STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

JESSICA FLINTOFT, as Clerk of Scio Township,

Plaintiff,

Civil Action No. 22-000414-CZ

vs.

Hon. Timothy P. Connors

SCIO TOWNSHIP BOARD OF TRUSTEES,

Defendant.

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VERIFIED FIRST AMENDED COMPLAINT FOR DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF

Plaintiff Jessica Flintoft, as Clerk of Scio Township ("Flintoft" or the "Clerk"), by her attorneys, Dykema Gossett PLLC, for her Verified First Amended Complaint against the Scio Township Board of Trustees (the "Board") pursuant to MCR 2.118(A)(1) states:

1. There are three overriding legal principles at issue in this case:

(i) ***First***, where a township board "illegally interfere[s] with plaintiff [clerk]'s ability to perform her statutory duties," the remedy is for the circuit court to vacate those township resolutions responsible for the interference. *See McKim v Green Oak Township Bd*, 158 Mich App 200, 201; 404 NW2d 658 (1987).

(a) In direct contravention of Michigan law, the Board has passed resolutions which abrogate the Clerk's statutory authority. MCL 41.65 provides:

> *"The township clerk of each township shall have custody of all the records, books, and papers of the township, when no other provision for custody is made by law. The township clerk shall file and safely keep all certificates of oaths and other papers required by law to be filed in his or her office, and shall record those items required by law to be recorded. These records, books, and papers shall not be kept where they will be exposed to an unusual hazard of fire or theft. The township clerk shall deliver the records, books, and papers on demand to his or her successor in office. The township clerk shall also open and keep an account with the treasurer of the township, and shall charge the treasurer with all funds that come into the treasurer's hands by virtue of his or her office, and shall credit him or her with all money paid out by the treasurer on the order of the proper authorities of the township, and shall enter the date and amount of all vouchers in a book kept by the township clerk in the office. The township clerk shall also open and keep a separate account with each fund belonging to the township, and shall credit each fund with the amounts that properly belong to it, and shall charge each fund with warrants drawn on the township treasurer and payable from that fund. The township clerk shall be responsible for the detailed accounting records of the township utilizing the uniform chart of accounts prescribed by the state treasurer. The township clerk shall prepare and maintain the journals and ledgers necessary to reflect the assets, liabilities, fund equities, revenues, and expenditures for each fund of the township."*

(b) The Clerk is the accountant and keeper of records, and the Board of Trustees is the governing board and local funding unit. Pursuant to MCL 15.181, *et. seq*., there is no subordination, and the Clerk is not subordinate to the Supervisor, the Treasurer, or to the Board of Trustees or its Administrator. In furtherance of the Board's illegal actions, the divided Board vested authority in the interim Township Administrator (appointed May 10, 2022) to alter and manipulate the General Ledger, which are the "journals and ledgers…of the township." This action, among prior actions set forth in this pleading, invades and interferes with the Clerk's statutory control over such records and was done over the Clerk's objection in violation of MCL 41.75. In contravention of MCL 41.65, interim Administrator James Merte *restricted the Clerk* from controlling access to who may modify the General Ledger module of BS&A—the township's enterprise resource planning software—which are the journals and ledgers of the

township. Similarly, in contravention of MCL 41.65, the Supervisor instructed Merte to expand Deputy Treasurer and Deputy Supervisor Sandra Egeler's access to allow her to manipulate the General Ledger module of BS&A.

(ii) ***Second***, appropriations decisions of a public body are not exempt from judicial review. *Wayne County Prosecutor v. Wayne County Board of Commissioners*, 93 Mich App 114, 121 286 NW2d 62 (1979). "Whenever a board fails to perform duties imposed by the state Legislature or constitution, the courts will not hesitate to order performance." *Id.* (citations omitted). Where the Legislature has statutorily imposed on public officials various duties and obligations, *budgeted sums must be sufficient to allow such officers to carry out their duties and obligations*. *See id.* Township Clerks and Township Treasurers are personally responsible and liable for carrying out their statutory duties, so the local funding unit must provide the reasonable and necessary funding for a Township Clerk or Township Treasurer to perform her statutory functions. *See id.; see also* VerBerg, Kenneth; *Managing the Modern Michigan Township* (1990). The current budgeting and staffing authorized by the Board does not permit the Clerk to perform her statutory duties and obligations. The Board's actions in this regard have been arbitrary and capricious in breach of its appropriations duties.

(iii) ***Third***, a public official may not hold multiple, incompatible public offices. *Oakland County Prosecutor v. Scott*, 237 Mich. App. 419, 423; 603 N.W.2d 111 (1999); MCL 15.181, *et seq*. In this case, the dual appointment of the former Township Finance Director, Sandra Egeler, as both Deputy Treasurer (as of November 9, 2021) and Deputy Supervisor (as of May 10, 2022), is incompatible. To appoint Egeler with all the powers of both Supervisor (Chief Assessor) and Treasurer (Tax Collector) is a radical and egregious incompatible office and breach of duty under the Incompatible Public Offices Act, MCL 15.181, *et. seq*. Although there

is no private right of action under this statute, this matter has been referred to the Washtenaw County Prosecutor's office. *See* MCL 15.184. It is mentioned here because it is directly related to the first two issues set forth above.

PARTIES AND ACTORS

2. Plaintiff Jessica M. Flintoft is the duly elected Clerk of Scio Township, one of four Township offices established by Article VII Sec. 18 of the Michigan Constitution of 1963 which establishes that the Clerk's "legislative and administrative powers and duties shall be provided by law."

3. Scio Township is a General Law Township in the State of Michigan subject to the laws of the State of Michigan. It is only the statute, MCL 41.70, not the Constitution which establishes that there be a Board of Trustees. The Board is comprised of the Supervisor (Will Hathaway), the Clerk (Plaintiff Jessica Flintoft), the Treasurer (Donna Palmer), and four Trustees (Jacqueline Courteau, Alec Jerome, Kathleen Knol, and Patrick McLaughlin).

4. James Merte was appointed by the Board as interim Administrator on May 10, 2022, as a part time employee.

5. Sandra Egeler is the Deputy Treasurer, per MCL 41.77, serving at the pleasure of the Treasurer since November 9, 2021. On May 10, 2022 Supervisor Hathaway appointed Sandra Egeler as Deputy Supervisor, per MCL 41.61, serving at the pleasure of the Supervisor. Ms. Egeler continues to serve in her role as Deputy Treasurer at the same time as serving as Deputy Supervisor.

JURISDICTION AND VENUE

6. Plaintiff's request for declaratory relief under MCR 2.605 is within the subject matter jurisdiction of this Court.

7. Venue is proper as Plaintiff and Defendant are both located in Washtenaw County.

GENERAL ALLEGATIONS

August 17, 2021 Resolution 2021-31

8. On November 24, 2020, the Board of Trustees retained James A. Fink as Township Attorney, per MCL 41.187, to serve four years.

9. On August 12, 2021 the Clerk received a written opinion from Attorney James A. Fink, that the Township Clerk was the person responsible to prepare and maintain ledgers (and other financial records) and has the authority to grant/deny access to manipulate (use read/write functions) the records. Attorney Fink added that "as the responsible party, [the Clerk] must be able to limit the ability of others to ENTER or REMOVE financial data." (Opinion, **Exhibit 1**.) Attorney Fink, who remains the Township Attorney of record, has not changed his opinion.

10. Immediately before the start of the August 17, 2021 Special Meeting called by the Supervisor, Attorney Fink met alone with the Supervisor and the Clerk in the Meeting Hall. Attorney Fink advised both the Supervisor and the Clerk that the Township *could not reduce* staffing to a point where the Clerk could no longer carry out her statutory duties, which is consistent with *Wayne County Prosecutor, supra*, 93 Mich App at 121.

11. Then, during the August 17, 2021 meeting, Attorney Fink said, "So… who is responsible for Finance in a Township, and I will repeat what I have said before is that that is clearly and soundly to me the responsibility of the Clerk who is responsible for the general ledger and the books and records, and in conjunction with the work that the Treasurer does, there's the checks and balances that are there." (**Exhibit 2**, Excerpt of Transcript ("Trans.") p. 56.) Attorney Fink reiterated, "the Administrator cannot usurp the Clerk's authority." (*Id*. p. 59.)

Yet that is exactly the authority the Board has illegally bestowed upon the Administrator, which showed in practice by the May 2022 actions of interim Administrator Merte, as directed by the Board.

12. On August 17, 2021, the Board nevertheless adopted Resolution 2021-31 to "Delegate Authority and Set Jobs for Supervisor and Administrator," (**Exhibit 3**), over the Clerk's objections and concerns over potential conflict of interest, and contrary to Attorney Fink's advice. *See* Minutes (**Exhibit 4**) and Excerpts of Transcript of August 17, 2021 Special Meeting. (Ex. 2.) The Clerk stated unequivocally that it would be unethical and likely illegal to delegate authority in the manner proposed by the Supervisor and adopted by the Board. (Ex. 2, Trans. pp. 82-91, 119-123, 130-134.)

13. Resolution 2021-31 was illegal because the Clerk refused to grant consent under MCL 41.75a for the Board to assign to the Administrator the Clerk's duty to "prepare and administer related financial reports." (*Id.* pp. 85-85, 119-120, 122.) "Administer" means to manage or have executive charge of, and thus, administration of financial reports would mean administration of the journals and ledgers containing financial information. MCL 41.65 is clear that it is the Clerk who shall prepare and maintain the journals and ledgers of the Township, and be responsible for the detailed accounting records of the Township.

14. The provision of Resolution 2021-31 stating that the "Budget and Finance Director reports to the Supervisor…" is illegal and should be vacated because the Budget and Finance Director position would be an illegal subordination of the Clerk by the Supervisor, in contravention of MCL15.181. The Clerk is clearly and soundly responsible for finance in a Township, as the Township attorney advised.

15. Resolution 2021-31 was also illegal because the Board may not delegate to the Supervisor to be "responsible for the preparation of the Township's annual financial report to the state" or "oversee the audit and selection of the auditor and make recommendations for hiring the same for BOT approval." The Uniform Budgeting and Accounting Act does, in a Township in which there is no Manager, designate the Supervisor as chief administrative officer. MCL 141.422b(3)(e). But it is the Township Board (*see* MCL 141.411 for 'local unit' defined) that must retain certified public accountants to perform audits in compliance with MCL 141.427 and MCL 141.428. This is a function the Board may not delegate. Further, it is in direct violation of MCL 141.438(4): "No duties shall be delegated to the chief administrative officer that diminish any…statutory responsibilities of an elected or appointed official…"

The Board Hires Foster Swift For a Second Opinion

16. On December 28, 2021 the Supervisor proposed that the Township engage Foster Swift, with Foster Swift Attorney Michael Homier assigned to Scio Township, for additional general government legal services. The Clerk asked that the proposal be tabled until the Board received a written determination from Foster Swift that there are no potential conflicts of interest given its representation of the Township in the *Brant v Sci*o case, and a written determination from the Township's insurance carrier that it had no objection to the Township's engagement with Foster Swift for both litigation defense in *Brant v Scio* and general counsel services. The proposal went forward without such a determination, with Flintoft voting against the engagement because of the unresolved conflict question.

17. At all times, the Clerk has perceived that Attorney Homier acts as though Supervisor Hathaway is his client, not the Board of Trustees as a whole. Further, Attorney Homier continues to represent the Board in *this* lawsuit notwithstanding the Clerk putting him on

written notice on April 29, 2022 of a potential conflict of interest in representing the Clerk as a member of the Board on all other matters, learning information in that position relevant to this suit, and being a participant and witness to certain of the events giving rise to this lawsuit, as set forth in both the Clerk's original verified complaint and this Verified First Amended Complaint.

February 22, 2022 Resolution 2022-05

18. At the Board meeting of February 22, 2022, the Board passed Resolution 2022-05 "Updating the Township Administrator Job Description and Authority and Designating FOIA Coordinator," (**Exhibit 5**), over the Clerk's stated objection under MCL41.75a. The Clerk cited statute and case law to support her objections, urging the Board to reject this affront to the separation of powers.

19. Attorney Homier stated at the February 22, 2022 meeting that he was not asked to and had not addressed the specific question of whether the Board's assignment of finance oversight authorities to the Administrator instead of the Clerk infringed upon the Clerk's statutory duties or interfered with her ability to carry them out. A copy of the minutes of the February 22, 2022 meeting, including the pointed discussion with the Attorney Homier at pages 12 to 13, are attached as **Exhibit 6**.

20. Resolution 2022-05 includes several delegations of authority by the Board to the Township Administrator that are illegal and must be vacated because they interfere with the statutory delegations to the Clerk, and violate the separation of powers expressly delegated to the Clerk by MCL 41.65 and MCL 141.421(1).

21. Resolution 2022-05 was illegal because the Clerk refused to grant consent under MCL 41.75a for the Board to assign to the Administrator the Clerk's duty to "prepare and

administer related financial reports." This was first added by the Board on August 17, 2021, over the Clerk's objection and stated lack of consent under MCL 41.75a.

22. Resolution 2022-05 was illegal because the Clerk refused to grant consent under MCL 41.75a for the Board to assign to the Administrator to "[o]versee and prioritize the allocation of Finance staff work time to accomplish tasks." Insofar as Finance staff carry out work that is the statutory responsibility of the Clerk—which is virtually all of the work of Finance staff—the Clerk shall retain direct supervision of the staff and oversight of the work, as attorney Fink correctly opined. MCL 41.65 is clear that it is the Clerk who shall prepare and maintain the journals and ledgers of the Township, and be responsible for the detailed accounting records of the Township.

23. Resolution 2022-05 was illegal because the Clerk refused to grant consent under MCL 41.75a for the Board to assign to the Administrator "***ultimate authority*** over BS&A administration and accessibility." (Ex. 5, emphasis in original). This delegation of authority contravenes MCL 41.65, providing that "[t]he Clerk prepare and maintain the journals and ledgers necessary to reflect the assets, liabilities, fund equities, revenues, and expenditures for each fund of the township." (*See also* Ex. 2, Trans. pp. 56-59.) Under MCL 41.65, the Clerk shall "open and keeps a separate account with each fund belonging to the township…" Only the Clerk and staff deputized by the Clerk have exclusive access to manipulate the journals and ledgers of the Township.

24. On May 18, 2022, after the Supervisor and the Board directed the interim Administrator to grant READ/WRITE access to the general ledger to the Deputy Treasurer/Deputy Supervisor, even Attorney Homier had to agree with the Clerk that any such

access should be "READ" access ***only*** with no ability for anyone but the Clerk to manipulate the general ledger. (5/18/22 Email, **Exhibit 7**.)

25. Indeed, "custody" means "immediate charge and control exercised by a person or an authority." *McKim*, 158 Mich. App. at 205 (citation omitted). "Paper" means "any writing or printed document, including letters, memoranda, legal or business documents, and books of account . . . ." *Id*. (citation omitted). "Hence, it seems clear that MCL 41.65; MSA 5.57 bestows ***a township clerk*** with the responsibility to exercise control over all township papers," unless otherwise provided for by law. *Id*. (emphasis added). "Although [ ] the township supervisor and treasurer are statutorily authorized to maintain the books or papers of those offices, *see* MCL 41.62; MSA 5.53 and MCL 41.78; MSA 5.70, [there is] no other statutory provision which authorizes a person other than the clerk to have control of the township's papers." *Id*. "It follows that the board's resolutions entrusting" access and manipulation of BS&A financial management modules, including the general ledger, or other townships records and papers, to the township Administrator and Deputy Supervisor is in contravention of MCL 41.65. *See id*.

26. This "result is consistent with MCL 41.69; MSA 5.61, which requires the clerk," -- not the township administrator or deputy supervisor – "to file a bond 'especially for the safekeeping of the records, books, and papers of the township in the manner required by law . . . .'" *See id*. "A clerk without custody or control of township papers can hardly fulfill her duty of safekeeping those records." *Id.*

27. The February 22, 2022 Resolution conflicts with the Clerk's statutory duty under MCL 141.421(1). The Clerk is the "official who by law [ ] is charged with the responsibility for the financial affairs of the local unit" and who "shall insure that the local unit accounts are maintained and kept in accordance with the chart of accounts."

28. The Board's February 22, 2022 Resolution providing that the Township Administrator has "ultimate authority over BS&A administration and accessibility" prevents the Township Clerk from performing her statutory obligations, as the Clerk would not maintain control over access to BS&A modules that are required for the preparation and maintenance of the journals and ledgers of the Township. Yet this is precisely the authority granted under the illegal February 22, 2022 Resolution that the new interim administrator and deputy supervisor purport to rely on for invading the Clerk's access and ability to control the general ledger. (Ex. 7, email from interim Administrator Merte.)

29. By statute, the Clerk must have custody and control of the journals and ledgers. MCL 41.65. Without such custody and control, the Clerk cannot fulfill her obligation to ensure that these journals and ledgers have integrity, for which she is personally responsible, as such records could be modified under standards unknown to the Clerk.

30. Under the heading of "Information Technology and Data Management" of the Administrator's job description, bullet point 2 of the illegal job description of Resolution 2022-05 provides for the Administrator to "[h]old ultimate authority over administration of ***all software including assignment of access***." (Ex. 5, emphasis added). This illegally places ultimate access to Township records with the Administrator. The Board's delegation of authority to the Township Administrator, as a direct report to the Board, is the Board's method of controlling the Township's finance function with the Supervisor to the exclusion of and in violation of the Clerk's statutory duties, and is an illegal subordination of the Clerk to the Board of Trustees.

31. On May 12, the Clerk held a meeting with newly appointed interim Administrator Merte. Mr. Merte told the Clerk that *he and Hathaway had agreed to his temporary appointment*

about two weeks prior, that Hathaway *had instructed Merte not to discuss with other members of the Board of Trustees, a condition to which Merte agreed*. Merte said that the Supervisor had *expressly instructed him to immediately gain required access to BS&A to provide Sandra Egeler the ability to manipulate the General Ledger*. The Clerk condemned the plan, and directed Merte not to proceed, citing her office of Clerk and MCL 41.65. The Clerk encouraged Mr. Merte to reach out to Township Attorney James A. Fink, for counsel. The Clerk followed up this verbal direction with written direction. (Ex. 7 (May 15, 2022 email).)

32. On the afternoon of May 13, the Clerk held a direct call with the auditor David Helisek of Plante Moran and confirmed his concurrence with the Clerk's determination that in an effort to maintain integrity of the Township's journals and ledgers she would not allow the conflicted Deputy Treasurer & Deputy Supervisor Egeler permission to manipulate the General Ledger module of BS&A. Auditor Helisek confirmed that if Egeler were in fact assigned to prepare for the Township's annual audit, that Egeler could read existing records without access to manipulate the General Ledger module of BS&A. Auditor Helisek encouraged the Clerk to withhold such access—as an appropriate minimal internal control for the Clerk to maintain. The Clerk and Auditor Helisek also discussed additional testing that Plante Moran would conduct during the audit to detect improper manipulations of the journals and ledgers of the Township.

33. **Just after 5:00pm on Friday May 13, 2022, at the direction of Supervisor Hathaway to NetSmart, the Township's IT Managed Services Provider, James Merte received his own permissions to, and extended permission to Sandra Egeler, to manipulate the General Ledger module within BS&A which are a portion of the current journals and ledgers of the Township, in contravention of MCL 41.65**.

34. Around 7:00pm on Friday May 13, 2022 the Clerk restored Sandra Egeler's regular access to view the General Ledger, restricted so that she could not manipulate it. By Saturday morning, **Mr. Merte had revoked the Clerk's necessary Administrator access, removing any ability for her to control who enters what into the journals and ledgers of the Township, in violation of MCL 41.65 and other statutes**. The Clerk demanded access be restored, and for authority under which these actions were taken. (Ex. 7.)

35. Again, by statute, the Clerk must have custody and control of the journals and ledgers. Without such custody and control, the Clerk cannot fulfill her obligation to ensure that these journals and ledgers have integrity, for which she is personally responsible, as such records could be modified under standards unknown to the Clerk. This illegally places access to and the ability to manipulate the General Ledger with the Administrator and Board of Trustees, and with the Deputy Treasurer & Deputy Supervisor and, ultimately, the Treasurer and Supervisor. The Clerk's demand to restore her authority has been denied by said officials.

Insufficient and Undertrained Finance Staff

36. For many years in Scio Township, Boards have annually approved deficit budgets for its General, Water, and Sewer Funds—meaning that ¾ of the Township's $18 million annual budgeted expenditures exceed revenues. Boards further adopted significant year-end budget amendments to increase the budgeted amounts to meet actual year end expenditures—a poor practice discouraged by any standard. The Township has rarely conducted meaningful financial planning for its regular operations or capital plans, and has few written policies or procedures to guide its financial and human resources operations. The qualifications and capacity of Scio's finance team fall far short of what is recommended or typical.

37. For decades, the Township has had only two finance staff positions, fewer than is recommended by The Woodhill Group ("WHG") (**Exhibit 8**) and former Township Administrator Rowley. (**Exhibit 9**). Historically, the two finance positions have been those of Finance Director and Finance Manager. But the Finance Director position has remained vacant since November 9, 2021, and the Finance Manager needed paid time off in March 2022 due to family medical issues, and she was approved for a primarily remote and wholly flexible schedule through December 31, 2022 for the same reason.

38. Former Administrator Rowley summarized the Township's insufficient finance team with his proposal to the Board for the April 12, 2022 meeting as well as Attachment A to his Proposal, which set forth a comparison of typical township finance staffing versus Scio Township finance staffing. (**Exhibit 10**.)

39. Rowley explained: "While a typical sized jurisdiction will generally have four (4) to five (5) full time employees in the finance department of varying skills, abilities and certifications, the Township of Scio has one (1)." (Ex. 10.) "The Finance Director position was vacated by the Township Board in November 2021. This staff reduction left only the Finance Manager as the entire Finance team." (*Id.*)

40. Even when the Township had two finance employees (still below the number needed), neither of them held requisite certifications or had significant experience in public finance anywhere outside of Scio Township. The Township has grown, regulations and rules have become more complex, technology has advanced, and the field of government finance has matured and become more specialized. The work has fundamentally changed, but the Township has not invested in its staff enough to keep up with what have long been current standards.

41. On November 9, 2021, Ms. Egeler vacated the position of Finance Director, leaving only the position of Finance Manager filled. The already underqualified team was now reduced to half. The Clerk's many proposals to fill the vacancy—permanently or temporarily—have been blocked. The Board of Trustees has chosen to retain its power to hire Township staff, making the Board's approval necessary, even for the positions of Finance Director and Finance Manager which report directly to the Clerk and have long been budgeted.

Serious Errors By The Understaffed and Undertrained Finance Team

42. Over multiple years, auditors have found many errors and failures to follow regulations by the Township, with the Township never catching up to current standards of practice. In the most recent audit for the year ending March 31, 2021, the auditor noted four instances of noncompliance with laws and regulations—two of which were material weaknesses: (1) Treasurer not having provided required Investment Reports to the Board; and (2) a deficiency in Township internal controls due to having assigned only one person, the Finance Director (a currently vacant position)—and not two people—to prepare and submit data for a required actuarial valuation. The Auditor's letter to the Board explained that this finding means that there exists a "reasonable possibility that a material misstatement of the entity's annual or interim financial statements will not be prevented or detected on a timely basis."

43. The Clerk and Treasurer submitted a required Corrective Action Plan to the Department of Treasury outlining plans to correct these deficiencies, but they have been unable to implement any of these to date due to the Board's continued refusal to hire qualified finance staff.

44. Former Administrator Rowley excoriated the Board on March 22, 2022: "Let's just cut to the chase. We don't have any plan." Referring to Scio's unusually affluent tax base,

Rowley decried, "It's the only reason your doors are still open. If this was a normal general law township you would have been bankrupt a long time ago. If that sounds harsh, I'm sorry. You've asked for my professional opinion and I'm giving it. You need additional financial staff." (**Exhibit 11**, MLIVE article Mar 2022; *see also* **Exhibit 12** (Rowley's resignation letter).)

45. Yet, Supervisor Hathaway has repeatedly expressed his belief that the segregation of duties—a cornerstone of internal financial controls—is unnecessary, and that the Deputy Treasurer & Deputy Supervisor Egeler can receive and hold custody of monies, as well as create or modify the accounting records. State rules for the Township dictate otherwise: "An individual is not to have responsibility for more than one of the three transaction components: authorization, custody, and recordkeeping." *See* Accounting Procedures Manual for Local Units of Government in Michigan, Michigan Department of Treasury, July 2007.

46. As consequence of the undertrained staff, significant and frequent errors have been made, and recently a few have come to light. On April 26, 2022, Treasurer Palmer publicly announced that during the Tax Settlement process in March the County Treasurer discovered that the Township Treasurer Palmer had failed to place the County Roads millage request and the Conservation District millage request on the winter tax collection, a $750,000 short fall in Township collections for the County. (*See* **Exhibit 13**.) No internal investigation has been announced into this unprecedented error.

47. Another error consequent to undertrained staff is an accounting error in violation of GASB Statement No. 33, issued in 1998, which formalizes the 'matching principle,' a bedrock of accounting. It was only in November 2021 that this issue was resolved. Up to that time, the then-Finance Director, Ms. Egeler, operated with little meaningful oversight or internal controls

over general journal entries. Once she vacated the position, the Finance Manager took over and began booking current year entries correctly at the direction of the Clerk.

48. Voters first passed a special assessment district levy for fire services in November 2008, with the first levy on December 1st 2008 with $1,006,653 collected by mid-February 2009. Instead of booking this $1,006,653 as revenue for the current Fiscal Year, it was booked as revenue for the next Fiscal Year. Each of the 13 years since, the Fire Fund has been one year behind on revenue that should have been made available for its intended use. (Balance Sheet and Account Balances for Fire Fund from FYE09 through FYE23, **Exhibit 14**.) Plaintiff and Fire Chief Houde raised this apparent year over year accounting error in prior conversations, and had verified information. Auditor Helisek from Plante Moran criticized the Township for its past accounting—confirming that under the authority for this special assessment levy—that revenue raised should be booked in the same year as expenses. The Clerk, responsible for accounting records of the Township, has stated her intent to right this mistake by entering a prior period adjustment of $1,819,431 to the Fund Balance of the Fire Fund.

Administrator Resigns in Protest of Board's Refusal to Act

49. David S. Rowley, a veteran municipal official, started as Township Administrator on December 1, 2021. Rowley put forth several proposals to address the emergency and longer term requirements for qualified financial staff, with the Board majority rejecting them all. (*E.g.*, but not limited to, Exs. 9, 10, 12.)

50. The Township has an upcoming annual audit for the year ending March 31, 2022, yet the Township is not prepared with the necessary resources or staff to do either, and is now already behind in year-end closing activities. Yet still, at the March 22, 2022 meeting of the Township Board, by a vote of 5-2, the Board again tabled the most recent proposal to fill these

most immediate needs. This has been the subject of proposals by the Clerk and the former Administrator for more than a year, which the Board has tabled, ignored, or rejected, culminating in an emergency state of the Township's financial affairs.

51. On April 12, 2022 Administrator Rowley announced his resignation effective May 15, 2022 in protest over the Board majority's repeated and steadfast refusal to implement finance staffing required for responsible internal controls and management. "Ongoing township events have clearly demonstrated that there will never be agreement between myself, and Scio Township elected officials as to the princip[le]s of good governance regarding local government fiscal management and certified oversight." (Ex. 12.) And, "I do call on the Board of Trustees to fill the vacant Finance Director position with an experienced individual who holds a Master of Business Administration degree or who is a Certified Public Accountant and to conduct a three (3) to five (5) year internal audit to fully understand the status of township finances." (*Id.*)

COUNT I –
DECLARATORY JUDGMENT OF THE CLERK'S STATUTORY DUTIES AND VACATING RESOLUTIONS INTERFERING WITH THOSE DUTIES

52. Plaintiff fully incorporates the preceding paragraphs as though fully restated herein.

53. Pursuant to the Michigan Constitution—Article VII, Section 18— "In each organized township there shall be elected for terms of not less than two nor more than four years as prescribed by law a supervisor, a clerk, a treasurer, and not to exceed four trustees, whose legislative and administrative powers and duties shall be provided by law."

54. The Clerk's duties are set forth in MCL 41.65 and as well as in MCL 141.421(1).

55. MCL 41.65 provides: "The township clerk of each township shall have custody of all the records, books, and papers of the township, when no other provision for custody is made

by law." There are some papers that are the custody of the Treasurer and some that are the custody of the Supervisor, but most Township records are the custody of the Clerk.

56. "The township clerk shall also open and keep an account with the treasurer of the township, and shall charge the treasurer with all funds that come into the treasurer's hands by virtue of his or her office, and shall credit him or her with all money paid out by the treasurer on the order of the proper authorities of the township, and shall enter the date and amount of all vouchers in a book kept by the township clerk in the office." MCL 41.65.

57. "The township clerk shall also open and keep a separate account with each fund belonging to the township, and shall credit each fund with the amounts that properly belong to it, and shall charge each fund with warrants drawn on the township treasurer and payable from that fund." *Id*. "The township clerk shall be responsible for the detailed accounting records of the township utilizing the uniform chart of accounts prescribed by the state treasurer." *Id*. "The township clerk shall prepare and maintain the journals and ledgers necessary to reflect the assets, liabilities, fund equities, revenues, and expenditures for each fund of the township." *Id*.

58. Under MCL 41.69, Plaintiff, as Township Clerk, was required to "give a bond to the township in the sum and with sureties that the township board requires and approves, conditioned for the faithful discharge of the duties of the office according to law, including the safekeeping of the records, books, and papers of the township in the manner required by law[.]"

59. Through a series of actions, most notably but not limited to August 17, 2021, and February 22, 2022, and May 10, 2022 through the present, the Board, spearheaded by the Supervisor with the support of his band of three trustees, has endeavored to whittle away the Clerk's authority and oversight over finance matters and invade her access and control over the Township's records and general ledger to the point that she cannot perform her statutory duties.

60. These efforts culminated with the February 22, 2022 Board Resolution, (Ex. 5), under which the Board vested extensive finance authority with the Township Administrator so that such finance functions are controlled by the Board rather than the Clerk. Under the guise of this authority, these efforts have reached a crescendo as of the May 10 appointment of Merte and Egeler as interim Administrator and Deputy Supervisor, respectively, as access and read/write authority to the general ledger continues to jockey out of the Clerk's control. A screenshot showing interim Administrator Merte's provision of access to the records that the Clerk is supposed to exclusively control, including access to manipulate the general ledger, to the dual Deputy Treasurer and Deputy Supervisor, Ms. Egeler, is attached as **Exhibit 15**.

