY, TEN-RSE, FOUND RAILROAD SPIKE IN ASPHALT
OC011	530733	13289272	N/A	0.07	1-2 INTERIOR CORNER SECTION 1, GAMES TOWNSHIP, GENESEE COUNTY, TEN-RSE, FOUND 1/2" HIGH ROD IN ASPHALT

TRAVERSE POINT DATA TABLE

NUMBER	NORTHING	EASTING	STATION	OFFSET	DESCRIPTION
TP1	531292.1292	13289311.0280	25+58.14	71.17	SET 1/2" RE-ROD AND ROWE TRAVERSE CAP, SOUTH OF CREEK, 50' S. SOUTH OF RETAINING WALL, 75' E. EAST OF RAUBINGER ROAD
TP2	531568.2750	13289307.0890	28+33.53	32.86	FOUND IRON ROD AND CAP (83131) AT 33' N/W. EAST OF NORTH 1/4 CORNER
TP3	531379.5870	13289270.3970	26+46.11	-8.53	SET WAG NAIL WITH IRON CAP IN EDGE OF BENTHOUSE, 10' E. WEST OF CENTERLINE OF RAUBINGER ROAD, 27' S. NORTH OF BRIDGE
TP4	531378.1620	13289311.1250	28+45.29	33.14	FOUND CARLSON IRON/CLAP AT 33' N/W. NORTH OF CREEK, 10' S. NORTH OF RETAINING WALL

PROJECT CONTROL POINT DATA

NUMBER	NORTHING	EASTING	STATION	OFFSET	DESCRIPTION
PCP100	532951.9513	13289283.8315	23+00.00	0.07	POINT OF BEGINNING OF RAUBINGER ROAD ALIGNMENT
PCP101	531631.6290	13289272.0427	29+00.00	0.07	POINT OF BEGINNING OF RAUBINGER ROAD ALIGNMENT

LEGEND

- BENCHMARK
- ▲ TRAVERSE POINT
- ▼ PROJECT CONTROL POINT

NOTES:  
 HORIZONTAL DATUM IS NAD83 (FED) MORGAN SOUTH ZONE.  
 VERTICAL DATUM IS NAVD83.

DWG. NO. #  
 SHEET NO. 3 OF 17

DATE OF P. AND S. 1/04

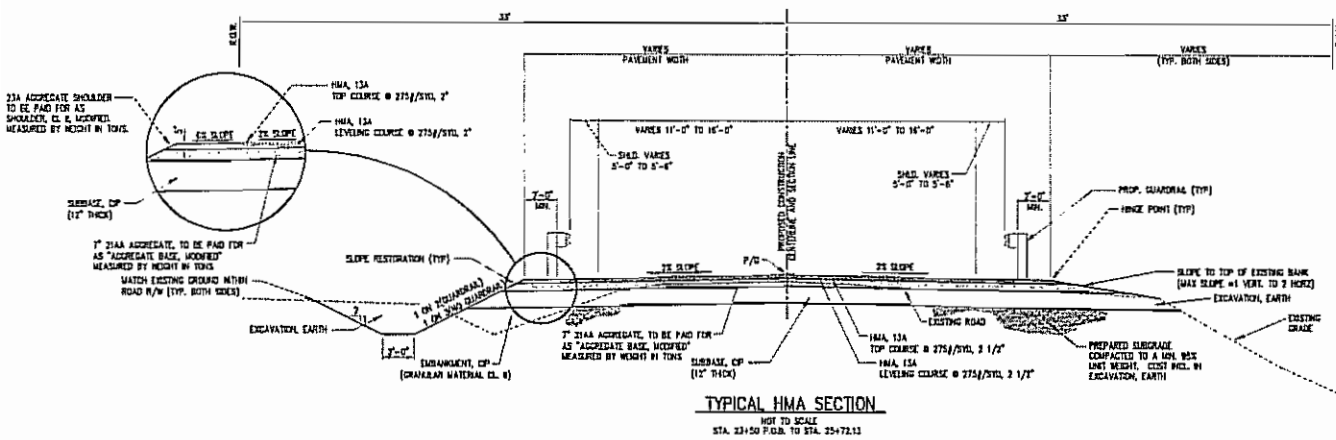
GENESEE COUNTY ROAD COMMISSION  
 ALIGNMENT SHEET

RAUBINGER ROAD BRIDGE  
 OVER THE WEST BRANCH  
 OF THE SWARTZ CREEK

APPROVED \_\_\_\_\_



SCALE: 1" = 32'  
 DRAWN BY: J. L. [unclear]  
 CHECKED BY: [unclear]  
 DATE: 1/04  
 EDITION: 25-10-28



