

TUSCARORA TOWNSHIP BOARD OF TRUSTEES
TUSCARORA TOWNSHIP HALL
3546 S. Straits Hwy., Indian River, MI 49749
SPECIAL MEETING MINUTES – July 26, 2024 @ 7:00 PM

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. BOARD MEMBER CONFLICT OF INTEREST STATEMENT (IF APPLICABLE)
4. TREASURER REPORT
5. GRANT REPORT
6. BILLS
7. PUBLIC COMMENT (3 MINUTES)
8. BOARD COMMENTS
9. ADJOURNMENT

1. **Call to Order** - Supervisor Kramer at 7:00 PM

2. Roll Call

Members Present – Supervisor Kramer, Clerk Reidsma, Trustee Vance, Trustee Pearson, Treasurer Dillaha

Members Absent – None Quorum Present

Staff Present – Deputy Supervisor Odenwald, Administrative Asst. Chris Green, Gordon Temple, Dan Rempinski (CPA, forensic examiner)

3. Conflict of Interest Items

Kramer stated a conflict of interest with Phase II Sewer Bills based upon his residence location.

MOTION: Move to change the agenda (given that the full board was present) to title “Treasurer Report” as “Treasurer Report & Board Financial Discussion”

Moved by Kramer, seconded by Dillaha.

Motion carried by voice vote 5-0.

MOTION: Move to add an agenda item for “Sewers”.

Moved by Kramer, seconded by Pearson.

Motion carried by voice vote 5-0.

4. Treasurer Report & Board Financials Discussion Information: Supervisor Kramer addressed false inflammatory & incendiary financial allegations, communicated within the Township, by 501-C4 organization sponsored Postcards paid for by “Listen to American Citizens”, PO Box 80505, Lansing, Michigan; and by emails from former interim appointed Clerk Dawn Webb. Webb and 501-C4 claimed the following:

- \$400,000 in general funds were missing;

- claimed \$25,000 of the \$100,000 in School Resource officer (police) revenue were missing;
- claimed bank reconciliations have not been done for two years;
- claimed administrative costs were exploding;
- claimed that County bank accounts receive inconsistent focus, and successfully completing County audits was required;
- and claimed the Township residents should contact Lori Smith (treasurer candidate) for immediate attention.

Supervisor Kramer told the Board that we must get to the bottom of these serious allegations.

ALL allegations were addressed as false (see discussion). Statements by Chris Green (administrative assistant), Dan Rempinski (CPA, forensic examiner), Police Chief Gordon Temple and Janice Dillaha (treasurer) provided data & explanations to demonstrate no money was missing and that the non-profit **501-C4** was intentionally attempting to demonize the board. Candidates for office, who were present and who were advertised by the **501-C4**. According to Mr. Rempinski, a full report will be released once ALL of the accounting work to fix accounting problems that go back 6+ years due to past boards, is completed within the next 6-8 weeks.

Discussion:

Ms. Webb claim of \$400,000 are missing in the books and 501c4 “Listen to American Citizens” is absolutely false.

The “missing” \$400,000 is in the books, but it must be “accrued back” to the 2023/24 FY. All Past Boards did NOT do accrual accounting – they relied on the Auditor to develop the General Ledger account changes – which were then entered in November/December. So, we can attribute \$103,145 to revenue sharing from SIGMA VSS (vendor self-service) that was received on July 2, 2024. It must be accrued back to the 2023-24 FY. In addition, \$266,657 was found in the general ledger GL account# 703-000-216 “Due to general fund” that must be moved from the 703-000-216 account to the General Fund. Once completed the General Fund will account for a total \$369,802 actual, which compares with the \$400,00 budgeted value. This will eliminate the imbalance. These changes will be made by September in time for the Audit. As stated, “accrued back” is the appropriate accounting procedure (not historically observed in this Township). Also, “accruals” are not typically conducted until the check arrives. For example, we have not been invoiced for the Nabanois Paving project and therefore cannot accrue the expenditure back to 2023/24 until billed. Another example, property sales have been booked, but cannot be balanced with Asset accounts. There are no asset accounts in the BSA system (except sewers). This transaction will happen once a spreadsheet of assets inventory are added to the Account books (\$10-15 million). BOTTOM-LINE: It was emphatically stated that we are not missing \$400k, and we expect the books to be updated by September 2024. Our greatest priority remains achievement of accurate Reconciliations for May, June, July to have a “Balanced Baseline” to work from going forward.