61. Under MCL 41, it is not the Administrator's or Deputy Supervisor's job to prepare and administer financial reports. In fact, it would create a subordination, contrary to MCL 15.181.

62. The February 22, 2022 Resolution conflicts with the Clerk's statutory duty under MCL 141.421(1). The Clerk is the "official who by law [ ] is charged with the responsibility for the financial affairs of the local unit" and who "shall insure that the local unit accounts are maintained and kept in accordance with the chart of accounts."

63. MCL 41.75a prohibits the Board from assigning duties statutorily vested in the officers elsewhere unless the officer consents. This is the statutory authority under which the Clerk has steadfastly declared—beginning June 1, 2019 when she was first appointed Clerk and many times thereafter on the record of meetings — she does not grant consent for another person to supervise and direct the work of the Finance Director (vacant since November) and Finance Manager insofar as they conduct work to carry out the Clerk's statutory duties and/or the Clerk's ability to carry out her statutory duties is otherwise impeded.

64. The Board's February 22, 2022 Resolution providing that the Township Administrator has "ultimate authority over BS&A administration and accessibility" prevents the Township Clerk from performing her statutory obligations, as the Clerk could no longer prepare and maintain the journals and ledgers necessary to reflect the assets, liabilities, fund equities, revenues, and expenditures for each fund of the township. These present-day journals and ledgers include the BS&A modules of the General Ledger, Fixed Assets, Payroll, Accounts Payable, Purchase Orders, Utility Billing, Miscellaneous Receipts, and Cash Receipts.

65. By statute, the Clerk must have custody and control of the journals and ledgers, including the over 1,900 accounts within the General Ledger. Without such custody and control, the Clerk cannot fulfill her obligation to ensure that these journals and ledgers have integrity, for which she is personally responsible, as such records could be modified under standards unknown to the Clerk.

66. It is not within a Township Board's authority to shrink the Clerk's statutory duties. As an elected officer NOT an employee of the Board, the Clerk is not subordinate to the Board.

67. Thus, this a case of actual controversy between the parties in which Plaintiff contends she has the statutory duties that impact her maintenance of the Township's records and express finance functions and, therefore, must be the direct supervisor of the finance staff, and the majority of the Board denies these facts, as set forth in the August 17, 2021 and the February 22, 2022 Resolutions, and the Board actions beginning not later than May 10, 2022 under the guise of those Resolutions.

68. A declaratory judgment is necessary for the purpose of settling and affording relief from uncertainty with respect to the rights, status, and future legal relations between the parties.

WHEREFORE, Plaintiff is entitled to a declaration by this Court, pursuant to MCR 2.605, that:

(a) the Clerk must, as a matter of law, have all direct supervisory authority of any finance staff hired by the Township and must have the authority to make finance staffing, including hiring decisions, as the financing functions directly implicate and affect the Clerk's ability to perform the statutory duties of the Clerk's office;

(b) the Clerk must, as a matter of law, hold ultimate authority over who may be permitted to manipulate the journals and ledgers, including the accounts and accounting records of the Township, as enumerated in MCL 41.65 including those that are the BS&A modules of the General Ledger, Fixed Assets, Payroll, Accounts Payable, Purchase Orders, Utility Billing, Miscellaneous Receipts, and Cash Receipts.

(c) the Clerk must, as a matter of law, have custody of the journals and ledgers, including the accounts and accounting records, and all other records of the Township when no other explicit provision by law has been made, including those that exist in BS&A or other enterprise management software.

(d) portions of the August 17, 2021 Resolution 2021-31 to Delegate Authority and Set Jobs for Supervisor and Administrator violate the Clerk's statutory duties and shall be vacated;

(e) in the Supervisor job description of August 17, 2021, the provision that the Supervisor "Supervise the budget function…" is illegal and shall be vacated because the Budget

and Finance Director position does not exist because it would be an illegal subordination of one office by another.

(f) in the Supervisor job description of August 17, 2021, the provision under "Financial Reporting and Audit Function…" is overbroad and illegal and shall be vacated because, although the Supervisor is the chief administrative officer under MCL141.434, his statutory role is only to request an extension of the audit, and to submit the annual financial report to the state, which is a simple form report that is based on the audit which is the responsibility of the Board.

(g) The portions of the February 22, 2022 Resolution 2022-05 to Amend Administrator's Job Description and Amended Job Description that violate the Clerk's statutory duties set forth above are illegal and shall be vacated.

(h) The portion of the February 22, 2022 Resolution 2022-05 providing in the Administrator job description that "All Township employees…report upward to the Township Administrator" is overbroad, illegal and shall be vacated because the Clerk must have supervision over the work of finance staff who prepare and maintain the journals and ledgers of the Township to perform who statutory duties as Clerk for which she is personally responsible.

(i) The portion of the February 22, 2022 Resolution 2022-05 providing in the Administrator job description to "Oversee and prioritize the allocation of Finance staff work time to accomplish tasks" is overbroad, illegal and shall be vacated because the Clerk must be able to supervise the work of finance staff performing the Clerk's statutory duties for which she is personally responsible.

(j) The portion of the February 22, 2022 Resolution 2022-05 providing in the Administrator job description to "Hold ultimate authority over BS&A administration and

accessibility" is overbroad, illegal and shall be vacated because the Clerk must have control and custody over who has access to manipulate the journals and ledgers of the Township, as well as maintenance of the accounts of the Township, to perform the Clerk's statutory duties for which she is personally responsible.

(k) The portion of the February 22, 2022 Resolution 2022-05 providing in the Administrator job description to "Hold ultimate authority over administration of all software including assignment of access," insofar as this relates to access to Township records, is overbroad, illegal and shall be vacated because the Clerk must have control over access to Township records to perform the Clerk's statutory duties for which she is personally responsible.

(l) The Board's May 10, 2022 motion to hire James Merte as Interim Township Administrator and authorize the Supervisor to sign the employment agreement prepared by the Township's Labor and Employment Attorney, is void, as it purports to pass these same authorities along to a new Interim Administrator as set forth in the illegal February 22, 2022 Resolution, and purports to effect such authority while David Rowley was still Administrator through May 15, 2022.

(m) The Supervisor's May 10, 2022 appointment of Deputy Treasurer Sandra Egeler as additionally Deputy Supervisor is void as such action creates a violation of MCL15.182, restriction on a public employee holding two or more incompatible offices at the same time.

COUNT II – DECLARATORY JUDGMENT AND INJUNCTION OF THE BOARD'S IMPROPER APPROPRIATIONS DECISIONS IN THE FINANCE DEPARTMENT

69. Plaintiff repeats and re-alleges all of the preceding allegations as though fully stated herein.

70. For the reasons stated in and supporting Count I, the Board's illegal Resolutions and actions interfering with the Clerk's ability to perform her statutory duties must be vacated and enjoined pursuant to *McKim v Green Oak Township Bd*, 158 Mich App 200, 404 NW2d 658 (1987).

71. For the reasons stated in and supporting Count I, the Clerk must, as a matter of law, have all direct supervisory authority of any finance staff hired by the Township and must have the authority to make finance staffing decisions, including hiring, as the financing functions directly implicate and affect the Clerk's ability to perform the statutory duties of the Clerk's office.

72. To date, the Board's refusal to appropriately staff the finance team (despite having it budgeted) constitutes a dereliction of its duties in an arbitrary, capricious and vexatious manner, which much be enjoined.

73. Appropriations decisions of a public body <u>are not exempt from judicial review</u>. *Wayne County Prosecutor*, 93 Mich App at 121. (emphasis added). "Whenever a board fails to perform duties imposed by the state Legislature or constitution, the courts <u>will not hesitate</u> to order performance." *Id.* (emphasis added) (citations omitted). Where the Legislature has statutorily imposed on public officials various duties and obligations, budgeted sums must be sufficient to allow such officers to carry out their duties and obligations. *See id*. Due to the fact that Township Clerks and Township Treasurers are personally responsible for carrying out their statutory duties, the local funding unit must provide the reasonable and necessary funding for a Township Clerk or Township Treasurer to perform her statutory functions. *See id.*; *see also* VerBerg, Kenneth; Managing the Modern Michigan Township (1990).

74. The current budgeting and staffing of the finance team by the Township does not permit the Clerk to perform her statutory duties and obligations. The Board's actions in this regard have been capricious and arbitrary, and indeed vexatious, evidencing a total failure to exercise discretion.

75. Contrary to the Board's red herring position previously argued in this case, this is not a "minimum staffing" argument. Rather, under *Wayne County Prosecutor*, 93 Mich App at 121, the Board must as a matter of law exercise its discretionary appropriations decisions in a manner which is not arbitrary or capricious and which permits the Board and its officers to meet their statutory duties. The Board has wholly failed to do so.

76. The WoodHill Group has assisted Scio Township in finance matters many times over many years. WHG was founded by a team of government finance officers with over a century of combined experience as a solution to shortfalls in staff expertise in accounting, finance and treasury departments. See https://www.woodhillgrp.com/company-profile. Its consulting firm engages recently retired finance professionals from government entities, local businesses and non-profits to bring financial know-how back into the fold of local governments and establishments. *Id.*

77. Colleen Coogan is a CPA of WoodHill Group. She is also a Certified Public Finance Officer (CPFO) by the Government Finance Officers Association of the United States and Canada. She began consulting in the private sector in 1986. She specializes in designing and streamlining accounting functions and financial reporting for usability and readability. *See* https://www.woodhillgrp.com/colleen-coogan.

78. Ms. Coogan has suggested a total of 2.5 Full time equivalent in finance staffing for the Scio Township Clerk's office. (Ex. 8.) Ms. Coogan's suggested model includes a 1.0 FTE

Controller, responsible for audit coordination, accounting oversight, General Ledger Journal Entry approvals, and monthly financial reporting. In addition to the Controller, she recommends 1.5 FTE support staff with responsibility for Accounts Payable, payroll, and miscellaneous Receivables.

79. In looking holistically at Scio Township's finance and accounting needs, and considering other jurisdictions of similar size and budget, former Administrator David Rowley recommended 4.0 Full Time Equivalent. (Ex. 9.) This model includes a Finance Director who either has a Graduate degree (MPA, MBA, MSA), or CPA, or CPFO certification. (*Id.*) The second position is that of Finance Manager (existing position that is currently filled), who reports to the Finance Director. (*Id.*) The third position is for an entry level finance position such as Accounting Clerk or Accounting Specialist, who would report to the Finance Manager, and whose credentials should include a Bachelor's degree with major in government finance or accounting. (*Id.*) This new position would be tasked with data entry for multiple BS&A programs utilized by the Township. Finally, the fourth position recommended by Administrator Rowley is that of the current Utility Billing Clerk but expanded to full time status. Rowley's suggested model would move the Utility Billing Clerk to the Finance Team, with direct reporting to the Finance Manager, and with duties that include providing back-up support as needed for Accounts Payable, payroll, et cetera, for the finance team.

80. Auditors have repeatedly admonished the Township's failures, and recent mistakes in treasury have only sharpened the critical lack of financial expertise needed in the Township.

81. Plaintiff will suffer irreparable harm and does not have an adequate remedy at law if Defendant is permitted to ignore its obligations and duties with respect to finance staffing

already budgeted but unretained, thereby wrongfully interfering with and making impossible the Clerk's ability to perform her statutory duties as Scio Township Clerk.

82. Defendant must be enjoined from wrongfully exerting authority and oversight over the Township's finance staff to the exclusion of the Clerk notwithstanding the finance staff's direct impact upon the Clerk's ability to perform her statutory duties. The Board's appropriations failings have been arbitrary, capricious, vexatious, and in violation of its appropriations duties.

WHEREFORE, Plaintiff respectfully requests injunctive relief: (1) enjoining Defendant from wrongfully interfering with and obstructing her ability to perform her statutory duties as Scio Township Clerk; and (2) enjoining Defendant from exerting authority and oversight over the Township's finance staff to the exclusion of the Clerk notwithstanding the finance staff's direct impact upon the Clerk's ability to perform her statutory duties; and (3) mandating proper appropriations in compliance with the Board's duties to retain qualified finance staff for the Clerk and Treasurer to be able to meet their statutory duties.

COUNT III – ATTORNEYS FEES

83. Plaintiff repeats and re-alleges all of the preceding allegations as though fully stated herein.

84. Plaintiff does not relish bringing this suit. Plaintiff acknowledges and deeply regrets the dysfunction of the current Board. Plaintiff has made a career devoting herself to civil service and has strong convictions about serving her constituency with the utmost faithfulness, ethics, and lawfulness.

85. As set forth above, there is a history of wrongful action taken by the Board. Plaintiff has resisted bringing suit or otherwise incurring Township expenses until the situation

became untenable, and the very tenets of separation of powers and avoidance of conflict that are the cornerstone of our government became so threatened by the Board. The Board's recent diversion of all of her authority over financial affairs and access to the Township's records, including the General Ledger, to the Township Administrator, which is in reality a delegation of such authority to the Board; and to the Deputy Treasurer & Deputy Supervisor, renders the Clerk a lame duck unable to fulfill her statutory duties and potentially exposing her to personal liability. The Board is setting dangerous precedents of conflicts of interest and the elimination of checks and balance which, for the good of the Township and for the necessity of the Clerk's office, must be swiftly ended.

86. For all of these reasons, the Clerk was compelled to do what is right and bring this action for the protection of the Township and the Clerk's Office. She has expended her own funds to do so as the direct result of the Board's improper and illegal conduct. Under *McKim v Green Oak Township Bd*, 158 Mich App 200, 207-08; 404 NW2d 658 (1987), this Court may, in its discretion, award attorneys fees to "a public official [who] incurs attorney fees in connection with asserting or defending the performance of his or her legal duties." Citing *Smedley v City of Grand Haven*, 125 Mich 424; 84 NW 626 (1900), *Exeter Twp Clerk v Exeter Twp Bd*, 108 Mich App 262; 310 NW2d 357 (1981), and *City of Warren v Dannis*, 136 Mich App 651; 357 NW2d 731 (1984).

WHEREFORE, Plaintiff respectfully requests the Court award her the reasonable attorneys fees and costs incurred in bringing this action to enforce her statutory duties as Clerk and promote and protect the financial welfare of the Township.

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SIGNATURE PAGE AND VERIFICATION PAGE FOLLOW

Respectfully submitted,

DYKEMA GOSSETT PLLC

By: /s/ Mark J. Magyar
Mark J. Magyar (P75090)
Attorneys for Plaintiff
Capitol View: 201 Townsend St., # 900
Lansing, MI 48933
(616) 776-7523 (direct)

Date: May 19, 2022

VERIFICATION

Jessica M. Flintoft, being duly sworn, deposes and says: (1) I am over the age of eighteen and understand the obligation of an oath; (2) I am the duly elected Clerk of Scio Township; and (3) I have read the foregoing Verified First Amended Complaint and swear that the allegations stated therein are true and accurate based on my personal knowledge, and/or information provided to me by others which I believe to be true and accurate, and/or the books and records maintained by me in the ordinary course of my statutory duties and maintenance of the Township's books and records as Clerk.

Jessica M. Flintoft
Clerk, Scio Township

Subscribed and sworn to before me
this 19 day May 2022.

Notary Public
My Commission expires: 5-12-2028

Kristy Aiken
Notary Public State of Michigan
Jackson County
My Commission Expires 5/12/2028
Acting in the County of _____

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

JESSICA FLINTOFT, as Clerk of Scio Township,

Plaintiff,

Civil Action No. 22-000414-CZ

vs.

Hon. Timothy P. Connors

SCIO TOWNSHIP BOARD OF TRUSTEES,

Defendant.

INDEX TO EXHIBITS TO PLAINTIFF'S VERIFIED FIRST AMENDED COMPLAINT

1. August 12, 2021 Opinion of Township Attorney James A. Fink
2. Excerpts of Transcript of August 17, 2021 Board Meeting
3. August 17, 2021 Board Resolution 2021-31
4. Minutes of August 17, 2021 Board Meeting
5. February 22, 2022 Board Resolution 2022-05
6. Minutes of February 22, 2022 Board Meeting
7. May 15 – May 18, 2022 Correspondence re access to financial information
8. May 12, 2022 Recommendation by the WoodHill Group re Finance Staffing
9. May 15, 2022 Finance Staffing Recommendations of David Rowley
10. April 12, 2022 Finance Staffing Analysis By Administrator David Rowley
11. March 29, 2022 MLive Article
12. Administrator David Rowley's April 12, 2022 Resignation Letter
13. April 26, 2022 Treasurer Report to Board
14. Balance Sheet and Account Balances for Fire Fund from FYE09 through FYE23
15. Screenshot May 13, 2022 provision of access to financial records to Ms. Egeler

FILED IN Washtenaw County Trial Court; 5/19/2022 10:21 AM

EXHIBIT 1

Two questions

James Fink <james.fink@finkandfink.com>
Thu 8/12/2021 1:04 PM

To: Jessica Flintoft <Jflintoft@ScioTownship.org>

Madam Clerk –
You asked me two questions –
Can the board designate someone other than the CAO to file required reports under the UBAA?
It appears that the answer is NO.
But the board may designate someone other than the CAO to have final responsibility for the budget (MCL 141.434).

May the Clerk, as the person responsible to prepare and maintain ledgers (and other financial records) have the authority to grant/deny access to manipulate (use read/write functions) the records? I find no specific case law, but the answer must be YES. The clerk, as the responsible party, must be able to limit the ability of others to ENTER or REMOVE financial data.

James A. Fink
Fink & Fink, PLLC
320 N. Main St., Ste. 420
Ann Arbor, MI 48104
734-994-1077
734-994-3737 (fax)

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EXHIBIT 2

STATE OF MICHIGAN

WASHTENAW COUNTY

SCIO TOWNSHIP BOARD OF TRUSTEES

SPECIAL MEETING

HELD VIA ZOOM VIDEOCONFERENCE

Date: Tuesday, August 17, 2021

Broadcasted from: Scio Township Hall
827 North Zeeb Road
Ann Arbor, Michigan 48103

BOARD MEMBERS:
WILL HATHAWAY, Supervisor
DONNA PALMER, Treasurer
JESSICA FLINTOFT, Clerk
JACQUELINE COURTEAU, Trustee
ALEC JEROME, Trustee
KATHY KNOL, Trustee
JANE VOGEL, Trustee

TRANSCRIPTION PROVIDED BY:
KRISTEN SHANKLETON (CER 6785)
Modern Court Reporting, & Video L.L.C.
SCAO Firm No. 08228
101-A North Lewis Street
Saline, Michigan 48176
(734) 429-9143/krs

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MR. FINK: -- I repeat that advice --

CLERK FLINTOFT: -- welcome another motion to table.

MR. FINK: -- but since we have talked about it, as I understand it, we're talking about the three changes in this specific job description. It adds Human Resources Generalist and Project Manager to the chain of command for the Administrator, and it adds the words:

"...and related financial reports..."

Under the Finance --

CLERK FLINTOFT: And the fourth change is it changes supervise and slash oversight to supervise.

MR. FINK: Okay.

CLERK FLINTOFT: At top.

MR. FINK: Yeah, it's not bolded because it's not there, so I missed that.

CLERK FLINTOFT: Uh-huh.

MR. FINK: So the first part of that I think is who is responsible for Finance in a Township, and I will repeat what I have said before is that that is clearly and soundly to me the responsibility of the Clerk who is responsible for the general ledger and the books and records and in conjunction with the work that the Treasurer does there's the checks and balances that are there. That does not mean that the Supervisor can't

1 prepare a budget or have the Administrator assist the
2 Supervisor in preparing and administering the annual
3 budget and related financial reports under policies
4 formulated by the Board and state law.
5 I think the question comes up, what do we mean
6 by --
7 TRUSTEE KNOL: Right.
8 MR. FINK: -- "...and related financial
9 reports"?
10 TRUSTEE KNOL: Right.
11 MR. FINK: There is a -- and I know Mr. Davis is
12 listening and he will correct me on anything later, but
13 there is a principle under the law that you presume
14 statutes and ordinances to be valid, and you read them in
15 the way that makes them valid. So if someone interprets
16 "...and related financial reports" to mean that the Board
17 is saying the Clerk is not responsible for the general
18 ledger, and not only responsible, has that authority, then
19 that interpretation would be incorrect. But if you
20 interpret it as I do, which is that the Supervisor will be
21 preparing the budget with the Administrator and the
22 related financial reports that go with the budget, such as
23 getting information from the Clerk and the Treasurer, then
24 I don't see how it is a conflict between the two roles, or
25 that it would be illegal.

When Trustee Knol first asked the question, I thought she was asking about a potential conflict between the job description that you adopted recently and this one, and my answer to that is that the Board can amend motions and resolutions and ordinances as much as it wants, and I'm not giving a political opinion on this, whether it makes sense or not. And bodies do that all the time. We see Congress and presidents make 180 degree shifts in policy when someone new takes office. This Board could do exactly the same thing.

So if you want to adopt a new Administrator's job description every second Tuesday of the month from now until your term's end, you have the legal authority to do that. I would say that that would be ridiculous, but you can do that.

I think I have answered the three things that I thought I was being asked.

CLERK FLINTOFT: And one clarification. I read it as "prepare and administer related financial reports."

TRUSTEE KNOL: Yeah. Me, too. I had a broader interpretation of that.

SUPERVISOR HATHAWAY: I think -- I think -- I think Attorney Fink has answered this question, that people can read things into documents and they can come away with an interpretation that is counter to what the

intent is of the language. That's possible to have happen, and that if that happens, and it is, and that interpretation is, you know, shows that there's a conflict with a, you know, statute, that we can clarify that, "Oh, no; that's not what it meant."

MR. FINK: My answer to that is you can have your Administrator prepare and administer any report you want as long as it doesn't infringe upon the statutory authority of the Treasurer or the Clerk, and the Supervisor I assume would be delegating some responsibility and authority there. Well, delegating authority. You can't delegate your responsibility.

So again, when you read that in the context of the authority of the other elected officials, I don't think that it creates a conflict.

UNIDENTIFIED SPEAKER: With the word "administer."

MR. FINK: Because the Administrator cannot usurp the Clerk's authority.

SUPERVISOR HATHAWAY: Trustee Courteau?

TRUSTEE COURTEAU: I wonder whether simply substituting the word "analysis" for "report" is part of what this issue hinges on, because this is not trying to diminish any of those reporting duties of the Clerk. In my reading of this it sounds like it's mainly financial

because I think we still have some issues. But, do we want to go forward with the vote? You know, it's been moved. I understand. And that can happen.

SUPERVISOR HATHAWAY: Clerk Flintoft.

CLERK FLINTOFT: Thank you.

On the motion, I just, I want to say one clarification of what Jane said. When I referenced rules of order, it is the single attorney privilege draft that everybody has seen. There's not anything else there.

And I will say, you know, for my time since being appointed clerk in June 2019, I made very clear that -- you know, I think some things are being conflated here, and if you all understand it and are still conflating it, I want at least the public to be clear, that I made clear to everybody at Township Hall that I would pursue the nomination and run for clerk understanding that I would take over supervision of the Finance Director and Finance Manager from the then Township Manager. That's what's done in an overwhelming number of townships. I don't -- I don't know of others that don't have Finance under the clerk. In small places like Webster, the clerk does payroll themselves.

So I've observed from my time as Deputy Clerk that, you know, while the Township I think has benefitted from Donna's fiscal stewardship, the economic growth that

1 we were decades behind, and using fiscal information to
2 drive decision making. I saw how Finance staff had
3 concerns that they held close, could not get them before
4 the Board, and I had hoped that by elevating the Finance
5 Director and Manager from being stuck under the Township
6 Manager to a direct report to the Clerk, that we would get
7 more opportunities to the Board to hear directly from
8 Finance staff.
9 And so these issues aren't new since I've taken
10 them on. I think I have just brought them to light, and
11 we are trying to address them. The Board created, at my
12 recommendation, the Budget and Finance Committee in fall
13 2019. The first time we talked about these issues
14 publically. And despite the capacity building that we've
15 done, the coaching and the training, I remember it took me
16 two Board Meetings to get a conference approved for the
17 two Finance staff. They'd never been to a professional
18 conference before. I've come to the conclusion that our
19 Finance staff combined, despite working many hours, 50
20 plus hours a week, they simply do not have all of the
21 skills that we need to do the job we need done. And I see
22 Andy, I see new utilities directors. We're not going to
23 be able to seriously recruit and retain great department
24 heads without better central operations and fiscal staff.
25 We brought in Woodhill last spring. They've

done an outstanding job, and they're frustrated, you know, that we haven't embraced more of their forward-thinking recommendations. But they have for the first time implemented a capital improvement plan. We've never had one. Doing the water rate study, which we'll hear more about, reformed our utility billing system, and have showcased for the Board what a more robust capital planning and budget process could look like.

They've also helped the Township begin to use more components of BS&A Enterprise software to make our processes more efficient because a lot of what our staff is doing is breaking under these inefficient processes.

That said, in all of our discussions we have needed additional Finance staff. Additional Finance staff. And I believe, not junior staff as Will is proposing, but additional Finance staff who are more senior; have more experience, more analytical skills, ability to present and visualize display data, provide the independent reporting that we all need for our Township operations.

As you know, this has been a mission of mine, and so when on Friday I was presented with the org chart, and this plan, this proposal, Jane and Donna, goes right into that, of eliminating the position of Finance Director, and so we would eliminate a position when we

need to expand.

We're already behind our legally required monthly reports. Donna has shared she's behind on her legally obligated investment reports. I am so enthusiastic about the full-time Deputy Treasurer that we've approved. And I'm enthusiastic about Will's interest in taking on the budget. I think this is -- I'm glad he's got an interest in that and have him take that on. And if he wants the Deputy Treasurer to take on the budgeting responsibilities, I think that's wonderful. I've said this openly and repeatedly. Typically it's the Finance Director, but if it's the Deputy Treasurer, that's fine.

But I insist on retaining two positions. We will likely are at risk of losing our other person if we go this path, and I think she has made that very clear to me and directly to Will earlier today. So I insist on retaining both the Finance Director and Manager position under the Clerk, and I oppose any shifting of Finance to the Supervisor Treasurer staff.

I agree, we need more capacity. When I joined here, this was the most undertrained group of people I've ever met. Love 'em to death, love working with everybody, but undermanaged and undertrained. And I think with Diane, with Andy, with all the good leadership we're

bringing in, people are really rising to the occasion.

I will say specifically on the Township Supervisor job description, I am lamenting that we don't have a better draft since we had so many different versions before. I oppose the Budget and Finance Director suggested creation under supervises. I don't believe that MCL 41 allows Finance to be under the Supervisor. I will say that again and again. This problem will not go away after tonight's vote.

Meetings. I object to this paragraph in the words of making conduct-based interventions and setting date and time for special meetings. It goes beyond anything that's contemplated in the rules of order. And so while I believe the intent is good, I think the language is imprecise. And if this is adopted by resolution, this will prevail over rules of order.

Appointments. Again, I'd like to revisit. While I believe the Supervisor does a nice job of reaching out, I think other Members of the Board should be able to bring nominees for certain commissions. I think it's wonderful that you're working so hard with Doug and appreciate your work on enforcement, Will.

The Budget. Again, this is set annually by the Board on who prepares the budget. As CAO it is the annual financial report, the F-65, as well as requesting an

extension for the audit. I think the Board should empower the Supervisor to do that for this year but not codify it in a job description.

I oppose supervise -- I oppose the language under Direct Report, second paragraph:

> "...any such budget amendments as may be necessary or appropriate thought the year for BOT approval."

We have worked so hard to engage our wonderful department heads, like the fire chief, and not have everything get bottlenecked. So again, budget amendments should stay with those in charge of the budgetary center. Obviously if there's a big one, but I don't want it getting bottlenecked with a Supervisor Administrator. All of our department heads have access to the GL. They're using the system for the first time just this year.

Again, no budget in Finance Director.

Administration, page 2, Chief Administrative Officer. I have a question for Will, if you can answer when I just finish the list here, what do you mean by Chief Administrative Officer? We use that term in the personnel policy. Is that what it's referring to? And just, because I don't think that's from the budget statute, so I'm wondering what that means.

You are not the Chair of the Board's Budget and

1 Finance Committee. The Clerk, I am the Chair of the
2 Board's Budget and Finance Committee. If this is a way of
3 changing the September 2019 resolution that the Board
4 passed with a Committee charge to make you the Chair, I
5 think this is a pretty inappropriate way to try to sneak
6 that change in. If it's in error, please say so.
7 The contract negotiation and oversight,
8 certainly I saw some something about that, along with the
9 Supervisor and Clerk splitting contract management, the
10 Township Administrator's job description. Again, I would
11 hope the Administrator would administer most contracts,
12 but certainly there's always a role.
13 I oppose the paragraph on financial reporting
14 and audit function. Again, the audit is of all the
15 records of the Township which belong a few to you, some to
16 the Treasurer and mostly under the purview of the Clerk.
17 I don't know where you're getting the language
18 of the, "...by statute, must be audited." If you see MCL
19 41.110a, you will see that those two are I believe
20 separate items, Will. We have the external audit, and
21 then there is also a annual financial report, the F-65
22 you'll upload.
23 I oppose the Supervisor overseeing the audit and
24 the selection of the auditor. Again, that is a Board
25 decision. It is the Board obligation to complete the

audit. Under MCL 141, we should always be opening up and making a very deliberate decision. I think that is a dangerous delegation of authority to put that to one person.

Human Resources, I suggest cutting altogether. We have an Administrator who will be overseeing a human resources generalist. That seems sufficient.

Township Growth. I think that is a great paragraph. We had better language months ago. Where did this go? The general idea is good.

Legal. Certainly you are our Township's designated agent; however, "...implement administrative actions such as land divisions," I would prefer a little more clarity about which administrative actions. Maybe it's just land divisions, maybe it's others.

Meeting Agenda, I oppose. Again, this goes beyond what is in the proposed rules of order. I would suggest that the Board strike that, and instead just table that for the rules of order. That would take care of it.

Legislation. "Act as chief legislator." That's not a thing. This is -- and I'm sorry for my curtness, but I have given Will this feedback, as have all the committee members feedback over two months, and none of it was integrated. Chief legislator is not a thing. In fact, you know, there are seven equal voices. We are

1 seven equal legislators, and I don't think any one of us
2 is the chief.
3 Communications. I, while I appreciate a lot of
4 the spokesman -- spokespersonship for the Township does
5 fall on you, I certainly would want to make clear you're
6 not the only one to write on behalf of the Township. I
7 think this difference of perspective came up in discussion
8 of correspondence when some Board Members have asked me to
9 include Will's emails as Township response. A message
10 from Will or a message from Jessica is just that, and must
11 be -- have been authorized by the Board to speak more
12 broadly on behalf of everybody.
13 And again, I oppose the review and approval of
14 the newsletter because I have seen firsthand your concern,
15 and it was regarding when I mentioned that the Board had
16 established a committee to look at the administration.
17 And so certainly not controversial or inappropriate, and I
18 think really well within the news of the Township.
19 The Township Administrator, I would ask -- I
20 still object to the related financial reports. I don't
21 believe that that meets the statute. That will continue
22 to be an issue for the Township if the Board takes this
23 action tonight. And I will say also, part of why I was so
24 disappointed to see this packet is because we did just
25 have a 7-0 vote on July 27th, and so I would ask to be

ever so clear with our candidates, with our recruiter, with everybody that Diane's going to have to update, I would ask to make this clean. If a majority of this Board wants to go forth with revising this to please first rescind the motion that first adopted the one on July 27th so we have a very clean record of which one has been adopted.