**TYPICAL HMA SECTION**

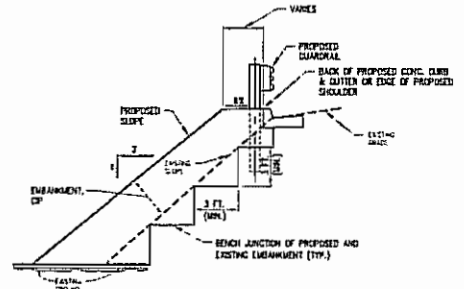
NOT TO SCALE  
STA. 23+50 P.O.B. TO STA. 25+72.13

HMA SURFACING APPLICATION CHART			
ITEM	RATE OF APPLICATION	ESTIMATED THICKNESS	PERFORMANCE GRADE
HMA 13A (TOP COURSE)	275#/CYD	2 1/2"	50-75
HMA 13A (LEVELING COURSE)	275#/CYD	2 1/2"	50-75

HMA ROAD DRAIN SHALL BE APPLIED AT A RATE OF 0.25 TO 0.5 GAL/CYD FOR TACK COAT AS DIRECTED BY THE ENGINEER, COST INCLUDED IN HMA ITEM.

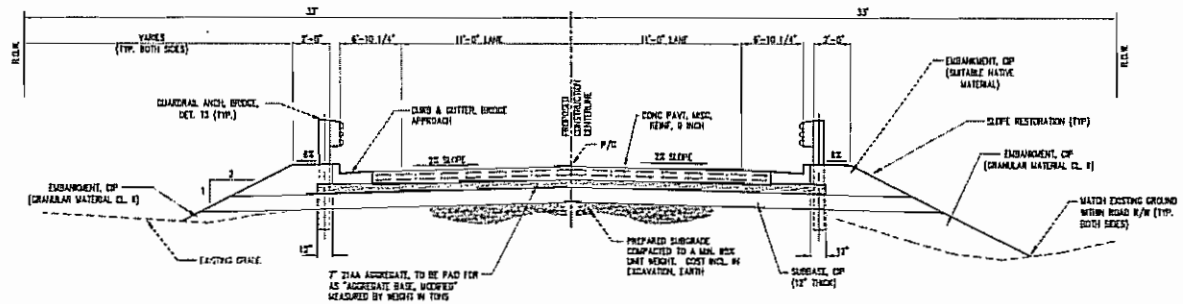
AGGREGATE NEAR INDEX	
HMA MIXTURE	REQ. A.M.S. #
13A	270

THE AGGREGATE NEAR INDEX (ANI) NUMBER REQUIRED FOR THE AGGREGATE USED IN THE PRODUCTION OF THE HMA MIXTURE USED IN THE TOP COURSE OF THE TRAVELED WAY (SLOTTED OR UN-SLOTTED) ON THIS PROJECT IS SHOWN IN THE TABLE ABOVE. THIS ANI NUMBER APPLIES TO ALL AGGREGATE SOURCES (NATURAL OR MANUFACTURED).



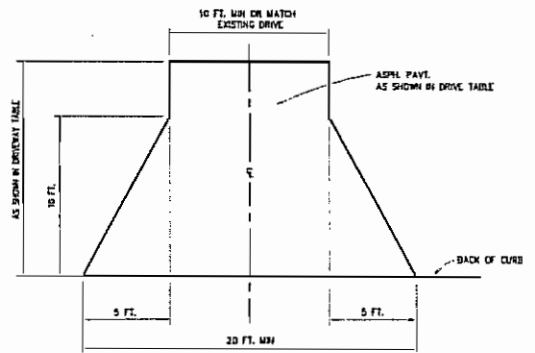
**STEPPED FILL SLOPE DETAIL**

(FOR FILL ON EX. SLOPES STEEPER THAN 1 VERT. TO 3 HORIZ.)  
(COST INCLUDED IN EMBANKMENT, CP PAY ITEM)