Ms. Webb claimed \$25,000 of the \$100,000 in School Resource officer (police) revenue were missing is absolutely false.

Chief Temple was prepared to review all paperwork to validate that Township has received checks from three (3) different invoices from the Inland Lakes School for services rendered by a School Resource Officer assigned full-time to the Schools. He displayed records for two (2) invoices that have been accounted for in general ledger with the 3rd invoice awaiting August accounting. Board members stated that Chief Temple has always provided outstanding assistance to assure his books were accurately and timely updated, always ensuring our Township Accounts agrees with his data. Accolades to the Chief from the Board. Supervisor stated that the email he read from Ms. Webb stated that \$22K was missing.

501-C4 claimed bank reconciliations have not been done for two years is absolutely false.

The Current Treasurer, Jan Dillaha, was appointed to the office upon Treasurer Balazovic's resignation in June of 2023. At the time, six months of "Reconciliations" were not complete or balanced. Balazovic left the office by deleting all emails and correspondence, left only accounting information in BS&A systems, and provided no procedures, no schedules, no list of deliverables for different required tasks (only 2 hours of transition discussion). How is it that those accusing the Board / Treasurer of these issues are so disconnected from reality? So, the most important priority is to get a validated baseline for BS&A accounts/registers versus bank accounts by eliminating unsubstantiated transactions, which requires much research. Invoices, bank accounts, unbalanced transactions must be researched to determine if they are bona fide transactions or mistakes & errors. Books have been incorrect since 2018 when BSA accounting software was first loaded, so errant transactions are still being found. The forensic accountant brings experience and unbiased review of the books. Problems exist going back 7-8 years (sewer district 1 still not fixed). Accounting expertise was hired well in advance of these unfounded accusations. Why? We knew we needed the help (treasurer, clerk, and admin). Past Boards brought in Accounting help as well at the same cost. The only difference will be the work to be completed, which will be shared with the Community. We are still behind given the need to establish the balanced baseline. This means Treasurer is still working on May, June, and July reconciliations before we can update the many transactions as outlined.

501-C4 claimed administrative costs were exploding is absolutely false.

The published "analysis" by Jane McGinnis is distorted and inaccurate. Let's look at office positions today versus previous Boards. Each Board had an office assistant, an assessor assistant, and an administrative assistant. What's the difference? Past Clerks would accept additional pay for performing the administrative assistant tasks (only one other Clerk plus the current Clerk did not accept this compensation). The only difference is a part-time elections assistant to work with the Clerk on four plus elections this year, removing voters from the QVF as deceased / no longer living in the Township, collecting / receipting the Treasurer's property taxes, plus assisting on the many tasks associated with the Phase 1 and 2 sewer administration, and covering for others on vacation.

501-C4 claimed that County bank accounts receive inconsistent focus, and successfully completing County audits was required – is absolutely false.

There are no County bank accounts and there are no County audits. We have 19 different bank accounts to accommodate the Township, Police, Library, DDA, Sewers, Special Assessment

districts, and Grant requirements. There are no County Audits, but tax disbursement requirements for a number of items like Schools, Trailer Parks, Personal Property, Property Tax etc.

501-C4 claims “Tell Lori Smith this needs immediate attention?” – is absolutely absurd.

Lori Smith was in the audience and had nothing to say at public comment – good, bad, or no comment!

Why would a **501-C4**, totally unaware of our problems in Tuscarora Township, make such an arrogant statement? Most of the problems were created by previous administrations that had to be fixed by this Board. For example, RRI payments (maintenance sewer fund) were not made in full or correctly on District 1 sewers. Trailer-park fees must be collected by the Township and paid to the County and the State, but were not done for 5 years. We could have made a choice to send a check, but we decided to invoice the trailer Parks as appropriate and correct the problem. Airport-hanger owners needed to be placed into Miscellaneous Receivables, as well, because there were no procedures or schedules to invoice them consistently on a yearly basis, and now there is a procedure and schedule. Personal property taxes were NOT being collected. These are different than Property Taxes. The County wants these personal property taxes cleaned up. They are assigned to the business owner's equipment (\$30 k worth of taxes due to County) and we simply get an administration fee. The Fire department is paid in arrears of service rendered, a long-standing tradition, Lori Smith could have come forward with a plan. She didn't. The DDA tax incentive financing (TIF) was behind two years with the Michigan Treasury department with their required reporting, and the Treasury was suggesting their financing could be lost if these aren't completed on time (three years of reports in one year). This Board has a lot of work to do that previous boards did little, which is one more reason for temporary staff. Dan, the forensic accountant, stated that we have an overload of work — Bank Recon being the most important — recognized our judgment to bring in someone to assist. So, he recommends this approach to be methodical with appropriate time committed to account analysis to root out incorrect ledger entries, rather than kick the can down the road like previous Boards. His job is to get a stable, valid, baseline and then allow us to move forward. As previously stated, this means placing \$10-15 million in Township assets into the accounting ledgers instead of an excel file. He will issue a report on findings on best practices and recommendations when complete. BTW – Lori Smith could have stood up, presented a summary of all these items, and other issues, if she chose to ask questions of past Board members – but she didn't say a word.