That's all.

SUPERVISOR HATHAWAY: Are there other comments from the Members of the Board of Trustees?

TREASURER PALMER: I have a question regarding definitions. And this may -- Jim, you may have to chime in on this.

MR. FINK: (Unintelligible).

TREASURER PALMER: What is the ramifications, I don't know how else to state it, between a motion and a resolution?

SUPERVISOR HATHAWAY: Jim?

TREASURER PALMER: They're both Board actions, but.

MR. FINK: They're both Board actions. The way I understand it, without doing any research in answering your question, is that the Board takes action in three ways. You pass motions. You adopt resolutions which are a little more formal.

TREASURER PALMER: Right.

MR. FINK: And you enact ordinances. And there's a hierarchy so that an ordinance carries more weight and would supersede a resolution or a motion to the contrary, and the -- this hasn't come up at a Board Meeting, but it has come up I think with the three of you where we've had conversations where if you pass a resolution, the way to rescind it or amend it is to either adopt a new resolution or an ordinance. A motion would not be sufficient.

TREASURER PALMER: Okay.

CLERK FLINTOFT: And Donna, this is a motion to adopt a resolution.

TREASURER PALMER: But see that, I wanted that clarification --

CLERK FLINTOFT: Uh-huh.

TREASURER PALMER: -- in a step by step --

CLERK FLINTOFT: Uh-huh.

TREASURER PALMER: -- process that we have to take. Because I'm going to go back again to these job descriptions. I do not want to set in stone something that another group is going to say, "No, no, no, Mr. Supervisor or Mr. Administrator," oh, I shouldn't say Mister, "We are going to have you do this." And I think it would be better to think about motions and some of

these actions we need to take, versus resolutions. And of course I wasn't thinking ordinances because that, in my understanding and my thinking, is a whole different ballgame not related to this. But I appreciate the clarification of the, you know, the wording.

SUPERVISOR HATHAWAY: Trustee Vogel?

TRUSTEE VOGEL: So I really support that thinking. It's really been in conversations just casually. Conversations are of value with lots of people. You've had lots; lots of folks talked with lots of folks. There's nothing nefarious about that.

I really want to support what Donna is saying, and I think we've got to put these two position descriptions in a format that recognizes -- here's the line we have to walk. We have to get something clear enough so we can set this new Administrator up for success. Right?

UNIDENTIFIED SPEAKER: Yep.

TRUSTEE VOGEL: But it needs to be flexible enough to evolve, depending on the skillset that happens and the experience that's going to be walking through the door. So I'm going to put Jim on the spot yet again, but you've got a little bit of time, what should be the format?

I'm kinda guessing we're maybe moving in a

direction of a motion. But I guess what I want to do, out of respect for the strength of the Clerk's conviction, I hope I can be as graceful as Trustee Courteau in making a couple of suggestions, because I think the intent is good, but the words could be misread.

On the Appointments I think we should say "Work in partnership with the Board to nominated individuals."

On the Direct Reports, in that second section say, "Work with department heads on any budget amendments," because that is where the expertise is, so let's just make those two little changes.

So again, Appointments, "Work in partnership with the Board."

On the Budget piece, just get the phrase where it belongs, "...in partnership with the department heads," because that's where the expertise is, right?

Let's keep going.

MR. FINK: Let me throw a wrench in real quick.

TRUSTEE VOGEL: Oh, okay.

MR. FINK: And I'm sorry. And it won't necessarily change what you decide to adopt or even that language, but if a statute or an ordinance says that the Supervisor nominates someone, the "work with partnership and the Board" --

TRUSTEE VOGEL: Oh.

1 MR. FINK: -- would not prevent the Supervisor
2 from nominating someone under the statute --
3 TRUSTEE VOGEL: Oh, yeah. Certainly. So, so
4 the, just the phrase has to change. And ultimately he
5 does appoint. We just found this fantastic person who is
6 going to join TAP. We recommended that to the Supervisor.
7 He's going to be the -- what? What?
8 SUPERVISOR HATHAWAY: I just want to clarify the
9 language and, because I think we're getting into the weeds
10 here.
11 TRUSTEE VOGEL: We are in the weeds.
12 SUPERVISOR HATHAWAY: We're getting into the
13 weeds and it's going to make the meeting go very long.
14 TRUSTEE VOGEL: We can't.
15 SUPERVISOR HATHAWAY: It's going to derail this.
16 TRUSTEE VOGEL: We can't.
17 SUPERVISOR HATHAWAY: So I would like to clarify
18 that all of this language has been gone over very
19 carefully to make sure that it complies with statute. The
20 nominating function, the nominating authority is to put a
21 name of somebody --
22 TRUSTEE VOGEL: Right.
23 SUPERVISOR HATHAWAY: -- for a position before
24 the Board of Trustees for appointment. So the appointment
25 is actually an action by the Board of Trustees. All we're

1 talking about is the nominating of a person to be --
2 TRUSTEE VOGEL: Fine. Fine.
3 SUPERVISOR HATHAWAY: -- considered and voted on
4 by the Board of Trustees.
5 TRUSTEE VOGEL: All right, then -- then I'm
6 going to say, I am good with this. My motion's going to
7 stand.
8 And I hear all this public concern, and I just
9 support Trustee Jerome, nobody's trying to consolidate
10 power. Nobody's -- nobody's doing anything nefarious
11 here. I promise. I know this man. I'm getting to know
12 Jessica. I know them to be exactly like was said, people
13 of good will. I am confident -- I hope I -- I hope -- I
14 hope this is going to be true, we can find a way to work
15 together.
16 But Jessica, I know you've got so many ideas and
17 so many initiatives and so many good intentions. They
18 only come to fruition if we work together. And, and I
19 think that I support, and I recognize how hard this will
20 be, I do support some fine tuning within the finance
21 function to both strengthen it and get this three-legged
22 stool built in. And that's nobody grabbing power; that is
23 ensuring and feeling confident that we can deliver the
24 finance function and manage the finances acceptably.
25 So I stand by this and I will stand by my motion

with whatever the right language is.

SUPERVISOR HATHAWAY: I just want to clarify, and you can correct me if I'm wrong, Jim, but so a resolution sort of supersedes a motion, and an ordinance sort of supersedes a resolution in terms of sort of, you know, ruling, you know, what rules in terms of --

MR. FINK: I would suggest we never have to answer that question, but yes. The real point is that if the Board has adopted a resolution and you want to change it, you need at least a resolution to make that change.

SUPERVISOR HATHAWAY: Right. That's, I guess that's what I was trying to get at. Thank you for saying it so much better.

So really, in order to change this, all we need to do is have another resolution. It's pretty straightforward. I mean, in terms of your concern that you were raising, Donna, I think in terms of the flexibility, all we need to do in order to make a change in this is make another resolution at another, you know, meeting of the Board of Trustees and we can change this.

TRUSTEE VOGEL: Continuing to evolve it.

SUPERVISOR HATHAWAY: Yes.

TRUSTEE VOGEL: We have to.

SUPERVISOR HATHAWAY: Exactly.

TRUSTEE VOGEL: We have to, but we need a

1 baseline to work from.
2 SUPERVISOR HATHAWAY: Right, and --
3 TRUSTEE VOGEL: This is the baseline that I
4 think we need to be working from.
5 SUPERVISOR HATHAWAY: Thank you.
6 And I just want -- I don't want to get into a
7 big debate with --
8 TRUSTEE VOGEL: No. No, we can evolve this --
9 SUPERVISOR HATHAWAY: -- with the Clerk about
10 all of the different points, but I do want to say that in
11 some ways this is the point: we are here today with the
12 Board of Trustees, and this resolution would put the Board
13 of Trustees on the record as saying, "Yes, there are
14 certain things that we want these positions to be able to
15 do, and we are," you know, "voting in order to communicate
16 that so that we can go forward, and that person can sort
17 of do those things; that position can do those things for
18 the Township." And that I think was an important point
19 that several people brought up; that this is not about,
20 you know, me grabbing power. This is about trying to
21 figure out as Board of Trustees how to allocate the
22 Board's authority in a way that serves the needs of the
23 Township.
24 Now, people can disagree about that and I, you
25 know, obviously there is disagreement about that. But

1 that's -- that's what this is about. That's what this
2 intent is of this. It’s not anything beyond that.
3 And I just want to point out that the linkage of
4 the compensation with this job description was actually
5 something that we talked about at some length in the
6 administrative structure committee last spring, and these
7 two things were I, you know, the way that it was
8 communicated, these were to travel together. And last
9 spring because we weren't quite ready with the job
10 description and all of that, we deferred this question of
11 compensation, and at the time the understanding that I was
12 given was that it didn't matter because whenever we got to
13 it, we could make the compensation retroactive to the
14 beginning of the fiscal year. And the sort of nasty
15 surprise that popped out in the last 24 hours is, "No,
16 that's actually not true." So not only did I work, have I
17 worked full-time since last November 20th as the
18 Supervisor for half-time salary, now, because this truth
19 has emerged, it's clear that since the beginning of the
20 fiscal year, April 1st up to this point, I've also been
21 working and, and likely will always be compensated at
22 half-time for full-time.
23 And I know some people were saying 60 to 70
24 hours a week, and thankfully it hasn't approached that,
25 but it has been a lot. It's been more like 50 to 60 plus

hours a week on a regular basis. And it's not because I can't manage my time. It's just there's that much that needs doing, and there's -- we're that short staffed that so much of the work that needs doing is flowing to the Supervisor. So there's a couple of things going on there, and part of it, I honestly, I want to put this out there, I care about doing this job well, and it takes time to do this job. I don't know how prior Supervisors managed to, you know, characterize it as a part-time job. I don't know how it's -- how you could have done that at any point, but certainly not now, and that hasn't been my experience of it.

And so we have today a chance to sort of do what has been sort of a pending issue since at least last spring, and clarify what it is exactly that the Board wants this position of Supervisor to do, as a Board, and put it out there. And it is linked with the Township Administrator position, and therefore that's put forward, too. There are some minor changes to that. I don't think it requires a rescinding of an earlier job description to amend a job description, and the compensation sort of goes along with it. It does.

So I know it's, you know, Jane I can hear you.

TRUSTEE VOGEL: Yeah.

SUPERVISOR HATHAWAY: You know, you were trying

1 to wrestle with the imperfection of that situation, but it
2 is what it is --
3 TRUSTEE VOGEL: It is what it is.
4 SUPERVISOR HATHAWAY: -- in terms of the reality
5 of the law, and, you know, it's unfortunate that, you
6 know, we were operating, I was operating under, you know,
7 some bad advice I guess, and some incorrect advice, that
8 the, a compensation could be fixed at any point back to
9 the, you know, beginning of the fiscal year. That's just
10 not true. So, you know, basically we're starting from now
11 to correct, I think, in my view, to correct a situation
12 where somebody who's been working full-time in this
13 position, me, you know, has been doing it for half-time
14 salary. And I don't think anyone would argue that
15 somebody who's working full-time, 60 hours a week, should
16 be paid half-time; that that's somehow right. So that's
17 the question I think that is before us with this motion
18 that you've made and the next motion --
19 TRUSTEE VOGEL: Right.
20 SUPERVISOR HATHAWAY: -- that is sort of a
21 companion to it.
22 TRUSTEE VOGEL: Right. Right.
23 SUPERVISOR HATHAWAY: And I --
24 TRUSTEE VOGEL: Should I do the first one first
25 and get that vote done, and then have the second one?

SUPERVISOR HATHAWAY: Well, yes except that I want to make sure that all Members of the Board of Trustees who have not yet spoken to this have a chance to speak to it. I guess everyone has spoken to it, which means that -- I know Kathy, I see your hand raised. Rather than giving another round of comments, I'd like to open it up to the public who have not yet spoken on this issue. So if there's someone who didn't speak during the public comments on this topic at the beginning of the meeting, I would like to make that opportunity available to those members of the public.

PUBLIC COMMENT

CLERK FLINTOFT: All right. We have, first up is Sandra Egeler, Sandy, followed by David Read.

SUPERVISOR HATHAWAY: David actually already spoke.

TRUSTEE VOGEL: Uh-huh.

CLERK FLINTOFT: I don't know how you determine the topic without asking him.

SUPERVISOR HATHAWAY: Okay. But it --

CLERK FLINTOFT: I know, I just --

SUPERVISOR HATHAWAY: He already spoke to this topic --

CLERK FLINTOFT: Okay.

SUPERVISOR HATHAWAY: -- and this is the topic.

CLERK FLINTOFT: Okay. Okay.

Sandy, I can't hear you. Let me move forward.

MS. EGELER: No, I'm here.

CLERK FLINTOFT: Oh, hi, Sandy. You're on.

MS. EGELER: I need to say I am completely offended that Trustee Knol threw my name, threw out my name implying I have done something underhanded or nefarious. I want to be clear. I have never participated in a meeting with the Supervisor, Treasurer, and a member of the public. In fact, I have been on medical leave for the past three-and-a-half weeks due to a severe illness that had me hospitalized for three nights. I have always responded to anyone's questions to the extent allowed by law. To throw out my name is completely disrespectful to me as a staff member, and is completely improper. These -- many of these changes involve me. I completely support moving forward with them.

Thank you.

CLERK FLINTOFT: Thank you, Sandy.

Next up is David Read if you haven't already spoken on this item.

MR. READ: I simply want to say that there's no question that the Township needs more staff. I agree with Jane, I agree with Alec. There's no question. What I -- what I have a problem with is the fact that the curious

nature, perhaps one might even say devious nature by which the changes have been made to this job description. The job description was approved by the Board 7-0, and now at the last minute the job description is brought back and with changes, and everybody's shocked at the fact that nobody -- that we're not allowed to talk about it. I think it's bad policy to approve job descriptions that have phrases that can be interpreted different ways because one person can interpret it any way they want, another person can interpret it the way they want, and there's going to be problems (unintelligible) clarity. (Unintelligible) that Jessica --

CLERK FLINTOFT: David, we're having trouble hearing you.

MR. READ: -- (unintelligible) to the Board.

SUPERVISOR HATHAWAY: I -- I think we've heard David already --

MR. READ: Okay, well --

SUPERVISOR HATHAWAY: -- on this topic, and if there are other people in the members of the public --

MR. READ: Why we need to elect (unintelligible) --

SUPERVISOR HATHAWAY: -- who have not already spoken on this topic who would like to speak, that's this -- that's the time -- this is the time --

CLERK FLINTOFT: I see a hand for Kathleen Brandt.

SUPERVISOR HATHAWAY: Kathleen Brandt has already spoken on this topic.

MS. BRANDT: I have not spoken on this topic. I have spoken before actually to the comments about rules of order. I would respectfully request to comment on the compensation issue.

CLERK FLINTOFT: Yes.

MS. BRANDT: Okay, that -- that -- that little thing was infuriating because that's what I noticed was inserted in the change in the public comments that -- anyway, I will get on with what I wanted to talk about.

So if I understand the last little bit of discussion there, it seems the Board is going to vote on raising the Supervisor's salary. And I want to point out, Michigan statute MCL 41.95, the Board by ordinance, and we know ordinances are at the higher level, an ordinance was created for the compensation commission. The commission effective date, the ordinance effective date was July the 7th, and in that ordinance it says members should appointment within 30 days after ordinance. Okay, so the Board of Trustees is not in compliance with the ordinance. You have not put in the compensation commission.

Further I want to make a comment, a reference

from a presentation made by the Michigan Township Association. This is titled General Law or Township Law. This is dated November 2016. This is in the presentation under the compensation chapter on page 10. This is about setting salaries. This states if a compensation commission is established, the Township Board cannot set the salary for any of the four Township officers; for instance, the Supervisor, Trustee -- Treasurer or Trustee. It further states that by law, once the determination it not be retroactive. I'm glad that the Supervisor has learned that point of the law.

I will also suggest that if this continues, and this is direct in contrast --

TRUSTEE JEROME: Thirty seconds.

MS. BRANDT: -- this is in direct -- is completely against the compliance of MCL 41.95, you will see residents take action on this. This would be action that Mr. Hathaway would be familiar with, since he did the same thing in 2017 against the Mayor of the City of Ann Arbor himself, and I believe Mr. Harding that he took legal action to correct something the City of Ann Arbor did. So I think we would be forced to take legal action. Thank you.

CLERK FLINTOFT: Thank you, Kathleen.

Member just by the name of iPhone, followed by

Rob Pattinson. IPhone?

MS. OWINGS: Hello, can you hear me?

CLERK FLINTOFT: Yes. Who are we speaking with?

MS. OWINGS: Hi. This is Alice Owings, and I am the interested citizen with a background in municipal finance who sent out the scary, nefarious emails this weekend. I would like to sort of object to the deliberate attempt to miscast my email. Nowhere does it mention that there was ever any meeting because there was none. So Trustee Knol, I -- I would love for you to revisit that. It does seem that you're trying to discredit me, and I guess, you know, everyone is familiar with my long history of trying to voice my concerns about the Township budget and the finances. So with that background, I'm going to read you just a little bit of the email that frankly I guess I thought might be in a meeting packet or something like that. It's certainly not secret, given that I sent it to the entire Board of Trustees and the auditor and the attorney and Sandy Egeler. So there's nothing secret about it, and let me read:

"So given my concerns about Scio's financial management, I've been awaiting implementation of the changes to the Scio Board of Trustees approved May 11th when they adopted the Township Administrator model.

1 Accordingly, I've been volunteering my
2 efforts to support the development of a new
3 organizational framework for Scio's financial
4 staff. Please find a chart that I prepared,
5 which is designed to show the statutory
6 grounding for each position, as well as
7 duties that may be attendant or assigned
8 within a newly structured Scio finance
9 department. I invite Township Attorney Jim
10 Fink to review this finance reporting chart
11 and ask that he alert us of any errors or
12 omissions he finds upon his return Monday,
13 August 16th. I hope by taking this step we
14 can settle any lingering doubts on the
15 appropriate delegation of authority from
16 statute prior to the Special Meeting on
17 August 17th."
18 So far from trying to pull a fast one or sneak
19 anything by anybody, I, who I'm not team Jessica and I'm
20 not team Will, I'm just trying to get the budget and the
21 finances worked out. And getting slandered by you --
22 TRUSTEE JEROME: Thirty seconds.
23 MS. OWINGS: -- that somehow this is nefarious.
24 So I reached out to Catherine McClary, she's the Washtenaw
25 County Treasurer, for support on this, and I made that

very clear in my email. And that you want to disparage me simply because you've decided that's a good political tactic is too bad. But I will be interested if you will then seek to disparage her as she expressed support of the chart and the plans and the financial structure.

Thank you.

CLERK FLINTOFT: Thank you, Alice.

Next up is Rob Pattinson. Rob?

MR. PATTINSON: Thank you.

First of all, I'd like to thank Alice Owings for clarifying the issues that have been raised. I think that takes a lot of courage, number one, and number two, I appreciate her detail in clarifying that.

And I also initially wanted to speak to say that it has been exhausting to watch this Board for the last several months, and in particular today it was actually heartbreaking how broken this group is. And I hope you find a way to work together and figure this out because we are suffering because of your inability to work together.

Thank you.

CLERK FLINTOFT: Thank you, Rob.

I see no other interested public.

TRUSTEE VOGEL: Can I?

SUPERVISOR HATHAWAY: Trustee Vogel.

TRUSTEE VOGEL: I do want to understand an

issue. This is a Special Meeting of the BOT. There was correspondence that came in. Why was that not included in the deck?

CLERK FLINTOFT: I typically don’t -- only do the correspondence for the regular meetings, just like we do with the minutes. That’s just been our protocol.

TRUSTEE VOGEL: Okay.

SUPERVISOR HATHAWAY: So presumably communications that have come in --

TRUSTEE VOGEL: Yeah.

SUPERVISOR HATHAWAY: -- since our last regular meeting will be included --

TRUSTEE VOGEL: Okay.

SUPERVISOR HATHAWAY: -- in correspondence.

CLERK FLINTOFT: I do it over a period of time.

TRUSTEE VOGEL: I see. Okay.

SUPERVISOR HATHAWAY: If I understand you correctly.

TRUSTEE VOGEL: So where are we?

SUPERVISOR HATHAWAY: Now we are at the point of calling the question. So, since we've heard from the public and we've heard from the Members of the Board of Trustees, please call the roll on the --

CLERK FLINTOFT: May I make one more comment?

SUPERVISOR HATHAWAY: I don't think so. I think

we've had rounds of comments, we've had lots of speeches --

CLERK FLINTOFT: I want -- I want to make sure the Board understands what this resolution -- what the function of the resolution will do over the motion.

SUPERVISOR HATHAWAY: The motion -- the motion is to adopt the resolution.

CLERK FLINTOFT: I know. There was a question before about what the resolution does --

TRUSTEE VOGEL: I think the attorney clarified it.

CLERK FLINTOFT: -- that a motion would -- did he?

TRUSTEE VOGEL: I think we're good.

SUPERVISOR HATHAWAY: I think so.

CLERK FLINTOFT: Jim, did you clarify what it would do related to the resolution for the Budget and Finance Committee?

MR. FINK: I don't think we talked about the Budget and Finance Committee.

CLERK FLINTOFT: Right.

SUPERVISOR HATHAWAY: Well, I think that issue was raised and you -- you -- it was among your list of things that you found --

CLERK FLINTOFT: Yeah.

SUPERVISOR HATHAWAY: -- to be at fault with this, and I don't know that we need another bite at the apple. I think we need a vote of the Board of Trustees and then we need to move on to the next item.

CLERK FLINTOFT: And I would ask that my colleagues deliberate in public where you're supposed to.

TRUSTEE VOGEL: We are.

TREASURER PALMER: Just a minute. The motion is moved by Vogel, support by Palmer that the Scio Township Board of Trustees approves the resolution adopting job descriptions for Supervisor and Township Administrator. That means we are voting on a resolution. That's what's before us.

TRUSTEE VOGEL: Uh-huh.

SUPERVISOR HATHAWAY: Please call --

TREASURER PALMER: And it's a motion to do that. Excuse me, Will.

SUPERVISOR HATHAWAY: Sorry.

Please call the roll.

CLERK FLINTOFT: I have one legal question. Is that an order? It's specific.

MR. FINK: What was the question?

CLERK FLINTOFT: My question is does this resolution that changes -- that adopts the Supervisor's job description supersede the resolution that adopted the

Board's charge of the Budget and Finance Committee?

MR. FINK: I can't answer that. I have not looked at those two side by side to answer the question.

TRUSTEE VOGEL: Let's recognize that as an open issue.

SUPERVISOR HATHAWAY: Please call the roll.

CLERK FLINTOFT: Hathaway.

SUPERVISOR HATHAWAY: Yes.

CLERK FLINTOFT: Palmer.

TREASURER PALMER: Yes.

CLERK FLINTOFT: Flintoft. No.

Courteau?

TRUSTEE COURTEAU: Yes.

CLERK FLINTOFT: Jerome.

TRUSTEE JEROME: Yes.

CLERK FLINTOFT: Knol.

TRUSTEE KNOL: No.

CLERK FLINTOFT: Vogel

TRUSTEE VOGEL: Yes.

CLERK FLINTOFT: Motion passes five to two.

TRUSTEE VOGEL: Could I -- I'm going to stick my head out, and I'm going to make the motion -- oh no, it's this one. The resolution establishing the salary of the Supervisor. I'm making a motion.

SUPERVISOR HATHAWAY: Is there support?

TREASURER PALMER: Well, I'll support it.

SUPERVISOR HATHAWAY: All right. So move by Vogel, support by Palmer. We've already had comments.

TRUSTEE KNOL: Oh.

TRUSTEE VOGEL: Have we?

SUPERVISOR HATHAWAY: Yes, we have. This is an Agenda Item. We've already had comments --

TRUSTEE VOGEL: From the public. What about from us?

SUPERVISOR HATHAWAY: If you would -- I guess if Members of the Board of Trustees feel that they would like to make another comment on this resolution, we can make time to do that.

TRUSTEE VOGEL: I do have a brief comment.

TRUSTEE KNOL: So do I.

SUPERVISOR HATHAWAY: Okay, Trustee Vogel.

TRUSTEE VOGEL: I think that there is just a significant unfairness here. We have the money in the budget. We had an assumption that we could delay this decision because we could go retroactive to April, and now we find out and are informed that we can't do that. So I think we should approve this. It's the compensation to go along with a full-time position, and then that's done. But I want to leave the door open to exploring what is legally possible back to the beginning of the fiscal year.

Because it's -- it's just an unfairness. I mean, the previous Supervisor without a Manager was paid full-time. And the previous Board chose to take that compensation back to half-time. And there was probably a reason for that.

But the reality is, unlike the previous Supervisor without a Manager, we're paying, we're continuing -- we are presuming to pay this person half-time, even though it is, without the Manager especially, a full-time commitment. So I'm making this motion as it stands, the second one that acknowledges we can't go retroactive, but as a Board I want us to explore options so we can make this whole. That's all I want to say.

SUPERVISOR HATHAWAY: Trustee Knol, do you still want to speak?

TRUSTEE KNOL: Yes. So we heard from a resident that once a budget, or a compensation commission has been established, that it isn't within the purview of a Township Board to raise the salary; that that should be done by the compensation commission. And I would like to clarify that with our Township Attorney. Is that correct, Jim?

MR. FINK: As much as I try to avoid answering on the spot legal questions, that does not appear to be correct to me. I just looked at the statute when I heard

that. The statute does not say that the Board shall not -- shall not establish a salary. It's clear that when there is a compensation commission established by ordinance, that's the compensation commission's purview, and the Board follows the statutory scheme in either rejecting it or accepting it. But the statute doesn't say anything about the gap between when the Board adopts an ordinance and when the compensation commission is first established, which it's not, and when the compensation commission makes this determination the statute is clear that the compensation commission's determination starts with the next fiscal year. And so this resolution as I understand it really just takes the Supervisor's salary up until the next compensation commission determination. Although I will point out that if the compensation commission's recommendation was rejected by the Board, the Supervisor's salary would stay at whatever it was at that point.

But, so that was a long way to say, no, I don't think that what we heard from the citizen was accurate. I'm not disparaging the person. It's just not the way I read it in the last few minutes.

TRUSTEE KNOL: Okay. Thank you.

SUPERVISOR HATHAWAY: In that case, I'd like to proceed and call the roll.

CLERK FLINTOFT: Hathaway.

SUPERVISOR HATHAWAY: Yes.

CLERK FLINTOFT: Palmer.

TREASURER PALMER: Yes.

CLERK FLINTOFT: Flintoft. No.

Courteau.

TRUSTEE COURTEAU: Yes.

CLERK FLINTOFT: Jerome.

TRUSTEE JEROME: Yes.

CLERK FLINTOFT: Knol.

TRUSTEE KNOL: No.

CLERK FLINTOFT: Vogel.

TRUSTEE VOGEL: Yes.

CLERK FLINTOFT: Motion passes five to two.

SUPERVISOR HATHAWAY: Okay. That brings us to Item F2. Item F2 is discussion only. It's the Scio Township Organizational Chart with Township Administrator. This is a discussion item, not an action item. We won't be voting on this today.

The updated organizational chart represents the evolving thinking about the best way to set up the leadership and staff positions to best meet the full range of complex Township needs. It is aligned with the job description for the Township Administrator. It addresses the separate statutory responsibilities of the three

1 officers, Supervisor, Clerk, and Treasurer, and it
2 respects each officers' statutory authority. For example,
3 the Clerk in this chart has a Finance Manager to provide
4 support for the Clerk's statutory responsibility for the
5 detailed accounting records of the Township, utilizing the
6 uniform chart of account prescribed by the state treasurer
7 and to prepare and maintain the journals and ledgers
8 necessary to reflect the assets, liabilities, fund
9 equities, revenues, expenditures for each fund of the
10 Township. That's based on MCL 41.65, and MCL 141.421.
11 The Treasurer in this chart has a Deputy
12 Treasurer to assist with cash receipts, tax collection,
13 tax reconciliation, tax roll, delinquent personal property
14 tax, special assessments, bond maintenance, et cetera.
15 That's MCL 41.78.
16 The Supervisor has a Budget and Finance Director
17 to assist with the budget, annual financial reporting to
18 the state, reports to the Board of Trustees, audit,
19 Downtown Development Authority, bond origination and
20 maintenance, bond counsel liaison, et cetera, parts of
21 which are included at MCL 141.424 and MCL 141.422.
22 The details of the relationship between these
23 various positions and the necessary financial controls to
24 ensure the essential separation of duties are not spelled
25 out in the organizational chart. This is the baseline for

a conversation that will further develop these positions. Conversations with the Township's Auditor and the Township's outgoing Assessor have convinced me that these controls are achievable. As our Auditor explained, financial controls matter more than particular job titles. In addition, the County Treasurer reviewed this organizational chart in a more detailed description of the Division of Budget and Finance Responsibilities, and deemed it a sound administrative plan.

So, I feel like we've already talked about this, at least some of us at some length, so I would like to remind everyone that there's no need to repeat things that have already been said. We sort of got into this topic as we were discussing the prior Agenda Item. So are there Members of the Board of Trustees who would like to speak to this who haven't already spoken to this?

Clerk Flintoft.

CLERK FLINTOFT: I want to make clear to the public and the Board Members that I was not consulted on any of this. So when you talk about working together, I got it Friday. So if there was a deliberation in private in violation of the OMA, then I don't know where you all came to sudden agreement. And I'm very serious about this. This eliminates a Finance Director position. It cuts it out. I have a Finance Director and a Finance

Manager. And so this is a power grab. This is a consolidation. This is not about me Jessica. This is about the checks and balances in the Township.

Now, Jane, Will, anybody who wants to know how to properly write a resolution, even if I disagree with it, you know I will help you do it. I did that with Jack all the time. So I'm happy to talk with you about ideas that I don't agree with.

What I see in this chart is disrespect to the Board. It was one meeting ago we just approved a full-time Deputy Treasurer. You all thank Diane, but do you respect her? Do you respect her? She comes to us with a Township Administrator description. You change it. She comes to us with a Deputy Treasurer description, we adopt it, and now we're saying point five. I am telling you, this is not legal. It is not ethical. No other Township does this and for good reason.