**TYPICAL APPROACH SECTION**

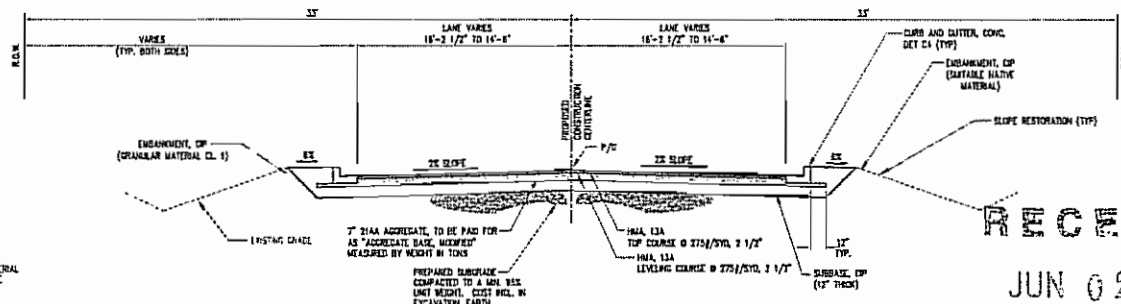
NOT TO SCALE  
STA. 25+72.13 TO STA. 25+88.13  
STA. 26+37.13 TO STA. 26+48.13



**RESIDENTIAL DRIVEWAY APPROACH**

NOT TO SCALE

**RESIDENTIAL DRIVEWAY PAVEMENT SECTIONS**  
 \*2 INCH HMA 13A - 13A TOP COURSE  
 \*4 INCH HMA 13A - 13A BASE COURSE  
 (BASE COURSE PLACED IN TWO LIFTS)  
 \*PAID AS HMA RESIDENTIAL DRIVEWAY



**TYPICAL CURBED HMA APPROACH SECTION**

NOT TO SCALE  
STA. 26+48.13 TO STA. 26+50.00

- CERTIFICATION NOTES:**
- CONTRACTOR MAY USE EXCAVATED MATERIAL AS EMBANKMENT ONLY IF IT IS SUITABLE MATERIAL APPROVED BY THE ENGINEER.
  - FINAL PAYMENT FOR EXCAVATION, EARTH AND EMBANKMENT, CP PAY ITEMS WILL BE BASED ON PLAN QUANTITIES UNLESS OTHERWISE APPROVED BY THE ENGINEER.

**RECEIVED**

JUN 02 2008

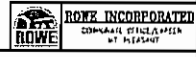
TRANSPORTATION REVIEW UNIT

DWG. NO. #  
SHEET NO. 4 OF 17

**GENESEE COUNTY ROAD COMMISSION**  
**TYPICAL CROSS SECTIONS**

HAUBINGER ROAD BRIDGE  
OVER THE WEST BRANCH  
OF THE SWARTZ CREEK

APPROVED: \_\_\_\_\_ DATE: 6/2/08





**BENCHMARKS**

KEY TO SPICE IN 1/4" = 30' LATTERSIDE SET 4' OF CA. RAUBINGER RD. SET 5' OF CREEK CENTERLINE 7472'

RAUBINGER TO THE INTERSECTION OF RAUBINGER RD. SET 4' OF CA. CREEK CENTERLINE 7472'

**EXISTING STRUCTURE:**

THE EXISTING STRUCTURE IS A SINGLE SPAN STEEL T BEAM BRIDGE WITH A CONCRETE DECK AND CONCRETE ABUTMENTS. THE BRIDGE HAS A SPAN OF 24' AND A WIDTH OF 24'. THE EXISTING STRUCTURE AND ABUTMENTS ARE IN POOR CONDITION. EXISTING PLAN OF THE STRUCTURE IS NOT AVAILABLE.

**RAUBINGER ROAD - SUMMARY OF HYDRAULIC ANALYSIS**

FLOOD DATA	DISCHARGE IN CFS	EXISTING CONDITION		PROPOSED CONDITION		CHANGE IN ELEVATION
		WELL UPSTREAM (ft)	RAUBINGER AREA (sq. ft.)	VELOCITY DOWNSTREAM (ft/s)	WELL UPSTREAM (ft)	
50 YEAR	1950	72.45	388.20	5.3	776.06	2.42
100 YEAR	2492	265.17	483.20	8.6	776.06	-0.68

MAX BRIDGE AREA BELOW LOW CHIFFO IS 433.31 sq. ft.