501-C4 postcard (attached) available upon request, questioning “Where is the money?”. Ask yourself, have these accusations been made with any responsible research to address real issues or an egregious attempt to mislead voters?

5. Grant Agreement

MOTION: Move to accept the Grant document as written (supplied in Board packet).

Moved by Vance, seconded by Pearson.

Motion carried by voice vote 5-0.

Discussion: Ron Odenwald stated that the Grant was for \$200,000 for deferred maintenance plus improvements in the Tuscarora Township building that houses the Library, Police Department,

and Township office staff & officials. Vendors are lined-up for performing the needed work like lighting (parking lot), cameras (including drop box), and water management system to avoid water intrusion in the basement. Simply waiting on hard signed bids to be submitted to the building committee (library, police, & twp) to review and authorize.

6. Bills

MOTION: Moved to approve the bills as registered for the sum of \$130,872.94 covering the Township, Police, DDA, and Sewers.

Moved by Dillaha, seconded by Pearson

Motion carried by voice vote 5-0.

7. Sewers

MOTION: Moved to authorize Supervisor to work with NEMCOG, with costs not to exceed \$10,000, to utilize NEMCOG to address documentation required to move \$1million (EPA congressional grant) from Phase 3 to phase 1 & 2.

Moved by Kramer, seconded by Dillaha

Motion carried by voice vote 5-0.

Discussion: The proper movement of grant funds to upgrade facilities & minimize overall costs is the purpose of NEMCOGs engagement

8. Public Comments - Opened at 8:40 PM

- D. Webb: comments regarding financial pre-paids, accruals, & depreciation
- P. McGinnis: accusations about the board, setting the record straight
- B. Henderson: Treasurer reports comments
- B. Weckesser: Board appreciation comments
- M. Bauer: comments supporting the clerk

Public Comment closed at 8:50 PM.

9. Board Comments

- 5 Board members commented

14. Adjournment

- Trustee Pearson motioned for adjournment, Treasurer Dillaha seconded at 9:18 PM

Respectfully submitted, Jay Reidsma, Township Clerk

Mr. Odenwald,

You didn't answer the question I asked...you deflected.

I'm going to say this one more time because I don't think you or Janice understand how this works. It is illegal in the State of Michigan for a workman's comp servicer to assess penalties period. Again – once the audit is complete if the premium isn't covered by the audit non compliance fee (ANC) you get billed for the balance. If you've over paid you'll get the overpayment back.

I knew you would do this so I went into the office right away with a verbal FOIA and got the information needed to defend myself against these **slanderous statements**.

Below you will find a summary for the four fiscal years including 2021/2022. It includes the invoice amounts, check amounts with check numbers for those written, audit type and total premium paid. Anyone can FOIA the invoices and copies of the canceled checks to confirm.

Again...please feel free to share in order to educate the voters.

Prior Year Premium Audits

Audit Year	Initial Installment Paid	Initial Installment adjustment Paid	Final Invoice Paid	Audit type	Total Premium Paid
2018/2019	\$16,649 due 7/1/19 Check # 29205	\$4,512 due 11/15/19 Check # 29786	\$4,288 due 11/21/19 Check # 29973	Actual	\$25,449
2019/2020	\$19,845 due 7/1/20 Check # 30805	0	\$449 due 11/11/20 Check # 31421	Actual	\$20,294
2020/2021	\$19,991 due 7/1/21 Check # 32480	0	\$1,211 due 12/11/21 Check # 33034	Actual	\$21,202
2021/2022	\$19,236 due 7/1/22 Check # 33608	\$9,996 due 11/2/22 Check # 33896 (ANC pending completion of Audit)	Refund \$7822.00	Actual	\$21,410

How are premium audits completed?

All workers' compensation policies require a premium audit – there are various ways they can be completed.