Do we have problems with our finance capacity? Yes. I was the first one to tell all of you that. We need more staff with more skills, and that's the bottom line. This is not the solution. So you can continue to portend to the public that this is going to solve it, but it's not. What this is is a consolidation of power, and it is inappropriate. I have talked to the Auditor, I have talked to our attorney, I have talked to our HR

consultant. Our HR consultant has advised against this because she has worked in normal organizations in the normal world that have proper checks and balances. It doesn't take a rocket scientist to see what's wrong with this.

When Will puts the footnote of, "Well, we'll have to figure out how to make this work," why are we even trying to bend over backwards? It goes back to my motion to table to give the attorney time it investigate what is going on here.

I am not one for drama. I am like Leslie Knope from Parks & Rec. And I believe deeply in local government. But ya'll are way off track here, and this is dangerous and this is not going to stop.

Now, Will has indicated he has a plan to bring back yet a revised Deputy Treasurer description. Maybe you all know about this. Do you all talk about this in secret? I -- I can't figure it out why there's so much silence about these things of such significance.

So I am just disgusted and disappointed, and especially at the lack of regard when Diane Benson brought up Will and I spent, Diane and I spent two hours on Friday mapping it out, and there's no way it's going to work. And I -- Diane says, you know, "Will, hey, think about the impact on staff." Think about my Finance Manager. She's

already working 50 hours a week. I just came to you last week to get some temp help. There is no way even operationally that she will be able to handle it. And you know what I fear? I fear that Will knows that.

So this is -- this is -- this is so far beyond not being a team, and this is so far beyond, you know, following democracy or not. I mean, this is really -- some issues you can decide whatever you want tonight, but I stand by and I am telling you as Clerk I do not believe, I do not grant consent under 41.75a, I refuse to grant consent to the Township Board to direct any employee who does not report to me to carry out those duties delegated by law to me. And under MCL 41, I do not believe the Supervisor may be over Finance. I do not believe the Treasurer may be over Finance. You talk about controls, if we're going to go from two to three people, let's granulate those controls. Let's have better controls. How do you have better controls when you have a Deputy Treasurer and a Budget and Finance Director, somebody doing budgeting, financial reporting, potentially general ledger entries, and cash receipting?

I don't want to be creative here. I want to be like every other Township. That's been our mistake is that we haven't invested and grown in the way every other Township has.

1 So I will stop there, but I'm telling you, this
2 vote is going to do nothing other than you all have
3 decided to go nuclear today. This is dangerous. I
4 believe in it deeply. And this -- this will continue.
5 And why you choose this direction is beyond me.
6 That's all.
7 SUPERVISOR HATHAWAY: This is a discussion item.
8 I just want to remind everyone we're not voting on this
9 this evening. There's no vote. This is just a discussion
10 item.
11 Are there other comments from the Members of the
12 Board of Trustees?
13 Trustee Jerome.
14 TRUSTEE JEROME: Well, I just wish we could get
15 to discussion rather than a debate as to whether or not we
16 hate it or like it, and talk about details with regard to
17 this. That's why it was listed a discussion item. We're
18 not taking a vote on it.
19 I'm here to try to understand all of the
20 reporting structure. I, you know, sit here and I look at
21 it, as I say, my approach is simplistic in some senses,
22 but correct in others in terms of the responsibilities of
23 the Treasurer are, you know, taxes, cash, money in. You
24 know, the Clerk is cash out: payroll, general ledger, et
25 cetera. Those are the issues of the Clerk. And I do feel

strongly that the Supervisor should have the budgeting so that there is this tripod that I discussed earlier. The nuances of this is why we're having it out in front of us, and I wish we could get to a discussion about it rather than saying it's all of the other adjectives that people have used this evening in terms of the intent behind it and really get down to the minutia.

I also want to be very respectful of the fact that we did discuss this a little bit in advance when we were talking about other items, and we do have our consultant here who has patiently waited to try to talk about Project Manager, and I feel horrible about that. But I also want to recognize that there -- we are taking no action this evening with regards to this, I forget what item number this was.

SUPERVISOR HATHAWAY: Two.

TRUSTEE JEROME: Those are my only comments.

SUPERVISOR HATHAWAY: Trustee Knol.

TRUSTEE KNOL: Yeah. Well, I have many concerns here, but as Alec just noted, we have our consultant here, and I would like to hear from Diane Benson her opinions on this. She is our consultant, our HR consultant.

MS. BENSON: I don't have the org chart in front of me. That's one thing I didn't bring.

TRUSTEE VOGEL: I bet a paper copy is going to

be more helpful.

MS. BENSON: Okay, thank you.

SUPERVISOR HATHAWAY: Yeah, it'll be easier to look at.

MS. BENSON: Okay, thanks.

As Jessica said, she and I spoke with Will on Friday and we talked about this org chart. We actually put it on a white board, the concept of it. And at that time I stressed that the Clerk does need a Finance Director reporting to her because -- and I'm not saying the current Finance Director. I want to make that -- a Finance Director who has the analytical skills, the process management skills; everything that you need. I hear over and over again that you don't have the reports that you need, how can you make decisions?

Somebody that's involved in, for example the culvert; that should not have been a surprise. And if it is a surprise, then you need to have a contingency fund that said, "We don't have to take it from the general fund. Hey, we have $500,000 in a contingency fund."

That's why I pressed on we need to have somebody that reports to the Clerk that has very high-level financial skills that can produce reports, can work with what Woodhill has recommended, and frankly that we wouldn't need to hire consultants to provide financial

advice and financial reporting. Work with the utilities director in the future on what the needs are.

I'm fine if we have a Deputy Treasurer-slash-Budget Director. And there is a person that may take that job and that is fine. But to leave -- to move any access to the general ledger, that doesn't belong under that leg.

TRUSTEE JEROME: Tripod.

MS. BENSON: The tripod. Yes, thank you.

So that's -- other things, you know, the Finance Assistant, I really don’t understand what that person would be doing unless they're going, you know, which it's one-third each the -- oh, to Finance, Treasurer, and Budget. Why that would be under that area I don't know. I think we had talked about having it under the Clerk, actually a direct report from the Finance Director to this Finance Assistant. Somebody that can help with bits and pieces through all of them. Yes.

TRUSTEE VOGEL: Will?

TRUSTEE COURTEAU: Will?

SUPERVISOR HATHAWAY: I'm sorry.

TRUSTEE COURTEAU: You have two hands.

SUPERVISOR HATHAWAY: My screen just sort of like changed in front of me.

TRUSTEE VOGEL: It's fine.

SUPERVISOR HATHAWAY: I was like what's going on

1 with my computer?
2 Sorry. Go for it.
3 TRUSTEE VOGEL: So, so -- all right. So again,
4 this is just discussion only. I think it's really
5 important that we separate a few things. It's really --
6 there's three, in my head there's three things. One is I
7 always get nervous when I see org charts because they
8 often kick off lots of conversation and untested
9 assumptions, and we're in the midst of one of those.
10 I think we've got to get really clear about -- I
11 hear what you're saying.
12 MS. BENSON: Uh-huh.
13 TRUSTEE VOGEL: It might be exactly the right
14 thing. We have to get really clear about what, and not
15 paragraphs and paragraphs, in just some bullet points,
16 what are the primary responsibilities so we can begin to
17 really understand I think as -- really begin to understand
18 the various positions. So you get a pre-org chart, almost
19 always gets you in trouble. Let's really figure out a
20 very short list of critical, big picture responsibilities;
21 not that we don’t need all the detail eventually, but
22 let's get the frame of it first. And keep completely
23 divorced from that, completely, what the actual staffing
24 of this thing will be. Because the one really oughtn't
25 inform the other. We ought to get this right. And know

it will evolve, but let's get this right, let's get a baseline, let's get some responsibilities associated with each so we are testing out some assumptions on how each see it, and once we can agree to this baseline, because I really, really support the notion of, I was thinking of a three-legged stool, I could get my head into a tripod, I'll try that shift, either imagery, I like the three. I like the check and balances, I appreciate it's a significant change, but I believe we need to go in that direction. Once we got this, nice baseline, a little clarity, some bullet points, let's go figure out how to staff it.

SUPERVISOR HATHAWAY: I'm sorry. Before we start calling people for a second turn, I want to make sure that everyone, all the Members of the Board of Trustees who haven't yet spoken have a chance.

TRUSTEE COURTEAU: I just wanted to ask a clarifying because I thought that the position that we approved was Deputy Treasurer, half-time Deputy Treasurer, half-time Budget.

UNIDENTIFIED SPEAKER: Uh-uh.

TRUSTEE COURTEAU: And so just, I want to understand this. So it sounds to me like the objection here is including that in Finance in that position?

CLERK FLINTOFT: That's my complete objection.

1 That's all of it.
2 TRUSTEE COURTEAU: So then I guess I'm wondering
3 what do -- can we define in Finance there? Like how does
4 that in Finance --
5 CLERK FLINTOFT: We have debated it --
6 TRUSTEE COURTEAU: -- differ from --
7 CLERK FLINTOFT: -- one on one a lot.
8 TRUSTEE COURTEAU: -- Finance Manager?
9 CLERK FLINTOFT: There's a disagreement.
10 TRUSTEE COURTEAU: I just --
11 CLERK FLINTOFT: Oh, Finance Manager? So if I
12 may?
13 SUPERVISOR HATHAWAY: Sure.
14 CLERK FLINTOFT: Or not. Okay. Sorry, you
15 know, I -- I don't know if you all -- I know you hadn't
16 talked to Rebecca. I don't know -- I mean, I'm just
17 wondering what data you're pulling from here if you
18 haven't talked to me or the Finance Manager. So excuse my
19 frustration at your exasperation.
20 The Finance Manager and Finance Director used to
21 be a Finance Director and an Accountant. Rebecca got a
22 new job with the City of Ann Arbor in May. And she --
23 last May. It was also a period of time where Sandy was
24 out on personal leave.
25 SUPERVISOR HATHAWAY: 2020.

1 CLERK FLINTOFT: 2020.
2 SUPERVISOR HATHAWAY: Right.
3 CLERK FLINTOFT: Thank you.
4 And, and the Board decided, "You know what,
5 Rebecca is outstanding" --
6 TRUSTEE VOGEL: Rebecca got an offer from the
7 City. You said a position. She got an offer from the
8 City.
9 CLERK FLINTOFT: Thank you. Yes, an offer for a
10 position. And so the Board decided to try to keep
11 Rebecca, and part of her conditions were a well-deserved
12 increase because she did a lot of responsibility that
13 wasn't recognized, as well as reporting directly to me
14 instead of reporting to the Finance Director. So I have
15 two people reporting directly to me. That is not the
16 ideal structure. The better structure is a Finance
17 Director with somebody reporting to that person ideally.
18 But right now with the people we have this is the best,
19 you know, organization.
20 So typically the Finance Director does the
21 budget, and that I think works very well because the
22 Finance Director is the one who has all the planning. So
23 I can't imagine this Township ever needing a full-time
24 Budget Director. We're just too small. Most of it's
25 finance. The Finance Director and Finance Manager really

1 function to support the Treasurer and the Clerk and the
2 whole Township. They do everything and they do a
3 wonderful job. And they build in as many checks and
4 balances as they possibly can. We had the permissions in
5 BS&A granulated well and, you know, who handles money and
6 who doesn't.
7 On the whole, Rebecca does cash receipting,
8 which would go to the Deputy Treasurer. My understanding
9 is that is the only responsibility that would come off of
10 Rebecca's plate and go to the new Deputy Treasurer.
11 We have had a discussion about accounts
12 receivable. Statutorily that's neither the Treasurer's or
13 the Clerk's. Donna has a preference that that be the
14 Clerk's, which is fine, but just noting the workload. The
15 grants management, the Clerk's. Fine. But noting the
16 workload and new workload. We need somebody to get their
17 mind around it and get a system in place.
18 We are behind. We haven't had a financial
19 report, a reconciled bank statements are done from -- and
20 this is a reflection of just the two finance people having
21 too much work to do. This has been chronic. Every year
22 at audit time we get behind on financial reports. We
23 never have up-to-date financials. So again what's been
24 happening in the last two years is not new. We're just
25 talking about it. And, and so we are behind on financial

reporting, and so that remains with finance. The bank recs, you know, is really kind of a joint Treasurer, Clerk thing, but mostly --

TREASURER PALMER: I don’t do bank recs.

CLERK FLINTOFT: Yeah.

TREASURER PALMER: That's part of the check and balance, and that's your job.

CLERK FLINTOFT: So those --

TREASURER PALMER: Under your purview.

CLERK FLINTOFT: Yes, absolutely. And then the financial records. So maintaining the general ledger, and it's not just the general ledger, it's all the ledgers. Any report of debt, any report of anything, and I will note the DDA is a fund of the Township, and so there's no reason for the DDA to be pulled out under the Supervisor. And in fact, I would wonder a little bit. I think it's -- I would advise that the Township keep that as a fund and manage the finances the way we do everything else.

So Jacquie, we can sit down and go into the granulated piece. There's a good chart that MTA has about, you know, what goes where, but certainly just on workload alone the Finance Manager would be crushed.

TRUSTEE COURTEAU: Payroll.

CLERK FLINTOFT: So payroll, accounts payable, accounts receivable, grants management, financial

reporting, and the financial reporting, I believe the best financial reporting budget to actuals, actuals however you want to see it, you know, there's awesome reporting we can do. It's not that I don't have an understanding of where we need to go. It's that we don't have the staff collectively with the right skills to get us there.

And so -- so I -- I think that the best person to do the reporting is in finance to bring it forward. Remember, we never had our budget. We had it in BS&A, but it was also in Excel. So you would always see it in Excel. So the budget to actuals, when people were spending through the year, they never hit their cap. They never said, "Hey, you're over; hey, you're over." Now we have the electronic PO module that we did, that we invested in so that people are actually running up against their budget. We are for the first time this year making our budget meaningful in the day-to-day if that makes sense.

And so all of this is just building and growing and staff have been awesome about implementing new things, but it's all new, and it's wonderful. We all want more reporting, but I think all the reporting really belongs in Finance. I think if, again, what I've talked about many times with Will and Donna is, you know, if the full-time Deputy Treasurer has extra time, and Will would like that

Deputy Treasurer to do the budget or capital planning, I think that makes a lot of sense. What I am adamantly opposed to is moving Finance an financial reporting over under the Treasurer or Supervisor.

SUPERVISOR HATHAWAY: Are there other Members of the Board of Trustees who would like to comment on this discussion item?

(No response.)

SUPERVISOR HATHAWAY: Are there further questions for Diane I guess? She's up at the table.

MS. BENSON: Well, I might as well stay here for the --

SUPERVISOR HATHAWAY: Well, I -- I do want to say I've had some productive conversations both with Diane and with the Assessor, our outgoing Assessor on this question. I talked with the Auditor and I've had a lot of input from them. And today I had a very heartfelt conversation with Rebecca, the Finance Manager. And so, you know, I'm continuing to get input, and this is a discussion item. I think the purpose of it tonight was to sort of introduce the idea to give us a framework for discussion, and in particular because there will be a proposal coming forward for the Board to consider that relates to the Deputy Treasurer position, and this organizational chart is meant to sort of provide a

STATE OF MICHIGAN)
COUNTY OF WASHTENAW)ss.

I certify that this transcript is a complete, true, and correct transcript to the best of my ability of the Scio Township Board of Trustees Special Meeting, held Tuesday, August 17, 2021.

I also certify that I am not a relative or employee of the parties involved and have no financial interest in this matter.

DATED: December 18, 2021

Kristen Shankleton

Transcription provided by:
Kristen Shankleton (CER6785)
Modern Court Reporting & Video, L.L.C.

EXHIBIT 3

SCIO TOWNSHIP
WASHTENAW COUNTY, MICHIGAN
RES #2021-31

RESOLUTION ADOPTING JOB DESCRIPTIONS FOR SUPERVISOR, TOWNSHIP ADMINISTRATOR

AUGUST 17, 2021

At a Special Meeting of the Township Board of Scio Township, Washtenaw County, Michigan, held at the Scio Township Hall, 827 N Zeeb Road in said Township, on August 17, 2021 at 4:00 p.m.

Members Present: Hathaway, Palmer, Flintoft, Courteau, Jerome, Knol, Vogel

Members Absent: None

The following preamble and resolution were offered by Vogel and supported by Palmer.

WHEREAS MCL 41.69 requires that the township clerk appoint a deputy clerk who shall serve at the pleasure of the Clerk; MCL 168.29 allows the township clerk to appoint a number of assistants as may be necessary to carry out the general provisions of the election law; MCL 41.77 requires that the township treasurer appoint a deputy treasurer who shall serve at the pleasure of the Treasurer; and MCL 41.61(2) allows the township supervisor to appoint a deputy supervisor who serves at the pleasure of the Supervisor; and

WHEREAS, other than the appointments noted directly above, MCL 41.75a prescribes that township employees shall serve at the pleasure of the township board and shall perform duties lawfully directed by the township board, except those duties that are delegated by law to another township official, unless consent has been granted; and

WHEREAS, the Scio Township Board of Trustees desires to retain responsibility for continuing and creating positions and authorizing appointments or continuation of appointments to positions and specifying and fixing the compensation for positions; and

WHEREAS, the Scio Township Board of Trustees desires to retain responsibility for the hiring and firing of township employees, upon the recommendation of and carried out by direct supervisor, and in accordance with all governing statutes, ordinances, administrative rules, and collective bargaining agreements; and

WHEREAS, MCL 41.2(b) prescribes that a township board may make contracts necessary and convenient to exercising corporate powers, that the Scio Township Board of Trustees desires to retain responsibility for approving all contracts for services, but desires to delegate the coordination and management of major contracts to the Supervisor or the Clerk; and

WHEREAS, MCL 141.424 requires the Supervisor, as Chief Administrative Officer, to make an annual financial report of the Township and deliver it to the Treasurer of the State of Michigan in the form and pursuant to the schedule provided by the Uniform Budgeting and Accounting Act; and

WHEREAS MCL 41.65 requires that the Clerk prepare and maintain the journals and ledgers necessary to reflect the assets, liabilities, fund equities, revenues, and expenditures for each fund of the township; and

WHEREAS, MCL 41.78 requires the Treasurer keep an accurate account of the receipts and expenditures of township money in a book or by electronic means; and

WHEREAS, the Scio Township Board of Trustees does desire to delegate and assign certain administrative duties to represent and carry out employer management rights to the Supervisor, Clerk, Treasurer; and Township Administrator; and

NOW, THEREFORE, BE IT RESOLVED THAT, the Scio Township Board of Trustees adopts the attached job descriptions for the positions of Supervisor and Township Administrator and affirms the responsibilities and authorities assigned in those job descriptions

BE IT FURTHER RESOLVED THAT this resolution shall be effective on the date of adoption; all provisions shall sunset at the conclusion of the first meeting following November 20, 2024; and its implementation shall be formally reviewed by the Board of Trustees at the First Regular Meeting in April of each year, at which time the Supervisor, Clerk, Treasurer, and Township Administrator shall present reports on this resolution's implementation, its benefits, and recommendations for any changes.

ROLL CALL VOTE:

AYES: Hathaway, Palmer, Courteau, Jerome, Vogel
NAYS: Flintoft, Knol
ABSENT: None
ABSTAIN: None

RESOLUTION DECLARED ADOPTED.

Jessica M. Flintoft, Clerk
Scio Township

DATED: August 17, 2021

TOWNSHIP SUPERVISOR

Working Title: Supervisor

Funding: To be determined by the Board of Trustees (BOT)

Salary: Full time, permanent, exempt, $72,000 plus benefits

Reports to: Voters

Supervises:

- Township Administrator (shared authority with BOT)
- Assessor
- Budget & Finance Director (pending authorization of this position)

Work Location: Scio Township Hall

Supervisor Duties Based on Statutory Authority

Meetings: Serve as moderator of any township meeting, deciding questions of order, granting authority to persons to speak at the meeting and making conduct-based interventions. The supervisor should vote on all issues upon which a vote is required unless there is some proper legal reason, approved by the BOT, for abstaining. Set a date and time for special meetings.

Appointments: Nominate individuals to serve on Township boards, commissions and committees and as representatives of the Township to outside boards/committees.

Enforcement: Work with enforcement officer to enforce township ordinances.

Representation: ex officio member of all BOT advisory committees and represent the Township on various outside organizations. Serve on board of elections commission.

Budget: Prepare the annual budget under policies formulated by the township board and state law and work with the clerk and others to keep the BOT advised on financial conditions of the township.

Direct Reports:

Supervise the assessing function including determination of special assessments. Assessor reports to supervisor. Supervisor oversees hiring of assessor and recommends hire for BOT approval.

Supervise the budget function including preparation of the annual budget and any such budget amendments as may be necessary or appropriate throughout the year for BOT approval. Budget & Finance Director reports to supervisor. Supervisor oversees hiring of Budget and Finance Director and recommends hire for BOT approval.

With BOT approval, supervisor may oversee other staff.

Supervisor Duties Based on Authority From BOT/other

Administration: Chief Administrative Officer for Township participating in regular management meetings. Chief Executive Officer (CEO) and a voting member of the Downtown Development Authority (DDA) Board, Chair of the Township's BOT's Budget and Finance Committee serve on the board and operating committee of Loch Alpine Sanitary Authority (LASA), facilitate communication with and between the various Township advisory boards and commissions.... Participate in contract negotiation/oversight: GFL, Fire, Ann Arbor Water & Sewer, consultants.... Supervise the Township Administrator (together with the BOT) in carrying out such functions as are delegated to them.

Financial Reporting and Audit Function: As *Chief Administrative Officer* per the Uniform Budget and Accounting Act, the supervisor is responsible for preparation of the Township's annual financial report to the state which, by statute, must be audited. Supervisor will oversee the audit and selection of the auditor and make recommendations for hiring the same for BOT approval.

Human Resources: Help guide hiring processes including recruiting, interviewing, and assessment of candidates for senior staff and other positions at the discretion of the supervisor. Help formulate policy for performance review and other human resource programs, serve on HR committee if such committee exists.

Township Growth: Supervise planning and development processes such as Land Use Master Plan, PUD negotiations, facilitate communications between various parties in development projects, supervise public improvements of the township, including capital improvements, Township-led SAD projects, sustainability initiatives, and collaboration with partner organizations

Legal: Serve as the Township's designated point of contact for transacting legal business, implement administrative actions such as land divisions, help represent BOT in the Gelman effort.

Meeting Agenda: Collect and create agenda items in collaboration with the BOT and citizens, and approve a proposed agenda for incorporation with the meeting packets so that the Clerk may distribute to the BOT and public in a manner consistent with any Rules of Order that may be adopted by the BOT.

Legislation: Act as chief legislator, bringing recommendations for consideration by the BOT, seeking legislative actions by other bodies on behalf of the Township.

Conflict Resolution: Receive and respond to complaints to the Township and/or requests for action by the Township. Mediate disagreement between interests.

Communications: Serve as the primary spokesperson for the Township, write communications on behalf of Township, review and approve for publication general communications, such as newsletter.

TOWNSHIP ADMINISTRATOR

Working Title: Director of Operations

Funding: To be determined by the Board of Trustees

Salary: Full time, permanent, exempt, $80,000-110,000 plus benefits

Reports to: The Board of Trustees (including Clerk, Treasurer and Supervisor)

Supervises:

- Office Coordinator
- **Human Resources Generalist**
- Director of Utilities
- Fire Chief
- **Project Manager**
- Consulting Contracts (Public Safety, Engineering, Planning, Information Technology)
- Other positions as assigned

Work Location: Scio Township Hall

Position Summary

The Township Administrator is responsible for the day to day running of the Township's operations including providing effective methods in its business operations. The incumbent will develop, interpret, and implement Township policies and procedures and ensure compliance with these policies, as well as statutes and ordinances. Decisions made by the Township Administrator will directly impact the effective functioning of the Township's services. The incumbent will work to improve the operational systems and processes to support the Township's mission by developing reports, communication strategies and organizational planning. The Township Administrator is responsible for the various areas of operations but may not necessarily be performing individual tasks and may delegate as needed.

Responsibilities

<u>Administration</u>

- Plan, monitor, evaluate and supervise the Township's administrative services and information management across all areas of the Township including but not limited to

Fire, Utilities, General Government, Planning and Zoning, Parks and Pathways, Open Space, and all other initiatives of the Township

- Effectively administer all reporting departments and associated personnel including the ability to recruit, provide professional development and manage performance
- Track implementation of all Board of Trustees approved actions
- Organize and chair management meetings (currently bi-weekly)
- Research and develop best practices of business processes, work flows and cross-functional work teams to meet the needs of the various areas of the Township

Finance

- Assist the Supervisor in preparing and administering the annual budget **and related financial reports** under policies formulated by the Board and state law
- Act as the purchasing agent for the township
- Collaborate with others in the township to guide compliance with bidding procedures and conduct all sales of personal property which the township board may authorize to be sold

Contract Management

- Coordinate and administer township contract negotiations, applications to the township such as zoning applications, industrial tax, farmland agreements, and all others that may come to the township
- Continually study and provide input to the Board of Trustees as to the best way to leverage in-house staff vs the use of outside consulting resources
- Ascertain that all terms and conditions imposed in favor of the Township or its inhabitants in any public utility franchise or in any contract are faithfully kept and performed
- Monitor relationships with outside consultants to ensure effective communication and best practices to make judicious use of the Township's resources
- Prepare, review, and execute contracts and subcontracts for authorized disbursements for services rendered; prepare and process all necessary documents for fiscal payments to vendors and provide fiscal budgetary controls

Information Technology and Data Management

- Serve as the Township's Chief Information Officer to develop and manage the ability to collect and share usable information to increase efficiency and extend open data to the public

- Manage and/or administer the design and development of data structures and data extracts to support comprehensive data collection, loading, and extraction for complex analyses
- Collaborate with others to develop the Township's use of Geographic Information Systems (GIS) across Utilities, Parks and Pathways, Assessing, Open Space and Protected Natural Areas

Management of Projects

- Serve as the overall Project Manager for the Township including development of project management best practices and processes to ensure alignment with the priorities and outcomes
- Participate in strategy development with Township officials
- Responsible for assembling project team, assigning individual responsibilities, identifying appropriate resources such as additional support staff as needed
- Create a budget, if needed, for approval
- Develop a schedule to ensure timely completion of the project
- Produce reports on status updates including goals met and actions deferred
- Following completion of project and implementation provide a final report including reflecting on what worked and what did not work to ensure success in future endeavors

Human Resources

- Serve as the personnel director for all township employees, included bargained-for employees
- Direct all human resource functions such as recruitment, hiring, performance review, professional development, compensation best practices and employee relations
- Participate in contract negotiations for bargained-for staff and maintain relationships with union representatives
- Serve as the Township Training Officer to provide access to required and recommended training

Facilities Management

- Responsible for the preservation and maintenance of township property, tools, and equipment
- Manage assignment of office and workspace
- Participates in construction and renovation projects as needed
- Administer requests for phone, cell, internet, and access to buildings
- Coordinate disposition of property

Township Meetings Coordination

- Attend all meetings of the Township Board of Trustees with the right to take part in discussions but without the right to vote
- Assist the Supervisor with agenda preparation including assembling components, tracking the queue of potential agenda items and inclusion of status updates
- Partner with Clerk and Supervisor to manage Board of Trustees meetings logistics including room preparation, technical needs, and taking minutes or assigning the responsibility to others

Responsibilities and reporting relationships may be modified based on the needs of the Township of Scio

Qualifications

A bachelor's degree in public administration, business administration/operations or associated area or equivalent is required

A master's degree or graduate studies in Data Sciences, Urban or Regional Planning, Public Administration, Public Policy, Public Health or related field is preferred

Five to seven years of administrative/professional work with preference for experience in government/public administration

Understanding of the principles finance, budgeting, and purchasing

Demonstrated effective verbal and written communication skills including public presentations

Ability to lead an organization and interact with tact and diplomacy

Proven capacity to manage various aspects of a complex organization

Five to seven years' experience supervising, mentoring and professionally developing a variety of staff

Ability to work proactively in an organization both independently and interactively as part of a team

Strong organizational skills with competency and experience using technical and administrative tools including Microsoft Office Suite and project management software to effectively manage an operation's business practices

Desired software expertise includes Geographic Information Systems (GIS) and BS&A

CERTIFICATE

I, Jessica Flintoft, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board of Scio Township, County of Washtenaw, State of Michigan, at a Special Meeting held on AUGUST 17, 2021 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Jessica M. Flintoft, Clerk
Scio Township

DATED: September 15, 2021

EXHIBIT 4

The video recording of the 8/17/21 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

SCIO TOWNSHIP BOARD OF TRUSTEES

Special Meeting
August 17, 2021
4:00 PM

Held in Township Hall with remote participation pursuant to MCL 15.263a Sec. 3(a)(1)(b)

MINUTES
As approved on December 28, 2021

A. CALL TO ORDER

Hathaway called the meeting to order at 4:03pm. Hathaway announced the public could speak only once on each item.

B. ROLL CALL

Present: Hathaway, Palmer, Flintoft, Courteau, Jerome (arrived at 4:10pm during C. Adoption of Agenda and left at 7:20pm after F1.), Knol (joined virtually), Vogel.
Absent: None.

Also present: Jim Fink, Township Attorney, participating in Items F1 and F2.

C. ADOPTION OF AGENDA

Knol said that Item F1. *Supervisor and Township Administrator Authority, Supervisor Compensation* is really three separate items and should be split on agenda as such.
Motion by Knol, support by Flintoft, to split Item F1. Supervisor and Township Administrator Authority, Supervisor Compensation into three agenda items.
YES: Flintoft, Knol.
NO: Hathaway, Palmer, Courteau, Vogel.
ABSENT: Jerome.
MOTION FAILED 2-4.

Motion by Vogel, support by Palmer, to adopt the agenda as presented.
YES: Hathaway, Palmer, Flintoft, Courteau, Jerome, Knol, Vogel.
NO: None.
ABSENT: None.
MOTION PASSED 7-0.

D. PUBLIC COMMENT

Mary Gillis (in person), Resident and Deputy Clerk/Newsletter Editor, spoke about importance of integrity in communications, and her concern for overreach of the Supervisor for political purposes in proposing he have sole final approval of Newsletter, which has always been a publication of the Board.

Diane Benson (in person), Resident and Human Resources Consultant, underscored the importance of adopting Rules of Order as priority for this Board, citing the contentious agenda items today, and the additional challenges posed by not having Rules in place.