THE WATER SURFACE AND/OR ENERGY GRADE ELEVATIONS SHOWN ON THE ABOVE HYDRAULIC TABLE ARE TO BE USED FOR COMPARISON PURPOSES ONLY AND ARE NOT TO BE USED FOR ESTABLISHING A REGULATORY FLOODPLAIN. THE ELEVATIONS MAY BE USED PROVIDED THEY ARE VERIFIED WITH THE LAND AND WATER MANAGEMENT DIVISION, MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY.

**CAUTION**  
HAZARDOUS  
FLAMMABLE MATERIAL  
UNDERGROUND

**GENERAL PLAN OF SITE NOTES:**

THE WORK COVERED BY THESE PLANS INCLUDES APPROACH WORK, REMOVAL OF THE EXISTING STRUCTURE, CONSTRUCTION OF THE NEW STRUCTURE, AND PLACING REP-RAP AND RELATED APPROACH WORK TO THE LIMITS SHOWN.

THE CONTRACTOR SHALL LOCATE ALL ACTIVE UNDERGROUND UTILITIES PRIOR TO STARTING WORK AND SHALL CONDUCT HIS OPERATIONS IN SUCH A MANNER AS TO ENSURE THAT THESE UTILITIES NOT REQUIRING RELIEF WILL NOT BE DISTURBED.

THE GROUND ADJACENT TO THE STRUCTURE SHALL BE GRADED BY THE CONTRACTOR TO PROVIDE DRAINAGE.

THE WATER LEVEL IS SUBJECT TO CHANGE. THE CONTRACTOR IS RESPONSIBLE FOR MAKING A DETERMINATION OF WATER LEVELS THAT MAY EXIST DURING CONSTRUCTION.

SIZE CLASSIFIED AS INSTANTANEOUS MATERIAL BELOW ABUTMENTS SHALL BE UNDER CUT AND REPLACED WITH STRUCTURE ABUTMENTS COMPACTED TO 85% OF ITS MAXIMUM UNIT WEIGHT. ACTUAL LIMITS OF EXCAVATION WILL BE DETERMINED BY THE ENGINEER AT THE TIME OF CONSTRUCTION. COST INCLUDED IN EXCAVATION FOR PAY ITEM.

TEMPORARILY STORED EXCAVATED MATERIAL SHALL BE STORED ON AN UPLAND SITE, AND SHALL NOT BE ALLOWED TO EXPOSED TO THE WATER COURSE.

IMMEDIATELY AFTER CONSTRUCTION OF EACH ADJUSTMENT IS COMPLETED, SLOPE PROTECTION AND/OR BRUSH MAT SHALL BE PLACED ON THE ADJACENT SLOPES.

MEASURES SHALL BE TAKEN TO PREVENT DEBRIS FROM FALLING FROM THE STRUCTURE INTO THE CREEK IF DEBRIS FALLS INTO THE CREEK, IT SHALL BE REMOVED IMMEDIATELY.