Michele Cody (remotely) said she is shocked by the proposal by Supervisor to change the Township governance to empower one individual over the objections of the Board of Trustees and citizens. Cody said corruption is back in another form; opposes salary increase and bypass of Board passage of Compensation Commission; opposes change of organizational structure; says she is appalled.

Peter Davis (remotely) said he's concerned about the manipulation of the agenda: starting at 4pm during working hours; agenda and packet posted Friday 13th during power outage. Davis is totally opposed by Supervisor's proposal which is an inexcusable power grab, and said citizens need to rise up.

Dee Dishon (remotely) said she hadn't been to Board meeting since pandemic, and is grateful to be able to join safely by Zoom, and understands there were attempts to eliminate this option for public in effort to reduce public comment: this is unacceptable. Dishon referred to the main justification for Supervisor raise is Supervisor is working 60-70 hours in a part time job; suggested this can indicate a poor use of time, not getting more work done.

Kathleen Brandt (remotely) shared she conducted an audit of public comment rules and language for prior Board meetings. Brandt said language has changed in at least 15 meetings, including huge changes, correcting the record.

David Read (remotely) said proposed Supervisor job description is not appropriate for current Supervisor. Read listed actions the Board had taken to limit public comment, ignore public input, and disrespect fellow members. Read said these are not the people he ran with, and they are not moving Scio forward. Announced that he and Pat Stein have formed a Committee to Recall Hathaway, Jerome, and Vogel.

Pat Stein (remotely) reminded Supervisor of duty to serve the residents of Township who elected him; that these residents are the public whose comments he doesn't want to listen to, doesn't want video recorded, doesn't want included in meeting minutes. Stein said these are the very public who at last meeting waited 3 ½ hours and then were left in the dark for another 1 ½ hours while Board went into Closed Session before calling Public Comment. This behavior is why she has joined Read in recall efforts of Hathaway, and of Jerome and Vogel who willingly join in ill-treatment of fellow Board members.

Jillian Kerry (remotely) urged Board members to review first Governance Academy session presented so well by Jim Fink regarding General Law Township powers and duties. Kerry contrasted Charter and General Law Township duties of Supervisor. Kerry asked Board members to ask themselves if they want to give up their power to the Supervisor.

Kim Phillips-Knope (remotely) said she is deeply concerned about level of authority proposed to give to Supervisor for few reasons: Hathaway has demonstrated he is willing to put Township in legal jeopardy; has not reported accurately back to Board; has not been truthful in remarks he's made in Board meetings on which Board then bases decisions. Phillips-Knope said she finds it laughable that the Supervisor has proposed Conflict Resolution in job description because of her experience trying to resolve community conflict caused by Supervisor.

E. CONSENT AGENDA

There were no items.

F. UNFINISHED BUSINESS

F1. Supervisor and Township Administrator Authority, Supervisor Compensation

Hathaway provided an in-depth introduction to the issue.

Flintoft said she would like attorney's advice prior to discussing or acting on the proposed job descriptions for supervisor and township administrator.

Flintoft moved to table Item F1 the resolution adopting job descriptions for supervisor and township administrator, until Township Employment Attorney Bill Thacker and Township Attorney Jim Fink can confer and advise the Board of Trustees on the question of what liability has been created for the Township—in light of fact that after this agenda and packet were posted, the Board of Trustees received on Saturday two deeply troubling communications—both from an individual unaffiliated with the Township who claims to be lobbying the Board of Trustees on behalf of two officers and one staff person to change the organizational reporting structure that has forever provided the Township with the most fundamental checks and balances over public monies, and who is promoting changes that are eerily in line with what the Supervisor has proposed here today. We the Board have a duty to first ask our Attorney to investigate if any improper use of influence, conflicts of interest, or mutually beneficial dealings have been part of what brings this item to our Board table.

Knol supported the motion.

Hathaway reminded the Board that on a motion to table there is no discussion, and called the question.

YES: Flintoft, Knol.
NO: Hathaway, Palmer, Courteau, Jerome, Vogel.
ABSENT: None.
MOTION FAILED 2-5.

Knol referenced the proposed changes to the job descriptions regarding potential conflict with Clerk's statutory duties related to finance, and is still awaiting a written opinion from our Township Attorney. Knol believes it is likely not legal to move these duties from Clerk. Knol urged Board to get an Attorney opinion prior to moving forward today.

The Clerk spoke at length to register her legal, ethical, and operational reasons for her lack of consent for and objection to the language added to the Township Administrator job description, and provisions in the newly proposed Supervisor job description.

Jim Fink provided answers to questions of Board members.

Board members had a wide ranging discussion.

The Supervisor announced the Board would recess briefly at 5:35pm.

The Board returned from recess at 5:40pm.

Board members continued discussion.

Motion by Vogel, support by Palmer, to approve the resolution adopting job descriptions for Supervisor and Township Administrator, as presented.
Board members registered support as well as objections.

Sandy Egeler, Finance Director, said she supports moving forward with the changes proposed today.

David Read said Township requires more staff; concerned about devious nature of this proposal's development.

Kathleen Brandt cited MCL41.95 and reminded Board that Scio Township enacted Ordinance to establish a Compensation Commission. Brandt referenced an MTA publication that says that Board may not set officer salaries after Compensation Commission. Brandt said if this goes forward residents will take legal action to correct this.

Alice Owings objected to the deliberate attempt to miscast the emails she sent. Owings said she's been awaiting implementation of May 11th, and has been volunteering her time to prepare a newly structured finance reporting chart and openly asked Township Attorney to weigh in. Owings engaged County Treasurer Cathleen McClary who has expressed support chart, the plans, and financial structure.

Rob Pattinson said its been exhausting to watch this Board, and that today's meeting has been heartbreaking to watch. Pattinson urged the Board to figure out how to work together.

YES: Hathaway, Palmer, Courteau, Jerome, Vogel.
NO: Flintoft, Knol.
ABSENT: None.
MOTION PASSED 5-2.

Motion by Vogel, support by Palmer, to adopt the resolution establishing salary of the supervisor, as presented.
Vogel said there is significant unfairness because Supervisor salary has been budgeted, and asked that Board investigate what's legally possible to retroactively pay the Supervisor.

Knol asked Township Attorney if a Compensation Commission has been established that it isn't within purview of Township Board to raise the salary, that that should be done by Commission, asked Township Attorney who replied that that upon a quick review does not appear to be correct.
YES: Hathaway, Palmer, Courteau, Jerome, Vogel.
NO: Flintoft, Knol.
ABSENT: None.
MOTION PASSED 5-2.

F2. Scio Township Organizational Chart with Township Administrator

Board members discussed the Supervisor's proposed organizational chart reflecting: eliminating Finance Director who reports to Clerk; creating a position of Budget and Finance Director reporting jointly to the Supervisor and Treasurer; creating an unnamed position subordinate to the Budget and Finance Director; and not reflecting the newly established Deputy Treasurer position.

Diane Benson, Human Resources Consultant, provided her advice to the Board on proposed positions and reorganization.

F3. Project Manager Job Description

Diane Benson, Human Resources Consultant, provided overview of proposed Project Manager job description. Board discussed, and all shared support for description, asking it be brought back for action.

G. PUBLIC COMMENT

Michele Cody said she wants the Board to follow up on the legal implications of the proposals that the Clerk so adroitly brought up. Cody said she is very disappointed because there seems to be little solid footing for some of these issues.

Rob Pattinson asked Supervisor Hathaway to explain why he chose not to follow the Human Resources Consultant's advice related to organizational structure and positions related to finance.

H. ADJOURNMENT

Motion by Vogel, support by Courteau, to adjourn.
YES: Hathaway, Palmer, Flintoft, Courteau, Jerome, Knol, Vogel.
NO: None.
ABSENT: None.
MOTION PASSED 7-0.

Meeting adjourned at 7:35pm.

EXHIBIT 5

SCIO TOWNSHIP
WASHTENAW COUNTY, MICHIGAN
RES #2022-05

RESOLUTION UPDATING THE TOWNSHIP ADMINISTRATOR JOB DESCRIPTION AND AUTHORITY AND DESIGNATING FOIA COORDINATOR

At a Regular Meeting of the Township Board of Scio Township, Washtenaw County, Michigan, held on the February 22, 2022 at 7:00 p.m.

Members Present: Hathaway, Palmer, Flintoft, Courteau, Jerome, Knol, Vogel

Members Absent: None

The following preamble and resolution were offered by Hathaway and supported by Palmer.

WHEREAS MCL 41.69 requires that the township clerk appoint a deputy clerk who shall serve at the pleasure of the Clerk; MCL 168.29 allows the township clerk to appoint a number of assistants as may be necessary to carry out the general provisions of the election law; MCL 41.77 requires that the township treasurer appoint a deputy treasurer who shall serve at the pleasure of the Treasurer; and MCL 41.61(2) allows the township supervisor to appoint a deputy supervisor who serves at the pleasure of the Supervisor; and

WHEREAS, other than the appointments noted directly above, MCL 41.75a prescribes that township employees shall serve at the pleasure of the township board and shall perform duties lawfully directed by the township board, except those duties that are delegated by law to another township official, unless consent has been granted; and

WHEREAS, the Scio Township Board of Trustees desires to retain responsibility for continuing and creating positions and authorizing appointments or continuation of appointments to positions and specifying and fixing the compensation for positions; and

WHEREAS, the Scio Township Board of Trustees desires to retain responsibility for the hiring and firing of township employees, upon the recommendation of and carried out by direct supervisor, and in accordance with all governing statutes, ordinances, administrative rules, and collective bargaining agreements; and

WHEREAS, MCL 41.2(b) prescribes that a township board may make contracts necessary and convenient to exercising corporate powers, that the Scio Township Board of Trustees desires to retain responsibility for approving all contracts for services, but desires to delegate the coordination and management of major contracts to the Township Administrator; and

WHEREAS, MCL 141.424 requires the Supervisor, as Chief Administrative Officer, to make an annual financial report of the Township and deliver it to the Treasurer of the State of Michigan in the form and pursuant to the schedule provided by the Uniform Budgeting and Accounting Act; and

WHEREAS MCL 41.65 requires that the Clerk prepare and maintain the journals and ledgers necessary to reflect the assets, liabilities, fund equities, revenues, and expenditures for each fund of the township; and

WHEREAS, MCL 41.78 requires the Treasurer keep an accurate account of the receipts and expenditures of township money in a book or by electronic means; and

WHEREAS, the Scio Township Board of Trustees does desire to delegate and assign certain administrative duties to represent and carry out employer management rights to the Supervisor, Clerk, Treasurer; and Township Administrator; and

WHEREAS, the Michigan Freedom of Information Act, Public Act 442 of 1976, MCL 15.231, et seq., provides for public access to certain public records of public bodies and prescribes the powers and duties of certain public officers and public bodies; and

WHEREAS, section 6 of the Act requires that a township shall designate an individual as the public body's Freedom of Information Act Coordinator, who shall be responsible for accepting and processing requests for the township's public records, and for approving a denial under section 5 of the Act;

NOW, THEREFORE, BE IT RESOLVED that on February 22, 2022, the Scio Township Board designates the Township Administrator to serve as the Township FOIA Coordinator, and that he may designate other Township staff to act on his behalf to accept and process written requests for the Township's public records and approve denials

BE IT FURTHER RESOLVED that the Public Summary of FOIA Procedures and Guidelines and related documents shall be updated to reflect the redesignation of Township FOIA Coordinator

BE IT FURTHER RESOLVED THAT, the Scio Township Board of Trustees adopts the attached job description for the position of Township Administrator and affirms the responsibilities and authorities assigned in that job description

BE IT FURTHER RESOLVED THAT this resolution updates the Township Administrator's job description and authority from Resolution #2021-31 adopted August 17, 2021, and supersedes Resolution #2021-19 adopted June 8, 2021, by appointing the Township Administrator as FOIA Coordinator and modifies #2021-18 adopted June 8, 2021, to reflect that change

BE IT FURTHER RESOLVED THAT this resolution shall be effective on the date of adoption; all provisions shall sunset at the conclusion of the first meeting following November 20, 2024.

ROLL CALL VOTE:

AYES: Hathaway, Palmer, Courteau, Jerome, Vogel
NAYS: Flintoft, Knol
ABSENT: None
ABSTAIN: None

RESOLUTION DECLARED ADOPTED.

Jessica M. Flintoft, Clerk
Scio Township

DATED: February 22, 2022

CERTIFICATE

I, Jessica M. Flintoft, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board of Scio Township, County of Washtenaw, State of Michigan, at a Regular Meeting held on February 22, 2022, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Jessica M. Flintoft, Clerk
Scio Township

DATED: 2/23/22

TOWNSHIP ADMINISTRATOR

Working Title: Director of Operations

Funding: To be determined by the Board of Trustees

Salary: Full time, permanent, exempt, $80,000-110,000 plus benefits

Reports to: The Board of Trustees (including Clerk, Treasurer and Supervisor)

Supervises:

Consulting contracts (including Public Safety, Engineering, Planning, Information Technology). All Township employees other than the deputy clerk, deputy treasurer, and deputy supervisor report upward to the Township Administrator.

Work Location: Scio Township Hall

Position Summary

The Township Administrator is responsible for the day to day running of the Township's operations including providing effective methods in its business operations. The incumbent will develop, interpret, and implement Township policies and procedures and ensure compliance with these policies, as well as statutes and ordinances. Decisions made by the Township Administrator will directly impact the effective functioning of the Township's services. The incumbent will work to improve the operational systems and processes to support the Township's mission by developing reports, communication strategies and organizational planning. The Township Administrator is responsible for the various areas of operations but may not necessarily be performing individual tasks and may delegate as needed.

Responsibilities

<u>Administration</u>

- Plan, monitor, evaluate and supervise the Township's administrative services and information management across all areas of the Township including but not limited to Fire, Utilities, General Government, Planning and Zoning, Parks and Pathways, Open Space, and all other initiatives of the Township
- Effectively administer all departments and associated personnel including the ability to recruit, provide professional development and manage performance

- Track implementation of all Board of Trustees approved actions
- Organize and chair management meetings (currently bi-weekly)
- **Organize and chair Budget & Finance Committee meetings (currently monthly)**
- **Serve as Township FOIA Coordinator**
- Research and develop best practices of business processes, work flows and cross-functional work teams to meet the needs of the various areas of the Township

Finance

- Assist the Supervisor in preparing and administering the annual budget and related financial reports under policies formulated by the Board and state law
- **Oversee and prioritize the allocation of Finance staff work time to accomplish tasks**
- **Hold ultimate authority over BS&A administration and accessibility**
- Act as the purchasing agent for the township
- Collaborate with others in the township to guide compliance with bidding procedures and conduct all sales of personal property which the township board may authorize to be sold

Contract Management

- Coordinate and administer township contract negotiations, applications to the township such as zoning applications, industrial tax, farmland agreements, and all others that may come to the township
- Continually study and provide input to the Board of Trustees as to the best way to leverage in-house staff vs the use of outside consulting resources
- Ascertain that all terms and conditions imposed in favor of the Township or its inhabitants in any public utility franchise or in any contract are faithfully kept and performed
- Monitor relationships with outside consultants to ensure effective communication and best practices to make judicious use of the Township's resources
- Prepare, review, and execute contracts and subcontracts for authorized disbursements for services rendered; prepare and process all necessary documents for fiscal payments to vendors and provide fiscal budgetary controls

Information Technology and Data Management

- Serve as the Township's Chief Information Officer to develop and manage the ability to collect and share usable information to increase efficiency and extend open data to the public

- **Hold ultimate authority over administration of all software including assignment of access**
- Manage and/or administer the design and development of data structures and data extracts to support comprehensive data collection, loading, and extraction for complex analyses
- Collaborate with others to develop the Township's use of Geographic Information Systems (GIS) across Utilities, Parks and Pathways, Assessing, Open Space and Protected Natural Areas

Management of Projects

- Serve as the overall Project Manager for the Township including development of project management best practices and processes to ensure alignment with the priorities and outcomes
- Participate in strategy development with Township officials
- Responsible for assembling project team, assigning individual responsibilities, identifying appropriate resources such as additional support staff as needed
- Create a budget, if needed, for approval
- Develop a schedule to ensure timely completion of the project
- Produce reports on status updates including goals met and actions deferred
- Following completion of project and implementation provide a final report including reflecting on what worked and what did not work to ensure success in future endeavors

Human Resources

- Serve as the personnel director for all township employees, included bargained-for employees
- Direct all human resource functions such as recruitment, hiring, performance review, professional development, compensation best practices and employee relations
- Participate in contract negotiations for bargained-for staff and maintain relationships with union representatives
- Serve as the Township Training Officer to provide access to required and recommended training

Facilities Management

- Responsible for the preservation and maintenance of township property, tools, and equipment
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- Participates in construction and renovation projects as needed
- Administer requests for phone, cell, internet, and access to buildings

- Coordinate disposition of property

Township Meetings Coordination

- Attend all meetings of the Township Board of Trustees with the right to take part in discussions but without the right to vote
- Assist the Supervisor with agenda preparation including assembling components, tracking the queue of potential agenda items and inclusion of status updates
- Partner with Clerk and Supervisor to manage Board of Trustees meetings logistics including room preparation, technical needs, and taking minutes or assigning the responsibility to others

Responsibilities and reporting relationships may be modified based on the needs of the Township of Scio

Qualifications

A bachelor's degree in public administration, business administration/operations or associated area or equivalent is required

A master's degree or graduate studies in Data Sciences, Urban or Regional Planning, Public Administration, Public Policy, Public Health or related field is preferred

Five to seven years of administrative/professional work with preference for experience in government/public administration

Understanding of the principles finance, budgeting, and purchasing

Demonstrated effective verbal and written communication skills including public presentations

Ability to lead an organization and interact with tact and diplomacy

Proven capacity to manage various aspects of a complex organization

Five to seven years' experience supervising, mentoring and professionally developing a variety of staff

Ability to work proactively in an organization both independently and interactively as part of a team

Strong organizational skills with competency and experience using technical and administrative tools including Microsoft Office Suite and project management software to effectively manage an operation's business practices

Desired software expertise includes Geographic Information Systems (GIS) and BS&A

EXHIBIT 6

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

SCIO TOWNSHIP BOARD OF TRUSTEES
Regular Meeting
February 22, 2022
7:00 PM
Meeting Hall with remote participation

MINUTES
As Approved March 8, 2022
Amendments in blackline

A. CALL TO ORDER

B. ROLL CALL

Hathaway called the meeting to order at 7:03pm.
Present: Hathaway, Palmer, Flintoft, Courteau, Jerome, Knol, Vogel (left meeting during Item J2.)
Absent: None.

C. ADOPTION OF AGENDA

Motion by Hathaway to remove *D1. Approval of Minutes of Regular Meeting of September 14, 2021* because the item is unnecessary, to move *J2. Appointment of New Trustee member to the Scio Township Board of Trustees* to directly follow F. PUBLIC COMMENT, and to add an item under CONSENT AGENDA as *H6. Amendment to Moore Conservation Easement on North Delhi Road* as emailed to the Board earlier in the day.

Due to late arrival of H6. Amendment to Moore Conservation Easement on North Delhi Road, Knol asked that it be moved off CONSENT AGENDA. ~~Hathaway concurred.~~

Knol raised the concern that the Supervisor had removed the option for Public Comment on each Possible Action item for tonight's meeting, referring to text appearing on AGENDA G. PUBLIC COMMENT "This is the time for members of the public to speak for up to 3 minutes on any matter on the agenda for this meeting. There is another opportunity for general public comment at the conclusion of the meeting." Knol discussed the lack of published Board rules in relation to the provisions of the Open Meetings Act, of prior Board practice.

Motion by Knol, support by Flintoft, to call for public comment during the Board's hearing of possible action items during the Scio Township Board meeting of February 22, 2022, and for a roll call vote.

Hathaway asked that the Township Attorney Michael Homier respond to Knol because Hathaway had consulted with Homier prior to changing the text under G. PUBLIC COMMENT on the Proposed Agenda.

Homier, Knol, and Hathaway engaged in a discussion of the facts, and different perspectives on if the practice or rule should be changed at this time or in this manner.

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

Palmer noted that the Rules of Order deliberation would soon resolve this question, and suggested proceeding with tonight's meeting with current practice, and not make at change at this juncture.

The Board discussed the issue. Members of the public interrupted the Board discussion with protest of the Supervisor's proposed change.

Vogel suggested the Board proceed tonight with current practice, noting the amount of time the Board had already spent on this discussion.

Hathaway suggested dispensing with voting on question, and to proceed with the current practice. Flintoft and Knol insisted on a roll call vote on the seconded motion on table.

YES: Palmer, Flintoft, Courteau, Jerome, Knol, Vogel.
NO: Hathaway.
ABSTAIN: None.
ABSENT: None.
MOTION PASSED 6-1.

Flintoft introduced amendment to remove Agenda Item *J4. Rules of Order for the Board of Trustees* from agenda. Flintoft said that the Board was confronting a 'lame duck' situation with tonight being both Trustee Vogel's last Board meeting and the night the Board plans to appoint a new Trustee.

Motion by Flintoft, support by Knol, that because the Board has already accepted the resignation of Trustee Vogel effective February 28th and she will not be bound by these Rules; and whereas the Board is planning tonight to appoint a Trustee effective March 1st who will be bound by these Rules; Therefore be in resolved, that the Board should consider these Rules of Order when the Board members that will be bound by these Rules are present to deliberate on them, at the next Regular Meeting of March 8th.

Knol said this second draft of Rules of Order was premature to put on agenda. Palmer suggested moving forward with Rules deliberation tonight. Vogel said she supported deliberation on Rules with proposed modifications made by Administrator and Attorney because it had not seemed to her that Clerk and Supervisor would resolve differences.

YES: Flintoft, Knol.
NO: Hathaway, Palmer, Courteau, Jerome, Vogel.
ABSTAIN: None.
ABSENT: None.
MOTION FAILED 2-5.

Motion by Hathaway, support by Courteau, to remove *D1. Approval of Minutes of Regular Meeting of September 14, 2021* because the item is unnecessary, to move *J2. Appointment of New Trustee member to the Scio Township Board of Trustees* to directly follow F. PUBLIC COMMENT, and to add an item under NEW BUSINESS as *H6. Amendment to Moore Conservation Easement on North Delhi Road* as emailed to the Board earlier in the day.

MOTION PASSED by voice vote.

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

D. APPROVAL OF MINUTES

D.2 Approval of Minutes of Regular Meeting of February 8, 2022

Vogel offered two corrections to her comments under J1 and J2.

Motion by Flintoft, support by Palmer, to approve the February 8, 2022 Draft Minutes as amended and to include a banner atop the minutes "The video recording of 02/08/2022 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy."

MOTION PASSED by voice vote with Courteau and Vogel voting No.

D.3 Approval of Minutes of Special Meeting of February 15, 2022

Motion by Flintoft, support by Knol, to approve the February 15, 2022 Draft Minutes as presented and to include a banner atop the minutes "The video recording of 02/15/2022 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy."

MOTION PASSED by voice vote with Vogel voting No.

E. COMMUNICATIONS to the BOARD OF TRUSTEES

E.1 Information Correspondence Received

Flintoft noted the correspondence published, and noted that since publication the Board had received 10 additional letters of support for Trustee candidate Jillian Kerry.

F. PUBLIC COMMENT

Rusty Towers expressed concern over proposed limitations to discussion by the public and by Board members in the proposed Rules of Order.

Caroline Altomare stated her support for trustee candidate Jillian Kerry; expressed concerns over the transfer of responsibility for FOIA from the Clerk to the Administrator.

Ian Hubert stated his lack of understanding over the effort to limit the input of the public in Board deliberations as proposed in Rules of Order.

Kathleen Brant stated that the software recently purchased is the property of Township and should not reside on Supervisor's private computer; complained that Board is not following purchasing policy.

Pam Boyd read from the State Constitution, the Pledge of Allegiance, and the Board members' oath of office.

Pat Stein stated that the power of the Supervisor is not that of a king or powerful executive and demanded that public support for Jillian Kerry convince Board to offer her the open trustee position.

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

Leigh Ann Phillips-Knope asked what the purpose is of changing the FOIA process and of limiting public comment; asked the Board to appoint Jillian Kerry.

Abby Vakilian said that FOIA should remain with the Clerk because she is elected; complained of a meeting cancelled by the Clerk and the Supervisor. Vakilian claimed that the some people oppose the Clerk on moral grounds.

Steve Feinberg stated he was galvanized into public comment by the GFL issue and the lack of transparency; and asked for a roll call vote on the trustee appointment.

Melinda Kerr, resident of Waterloo Township, asked for an amendment to a conservation easement agreement entered into by her parents with Scio Township.

Jillian Kerry expressed support for saying Pledge of Allegiance at the beginning of the Board meetings; recounted that Vogel suggested dipping into the General Fund at a recent TAP meeting.

Jeff Grover characterized the attacks on the Clerk as inconsistent with Christian value of love, that the Clerk has conducted self with honor, and asked Board to come together.

Marty Mayo wondered about the feelings of a silent majority of residents, and asked Clerk to offer a count of the written correspondence received in support of each trustee candidate

Flintoft shared that the Board had received 1 letter of support for Bob Walsh; 6 letters for Patrick McLaughlin; and 60 letters for Jillian Kerry.

Paula Globerson recalled the public being able to question the Board during public comment under Supervisor Tickle, and called the removal of FOIA from the Clerk suspicious.

Gil Crisman endorsed the candidacy of Jillian Kerry because she exemplifies honest and transparent communication.

Roger Rayle emphasized the importance of the Board representing all of the township, and stated that Jillian Kerry represents the voice of the people.

Barry Lonik reported on the closing of the Andres Trust property (formerly Aprill Farm), and noted that the property had been conserved for agricultural use at a cost of 29% of its value to the Township.

Peter Davis asked the Supervisor to appoint Jillian Kerry to the open trustee seat in honor of Hathaway's father who was a former law colleague of Davis's.

Heather Berkovitz condemned the process of choosing a new trustee as unfair and biased and complained of lack of diversity on the Board.

Rob Pattinson characterized the opportunity to invite Jillian Kerry onto the Board of Trustees as a chance to move into a new era of honesty, integrity, and listening; called the removal of FOIA from the record keeper a mistake.

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

David Read referred to the history of the Rules of Order discussion and noted that the conditions agreed to by the Board for bringing the issue back have not been met; objected to proposed time limits on meetings, limitations on Board discussion, and limits on public comment.

Jonathan Greenberg said he finds the agenda disheartening in its attempts to limit discussion and debate.

J. NEW BUSINESS

J.2 Appointment of new Trustee member to the Scio Township Board of Trustees

Vogel recused herself, leaving the meeting at 8:46pm.

David Rowley, Township Administrator, introduced the item. Rowley provided overview of the process to date and the question before the Board of Trustees.

Motion by Jerome, support by Palmer, to appoint Patrick McLaughlin as Trustee to the Scio Township Board of Trustees to complete a term until November 20, 2022.

Jerome thanked everyone for their interest in filling the position, expressing gratitude for the public interest. Jerome said that McLaughlin presented the best qualities for the position. Jerome said that McLaughlin would be independent, and had familiarity with relevant issues and important skills.

Knol expressed strong support for Jillian Kerry because she has attended Board meetings, has a depth of knowledge, and an understanding of the diverse issues facing Township. Knol said Kerry has deep and extensive community support, a willingness to work hard, and could bring some healing to this divided Board.

Palmer said that McLaughlin has more of the kind of experience important to serving as a trustee. Palmer also said that Kerry is a strong candidate, and thanked everyone for applying.

Flintoft thanked the three for sitting down with her yesterday. Flintoft said all three would run as Democrats, support reproductive freedom, support voting rights, and work to protect the earth. Flintoft expressed her strongest support for Kerry due to overwhelming support from community including staff members. Flintoft said she supported Kerry because she would make Board more of a coalition and more representative than we are now.

Hathaway said he would vote for McLaughlin because of his service on Parks Advisory Board and LASA. Hathaway said McLaughlin engages in constructive dialogue, and was most prepared of any of the four interviewed.

Flintoft underscored Kerry's popularity with voters, and how clearly Kerry wants to serve the community in this position.

Knol said that Kerry or Walsh are better choices for this appointment at this time.

Steve Feinberg stated the biggest problem of this Board is lack of transparency and trust, and urged Board to consider this big picture.

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

Abby Valkinan claimed there is no legitimacy to this nomination because the Board did not interview all of the candidates.

The Board entered recess at 9:20pm.

The Board returned from recess at 9:27pm.

Kathleen Brant explained that FOIA requests uncovered that some were motivated to vote for a single waste hauler in order to meet criteria to become a charter township, and that is why there is skepticism about changing the FOIA coordinator.

Ian Hubert noted that 89.5 percent of correspondence received by the Board favored Jillian Kerry to fill the open trustee seat and that this Board has a huge problem with trust and perception.

Pat Stein asked Vogel, Palmer, Courteau, and Jerome to list the times they had failed to vote with the Supervisor.

Jeff Grover instructed the Board to listen to the public in order to bring healing.

Leigh-Ann Phillips-Knope expressed her fear for our township if the Board doesn't listen to the people and choose Jillian Kerry.

Marty Mayo stated that the written correspondence received by the Board does not represent the township as a whole, only the people who are engaged and most are not.

Paula Globerson suggested that all Board and committee members should use township email addresses for all township business; objected to time limits proposed in Rules of Order.

Jonathan Greenberg complained about references to a 'silent majority' that supports Board actions.

Roger Rayle claims that a cabal has taken over the elected body; referred to the practice of pause and deliberation modeled by Native American leadership bodies.

Harvey Somers stated that Board members are not meeting their responsibilities to represent us.

Michele Cody stated she was appalled by the authoritarian bent when robust discussion is key and expressed her support for Jillian Kerry.

Gil Crisman expressed the hope that the Board would vote for Jillian Kerry who represents different opinions.

Pam Boyd proclaimed that the Board is subverting the voice of the active, passionate residents in attendance.

Rob Pattinson expressed the hope that the Board would listen to the residents who have spoken.

Flintoft noted that McLaughlin was not in attendance.

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

YES: Hathaway, Palmer, Courteau, Jerome.
NO: Flintoft, Knol.
ABSTAIN: ~~Vogel.~~
ABSENT: ~~None.~~ Vogel.
MOTION PASSED 4-2.

Vogel returned to the meeting in progress.

G. REPORTS

G.1 Monthly Financial Reports

Flintoft noted the written financial reports provided.

G.2 Regular Reports from Supervisor, Clerk, Treasurer, Administrator, and Committees

As Administrator, Rowley said biweekly management meetings are ongoing, and has asked management to review employment policies of Township. Rowley said that as of March 1st he will have been in the Township for 3 months, and will offer recommendations to Board to improve operations. Rowley said he is working with Clerk to develop recommendations to improve financial operations.

As Chair of Budget and Finance Committee, Rowley said Committee would meet March 3rd at 10am.

As lead on Gelman efforts, Trustee Knol reported that the February 17 Community Meeting went pretty well, with approximately 125 residents in attendance via Zoom. Knol said she would be working with Hathaway to capture all the unanswered questions and post answers on Township website.

As Clerk, Flintoft thanked Rowley for his work on the finance proposal, and implored Board to be prepared to vote 'yes' on proposal when it is brought forth on March 8th.

As Treasurer, Palmer reported that tax season is wrapped up and that they are on schedule.

As representative on Broadband Task Force, Jerome said there was no update.

On behalf of Parks Advisory Board, Jerome said the Parks Advisory Board was refining its budget proposal with the TAP Committee.

Jerome said that the Land Preservation Commission looks forward to presentation to Board on priorities for possible renewal millage. Jerome noted the RFP that is active for Township's first Buy-Protect-Sell opportunity for the Renz property, and expressed optimism for the enterprise.

On behalf of the Sustainability Task Force, Vogel said the Task Force had met again with the UofM graduate students prepared to conduct their Masters Projects, and planned to coordinate their work with the County's Climate Resiliency plan.

On behalf of the Transportation Alternatives Planning Committee, Vogel said that the Committee had focused its efforts on budget request, as well as the PROS planning process.

On behalf of the Roads Advisory Committee, Knol said the Committee would meet next week.

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

As Supervisor, Hathaway had no report.

H. CONSENT AGENDA

H.1 Payment of the Bills

To approve the payment of claims presented and accept the previous check run report.

H.2 Authorization to purchase stretcher for 2022 Lifeline Rescue vehicle

To waive the bidding process for a sole source vendor and to purchase a demo 2019 Stryker stretcher for the 2022 Lifeline rescue at a cost of $14,236.95 from Stryker Medical, to be paid for with prior appropriation of American Rescue Plan Act (ARPA) federal funds (Fund 528).

H.3 Approval of banner atop Approved Minutes of Meetings of the Board of Trustees

To ask the Clerk to publish a banner atop Approved Minutes of meetings of the Board of Trustees that reads "The video recording of MM/DD/YYYY meeting is available at sciotownship.org and shall be retained as provided by state law and township policy."

H.4 Adobe Acrobat Standard License Subscriptions

To approve a total of nine adobe acrobat subscriptions with NetSmart at an annual cost of $1,618.92.

H.5 Parks Recreation Open Space Plan Five-year Renewal Consulting Contract

To approve the attached Carlisle/Wortman Associates Proposal of Services in the amount of $20,072.00 for development of the Township's 2023 – 2027 Recreation Master Plan subject to review by the Township Attorney.

Motion by Jerome, support by Vogel, to approve the Consent Agenda as presented.
MOTION PASSED by voice vote.

I. UNFINISHED BUSINESS

There was none.

J. NEW BUSINESS (continued)

H6. Amendment to Moore Conservation Easement on North Delhi Road

Motion by Knol, support by Courteau, that the Township sign and record the attached amendment to the Moore conservation easement as recommended by the Land Preservation Commission specifying that the existing residential dwelling may be expanded.

Kathleen Brant expressed her support for granting the amendment to the easement.

YES: Hathaway, Palmer, Flintoft, Courteau, Jerome, Knol, Vogel.
NO: None.
ABSTAIN: None.
ABSENT: None.
MOTION PASSED 7-0.

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

J.1 Establish Permanent Polling Places in Scio Township

Flintoft described the duties of the Township Board, and explained the proposed placement of polling places within Scio Township's 8 precincts. Flintoft thanked Deputy Clerk Gillis for her work, and polling places for offering their space.

Motion by Courteau, support by Jerome, to adopt resolution as presented to establish permanent polling places in Scio Township.

Abby Valkinan asked that the polling place for Precinct 8 be moved out of a church since voters may not be comfortable voting in places of worship.

Rob Pattinson asked if voters would need to apply again to be on the Permanent Absent Voters list if their polling place changes.

Flintoft shared her efforts to expand use of secular locations for polling places, and said there would be no need for any voter to sign up again to be on the Permanent Absent Voters list.

YES: Hathaway, Palmer, Flintoft, Courteau, Jerome, Knol, Vogel.
NO: None.
ABSTAIN: None.
ABSENT: None.
MOTION PASSED 7-0.

J.3 Township Administrator Job Description and Authority and Designation as FOIA Coordinator

Hathaway said that the Administrator started on December 1st 2021, and ~~since then the Supervisor has identified~~ and he has been working hard but it's become clear that the Board should delegate additional authority ~~the Board should delegate~~ to the Administrator.

Motion by Hathaway, support by Palmer, to adopt the attached resolution Updating the Township Administrator Job Description and Authority and Designating FOIA Coordinator.

Flintoft said she would like to read a prepared statement to speak first to issue of FOIA, and then to issue of financial records.

Regarding FOIA, Flintoft said that David didn't ask for yet another assignment, and she had not asked for this assignment to be re-assigned. Flintoft said it is very typical for the Clerk, as custodian of almost all Township records, to be the FOIA coordinator. Flintoft said she has carried out her responsibilities as FOIA Coordinator in accordance with the statute and Township policies.

Flintoft said she has processed a few hundred requests over the last 2.5 years, and made more items available online to reduce requests. Further, Flintoft has made sure staff is well trained to make process easy for the public. Flintoft said she has fulfilled almost all FOIA requests because they are legitimate requests and the public is entitled to these public records. Flintoft said she has denied some requests in part, and a couple in full, in accordance with exemptions under the law to balance the interests of the Township and the interests of the public. Flintoft reported she has had 0 appeals, and

0 lawsuits, and that all have been handled properly. Flintoft thanked Kristy Aiken and Mary Gillis for their assistance on these efforts.

Flintoft said that David is ethical and capable of serving as FOIA Coordinator, and is confident he will continue to comply with all laws and policies. Flintoft implored David, if Hathaway or any other officer pressures you to not follow our laws and policies, to immediately report any interference to this Board.

Regarding her statutory duties of finance and records, Flintoft said that these changes were again Hathaway using the Administrator's job description as a petty attack on her. Flintoft said, "The language, the effort, it's unnecessary. There's no problem being solved by these changes. David and I work really well together—we collaborate daily—and anyone who in the office at work sees that. We share a vision of professionalizing the Township and getting it to where it needs to be. And, just like me, David follows the law. I want to be very clear here—David is very ethical and knows he works for the people."

Flintoft said, "my opposition is to this Supervisor and to what's being asked of this Board—and I want to be clear—that Will continues to use pretexts—there have been dozens of motions and resolutions over the last year—pretexts to simply target me. Whether it's me personally is really of no consequence. What's worse is to target the Office of the Township Clerk. And that is why what is being proposed here tonight is so serious, and so wrong, and why I want to explain what is going on here.

"The must fundamental core checks and balances over public monies in this Township are under threat. And,if this attack were happening to the Township Treasurer, it would be just as serious. Township Clerks and Treasurers enjoy special protections because each of us have duties under that statute that we are personally responsible for. That is why Boards don't do this sort of thing.

"First, there is no question that I am the duly elected Clerk of Scio Township. In fact, I was the top vote getter of anybody here at this table. From the Michigan Constitution—Article VII, Section 18 excerpt—'In each organized township there shall be elected…a clerk… whose legislative and administrative powers and duties shall be provided by law. My duties are provided by law, by the statute.

"The remarkable arrogance of this resolution of Will's is this: it is the job of the legislature to set forth the Clerk's duties—and they are set forth—in statute for my duties not just in my role over Elections but also on Finance and Records. The statute is clear. The statute is plain. And, when in Green Oak Township in the 1980s a Board went as wayward as this Board seems to be headed tonight, the Clerk took that Board to Court and won, decisively.

Referring to the proposed revisions to the Township Administrator's job description, Flintoft proudly reminded the Board that we had first accomplished unanimity in adoption of the job description on July 27th, with Vogel making the motion and Flintoft seconding. It was just a few weeks later at the Special Meeting of August 17th called by the Supervisor, that he offered addition of 'and related financial reports' under heading of 'Finance.'

Flintoft said, "This was added by the Board on 8/17, over my objection and stated lack of consent under MCL41.75a, and due to my stated belief that under MCL 41 as a whole it is not the Supervisor's job to prepare and administer financial reports. In fact, it would create a subordination, contrary to MCL 15.181. Yet, this Board passed this resolution, 5-2. I repeat my objection and stated lack of consent.

Flintoft said, "regarding the second and third bullet points which are newly proposed tonight: 'Oversee and prioritize the allocation of Finance staff work time to accomplish tasks' and 'Hold ultimate authority over BS&A administration and accessibility.' This clearly conflicts with statutes--MCL 41.65 'The Clerk prepare and maintain the journals and ledgers necessary to reflect the assets, liabilities, fund equities, revenues, and expenditures for each fund of the township.' Under MCL 41.65 the Clerk 'open and keeps a separate account with each fund belonging to the township…' As well, this would conflict with my statutory duty under Uniform Budget and Accounting Act MCL 141.421(1) as I am the official who by law…is charged with the responsibility for the financial affairs of this local unit of government, I 'shall insure that the local unit accounts are maintained and kept in accordance with the chart of accounts.'

Flintoft continued, "MCL 41.75a reserves duties statutorily vested in the officers from being assigned by the Board—unless consent is granted. This is the authority under which I declared, with much explanation and full unanimous support for the past two years including from the former Manager—beginning June 1st 2019 when I was first appointed Clerk—that I would not grant consent for another person to supervise and direct the work of the Finance Director and Finance Manager insofar as they conducted work to carry out my statutory duties. Donna directed their work as related to hers; I to mine. I maintain this position.

"I am grateful to have David as a partner in the management of the staff, as HR director, and as Administrator. He may conduct performance reviews, timesheets, design or assign workflows, but I really believe I would actually be abandoning my obligations as Township Clerk if I did not maintain oversight over the staff insofar as they are working in the BS&A components that are required to prepare and maintain the journals and ledgers of this Township. I must have custody and control of the journals and ledgers. Without such custody and control, I would never be able to fulfill my obligation to ensure that these journals and ledgers have integrity. Who has modified them? Using what standards? I wouldn't be able to answer those questions.

"This proposed action is arrogant. It is not a Township Board's job to either grow or shrink my statutory duties. That is the duty of the legislature.

Flintoft referred to the heading 'Information Technology and Data Management', referring to newly proposed second bullet point, 'hold ultimate authority over administration of all software including assignment of access.' She said, "Insofar as this bullet point relates to access to technology, this is already in David's domain. He's the Chief Information Officer. He oversees our Managed IT Services contractor, and I'm very grateful for that. But, insofar as this bullet point intends to place ultimate access to Township records, to information, I object, under MCL41.75a which reserves duties statutorily vested in the officers from being assigned by this Board—unless consent is granted.

"MCL41.65 is clear: 'The township clerk of each township shall have custody of all the records, books, and papers of the township, when no other provision for custody is made by law.' There are some papers that are the custody of the treasurer, of the supervisor, but most Township records are my responsibility and I take that responsibility seriously.

"So again, I am elected by the people. I am not subordinate to the Board. Otherwise, it would be a breach of duty if I did not exercise control over the access to Township records, particularly when they may be at risk of deletion or destruction.

"I will close by saying that the constitution, the statute, and the case law support my position. I urge the Board to reject this resolution as presented."

Hathaway asked Township Attorney Michael Homier to join. Flintoft demanded Hathaway ask the Township Attorney a legal question. Hathaway asked Homier to respond to the Clerk's assertions about her statutory authority in relation to the proposed job description and authority for the Township Administrator.

Homier said there is a disagreement on how clear the statute is, and said that the case law on subject is not altogether clear. Homier said that the McKim case dealt with opening mail and storage of records. Homier said that even though the Clerk prevailed in that case, the Court was very critical of the Township wasting $15,000 of taxpayer money in litigating that case.

Homier said but what it does not answer is if the financial records of the Township which may be spread in a lot of different locations fall under the purview of custody and control if one has access to them in the Township. Homier asked does financial staff who may work on that fall under the direction of the Board or the direction of one officer of the Board. Homier said he thinks it's under the Board's direction.

Homier said it's a different question if the Board were to deprive any one officer from performing their statutory duties as well, for example, if the Board employed finance staff and prevented the Clerk from accessing that finance staff so that she could fulfill her statutory duties, that would be problematic under the statute. Homier said that there is not one case dealing directly with that issue; said that he has looked. Homier said that there are no Attorney General opinions dealing with that issue; said that he has looked. Homier said that to say that it is perfectly clear how a court would interpret the statute in that given situation, goes too far.

Flintoft asked Homier to comment on the words "hold ultimate authority" appearing twice in the proposed job description, and asked if those were Homier's or Hathaway's words.

Referring to "'Hold ultimate authority over BS&A administration and accessibility,' Homier said he didn't believe that would become an issue unless somebody deprives anybody access that they need to carry out their statutory duties. Homier said he reads that language as administration over the BS&A software itself and accessibility to that software, which is something he would expect an Administrator to do.

Homier referred to "hold ultimate authority over administration of all software, including assignment of access," saying it seems similar to the one he'd just read.

Homier said he did not draft this.

Flintoft said there is no administrative access that David doesn't have that this Board has to bring.

Hathaway said it is not just his administrative access, it is his control over Township employees in general, having administrative access; that he would be the person who would have control over that access.

Flintoft said that David and she are calling BS&A to make that happen.

Hathaway said that there is no problem then. Flintoft criticized Hathaway for spending his time this way.

Flintoft said she had no further questions for Homier, and that she stands by her statement. Flintoft said she believes what she is saying is true, that she can read and comprehend the law, that she knows her job, and that she is sick and tired of this Board following this petty crazy waste of time for this Township.

Palmer asked Flintoft to keep her remarks appropriate, professional, and focused on the issues. Flintoft thanked Palmer for the reminder, and told Palmer that when she sees the Foster Swift bills she will understand, referring to her own level of frustration.

Knol said she had questions for Homier, and comments on proposed job description which would go toward discussion of the Board. Knol said she'd read the McKim case decision, it said that the Clerk must have custody or control of Township papers and that she cannot fulfill her duty of safekeeping of these records unless she has that. Knol said that the Clerk would need to guarantee a chain of custody of the records and who has access to them, acknowledging this is an older case of 20-25 years ago. Knol said that the principle would still apply now in the digital era when it is different. Knol said that there are many comments from the Court of Appeals in this case that are significant.

Knol asked if Homier had prepared a written opinion on this issue. Homier said no, and that he had sent the Board a memo outlining various statutory authorities. Knol said she knows and was clear on everything in that. Homier said if Knol is asking him if he has drafted an opinion on a hypothetical question that has not been asked of me then no the answer is no.

Knol asked Homier if he would agree, referencing the McKim case, that the Clerk must have custody or control of Township papers; otherwise, she can't fulfill her duty of safekeeping of the records.

Homier said he would agree that McKim says what is says. Homier said if Knol would like him to draw conclusions from that in some other ~~content~~ context he would be happy to draft an opinion, but has not done it. Knol said she thinks that could be helpful to the discussion.

Courteau said the Board heard citations to several specific laws including MCL 41.76, 41.65, and then to the Uniform Accounting Act 141.421. Courteau asked Homier if there is anything in his reading of those components of the Michigan code that contradicts what's been said in this job description.

Homier said he doesn't think that you could read the job description as to hold or deprive any of the officers of fulfilling their statutory duty; that's just how he reads it. Homier said he certainly agrees that you could look at it and read it a certain way, but he has been clear on this issue and will say it again. Homier said this is different than a situation in which the Township would say actively deprive somebody from fulfilling their statutory duties as opposed to letting an Administrator administer, which is why you hired him.

Palmer said that she doesn't see the duties outlining here as taking away the statutory responsibility for our Clerk or a Clerk; that it is not taking anything away, that they still have the responsibility. Palmer said years ago the Clerk physically did it, but now in Scio we have staff. Palmer said it is still Jessica's responsibility to make sure those things are correct, and the way they're supposed to be that we're doing our fiduciary responsibility, according to law, following the rules. Palmer said this isn't changing the responsibility, but clarifying. Palmer said she doesn't see this proposal as jeopardizing or

taking away any officers' responsibilities, and that any staff we hire report to David. Palmer expressed confidence in David appropriately coordinating with respective officers. Palmer said it is not taking anything away from Clerk's responsibility.

Vogel said it is pivotal that the Township was two years without a manager, that many things got out of alignment: responsibilities, breadth of positions, all shifted in ways in that void. Vogel said we have an administrator who is experienced, expert, and wise. Vogel said the Board can rebalance things. In regards FOIA, Vogel said, speaking for herself, that she is more comfortable with FOIA out of the elected official position and into the professional Administrator position. Vogel said there have been anomalies that she is not comfortable with, and this shift on FOIA feels important.

In regards to the administrative systems, Vogel said we now have a chief of staff who needs to be responsible for all of the tools for running the operations of Scio Township that includes our software systems and it doesn't exclude anybody it is just a part of being a Chief of Staff. Vogel said there have been uncomfortable anomalies.

Flintoft asked Vogel for examples.

Vogel said she is not going to speak about them in a public forum. Flintoft urged her to share out examples. Vogel raised the example of the Supervisor being excluded from Granicus. Flintoft said that was because he was deleting files.

Vogel said that this conflict was exactly the situation—with such conflict in our elected side of our house, we have got to get our critical systems and FOIA, out of that conflict so things cannot be weaponized.

Flintoft said that if anyone deletes files that she will stop them; that that is her job.

Vogel said she is very comfortable with the shifts of FOIA and administration of software systems.

Referring to finance, Vogel said the Township had engaged an attorney specifically expert in municipal financing. Vogel said there is a distinction between keeping the record, and all the work that is required to create the record which is the role of the Township Administrator. Vogel said two of Administrator's key levers is being HR director being able to bring on and cultivate best staff needed, and Financial Management of the Township so that we are professional, deeply capable, to enable this Board to meet its fiduciary responsibilities which it has not been able to do because the Board is not getting good financial information at the Board table which is unacceptable.

Jerome said he would not claim to be an expert in MCL41.65 or 41.75 or the like. Jerome said the statute clearly requires a Deputy Treasurer and Deputy Clerk. Jerome said he is in favor of Administrator being head of Human Resources, and people reporting to him. Jerome would consider it an issue if the Administrator did not provide the Clerk access to detailed accounting records. Jerome said he agrees with the Clerk that it is her job to capture that, but that it is not her job to manufacture that. Instead, Jerome said that the staff reporting to David would provide Clerk with all the information that ~~I need~~ she needs. Jerome said the accounts must be 'filed and preserved' that doesn't necessarily mean 'created by', as Jerome reads it. Jerome said overseeing the administration of all the staff would help to correct some of the disjunct among budget staff. Jerome still has some outstanding questions about duties of specific staff. Jerome said he supports David overseeing that staff to help them provide the Clerk with what ~~I need~~ she needs to make sure ~~I am~~ she is meeting ~~my~~

her statutory requirements. Jerome said there is no intent to circumvent statutory responsibilities of any Township officer. Jerome said it doesn't appear there is anything in opposition of the statutory responsibilities of the Clerk.

Flintoft said she appreciates David as a partner. Flintoft said she's not referring to an organizational chart or reporting structure, but when it comes to the actual work of preparing and maintaining the books, that is under my direction. Flintoft said she expects David and herself to continue to work well together because they are both professionals. Flintoft said that this is about a problem that isn't there. Flintoft said it is the Board's prerogative to move assignment of FOIA Coordinator. Referring to the other re-assignments, that it is about some pretext, that it is suddenly going to fill the finance staffing gaps we have.

Flintoft said Homier takes direction from Hathaway alone because that's what Homier has been told to do. However, Flintoft said it is not the duty of this Board to tell Flintoft or Palmer how to carry out their duties. Flintoft said she carries out her responsibilities cooperatively and responsibly. Flintoft said the organization of working with an Administrator works. What doesn't work, Flintoft said, is this whole package that Hathaway has put together—the words presented before us is what doesn't work, and raise all of the problems I laid out as clearly as I possibly can for this Board. Flintoft again urged the Board not to accept the proposed resolution as is.

Further, Flintoft asked at least for a correction to a new error presented in the Administrator's job description, under "Supervises," saying that the positions should be listed and major consulting contracts. Flintoft said David needs to continue overseeing these.

Knol said in terms of FOIA Coordinator, that it is typically the Township Clerk in a general law township. Knol said when she was Township Clerk from 2004 to 2008, she was the FOIA Coordinator, despite the Township employing a full time Manager. Knol said she often consulted with an Attorney as needed, but Knol did the work. Knol referred to the research distributed to the Board by Kathleen Brant showing how commonplace it is for the Clerk to serve as FOIA Coordinator.

Knol asked Hathaway what term 'to hold ultimate authority over administration of software including assignment of access.' Hathaway clarified that Knol would be interested in the answer to both references to 'to hold ultimate authority.' Hathaway said that 'ultimate authority' means that if there is a question about accessibility to the software by anyone who works for the Township that the ultimate decision would rest with the Township Administrator. Hathaway said he has spoken with the David Rowley about this, and that Rowley is better informed than is Hathaway about the software.

Knol asked Hathaway, why change the FOIA Coordinator when it is working well? Why assign this to the Township Administrator rather than to Flintoft who has done an excellent job, and didn't request a change. Hathaway said Vogel put it very well earlier. Hathaway said if a Township Administrator had been in place last summer, he asserted that the majority of the Board would have assigned it to the Township Administrator. Hathaway said the Board had to find a place to put the FOIA assignment in the absence of a central administrator. Hathaway said in this vacuum of last two years, many functions have been assigned elsewhere that would more appropriately have been assigned to a Township Administrator. Hathaway said this and other proposed changes are to get away from the kind of siloes that have grown up in the separation of functions. Hathaway said ultimately the goal is to provide the Township staff to work across the Township without these artificial barriers that have grown up. Hathaway said it is not to hinder anyone's effectiveness, but to allow the Administrator to assign

resources to where they are needed, and to make decisions about priorities that are not driven by siloes.

Knol referenced Hathaway's comment that he thought a majority of the Board would have assigned the FOIA Coordinator to an Administrator last summer had we had one. Knol acknowledged Hathaway's affirmative nodding. Knol said that the Board never discussed that, and that would have required a Board deliberation or discussion, and it was never discussed. Hathaway said the Board did deliberate on the question. Knol said the Board did not deliberate on the question. Hathaway said that the Board had deliberated on assignment of FOIA Coordinator. Knol said that the Board had not deliberated before on this question.

Knol asked Vogel why she believes it should be the Administrator instead of the Clerk.

Vogel said there had been a precedent set in the Township. Vogel said her understanding was ~~she~~ it had been assigned to Jim Merte. Flintoft clarified that Jim Merte had been the IT Director, pulling email archive queries as needed. Flintoft said she had served as FOIA Coordinator for 2.5 years, and before that it was Township Manager Bryce Kelley.

Vogel said she does not have the level of trust or confidence in the Clerk to manage that process or manage others objectively. Vogel said politics are a large aspect of the dynamics, saying she thinks there is a very tight alignment with a segment of residents, and that there is a very strong bias. Vogel said that erodes her sense of confidence in the neutrality of the Clerk's Office. Vogel said that when a resident says the Deputy Clerk sent a small group of us the correct link to the Board meeting, my brain goes, 'wow that's interesting, who's the small group, why that group and not another group.'

Vogel said it "assaults the fundamental objectivity required in the Office of the Clerk." For months, Vogel said she has seen enough on this Board, asking 'what FOIA request gets a fee and what one doesn't?' Flintoft interjected, saying that none of the FOIA requestors are charged a fee.

Vogel said she is not confident. Vogel said she is more confident getting FOIA out of the political elected side of the house, out of any bias, and into the very professional management of the Administrator.

Hathaway asked Rowley to comment. Rowley said that as he understood the questions being asked of him and the direction that was discussed as to what possible changes may be appropriate. Rowley said it is generally best practice—most common—that all employees except Deputy Clerk, Deputy Treasurer, Deputy Supervisor report to Administrator if there is one. Flintoft interjected saying she was fine with that.

In regards to FOIA, Rowley said that the question asked of him was what was his knowledge or expertise with FOIA. Rowley said he has dealt with FOIA for 25 years, and was one of the instructors of the FOIA class for MSU Extension, and is very familiar. Rowley said it is the Board's decision to appoint whomever as FOIA Coordinator. Rowley said if the Board wishes that he serve as FOIA Coordinator, that is fine.

In regards to allocation of finance staff, Rowley said that that goes along with overall supervision of all staff. Rowley said he and Clerk consult regularly, and are currently working on a finance proposal both short term and long term to meet financial needs of this organization, noting that Scio has greater needs than for which we are providing services.

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

In regards to BS&A, Rowley said he is extremely familiar with BS&A and the administration of it. Rowley said one of the issues here in Scio is how it was originally set up. Flintoft concurred. Rowley said the set up is quite unique in how it is currently structured, and that needs to change.

Rowley said administration of any other software is already part of his responsibilities, managing the IT services for the Township. Rowley said he is willing to what the Board assigns, and that he is committed to using resources where they are needed to meet services and accountability.

Kathleen Brant asked Board members whether they had read the relevant statutes and claimed they are breaking statutes.

Abby Vakilian called this discussion a 'food fight' and claimed it is ruining business.

Ian Hubert called this resolution a waste of time and a power play, adding that 80 percent of townships use the Clerk for FOIA.

Jillian Kerry stated that the motivation to change the FOIA Coordinator is keep the public from discovering what Board members have said.

Paula Globerson expressed skepticism in the proposed change to the FOIA coordinator.

Jeff Grover questioned whether Board members understood the optics of their behavior and asked them to focus on doing what's best for the Township.

Pam Boyd said if it isn't broken don't fix it; claimed the problem with the Board is some members are not honest and forthright.

Jonathan Greenberg stated the Board is not listening as evidenced by the proposed limits on public discussion.

Rob Pattinson stated the Board should apologize to the Administrator for the difficult position he's been put in and asked how control over software affects checks and balances.

Kim Phillips-Knope observed that the township lawyer present seems biased in favor of the Supervisor; stated that the integrity of the work is Clerk's concern so it is commonsense to have her in control of it.

Roger Rayle observed that trust in this Board needs to be restored but the opportunity to do so tonight was not taken.

Flintoft asked the Board to at least restore the deleted supervision of major Consulting Contracts. Rowley said he thought that would be important. Hathaway said it was unnecessary to add back. Jerome suggested adding it back. Vogel asked Flintoft for specific language to be restored.

Flintoft offered proposed amendment to job description under heading of 'Supervises' to add back "Consulting Contracts (including Public Safety, Engineering, Planning, Information Technology)." Both Hathaway and Palmer accepted the amendment.

Flintoft asked Hathaway, for the record, if he drafted both the resolution and job description here. Hathaway said that he had created the resolution based on a prior resolution drafted by Township Attorney Jim Fink, which was then reviewed and approved by Township Attorney Mike Homier. Hathaway said both township attorneys were consulted. Flintoft asked Hathaway if either Township Attorney approved this job description. Hathaway asked Homier to answer.

Homier noted the late hour, that the questions being asked are policy questions not legal questions. Homier said he works for the Board. Homier said if the Board would like to get rid of him, to go ahead. Homier said he was not the one asking questions until midnight. Homier confirmed he gets paid for every hour he works. Homier said that if there are legal questions he will answer them.

Homier said he is not making a recommendation on the question one way or another, that this is a policy issue that the Board can implement if it so decides. Homier said he thinks it is lawful in terms of the statutory context and the Administrator's role. Homier said it is the Board's decision on policy, it is not Homier's decision.

Flintoft repeated her question to Homier, referring to the job description's proposed changes, did Homier approve the bolded words such as 'hold ultimate authority.' Flintoft wants to know if this is our Township Attorney-approved language or not.

Homier asked Flintoft what her legal question was. Flintoft said her question is if this is his work product. Homier said that no it was not his work product. Flintoft thanked Homier and confirmed that the proposed changes to the job description were not Homier's work product. Homier said that as the changes are stated he has no legal issues with the proposed changes. Flintoft said she understands, and that this is not Homier's work product. Homier said he did not write it.

Hathaway ~~scolded~~ said to Flintoft ~~saying~~ that in fact it was her advice that we should not pay attorneys to do work if there were things that we as members of the Board of Trustees could do ourselves. Hathaway said he consulted with both Township Attorneys, that they reviewed the work product, but that it was Homier's advice that this was something that Hathaway could do himself.

Motion by Hathaway, support by Palmer, to adopt the attached resolution, as amended, Updating the Township Administrator Job Description and Authority and Designating FOIA Coordinator.

YES: Hathaway, Palmer, Courteau, Jerome, Vogel.
NO: Flintoft, Knol.
ABSTAIN: None.
ABSENT: None.
RESOLUTION ADOPTED 5-2.

J.4 Rules of Order for the Board of Trustees

Knol noted that it was midnight.

Motion by Knol, support by Palmer, to postpone consideration of *Item J4. Rules of Order for the Board of Trustees* until the next regular meeting, as first agenda item.

YES: Palmer, Flintoft, Knol, Vogel.
NO: Hathaway, Courteau, Jerome.
ABSTAIN: None.
ABSENT: None.
MOTION PASSED 4-3.

The video recording of the 2/22/22 meeting is available at sciotownship.org and shall be retained as provided by state law and township policy.

K. PUBLIC COMMENT

Abby Vakilian stated that the most independent candidate was Jillian Kerry and the Board's failure to appoint her to the trustee opening was tone deaf.

Pam Boyd thanked the Board for choosing McLaughlin, who will galvanize the community opposition to the Board.

Ian Hubert predicted that appointing Jillian Kerry as Trustee would have restored public faith in the Board; and begged Palmer, Courteau, Jerome, and Vogel to vote independently of the Supervisor.

Jillian Kerry said it had been an exciting week for the Township, with many residents hopeful of seeing a change; she expressed her hope that McLaughlin really is an independent thinker.

Kathleen Brant speculated that the Township lawyer might feel uncomfortable charging the Township to attend long Board meetings when he isn't giving legal advice.

Jeff Grover begged the Board to show that they are listening to the public.

Jonathan Greenberg stated he was appalled that the Township Attorney would complain about public comments regarding his behavior.

Caroline Altomare stated her disappointment in Board decisions and the Board itself and apologized to the Clerk for what she has endured.

Roger Rayle stated that this meeting proves that a lot of people are paying attention but unfortunately some Board members are not.

Leigh-Ann Phillips-Knope described a powerful bias on the Board was demonstrated when Jerome was allowed to reply to a resident but Palmer was not; called the attitude displayed by the new Township Attorney troubling and unacceptable.