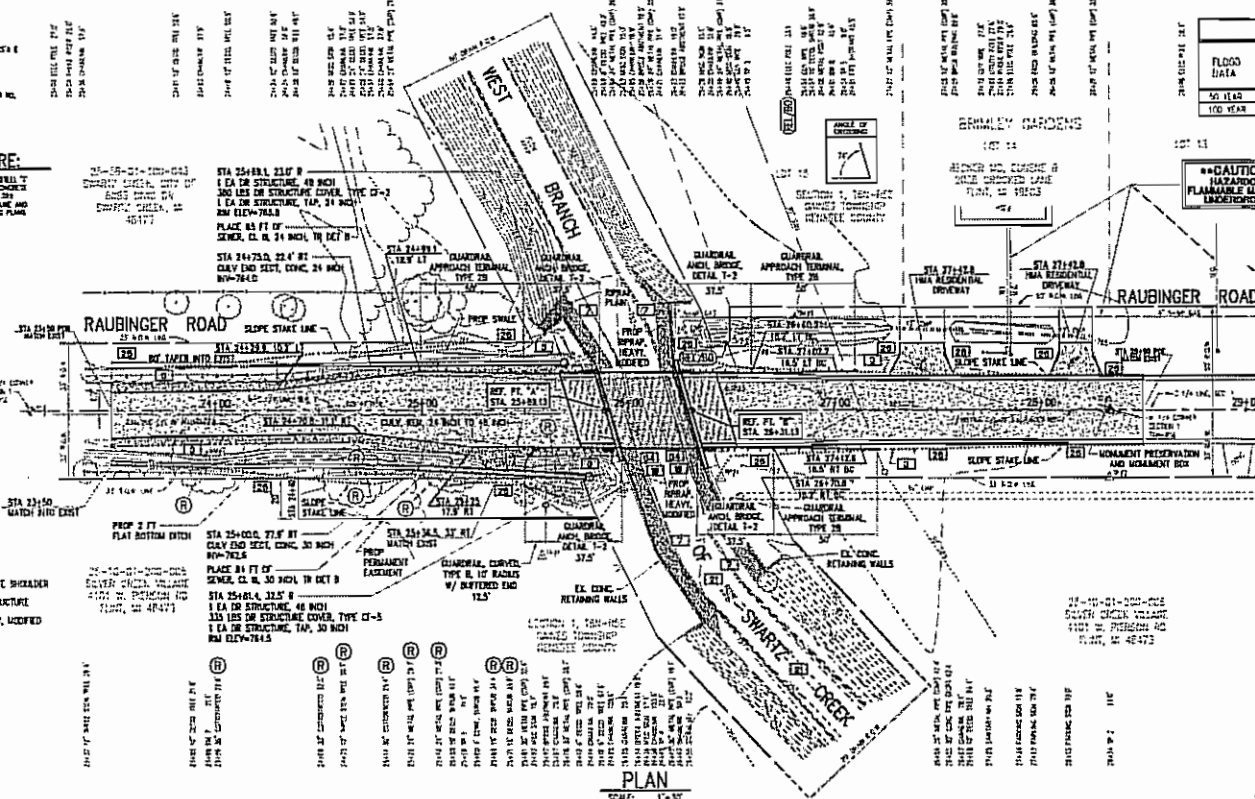
EXCAVATED MATERIAL FROM THE CENTERPIECE SHALL NOT BE TEMPORARILY OR PERMANENTLY STORED IN THE 100 YR. FLOOD PLAN OR ANY PRIVATELY OWNED LAND WITHOUT PERMISSION OF THE PROPERTY OWNER.

THE W. BRANCH OF THE SWARTZ CREEK AT RAUBINGER ROAD IN SECTION 1, 18-18-18, GANGES TOWNSHIP, GENESEE COUNTY, HAS A DRAINAGE AREA OF 28.4 SQUARE MILES. THE 100, 25, 10 AND 5 YR. CHANGE PEAK FLOOD ARE ESTIMATED TO BE 1915, 1720, 1290 AND 1120 CFS, RESPECTIVELY, AS DETERMINED BY THE MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY, HYDROLOGIC STUDIES UNIT.