Rob Pattinson thanked Vogel for voting to postpone consideration of new Rules of Order which he expected the Supervisor to ram through at the end of a long meeting.

Pat Stein observed that the Supervisor encouraged a resident who spoke in favor of McLaughlin to speak up but not those who spoke in favor of Kerry.

L. ADJOURNMENT

Motion by Courteau, support by Palmer, to adjourn.
MOTION PASSED by voice vote.

Meeting adjourned at 12:24am.

EXHIBIT 7

EXTERNAL RE: BS&A access and finance staff.

Homier, Michael <MHomier@fosterswift.com>
Wed 5/18/2022 1:21 PM
To: James Merte <jmerte@ScioTownship.org>;Jessica Flintoft <Jflintoft@ScioTownship.org>
Cc: Will Hathaway <WHathaway@ScioTownship.org>

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.
Jim,
I am not concerned about who has Enterprise Access to the software and understand that the Board has made a policy decision to give that authority to the administrator. However, it is my further understanding that the Clerk will maintain read/write access to the journals and ledgers. With regard to Ms. Colasanti and Ms. Egeler, I agree with the Clerk that they should only have read access. With read access, both can still document journal and ledger entries that should be added or corrected and pass those on to the Clerk who has the statutory obligation to "prepare and maintain the journals and ledgers necessary to reflect the assets, liabilities, fund equities, revenues, and expenditures for each fund of the township." MCL 41.65. Let me know if you have any questions. Thanks.

Michael D. Homier
Attorney
Foster Swift Collins & Smith PC
1700 East Beltline, N.E., Suite 200
Grand Rapids, MI 49525-7044
Phone: 616.726.2230; 517.371.8120
Mobile/Text: 517.285.4251
Fax: 517.367.7120
mhomier@fosterswift.com
www.fosterswift.com

From: James Merte <jmerte@ScioTownship.org>
Sent: Tuesday, May 17, 2022 12:25 PM
To: Jessica Flintoft <Jflintoft@ScioTownship.org>
Cc: Will Hathaway <WHathaway@ScioTownship.org>; Homier, Michael <MHomier@fosterswift.com>
Subject: RE: BS&A access and finance staff.

Jessica,

I explained this all in my original email and don't have anything further to add. If you would like to discuss the legality of this, I refer you to Mr. Homier at Foster Swift.

Jim

From: Jessica Flintoft <Jflintoft@ScioTownship.org>
Sent: Tuesday, May 17, 2022 9:54 AM
To: James Merte <jmerte@ScioTownship.org>
Cc: Will Hathaway <WHathaway@ScioTownship.org>; James Fink <james.fink@finkandfink.com>
Subject: Re: BS&A access and finance staff.

Do you have any answers to my questions, Jim?

Jessica Flintoft
Clerk
Scio Township

827 N. Zeeb Road
Ann Arbor, MI 48103
jflintoft@sciotownship.org
(734) 369-9400

To view your sample ballot, find out where to vote, or confirm your voter registration status see https://vote.michigan.gov/mvic/

From: Jessica Flintoft <Jflintoft@ScioTownship.org>
Sent: Sunday, May 15, 2022 2:41 PM
To: James Merte <jmerte@ScioTownship.org>; James Fink <james.fink@finkandfink.com>
Cc: Will Hathaway <WHathaway@ScioTownship.org>; Donna Palmer <DEPalmer@ScioTownship.org>; Sandy Egeler <SEgeler@ScioTownship.org>; David Helisek <David.Helisek@plantemoran.com>
Subject: Re: BS&A access and finance staff.

Jim, what legal authority is it that you believe you have to allow people, without my authorization, to manipulate the General Ledger?

What legal authority is it you think you have to have removed by Enterprise Administrator access?

I do not authorize Sandy or Nancy to manipulate the General Ledger.

David Helisek agreed with my determination that Sandy did not need access to manipulate the General Ledger in order to prepare for the audit. In fact, he encouraged me to keep the restriction on Sandy's access in place, as read only, as a bare minimum internal control. She could write journal entries out, if needed.

Jim, you need to get some legal advice from our Township Attorney, or other reputable attorney that you trust. What you, Will, Sandy, and now Nancy are doing is wrong. You must stop.

Jessica

Jessica Flintoft
Clerk
Scio Township
827 N. Zeeb Road
Ann Arbor, MI 48103
jflintoft@sciotownship.org
(734) 369-9400

To view your sample ballot, find out where to vote, or confirm your voter registration status see https://vote.michigan.gov/mvic/

From: James Merte <jmerte@ScioTownship.org>
Sent: Sunday, May 15, 2022 2:02 PM
To: Jessica Flintoft <Jflintoft@ScioTownship.org>
Cc: Will Hathaway <WHathaway@ScioTownship.org>; Donna Palmer <DEPalmer@ScioTownship.org>; Sandy Egeler <SEgeler@ScioTownship.org>
Subject: BS&A access and finance staff.

Jessica,

I have granted access in BS&A general ledger software to Sandy as necessary to complete the FYE and prepare for audit and asked her to begin immediately. Since commencement of this task is so late, I

have also authorized a new temporary employment agreement with Nancy Colasanti to assist in the effort.

Notwithstanding your legal challenge to the same, I have taken this action to comply with the terms of my employment agreement and Township Administrator Job Description, (and the clear expectation of the Board). The applicable section is as follows:

Finance
• Assist the Supervisor in preparing and administering the annual budget and related financial reports under policies formulated by the Board and state law
• Oversee and prioritize the allocation of Finance staff work time to accomplish tasks
• Hold ultimate authority over BS&A administration and accessibility
• Act as the purchasing agent for the township
• Collaborate with others in the township to guide compliance with bidding procedures and conduct all sales of personal property which the township board may authorize to be sold.

I have done this, not as an act of confrontation or willful disrespect, but out of a sense of urgency. The task at hand is not optional and further delaying its completion may cause substantial harm to Scio Township. The Township residents are expecting its officials and staff to do their jobs well and in a timely fashion.

On a more practical note: I have 100% confidence that staff assigned to complete the FYE and audit preparation are both competent and experienced. Sandy Egeler has completed this task successfully for over 25 years and her intimate knowledge of the Scio Township general ledger may very well make her *the* most qualified person of anyone, internal or external to the organization.

I'm hoping we can move forward from this and work together cooperatively on the many issues that need our attention in the service to Scio Township residents.

-As a side note: I have intentionally narrowed the distribution of this communication to internal leadership only. Although everyone has the freedom to share this as they see fit, I would hope we could all start to model a healthier working relationship.

Jim

James Merte
Scio Township
(734) 369-9400
jmerte@sciotownship.org

EXHIBIT 8

THE WOODHILL GROUP
29488 WOODWARD AVE, STE 298, ROYAL OAK, MI 48073

WHG
ACCOUNTING. BETTER.

May 12, 2022

Jessica Flintoff, Clerk
Scio Township
827 North Zeeb Road
Ann Arbor, MI 48103

Re: Staffing Inquiry

Dear Jessica,

WoodHill recently completed several accounting and finance related projects for the Township, and you wondered if we had any suggestions on staffing structure based on that recent experience.

Since Townships separate the cash management, accounting, and budget responsibilities among the three officers; the staffing structure depends on the internal coordination of the Supervisor, Clerk and Treasurer offices. A single finance 'team' can report to all the officers or, alternately, each officer may have their own staff.

Your inquiry is related to only the Clerk's office and therefore the account recordkeeping, audit and financial reporting component; our suggestion will be limited to that area.

A suggested staffing model for the Clerk's office:

- 1.0 Full time equivalent controller
    - Audit coordination, Accounting oversight, General Journal Entry approvals, Monthly financial reporting
- 1.5 full time equivalent support staff
    - Accounts Payable/Payroll/Miscellaneous Receivables

Please note that each entity's staffing needs change with the skill set of the employees and responsibilities assigned and this is a suggested structure.

Regards,

Colleen M. Coogan, CPA, CPFO

EXHIBIT 9

Will Hathaway, Supervisor
Jessica Flintoft, Clerk
Donna E. Palmer, Treasurer

Township of Scio

Trustees: Jacqueline Courteau
Alec Jerome
Kathleen Knol
Patrick McLaughlin

Sunday May 15, 2022

Scio Township Board of Trustees
By Email

As my resignation letter of April 12, 2022, will become effective this evening at midnight, the following remarks will constitute my final report to the Board of Trustees on the issues and topics presented. These remarks will provide current recommendations to the Township for moving forward on the various points discussed and will close out any and all requests for additional information or outstanding questions from township officials. All township property in my possession has been personally returned and is now in the possession of the Township Clerk pursuant to the custodial nature of the Clerk's office.

I wish all of you personally and collectively, including Interim Administrator Merte as he officially takes office tomorrow, May 16, 2022, the best of luck in the days and weeks ahead.

Sincerely,

David S. Rowley

David S. Rowley
Scio Township Administrator

827 N. Zeeb Road · Ann Arbor, MI 48103
734/369-9400 · 734/665-0825 Fax
www.ScioTownship.org

Part 1 – Topic / Task List Update

Each of the following issues have been considered, researched, implemented or are in the process of implementation. As they are all ongoing, the list is presented in no particular order.

Transition Conversation
Interim Administrator Merte and I had an approximate hour and a half conversation during the evening of Friday May 13, 2022. Several of the enclosed topics were discussed in detail with him.

Township Staffing / New Positions
Please refer to Part 2 of this report for a full discussion of the staffing issue.

Township Budget and Finance
Please refer to Part 3 of this report for a full discussion of township budget and finance issues.

Township Employee Handbook Update.
The Management Team was asked to each complete a comprehensive review of the current edition of the employee handbook. Each team member was asked to read the entire document with an eye toward what items are clear, unclear, missing, or incomplete. The expectation was that the Management Team would be the "policy review committee" and recommend corrections/updates to the BOT for the improvement of the handbook. While the team has completed the preliminary review, no formal discussion has been held with the team due to recent management team meetings being required for more immediate township issues. This discussion process should begin with the June 2022 Management Team meetings with a targeted goal of a recommendation to the BOT by October 1, 2022.

Employee Health Care
Due to the nature of rise health care costs and benefits, research should be completed into alternative health care provides as a possible alternative to our current program. For the current year of 2022, information was not received until January 2022 with a March 1, 2022, new year implementation date. Such a timeline did not allow any opportunity to research alternatives due to rising costs. A possible alternative provider or status quo provider option should be presented to the BOT by November 1, 2022.

Employee Retirement Options
The current provider of such benefits is MERS. While an excellent organization and the provider to many local units of governments across the state, the Township has not looked at other options for an extended period of time if at all. Other investment providers should be considered with recommendation to the BOT by November 1, 2022, for a continuation with MERS or a possible change to Nationwide, Fidelity, etc.

Employee Bi-Weekly Pay Period

Most general law townships pay their employees monthly. However, due to the size of Scio Township, the decision was made some years ago to move to a twice a month pay specially being the 15th and 30th of each month. While this appears to be a logical extension, a twice a month pay schedule does present its own set of challenges. I have been advised while some issues do exist for township staff, even greater implementation issues for fire department personal due to the nature of work schedules, overtime, etc. Conversations with departments head and various employees lead to support a payroll change from the 15th and 30th to every two (2) weeks throughout the calendar year. This every two-week pay is completely in line with good governance principles and is widely used throughout Michigan's local units of government. Therefore, the recommendation is to develop a timetable for implementing a change to a Bi-Weekly pay schedule at an appropriate date in July as July 1 begins the second half of the year.

Liberty Road Project Funding

Information provided from OHM notes that Phase I of the project is being completed. Phase II has not been formalized in terms of a funding source. Due to the ongoing issues of financial staffing and reporting, there is inadequate information to determine the internal funding capacity. The Supervisor did coordinate a meeting with the bonding attorney some months ago but I have not been provided with any additional information on a possible bond funding source or any other internal funding mechanisms since that time.

DDA Annual Audit

A review of DDA Scio Township records from the Local Government Document Search Site of the Michigan Department of Treasury, Community Engagement and Finance Division did not locate any filings since 2017. Recommendation is to review all DDA materials for compliance with annual filing requirements. The Local Government Document Search Site may be located at: https://treas-secure.state.mi.us/DocumentSearch

BS&A Software Programs

Based upon data provided by the Finance Manager, the following are the current in place BS&A software programs and their original year of implementation.

Utility Billing	2001
Cash Receipts	2002
Payroll	2003
Miscellaneous Receivables	2009
Assessing	2009
Tax Program	2009
General Ledger	2009
Accounts Payable	2009
Special Assessments	2010
Delinquent Personal Property	2010
Fixed Assets	2021
Purchase Orders	2021

Discussions with existing staff clearly reveal the fact that not all programs are being utilized to their full capacity even though over 80% of the programs have been in place for anywhere from 12 to 21 years. Additionally, cross training of staff for numerous backup/support opportunities is limited or nonexistent. Recommendation is to schedule an onsite review with township staff and BS&A representatives to develop a comprehensive training/update program for each program as may be needed as well as documentation of cross training opportunities. Once completed, an implementation plan for improvements should be accomplished by December 31, 2022.

Computer Server Issues

The Township has been experiencing program delays and actual periods of being offline. Ongoing discussions have been held with NETSMART our contract IT coordinator for possible solutions. Recent discussions have included representatives from BS&A software. Recommendation is to consolidate and remove as many of the existing nine (9) township servers as possible to increase server capacity and performance and to move as many BS&A programs as possible to their cloud based back up system for data storage and retrieval. Such cloud-based systems should be implemented within the next sixty days.

Water / Sewer Agreement with the City of Ann Arbor

The Utilities Director and I have worked to resolve long standing payment issues with the city of Ann Arbor for tap in fees. Recommendation is to continue to review the process made from changing the payment schedule from annual to monthly and to continue to improve the process for payments. Also, continue to work with the City of Ann Arbor to resolve an outstanding financial issue of Scio Township's improper calculation of rates which does result in an additional payment to the City of Ann Arbor for services rendered.

Industrial Facilities Tax Abatements and Industrial Development Districts

The recent Optiflow applications to the BOT for an IDD district and then an IFT application clearly demonstrate the need for the BOT to development a comprehensive criterion for evaluating both district and IFT applications in terms of investment, job growth and retention, and longevity of the proposed project for applying the number of years from 1 to 12 for any abatements. Recommendation is to develop such development guidelines by July 1, 2022.

Fire Department Labor Union Contract

The current union contract expired on April 20, 2022. Due to Scio Township's method of accounting, the fire department deficit / funding issues / questions, several economic issues for the contract could not be addressed. As I understand, the Fire Chief and Fire Union have reached an interim agreement to continue the current contract as it presently exists until such time a new contract may be finalized. Recommendation is to resolve the fire department funding issue within the next 30 days. The funding issue has developed from what appears to be an incorrect implementation of Public Act 33 of 1951 and an incorrect implementation of the accounting standards as provided for the Michigan Department of Treasury. Public Act 33 creates a township wide special assessment district with specific procedures. The implementation of the special assessment suggests that fire funding has instead been treated as an extra voted millage which

it is not. I have held on going discussions with the Township Attorney (Homier) and the Fire Chief to address this issue.

Capital Improvement Plan (CIP)

The Township did not adopt a capital improvement plan as part of its FY 2022-2023 budget discussions. Instead, several capital improvement projects / items were listed on various budget documents and have led to confusion from Department Heads as to whether such items were approved during the budget process. As part of the annual budget cycle, a five-year capital improvement plan is expected. Recommendation is to develop a timeline and process for the annual creation / review of the five-year capital improvement plan. The CIP should be developed in conjunction with the annual FY budget cycle. Also, the timely implementation of the Uniform Chart of Accounts as required by the Michigan Department of Treasury would be a huge first step.

Part 2 – Township Staffing / New Positions

The issue of staffing positions has been a matter of concern. I have held individual discussions with each employee of the township and fire department. I have obtained questions, information, and input from various members of the BOT, unions, Department Heads, and township committees. Each have offered opinion as to what is important in their specific point of view and suggested how the analysis should be conducted. After much consideration of the materials gathered and in keeping with good governance practices as well as my own personal experience and education, I would offer the following recommendations as to potential staffing levels. One caveat, however, all staffing levels are subject to the implementation of qualified accounting staff, with appropriate CPA oversight, in order to determine the actual level of funding available for the various positions.

The list of FTE positions dated March 17, 2022, has been reviewed and should be considered as a base for consideration of township staff for the next fiscal year. It should amended with the following positions as appropriate.

High Priority Staff
Due to the nature of the duties, these positions should be filled within the next three (3) months.

Finance Director
This position is currently open and being recruited for by Amy Cell LLC. Objective is for a person with proper government accounting expertise and a CPA, MBA, or CPFO certification.

Human Resources Generalist (1/2 time)
This position is needed to develop/revise existing job descriptions and conduct internal township job recruitments. While the more advanced/technical positions may require the services of a firm, many of the township positions could be handled in house with proper HR staff.

Township Manager
Scio Township needs to reevaluate its position on an "Administrator Model". A full time Township Manager is needed with the authority to be the Chief Administrative Officer as defined in the statutes for overall budget preparation. The manager should also be given full hiring/firing authority and be held accountable for those actions. A part time Interim Administrator model will not resolve township issues in the long term. A full time Township Manager must be hired with all the duties, responsibilities, and authority of same.

Medium Priority Staff
These positions should be filled within the next three to six months.

As part of the overall redesign of the finance team, the Finance Director is the first step. In addition to the high level of analytics and professionalism this person will provide, support and

direction to the Finance Manager as well as the following two positions. Each of these two new positions will report to the Finance Manager (Rebecca) and complete the 3.5 FTE for finance.

Finance Accounting Specialist
This position would assist the Finance Manager and Finance Director with the implementation and ongoing work of the following tasks:

- Accounts Receivable
- Purchasing
- Accounts Payable
- Payroll and Benefits
- Audit and Year-End Reporting
- Investments and Cash Management
- Debt Management
- Uniform Chart of Accounts
- Assist/Review deposits/payments for errors
- Detailed records for asset management
- Budget Process
- Capital Improvement Plan
- Grants Management
- Special Assessments
- Payment in Lieu of Taxes (PILOT)
- Utility Billing (Back Up)

Utility Billing Clerk (1/2 time – Laurie Carey)
NEW – Accounting Finance Specialist (1/2 time)
Restore the Utility Billing Clerk position to full time status. Due to the BOT's rejection of the Temporary Finance Officer proposal earlier this year, a reorganization of the Finance Department was not possible. Therefore, due to retirement of the Utility Billing Clerk, the position was only able to be filled on a part time contractual basis. The contract, unless renewed, will expire on June 30, 2022. Adding accounting / finance duties to this position in terms of accounts payable and payroll will provide back up support to the Finance Manager as well as potential other financial tasks that may need additional support. This new hybrid position will be moved from the utilities department to the finance department with a change in reporting from the Utilities Director to the Finance Manager.

Fire Department Administrative Assistant (1/2 time – Terry Soave)
NEW – Expand to Full Time
Discussions with both Terry and the Fire Chief have noted the need for an expansion of this position. In addition to assistance with the inspection program and current BOT zoom meeting coordinator, new duties will include additional administrative tasks as follows:

- Payroll processing
- Scan and organize all paper files (about 5 filing cabinets full)
- Develop and maintain maintenance schedules for building, equipment, and apparatus
- EMS licensing
- EMS supply ordering

Utility Department Technician
The utility technician will expand the department's capacity to respond to various tasks assignments that are currently either on a very long-term schedule or are not scheduled at all. This new position will report to the Utilities Director and work with existing staff on additional projects as follows:

Annual issues regarding water and sewer lines
Preventative maintenance issues
Value Turning
Hydrant Flushing
Winter snow removal
EAGLE inspection assistance
Support for Township park maintenance

Associate Assessor (Michigan Advanced Assessing Officer MAAO-3)
The assessing department is in need of additional field staff and analytical capacity. Current department staff is at two (2) persons. This is inadequate for a jurisdiction of this size and taxable value. The Michigan State Tax Commission (STC) requires a physical inspection of at least 20% of a unit's parcels on an annual basis. Current staffing levels are inadequate to meet this state standard.

Firefighters – Township Fire Department – Two (2) Positions
Standard certified fire fighter positions. The Fire Chief has indicated that current staffing levels are inadequate to meet all possible circumstances without the need for overtime or other additional support.

Low Priority Staff
These positions are considered low priority due to the limited nature of the task, the inadequacy or inconsistency of the support material or the simple fact that much of this work may be accomplished by existing or other newly acquired staff.

Parks Manager (1/2 Time)
Trustee Jerome mentioned at the May 10th BOT that maintenance would be a major concern for a parks manager. Considering this and after extension review of all submitted parks materials, the Utilities Director has been instructed to confer with the parks committee and develop a summer / winter maintenance schedule. With existing Utilities staff and the addition of the new Utilities Technician, the opinion was expressed that current internal capacity exists to support the parks without the need to consider the hiring of full-time park specific staff. When township parks expand from pathways and nature preserves, a full-time parks staff may be appropriate. However, as of today, a part time position is appropriate to assist the overall existing utility staff.

Project Manager
Here again submitted materials were not persuasive that this position is needed at this time. Additionally, without professional financial staff, it has been impossible to determine the exact nature of the 15% administrative costs of the park's millage. There are a variety of topics that may or may not be appliable to be included in the calculation of the 15%. Moreover, a simple

calculation did determine that the 15% cap was approximately $127,000. Early 2022 budget requests were in the $200,000 range. Without more detailed analysis of how the costs could be allocated to various township "projects", a project manager position simply cannot be funded within current administrative cost restrictions of 15%.

Grant Manager

During conversations earlier this year regarding grant opportunities, the Supervisor took the lead on developing these tasks. With the appointment of the Interim Administrator, the Supervisor should continue to have ample time to lead the grant effort. With current limited grants, a specific grant manager position is unnecessary.

Part 3 – Budget and Finance

We have been having an ongoing conversation about budget and finance since January. This has also been a major point of disagreement with the BOT regarding sound financial policy and adequate financial staff. As I have presented multiple times on good governance procedures and the development of sound fiscal decision making, I will not restate them now. I will, however, attach a copy of the PowerPoint presentation from a May 10, 2022, Michigan Department of Treasury webinar entitled, "Chart Chat". While the entire PowerPoint is excellent, I would specially call your attention to the section on "Budgeting" presented by Roxanne Foster, Senior Auditor, Community Engagement and Finance, Department of Treasury. I will summarize some of her key budget points below. You may recall many of the same points that I have presented at both BOT and Budget and Finance Committee meetings.

Developing a Budget Document

Have a budget calendar
Have a document to explain the budget
Involve staff in draft developments
Have workshops with elected officials
Develop a balanced budget

Preparing for your Budget

Timeline – create a checklist
Include the public – Citizen engagement is critical
Get Feedback – surveys, workshops, newsletters, summaries, social media, etc
Plan for future needs
Tie to Capital Improvement Plan (CIP)

Adopting a Budget

Provide enough time for review
Provide workshops with staff and the governing body
Public Hearing
Formal Presentation with proper resolutions

Communicating the Purpose of the Budget

Ask for public comment
Take Surveys
Interactive sessions for public engagement

Designing your Budget

Follow budget policy and state law
Minimum requirements of state law or going above and beyond
Know which funds require a budget – governmental funds – General Fund – Special Revenue Funds

Preparing to Amend your Budget
Review your revenue and expenditure report monthly
Amend your budget not less than quarterly

Common Budgeting Pitfalls
No goals or strategy of what to accomplish
Failing to forecast revenue
Failing to include information from other sources such as CIP
Not updating your fee schedule annually
Rushing or having no timeline
Poor or no data to show past performance
Not including elected officials in the budget process
Not involving staff in the development phase
Not providing a draft copy for public inspection
Budgeting alone without any consideration of neighboring communities

The Budget and Finance Committee needs to take heed to the discussion on budget development that I offered at the April 21, 2022, meeting and begin the budget process for the April 2023-March 2024 fiscal year in June of this year. The argument is simple.

Budgeting is a long-term sustainable process that addresses capital improvements, legacy costs, and all operating. It works at a strategic level (3-5 projections) and has well defined performance measures to implement the goals and objectives of the board itself. All departments must be included in the budget development process as well as the public. Several work sessions well in advance of established timeline deadlines must be held.

Before anything else, this BOT needs to develop short- and long-term goals and objectives for township staff to implement when determining budget requests. As the current Scio Township budget process now stands, the BOT does not have any goals or objectives but instead relies on its various specific issue committees to provide guidance as to policy direction. The Scio model is clearly one of the tail wagging the dog. To correct this unsupportable situation going forward, the BOT should adopt the following budget timeline before the end of May 2022:

May 2022	Adopt short- and long-term goals in a work session
June	Revise goals and adopt budget calendar
June	Departments and Committees begin to assemble data in keeping with BOT goals
July	Work session(s) held with Departments and Committees to review data requests
August	Departments and Committees submit final budget requests. Informal reviews are held
September	Public Hearings for public comment
October	Changes and updates are needed based on public comment
November	Revised budget requests from Departments and Committees are submitted for review

January 2023	Current Fiscal Year year end projections are made
February	Final work session and draft budget presented for public review
March	BOT holds final public hearing and adopts budget for next fiscal year

BOT needs to take steps to address all financial reporting to guarantee accuracy and compliance with applicate statutes and procedures including:

Monthly Budget Progress Reports
Year to Date Expenditures and Revenues
Timely Investment Reports
Monthly Reports on Status of all Accounts

Full use capacity of all BS&A software programs must be implemented. Extensive reliance on excel spreadsheets leads to confusion as to which "version" is final and correct.

The Michigan Department of Treasury's website of Community Engagement and Finance should be reviewed frequently for updates and ongoing municipal financial information.

EXHIBIT 10

This proposal will only include a discussion of Accounts Payable and Payroll in the absence of the Finance Manager due to a family medical emergency. It should ***not*** be confused with the prior submission of the "Temporary Township Finance Officer" staff contract proposals submitted by Plante Moran and Rehmann. Any data analysis or detailed review requested of the entire finance department is not part of this current proposal but will be considered at a later date when all township staff positions are scrutinized.

Background

Please refer to Attachment A.

While a typical sized jurisdiction will generally have four (4) to five (5) full time employees in the finance department of varying skills, abilities and certifications, the Township of Scio has one (1). The Finance Director position was vacated by the Township Board in November 2021. This staff reduction left only the Finance Manager as the entire Finance team. Scio's Utility Billing Clerk is not part of Finance but is in the Utilities Department.

The Finance Manager experienced a family medical emergency in March 2022 which required her to begin using personal leave time for an unknown length of time. As in mid-March, the length of the possible leave time was undeterminable, Scio Township was without ***any*** staff to process the March 30th payroll and accounts payable invoices. In addition to the payroll and accounts payable issues, there are also lapses in the workload of the general ledger, year end closing for the fiscal year that ended on March 31, 2022, and the preparation for the annual audit which is tentatively scheduled to begin in early June.

Referencing the Scio Township Purchasing Policy and Procedures (November 2019), paragraph 2d provides for Emergency Purchases as follows:

"Whenever there is an imminent threat to the public health, safety or welfare of the Township or its residents, the Township Supervisor or a member of the Board of Trustees may authorize the purchase of supplies, materials, equipment, services or construction, utilizing competition as may be practical and reasonable under the circumstances."

The opinion was expressed that the welfare of the township and its residents were about to suffer an imminent threat as without the Finance Manager the township would be incapable of paying its bills, contracts, and also its employees. As the word "welfare" is generally defined, this lack of the ability to meet payroll and accounts payable would clearly cause a "calamity" and impact the "prosperity" and "happiness" as well as impacting the "well-being in any respect" of the township's employees and its creditors.

In response to this emergency, a meeting was called by the Township Administrator with the three (3) elected board members in township hall, Supervisor, Clerk, and Treasurer. A discussion was held. The Township Clerk and Township Treasurer agreed that this situation met the definition of "Emergency Purchases" authorized the engagement of Rehmann Robson to provide temporary accounts payable and payroll services. The Township Supervisor did not agree.

Rehmann Robson prepared the March 30th payroll and accounts payable. They are currently in the process of preparing the same for the April 15th distribution.

The Board of Trustee's Motion from March 22, 2022, states:

"The Township hereby terminates the "emergency" engagement of Rehmann Robson for payroll and accounts payable services effective April 12, 2022, if either the Finance Manager is able to carry out those duties at that time, or the Township Administrator is able to create an alternative plan for accomplishing these tasks using the Township's full and part time employees, including the Deputy Treasurer, with the understanding that the Administrator's plan may include outside resources."

In response to this motion, the Township Administrator reviewed all of the current human resource files on the township's "full and part time employees" in order to determine the in-house knowledge skills and abilities to serve an interim role in finance. The records were incomplete and offered limited guidance.

An employee survey was prepared to obtain the information that the personnel files lacked. See ATTACHMENT B. The survey was sent to the seven (7) current employees who were most likely to have at least some of the skill set needed. The cover memo clearly stated that, "The intent of this data gathering is to supplement the development of the finance task work plan. ... I am attempting to document the various skill sets of our current staff to determine the internal township staff support capacity as opposed to solely relying on anecdotal statements. Any consideration for the option of current township employees modifying their existing roles would be based on documented skills sets and the individual employee's expressed interest in the new opportunity."

Analysis of the survey provided the following details. Of the seven (7) employees surveyed, three (3) have skill sets in the payroll and accounts payable BS&A systems that the township currently utilizes. These individuals are Rebecca Maute, Laurie Carey, and Sandy Egeler.

As presently assigned, Laurie is the part time Utilities Billing Clerk. Sandy is the appointed Deputy Treasurer and serves at the pleasure of the Treasurer. As you may recall, Sandy requested this appointment and to be removed from finance. This Deputy Treasurer appointment was approved by the Board of Trustees to this position in November 2021. Rebecca is the Finance Manager who has payroll and accounts payable assigned as part of her normal job duties.

In consultation with Rebecca and in keeping with past township practice, a Memorandum of Understanding (MOU) was entered into on April 5, 2022. This MOU permits her to work a flexible hybrid schedule. She has remote login capacity from her home and will also be in the office on a periodic basis. The MOU is in effect until June 30, 2022, and Rebecca has agreed to provide the Township Administrator with a regular report of her working schedule and tasks.

<u>Alternate Plan</u>

Based upon the review of Scio human resource files and my analysis of the results of my April 5, 2022, survey, any alternate plan for payroll and accounts payable would be based upon the following model:

Primary Task Person: Rebecca Maute

Rebecca is the current Finance Manager and has stated regarding payroll that "I am the only employee that knows how to access and upload MERS monthly payroll reports, upload the State of Michigan SUW monthly and annual returns, and the only employee that has uploaded the 941 to the Department of Treasury."

As to accounts payable she states, "I am currently the only employee at Scio Township that knows the new process for inputting Accounts Payable invoices into the system using our new Purchase Order module."

Secondary Task Person: Laurie Carey

While Laurie is a part time employee in Scio Utility Billing, she is also employed part time in another local jurisdiction and is a current user of the various BS&A programs needed to serve as support to Rebecca. She has agreed to do so.

Back up Task Person: Sandy Egeler

While Sandy has had past experience in Scio Township BS&A programs, she stated in a planning meeting with the Supervisor and Treasurer words to the effect that she would need some training as the programs are different than they were in the past. She is familiar with the utility billing program as she stated on her survey form that she "set up the Scio program" and that the utility program is used "every day for LASA". Sandy provides utility billing services for LASA which is an independent authority from Scio Township.

Option 1.

Maintain the agreement with Rehmann Robson as it was negotiated with them in good faith. Rehmann has fully performed on each aspect of the agreement. The agreement will remain in place until June 30, 2022. During the time until then, a complete comprehensive permanent finance department staffing plan can be formulated and implemented. The Rehmann agreement also allows Rebecca the needed worktime flexibility.

Option 2.

Should the Board of Trustees decide to terminate the agreement with Rehmann on April 12, 2022, then the internal staffing plan is as follows:

Primary - Accounts Payable and Payroll – Rebecca Maute
Secondary – Accounts Payable and Payroll – Laurie Cary
Back up to Utility Billing/payroll/accounts payable – Sandy Egeler

(Sandy as back up rather than primary or secondary also preserves the separation of duties and checks and balances across departments due to her role as Deputy Treasurer. Also, this backup role would not impact the Treasurer's office as the entire staff is composed of the Treasurer and Deputy Treasurer.)

Recommendation:

The Township Administrator's recommendation is for Option 1 – maintain the agreement with Rehmann until June 30, 2022.

ATTACHMENT A.
SCIO TOWNSHIP FINANCE STAFF VS TYPICAL STAFF OF SIMILAR SIZED JURISDICTIONS with $2 - $3 MILLION PROPERTY TAX REVENUE

SCIO TOWNSHIP		TYPICAL JURISDICTION
Finance Director (Vacant Since November 2021)		**Finance Director**
Finance Manager Rebecca Maute (Out on MOU until June 30,2022)	Actual title of position depends upon the specific unit but the duties are similar.	**Assistant Finance Director** **Finance Manager** **Budget Director / Analyst**
		Finance Clerk **Accounting Specialist**
Utility Billing Clerk (Part time 20-25 hours) Laurie Carey (Replaced Shawn Slane – Retired) Currently part of Utility Dept not Finance Started in position – March 29, 2022		**Billing Clerk/Cashier** **Cashier/Billing Clerk**
<1.0 FTE Current Capacity Finance **0.50 FTE Utility Billing**		**4.0 to 5.0 FTE Capacity** **Finance and Utility Billing**

Emergency procurement services were needed for accounts payable and payroll until June 30, 2022, due to understaffed Finance Department and no backup in workload capacity.

MEMORANDUM

To: Scio Township (Full and Part Time Employees) as follows:

Kristy Aiken
Laurie Carey
Sandy Egeler
Andrea Garrett
Rebecca Maute
Terry Soave
Frances Szuma

From: David S. Rowley, Township Administrator

Date: April 5, 2022

Subject: Information Request

The Township Board of Trustees has requested the development of a plan for the accomplishment of various township finance tasks which "may include outside resources" and the use of "the Township's full and part-time employees".

Pursuant to this request I have completed my review of outside resources as well as a review of township human resource records pertaining to the full and part time employees listed above. However, the historical data contained in the township human resource records is incomplete in terms of the documentation needed to accurately verify the commonly held view of the knowledge, skills, and abilities of each of the various employees.

Therefore, I have developed the attached questionnaire. ***Please complete this form with the requested information and return the completed form to me by 12:00 pm (Noon) on Friday April 8, 2022.*** The intent of this data gathering is to supplement the development of the finance task work plan. In other words, I am attempting to document the various skill sets of our current staff to determine the internal township staff support capacity as opposed to solely relying on anecdotal statements. Any consideration for the option of current township employees modifying their existing roles would be based on documented skills sets and the individual employee's expressed interest in the new opportunity.

Please let me know of any questions.

SCIO TOWNSHIP
(Full and Part Time Employee Review – Two Pages)

Instructions:
Please complete this form with as much detail as possible. This form is provided as a word document so that you may compose answers on the original form. Attach additional pages as needed. Upon completion, please sign, date, and return to the Township Administrator by 12:00 pm (Noon) on Friday April 8, 2022. If you have a current resume, please attach a copy.

Name of Employee

Current Position
Title and Length of Time Served

Professional Experience
Please list employment for the last ten (10) years including position title, length of time in position, and type of job duties

Computer Skills
Describe your computer skills for the following programs and identify the last time frame when you used the program

Word

Excel

BS&A Software

Accounts Payable

Payroll

General Ledger

Purchase Orders

Utility Billing

Education

Please list your highest degree earned (i.e., High School, Associates Degree / Certificates, Bachelor's Degree, etc.) Please list any applicable coursework to your present position in Scio Township. Please attach appropriate transcripts.

Certifications and Awards

Please list any professional certifications or organizational awards that you have received with the applicable date(s)

Organizations

Please list any applicable local, regional, or statewide organizations to which you belong and your role in each

I attest that the above information is a true and accurate description of my credentials in terms of the topics listed and that I understand that this form will be added to my Scio human resource files.

_____ _____

Signature Date

EXHIBIT 11

‘You would have been bankrupt’: Scio Township hears dire warnings over finances

Updated: Mar. 29, 2022, 10:44 a.m. | Published: Mar. 29, 2022, 10:42 a.m.

Scio Township Hall at 827 N Zeeb Rd in Ann Arbor on Thursday, Oct. 7, 2021. Alyte Katilius | MLive.com

By Lucas Smolcic Larson | lsmolciclarson@mlive.com

WASHTENAW COUNTY, MI – Elected leaders in Scio Township heard a series of dire warnings about the state of their local government's finances on March 22 as they began to mull the coming fiscal year's budget, allocating some $3.9 million in taxes and other revenue.

Multiple key pots of public money, including the township's general fund and water, sewer and fire funds are in the red, the deputy treasurer said. Auditors have dinged the township for errors and failure to follow

regulations.

The township's finance team needs a "complete reorganization," said David Rowley, the 30-year veteran municipal official brought in last December as township administrator after more than two years with a hole at the top of internal government operations.

He was blunt.

"Let's just cut to the chase. We don't have any plan. We spend money because we have it," he said. The township is fortunate to reap the benefits of an affluent tax base just outside Ann Arbor, the administrator said.

"It's the only reason your doors are still open. If this was a normal general law township you would have been bankrupt a long time ago. Now if that sounds harsh, I'm sorry. You've asked for my professional opinion and I'm giving it. You need additional financial staff."

But those warnings appeared to fall on skeptical ears for a majority of the township board. In a five-hour meeting pockmarked by verbal barbs hurled between officials, a majority voted to shelve Rowley's proposed solution.

Then, Township Supervisor Will Hathaway went one step further, moving to end emergency financial staffing authorized by the clerk and treasurer, arguing existing staff were sufficient.

The tense exchanges were the latest in a series of power struggles that have played out in the township board room on Zeeb Road among members of the government body who themselves acknowledge their own dysfunction.

Notably, Rowley — questioned during his hiring over his experience navigating conflict between officials and framed by one resigning township trustee "an opportunity for a reset" — appears to have entered the fray.

Administrator proposes $137K stopgap, urges better financial planning

In an eight-page memo, the latest in a series of tabled proposals to beef up financial staffing, the administrator said the world around Scio Township officials has changed, while its internal operations have largely stagnated.

“Scio can no longer afford to do business with the mindset of ‘this is the way we’ve always done it.’ We cannot continue to use the same past practice and procedures and then expect different results,” he wrote, noting the absence of basic levels of financial planning.

Its $1.49 billion dollars of taxable value dwarfs even more populous local governments and demands four to five finance staff members, according to the administrator. The township now has one, with “limited backup,” he wrote.

Rowley proposed a stopgap, asking the township board to OK hiring two consulting and accounting firms for a three to six-month period to fill a “vital short-term need” while he develops a long-term plan.

The consultants would provide basic financial services, help prepare for an upcoming annual audit and complete a state-mandated account conversion the township has failed to do for years, according to the proposal.

Without righting the ship, the township could hurt its bond rating, critical to mounting major infrastructure projects, Rowley warned.

But some township leaders balked at the $137,000 price tag on the proposal.

The cost isn't warranted, said Hathaway, saying the township's existing staff is "perfectly capable" of doing the work and adding he saw no clear analysis of what positions needed to be filled in the administrator's proposal.

"I wonder how the administrator could hold such firm opinions about the cause and effect relationship between past events when he only started working at the township in December, just over three years ago," the supervisor said.

Trustees Patrick McLaughlin, Alec Jerome and Jacqueline Courteau all acknowledged the township needed additional resources, but said they lacked a detailed needs analysis of the existing finance team and how it should be supplemented, so struggled to support the proposal.

On the other side of the debate, Clerk Jessica Flintoft urged her colleagues to get on board, voicing frustration that the township body had stymied her efforts to boost financial staffing in recent months.

The township hired Rowley because “our board was floundering,” Trustee Kathleen Knol, also supportive of the proposal, noted, saying she trusted his recommendation.

In the end, their two voices were a minority, as the board voted 5-2 to table the plan for future consideration.

Supervisor moves to end ‘emergency’ financial staffing

Hathaway then went one step further.

Days earlier, on March 15, Flintoft and Treasurer Donna Palmer had on an emergency basis authorized bringing on outside financial help to handle accounts payable and payroll as a key township financial staffer had to take leave, according to the clerk.

Hathaway moved to cancel the arrangement “due to lack of an emergency,” saying the procedures should be reserved for situations like a midnight sewer main break or a tornado, and the situation presented no threat to residents’ safety or well-being.

“This motion is insane. It’s insane,” Flintoft said, becoming increasingly agitated.

The township has millions in pending invoices, she said. “We will not pay you if this goes through … This is audit findings. This is newspapers. This is a nightmare.”

Hathaway countered that the deputy treasurer, Sandy Egeler, had outlined how she could do the necessary work with the help of a part-time staffer whose contract is ending soon – a proposal Flintoft railed against, claiming it offered inadequate internal controls and oversight for the staff handling the money.

Rowley also pushed back on the move, in a sharp exchange with Hathaway, who he accused of misrepresenting existing staff members’ capacities.

“Look at your budget, sir,” Rowley said. “Scio Township has inadequate financial planning in all of its aspects, and this proposal is continuing that in perpetuity.”

Other township leaders attempted to broker a compromise, with Jerome suggesting the emergency financial contract be regularly revaluated for its necessity.

The final motion backed off a quick cancelation of the arrangement altogether.

It would terminate the emergency engagement on April 12 if the township's financial manager is able to carry out her duties at that time, or the township administrator is able to create an alternative plan that could include outside resources.

The measure passed 5-2, with Flintoft and Palmer casting no votes. "We have to have this help," Palmer said, expressing confusion over what the motion actually meant after the extended back-and-forth that crafted it.

As the meeting concluded, Flintoft continued to criticize the "dire, dire state" caused, she said, by a lack of investment in additional finance staff.

The situation has reached a point where the clerk can't recommend officials accept large grants, like $1.5 million in the state budget for the Zeeb Road Pathway secured by State Rep. Donna Lasinski, D-Scio Township, she said.

Noting deficits in township funds, the clerk asked how officials could cut down on legal costs, which have mounted.

One of the township's attorneys, Michael Homier, present at the meeting, had a simple answer.

"The more dysfunctional you are the more you will pay me," he said.

Scio Township will continue to debate its Fiscal Year 2023 budget at a special meeting at 7 p.m. on Tuesday, March 29. For the agenda and to attend virtually, click here.

EXHIBIT 12

MEMORANDUM

To: Scio Township Board of Trustees
From: David S. Rowley, Township Administrator
Date: April 12, 2022
Subject: Termination of Employee Agreement

After long conversations with family and friends, it is with great regret that I do provide Scio Township notice that I elect to terminate my Employment Agreement with the Township as of May 15, 2022, pursuant to Section 9 of the current employment agreement for the Township Administrator. Today's notice is greater than the thirty (30) day minimum required.

I am sorry both personally and professionally that this action is necessary. My original intension though was to remain in Scio until my final retirement. However, there is no incentive to remain here. Ongoing township events have clearly demonstrated that there will never be agreement between myself, and Scio Township elected officials as to the principals of good governance regarding local government fiscal management and certified oversight. As a professional local government manager, administrator, and educator with now over thirty (30) years of day-to-day actual experience, I am in a greater position to opine on what is needed for local government and I am greatly saddened by the Scio's political approach to millions of dollars of taxpayer's money. My reputation in local government, as well as my integrity and professionalism are well known across the state and respected by my colleagues. As a state and national education award winner in government education excellence, I choose to no longer be a part of the Scio Township model of local government. I do call on the Board of Trustees to fill the vacant Finance Director position with an experienced individual who holds a Master of Business Administration degree or who is a Certified Public Account and to conduct a three (3) to five (5) year internal audit to fully understand the status of township finances.

To the staff and employees of Scio Township, I thank you for your dedication and professionalism. Stay strong. You are the very best of Scio Township. To the township residents and taxpayers, I thank you for your many statements of support and the kind words that I have received. Continue to watch, observe, and hold your elected township officials accountable for every one of their actions. It has been my greatest pleasure to have been your public servant even for this short period of time.

EXHIBIT 13

Report to the Board of Trustees regarding the two missed County milage requests for the December 2021 tax bill.

To fellow Board members:

During the Tax Settlement process, the county treasurer's office discovered that I had missed two of their milage requests, Roads for 0.4981 and Conservation District for 0.0199. I have thoughts as to how this happened, but that is immaterial, at this point in time.

I contacted BS&A, our software provider and was surprised to learn that it is an easy process to do the correction. A special assessment district will be created for each levy request and then will be imported in the billing step. By doing so in this manner, we can use the 2021 database, which is very important. It will make the reconciliation process easy and accurate.

This process puts everything on one bill, clearly explained. For those citizens whose taxes are paid through their mortgage escrow account, it eliminates the confusion that emailing two data files would create.

In response to the question regarding an additional L-4029 request form, one is not needed.

To inform the citizens, I am proposing an article in our newsletter, information on the website, and an information letter mailed by May 20, 2022.

Donna E. Palmer

Donna E. Palmer

Scio Township Treasurer

April 26, 2022

EXHIBIT 14

BALANCE SHEET FOR SCIO TOWNSHIP

Month Ended: March

GL NUMBER	DESCRIPTION	BALANCE AS OF 03/31/2009	BALANCE AS OF 03/31/2010	BALANCE AS OF 03/31/2011	BALANCE AS OF 03/31/2012	BALANCE AS OF 03/31/2013	BALANCE AS OF 03/31/2014
Fund 206 - FIRE DEPARTMENT FUND							
206-000-001.000	CHECKING	940,519.74	55,958.54	676,358.00	2,000,462.70	2,224,893.56	1,407,406.94
206-000-001.900	CHECKING - MEDICAL REIMB ACCT.	0.00	0.00	0.00	2,675.48	1,012.80	0.00
206-000-002.000	POOLED SAVINGS	0.00	0.00	0.00	0.00	0.00	0.00
206-000-002.010	SAVINGS	0.00	1,300,032.09	1,005,138.14	0.00	0.00	0.00
206-000-002.012	FLAGSTAR SAVINGS-FIRE	0.00	0.00	0.00	0.00	0.00	0.00
206-000-002.020	SAVINGS @ STATE BANK	0.00	0.00	0.00	0.00	0.00	0.00
206-000-002.100	INVESTMENT-COMMERCIAL PAPER	0.00	0.00	0.00	0.00	0.00	0.00
206-000-002.200	INVESTMENT-US TREASURIES	0.00	0.00	0.00	0.00	0.00	0.00
206-000-003.000	CERTIFICATES OF DEPOSIT	0.00	0.00	0.00	0.00	0.00	1,006,698.94
206-000-005.000	CASH - CLASS	0.00	0.00	0.00	0.00	0.00	0.00
206-000-007.000	INVESTMENT-CLASS ACCT	0.00	0.00	0.00	0.00	0.00	0.00
206-000-020.000	REAL TAXES RECEIVABLE	0.00	0.00	31,527.37	0.00	0.00	0.00
206-000-028.210	TAXES REC - DELQ PERS PROP - 20	0.00	0.00	91.62	89.60	89.60	89.60
206-000-028.220	TAX REC - DELQ PERS PROP - 2020	0.00	0.00	0.00	0.00	0.00	0.00
206-000-035.000	CURRENT ACCOUNTS RECEIVABLE	0.00	0.00	0.00	0.00	0.00	0.00
206-000-037.000	DUE FROM COUNTY-DELQ TAX	66,709.50	58,135.32	50,161.61	40,582.01	36,499.87	36,115.63
206-000-056.000	INTEREST RECEIVABLE	0.00	0.00	0.00	0.00	0.00	0.00
206-000-078.000	DUE FROM STATE	0.00	0.00	0.00	0.00	0.00	0.00
206-000-084.703	DUE FROM TAX COLLECTION FUND	0.00	0.00	0.00	0.00	0.00	0.00
206-000-123.000	PREPAID EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00
206-000-202.000	ACCOUNTS PAYABLE	198.06	4,672.37	35,504.44	8,945.22	15,903.27	8,715.19
206-000-214.101	DUE TO GENERAL FUND	0.00	0.00	0.00	0.00	0.00	0.00
206-000-257.000	ACCRUED WAGES PAYABLE	0.00	17,470.76	16,348.12	15,113.55	13,472.57	16,902.28
206-000-258.000	ACCRUED TAXES/PENSION PAYABLE	0.00	1,520.75	1,553.08	1,648.68	1,487.72	1,697.53
206-000-299.000	OTHER CURRENT LIABILITIES	0.00	0.00	5,912.00	8,354.00	3,808.92	2,729.97
206-000-339.000	DEFERRED REVENUE	1,006,653.03	989,822.77	934,364.89	925,240.31	921,606.17	936,842.28
206-000-390.000	Fund Balance	0.00	378.15	400,639.30	769,594.21	1,084,508.03	1,306,217.18
206-000-398.000	Change in Fund Balance	0.00	0.00	0.00	0.00	0.00	0.00
Total Fund 206 - FIRE DEPARTMENT FUND							
BEG. FUND BALANCE		0.00	378.15	400,639.30	769,594.21	1,084,508.03	1,306,217.18
NET OF REVENUES & EXPENDITURES		378.15	400,261.15	368,954.91	314,913.82	221,709.15	177,206.68
ENDING FUND BALANCE		378.15	400,639.30	769,594.21	1,084,508.03	1,306,217.18	1,483,423.86
TOTAL LIABILITIES AND FUND BALANCE		1,007,229.24	1,414,125.95	1,763,276.74	2,043,809.79	2,262,495.83	2,450,311.11

BALANCE SHEET FOR SCIO TOWNSHIP

Month Ended: March

GL NUMBER	DESCRIPTION	BALANCE AS OF 03/31/2015	BALANCE AS OF 03/31/2016	BALANCE AS OF 03/31/2017	BALANCE AS OF 03/31/2018	BALANCE AS OF 03/31/2019	BALANCE AS OF 03/31/2020
Fund 206 - FIRE DEPARTMENT FUND							
206-000-001.000	CHECKING	1,042,438.24	0.00	0.00	0.00	0.00	0.00
206-000-001.900	CHECKING - MEDICAL REIMB ACCT.	0.00	0.00	1,000.00	21,000.00	18,450.29	10,829.04
206-000-002.000	POOLED SAVINGS	0.00	1,196,535.52	539,795.87	872,065.35	828,659.29	1,160,343.12
206-000-002.010	SAVINGS-FLAGSTAR	0.00	0.00	876,115.43	179,601.36	30,234.59	30,408.67
206-000-002.012	FLAGSTAR SAVINGS-FIRE	0.00	0.00	0.00	0.00	0.00	0.00
206-000-002.020	SAVINGS @ STATE BANK	0.00	0.00	0.00	0.00	0.00	0.00
206-000-002.100	INVESTMENT-COMMERCIAL PAPER	0.00	0.00	0.00	0.00	0.00	0.00
206-000-002.200	INVESTMENT-US TREASURIES	0.00	0.00	0.00	0.00	0.00	0.00
206-000-003.000	CERTIFICATES OF DEPOSIT	1,514,620.96	1,524,253.58	1,262,877.61	1,275,625.37	1,016,392.54	822,412.44
206-000-005.000	CASH - CLASS	0.00	0.00	0.00	0.00	521,085.97	0.00
206-000-007.000	INVESTMENT-CLASS ACCT	0.00	0.00	0.00	0.00	0.00	532,034.08
206-000-020.000	CY TAXES RECEIVABLE	0.00	0.00	0.00	0.00	0.00	0.00
206-000-028.210	TAXES REC - DELQ PERS PROP - 20	89.60	0.00	0.00	0.00	0.00	0.00
206-000-028.220	TAX REC - DELQ PERS PROP - 2020	0.00	0.00	0.00	0.00	0.00	0.00
206-000-035.000	CURRENT ACCOUNTS RECEIVABLE	0.00	0.00	0.00	0.00	0.00	1,550.00
206-000-037.000	DUE FROM COUNTY-DELQ TAX	38,605.68	33,137.94	30,381.52	26,431.40	35,432.96	56,736.66
206-000-056.000	INTEREST RECEIVABLE	0.00	0.00	0.00	0.00	0.00	2,395.77
206-000-078.000	DUE FROM STATE	0.00	0.00	0.00	0.00	0.00	0.00
206-000-084.703	DUE FROM TAX COLLECTION FUND	0.00	0.00	0.00	0.00	0.00	44,565.30
206-000-123.000	PREPAID EXPENSES	0.00	0.00	0.00	0.00	0.00	8,926.00
206-000-202.000	ACCOUNTS PAYABLE	4,768.88	19,555.89	9,982.73	23,215.81	33,686.06	27,980.49
206-000-214.101	DUE TO GENERAL FUND	0.00	0.00	0.00	0.00	0.00	0.00
206-000-257.000	ACCRUED WAGES PAYABLE	15,115.03	15,761.95	17,585.79	40,834.29	22,354.51	20,777.91
206-000-258.000	ACCRUED TAXES/PENSION PAYABLE	1,814.57	1,815.27	2,234.30	4,225.19	1,710.11	1,589.50
206-000-299.000	OTHER CURRENT LIABILITIES	1,931.04	1,873.26	967.18	2,270.62	886.70	0.00
206-000-339.000	DEFERRED REVENUE	958,945.79	988,821.10	1,016,566.08	1,045,760.24	1,096,095.98	1,744,635.92
206-000-390.000	Fund Balance	1,483,423.86	1,613,179.17	1,726,099.57	1,662,834.35	1,258,417.33	1,295,522.28
206-000-398.000	Change in Fund Balance	0.00	0.00	0.00	0.00	0.00	0.00
Total Fund 206 - FIRE DEPARTMENT FUND							
BEG. FUND BALANCE		1,483,423.86	1,613,179.17	1,726,099.57	1,662,834.35	1,258,417.33	1,295,522.28
NET OF REVENUES & EXPENDITURES		129,755.31	112,920.40	(63,265.22)	(404,417.02)	37,104.95	(420,305.02)
ENDING FUND BALANCE		1,613,179.17	1,726,099.57	1,662,834.35	1,258,417.33	1,295,522.28	875,217.26
TOTAL LIABILITIES AND FUND BALANCE		2,595,754.48	2,753,927.04	2,710,170.43	2,374,723.48	2,450,255.64	2,670,201.08

BALANCE SHEET FOR SCIO TOWNSHIP

Month Ended: March

GL NUMBER	DESCRIPTION	BALANCE AS OF 03/31/2021	BALANCE AS OF 03/31/2022
Fund 206 - FIRE DEPARTMENT FUND			
206-000-001.000	CHECKING	506.96	1,234.50
206-000-001.900	CHECKING - MEDICAL REIMB ACCT.	7,863.94	5,706.91
206-000-002.000	POOLED SAVINGS	551,117.82	769,472.67
206-000-002.010	SAVINGS-FLAGSTAR	0.00	0.00
206-000-002.012	FLAGSTAR SAVINGS-FIRE	0.00	0.00
206-000-002.020	SAVINGS @ STATE BANK	1,493,067.35	1,496,056.23
206-000-002.100	INVESTMENT-COMMERCIAL PAPER	0.00	0.00
206-000-002.200	INVESTMENT-US TREASURIES	0.00	0.00
206-000-003.000	CERTIFICATES OF DEPOSIT	0.00	0.00
206-000-005.000	CASH - CLASS	0.00	0.00
206-000-007.000	INVESTMENT-CLASS ACCT	533,468.89	533,768.84
206-000-020.000	CY TAXES RECEIVABLE	0.00	86,400.02
206-000-028.220	TAX REC - DELQ PERS PROP - 2020	1,994.42	(19.59)
206-000-035.000	CURRENT ACCOUNTS RECEIVABLE	0.00	0.00
206-000-037.000	DUE FROM COUNTY-DELQ TAX	63,415.48	58,980.54
206-000-056.000	INTEREST RECEIVABLE	0.00	0.00
206-000-078.000	DUE FROM STATE	24,812.70	24,812.70
206-000-084.703	DUE FROM TAX COLLECTION FUND	81,561.58	0.00
206-000-123.000	PREPAID EXPENSES	4,463.00	4,463.00
206-000-202.000	ACCOUNTS PAYABLE	12,367.06	34,231.64
206-000-214.101	DUE TO GENERAL FUND	0.00	0.00
206-000-257.000	ACCRUED WAGES PAYABLE	21,492.73	21,492.73
206-000-258.000	ACCRUED TAXES/PENSION PAYABLE	2,113.02	2,113.02
206-000-299.000	OTHER CURRENT LIABILITIES	0.00	0.00
206-000-339.000	DEFERRED REVENUE	1,819,431.70	0.00
206-000-390.000	FUND BALANCE - UNASSIGNED	875,217.26	906,867.63
206-000-398.000	Change in Fund Balance	0.00	0.00
Total Fund 206 - FIRE DEPARTMENT FUND			
BEG. FUND BALANCE		875,217.26	906,867.63
NET OF REVENUES & EXPENDITURES		31,650.37	2,016,170.80
ENDING FUND BALANCE		906,867.63	2,923,038.43
TOTAL LIABILITIES AND FUND BALANCE		2,762,272.14	2,980,875.82

ACCOUNT BALANCE HISTORY REPORT FOR SCIO TOWNSHIP

Month Ended: March

GL NUMBER	DESCRIPTION	BALANCE AS OF 03/31/2009	BALANCE AS OF 03/31/2010	BALANCE AS OF 03/31/2011	BALANCE AS OF 03/31/2012	BALANCE AS OF 03/31/2013	BALANCE AS OF 03/31/2014
Fund 206 - FIRE DEPARTMENT FUND							
206-000-402.000	REAL PROPERTY TAXES	0.00	1,006,653.03	983,969.71	931,922.89	929,837.55	924,554.51
Total Fund 206 - FIRE DEPARTMENT FUND							
TOTAL ASSETS		0.00	0.00	0.00	0.00	0.00	0.00
BEG. FUND BALANCE		0.00	378.15	400,639.30	769,594.21	1,084,508.03	1,306,217.18
+ NET OF REVENUES & EXPENDITURES			1,006,653.03	983,969.71	931,922.89	929,837.55	924,554.51
= ENDING FUND BALANCE		0.00	1,006,653.03	983,969.71	931,922.89	929,837.55	924,554.51
+ LIABILITIES		0.00	0.00	0.00	0.00	0.00	0.00
= TOTAL LIABILITIES AND FUND BALANCE		0.00	1,006,653.03	983,969.71	931,922.89	929,837.55	924,554.51

ACCOUNT BALANCE HISTORY REPORT FOR SCIO TOWNSHIP

Month Ended: March

GL NUMBER	DESCRIPTION	BALANCE AS OF 03/31/2015	BALANCE AS OF 03/31/2016	BALANCE AS OF 03/31/2017	BALANCE AS OF 03/31/2018	BALANCE AS OF 03/31/2019	BALANCE AS OF 03/31/2020
Fund 206 - FIRE DEPARTMENT FUND							
206-000-402.000	REAL PROPERTY TAXES	937,689.92	959,003.57	989,806.51	1,015,565.62	1,051,817.93	1,104,788.63
Total Fund 206 - FIRE DEPARTMENT FUND							
TOTAL ASSETS		0.00	0.00	0.00	0.00	0.00	0.00
BEG. FUND BALANCE		1,483,423.86	1,613,179.17	1,726,099.57	1,662,834.35	1,258,417.33	1,295,522.28
+ NET OF REVENUES & EXPENDITURES		937,689.92	959,003.57	989,806.51	1,015,565.62	1,051,817.93	1,104,788.63
= ENDING FUND BALANCE		937,689.92	959,003.57	989,806.51	1,015,565.62	1,051,817.93	1,104,788.63
+ LIABILITIES		0.00	0.00	0.00	0.00	0.00	0.00
= TOTAL LIABILITIES AND FUND BALANCE		937,689.92	959,003.57	989,806.51	1,015,565.62	1,051,817.93	1,104,788.63

ACCOUNT BALANCE HISTORY REPORT FOR SCIO TOWNSHIP

Month Ended: March

GL NUMBER	DESCRIPTION	BALANCE AS OF 03/31/2021	BALANCE AS OF 03/31/2022
Fund 206 - FIRE DEPARTMENT FUND			
206-000-402.000	REAL PROPERTY TAXES	1,744,635.92	3,707,483.09
Total Fund 206 - FIRE DEPARTMENT FUND			
TOTAL ASSETS		0.00	0.00
BEG. FUND BALANCE		875,217.26	906,867.63
+ NET OF REVENUES & EXPENDITURES		1,744,635.92	3,707,483.09
= ENDING FUND BALANCE		1,744,635.92	3,707,483.09
+ LIABILITIES		0.00	0.00
= TOTAL LIABILITIES AND FUND BALANCE		1,744,635.92	3,707,483.09

EXHIBIT 15

Version: 04/0

ClerkD

Utilities BS&A Applications Help

Audit Record Details

General Information

Date/Time: 5/13/2022 5:19 PM User Name: Sandy

User Name: James

Summary: UserModified

Details

Type/Reference #	Action	Field	Old Value	New Value
Security: 290	Modified	(GL) Program Access Level	Set Access	Administrator Access

Total Details: 1

Close

Total Entries: 42

Close