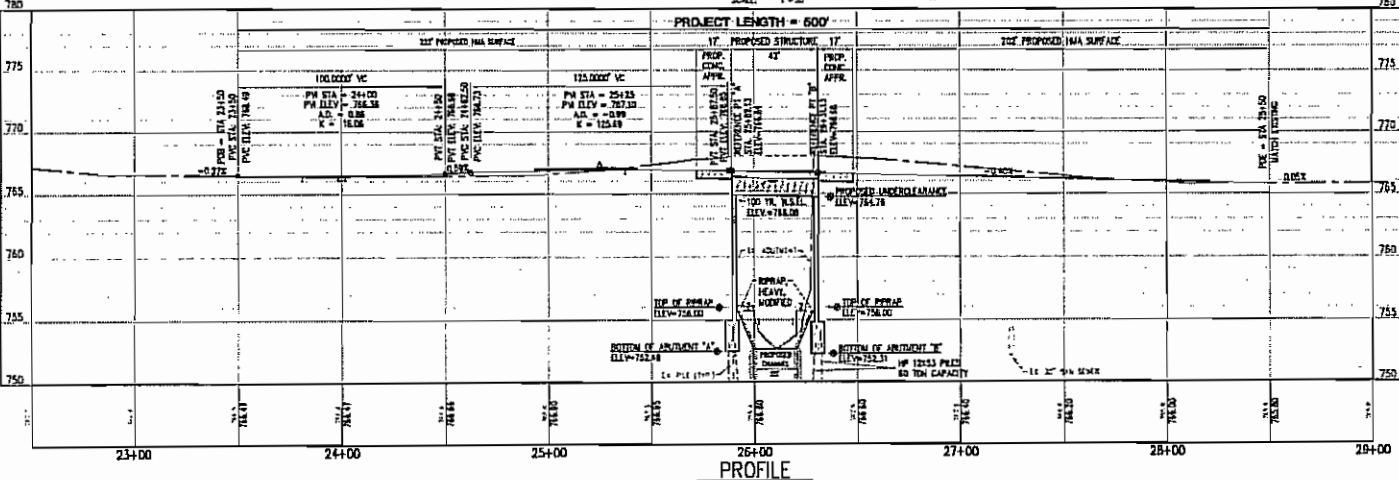
SOIL EROSION AND SEDIMENTATION CONTROL DEVICES SHALL BE INSTALLED ON THIS PROJECT TO EFFECTIVELY REDUCE ACCELERATED SOIL EROSION AND SEDIMENTATION. ANTICIPATED CONTROL MEASURES ARE: [1] [2] [3] [4] [5] [6] [7] [8] [9] [10] [11] [12] [13] [14] [15] [16] [17] [18] [19] [20] [21] [22] [23] [24] [25] [26] [27] [28] [29] [30] [31] [32] [33] [34] [35] [36] [37] [38] [39] [40] [41] [42] [43] [44] [45] [46] [47] [48] [49] [50] [51] [52] [53] [54] [55] [56] [57] [58] [59] [60] [61] [62] [63] [64] [65] [66] [67] [68] [69] [70] [71] [72] [73] [74] [75] [76] [77] [78] [79] [80] [81] [82] [83] [84] [85] [86] [87] [88] [89] [90] [91] [92] [93] [94] [95] [96] [97] [98] [99] [100] [101] [102] [103] [104] [105] [106] [107] [108] [109] [110] [111] [112] [113] [114] [115] [116] [117] [118] [119] [120] [121] [122] [123] [124] [125] [126] [127] [128] [129] [130] [131] [132] [133] [134] [135] [136] [137] [138] [139] [140] [141] [142] [143] [144] [145] [146] [147] [148] [149] [150] [151] [152] [153] [154] [155] [156] [157] [158] [159] [160] [161] [162] [163] [164] [165] [166] [167] [168] [169] [170] [171] [172] [173] [174] [175] [176] [177] [178] [179] [180] [181] [182] [183] [184] [185] [186] [187] [188] [189] [190] [191] [192] [193] [194] [195] [196] [197] [198] [199] [200] [201] [202] [203] [204] [205] [206] [207] [208] [209] [210] [211] [212] [213] [214] [215] [216] [217] [218] [219] [220] [221] [222] [223] [224] [225] [226] [227] [228] [229] [230] [231] [232] [233] [234] [235] [236] [237] [238] [239] [240] [241] [242] [243] [244] [245] [246] [247] [248] [249] [250] [251] [252] [253] [254] [255] [256] [257] [258] [259] [260] [261] [262] [263] [264] [265] [266] [267] [268] [269] [270] [271] [272] [273] [274] [275] [276] [277] [278] [279] [280] [281] [282] [283] [284] [285] [286] [287] [288] [289] [290] [291] [292] [293] [294] [295] [296] [297] [298] [299] [300] [301] [302] [303] [304] [305] [306] [307] [308] [309] [310] [311] [312] [313] [314] [315] [316] [317] [318] [319] [320] [321] [322] [323] [324] [325] [326] [327] [328] [329] [330] [331] [332] [333] [334] [335] [336] [337] [338] [339] [340] [341] [342] [343] [344] [345] 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[512] [513] [514] [515] [516] [517] [518] [519] [520] [521] [522] [523] [524] [525] [526] [527] [528] [529] [530] [531] [532] [533] [534] [535] [536] [537] [538] [539] [540] [541] [542] [543] [544] [545] [546] [547] [548] [549] [550] [551] [552] [553] [554] [555] [556] [557] [558] [559] [560] [561] [562] [563] [564] [565] [566] [567] [568] [569] [570] [571] [572] [573] [574] [575] [576] [577] [578] [579] [580] [581] [582] [583] [584] [585] [586] [587] [588] [589] [590] [591] [592] [593] [594] [595] [596] [597] [598] [599] [600] [601] [602] [603] [604] [605] [606] [607] [608] [609] [610] [611] [612] [613] [614] [615] [616] [617] [618] [619] [620] [621] [622] [623] [624] [625] [626] [627] [628] [629] [630] [631] [632] [633] [634] [635] [636] [637] [638] [639] [640] [641] [642] [643] [644] [645] [646] [647] [648] [649] [650] [651] [652] [653] [654] [655] [656] [657] [658] [659] [660] [661] [662] [663] [664] [665] [666] [667] [668] [669] [670] [671] [672] [673] [674] [675] [676] [677] 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**LEGEND**

- PROPOSED HMA
- PROPOSED 22A AGGREGATE SHOULDER
- PROPOSED CONCRETE STRUCTURE
- PROPOSED REP-RAP, HEAVY, MODIFIED
- PROPOSED REP-RAP, FLAS
- REMOVE
- RELOCATE
- RELOCATE BY OTHERS
- ADJUST



**PLAN**  
SCALE: 1" = 30'



**PROFILE**  
SCALE: HORIZ - 1" = 30'  
VERT - 1" = 5'

**RECEIVED**  
JUN 02 2008  
TRANSPORTATION REVIEW UNIT

**DRIVEWAY TABLE**

STATION DRIVEWAY C/L	LIMITS OF REMOVAL/RECONSTRUCT FROM CONTROL LINE	Driveway, Rem. Modified (5-y)	HMA Resurfaced Driveway (5-y)
27+42.8 LT	21.5/22.5	45	45
28+17.4 LT	21.5/21.5	35	35
<b>TOTALS</b>		<b>80</b>	<b>80</b>

DWG. NO. \_\_\_\_\_  
SHEET NO. **5** OF **17**

GENESEE COUNTY ROAD COMMISSION  
**GENERAL PLAN OF SITE**  
RAUBINGER ROAD BRIDGE OVER THE WEST BRANCH OF THE SWARTZ CREEK





# Getting 'good' roads in Genesee County would cost \$165 million

Posted by Ron Fonger | The Flint Journal June 14, 2008 21:13PM

**Feedback: Which roads should be fixed first? Let us know on [our feedback blog](#).**

**GENESEEE COUNTY, Michigan** -- Just how much would it cost to get the county's worst paved roads back into good driving condition?

Almost \$400 for every man, woman and child from Clio to Fenton. And, the \$165-million total price tag doesn't even cover needed work on expressways, state roads, gravel roads, streets inside cities or subdivisions, bridges, or the cost of engineering.

The bleak assessment from county Road Commission Manager-Director John Daly is being delivered to all township supervisors, road commissioners and members of the county Board of Commissioners in a memorandum issued this week.

And what's worse: Daly said he sees no prospect that the situation will improve in the short term.

"It's no surprise. I've been telling people the last six years that we have about a quarter-billion dollars in deferred (work to do)," he said. "What that tells me is -- it's going to be a long road" to make things better.

The Road Commission assessment is based on the results of an annual rating of major paved roads in the county and estimates for resurfacing or rebuilding them.

Roads had already been rated in 2007 from 1 to 10 with a 1 rating for roads that are unusable and unsafe and a 10 rating for roads that are freshly reconstructed or resurfaced.

The new Road Commission assessment estimates how much it would cost to bring roads in the poorest condition into the top category: those rated 8-10.

The area with the most expensive repairs in front of it is Genesee Township with \$18.6 million in needed work on its major roads, according to the county assessment.

## Flint Journal extras

### Making roads right

The Genesee County Road Commission says bringing paved roads in the county from poor to good condition would cost an estimated \$165 million. Here are the areas where the costs would be the highest:

- **Genesee Township:** \$18.6 million
- **Mt. Morris Township:** \$18.3 million
- **Flint Township:** \$16.1 million
- **Thetford Township:** \$14.7 million
- **Grand Blanc Township:** \$13.5 million

The area with the least expensive repair needs is Clayton Township with \$2.8 million, according to a breakdown of the Road Commission assessment.

Daly isn't alone is not being surprised by the scale of the problem.

In Davison Township, Bristol Road resident Sarah Nelson said even though her poorly rated road isn't in good shape, it's not nearly the worst either.

"I think something needs to be done. It's not good by any means," said Nelson, who lives on Bristol between M-15 and Henderson Road.

"This little stretch isn't too bad but from mile to mile it changes quite a bit," Nelson said.

With exception of the village of Otter Lake and the city of Clio, the number of miles rated in the worst-condition category increased in every other city and all townships collectively during 2007 road ratings.

Daly said the deterioration is tied to declines in year-to-year funding from state gasoline and vehicles registrations and the rising cost of materials and fuel.

The funding shortfalls could cause the Road Commission to return some of the paved roads in the worst condition to gravel as a cost-saving measure.

"I think there's a high probability (something like that) will happen" next year, Daly said. "I'm not asking anybody for money but I think it's fair that people know what the level of need is."

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