- **Online audit** – Simply log into our secure portal using your provided ID and password to input audit information. Note that not all policies qualify for online audits.
- **Mail audit** – An audit form is completed and returned with the required supporting documentation via mail, email or fax.
- **Phone audit** – The completed audit form and supporting documentation are reviewed with a member of our audit team over the phone.
- **Virtual audit** – Using a virtual setting (e.g., MS Teams, Zoom, etc.), we'll review the audit records with you.
- **Physical audit** – A meeting is scheduled with one of our auditors to review audit records, operations and documentation at your business location.

If an ANC is applied and the employer...	Then the servicing carrier...
Pays the ANC and later allows the audit	<ul style="list-style-type: none">• Performs the final audit and determines the final policy premium based on the results of the audit; and• Refuses the ANC to the employer, or applies the ANC amount to any outstanding balance on the policy
Does not pay the ANC but later allows the audit	Performs the final audit and determines the final policy premium based on the results of the audit
Pays the ANC but does not later allow the audit	Does not change the previously reported: <ul style="list-style-type: none">• Unit statistical data• Noncompliance transactions
Does not pay the ANC and does not later allow the audit	

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Ed. 01/22

NOW – answer my question...where's the missing money.

Dawn Webb

----- Original message -----

From: Dawn Webb [REDACTED]

Date: 7/23/24 10:26 AM (GMT-05:00)

To: [REDACTED]

Cc:

<bil>

Subject: RE: Former Treasurer and Clerk

Hap said: “ So it was OK for the previous Board to pay people funds that were not approved or budgeted for work that never got done, but it's not OK for the current Board to pay people money that was approved and budgeted to actually get things done? Asking for a friend.”

Well therein lies the problem Hap – those budget's were approved and as our Attorney at the time said...so was the work and the people doing the work – no differently than any other “employee” of the township today. Jane's graph shows that it was more cost effective and efficient to pay them to do the work. Not sure why that's so hard for you to understand.

But by all means, let's talk about people being paid **and not** performing their statutory duties. There's over \$400,000.00 missing in the books – WTH is it???

More to come.....

Please feel free to share this with others in order to educate the voters.

Report date		REVENUE AND EXPENDITURE REPORT FOR TUSCARORA TWP			Fiscal year end	
GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	YTD BALANCE 06/30/2024	ACTIVITY FOR MONTH 06/30/2024	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BUDGET USED
Fund 101 - GENERAL FUND						
Revenues						
Dept. 000						
101-000-000-0000	PROPERTY TAXES	283,999.32	10,817.79	2,000.00	269,891.83	1.75
101-000-000-0000	PROPERTY TAXES	300,000.00	10,817.79	2,000.00	269,891.83	1.75
101-000-410-00	DELINQUENT PERSONAL PROPERTY TAX	0.00	0.00	0.00	0.00	0.00
101-000-410-00	DELINQUENT PERSONAL PROPERTY TAX	0.00	0.00	0.00	0.00	0.00
101-000-410-00	STATE TAX-STATE LAND TAX	10,740.25	10,740.25	0.00	0.00	0.00
By Fiscal year end there should have been about \$286K received into the accounting system. This money is transferred from tax account every two weeks as property taxes are collected starting December 1st. The Treasurer has to manually enter receipts and she has only received in \$5K - where's the rest?						
101-000-540-00	STATE REC GRANT	100,000.00	0.00	0.00	100,000.00	
101-000-570-00	LOCAL COMMUNITY STABILIZATION SHARE	533.00	10,418.55	9,374.45	110,581,551 1,973.83	
101-000-574-00	STATE REARDED REVENUE - SALES/USE	337,340.00	177,326.00	0.00	160,014.00	52.54
101-000-576-00	STATE REARDED REVENUE - SALES/USE	0.00	7,357.55	7,357.55	19,357.55	100.00
101-000-610-00	CHARACTERISTICS SERVICES RENDERED	2,000.00	0.00	2,000.00	0.00	0.00
101-000-620-00	CHARGES FOR SERV. RENDERED, PARK	35,250.00	33,730.30	5,519.70	(5,180.70)	112.19
101-000-630-00	CHARGES FOR SERVICES - AIRPORT	1,500.00	1,500.00	0.00	0.00	0.00
101-000-642.00	CHARGES FOR CEMETERY GRAVE SITES	24,430.00	23,930.00	0.00	(1,500.00)	106.14
There should have been about \$337K received into the accounting system. It's automatically deposited in the pool checking account every two months. The Treasurer has to manually enter receipts and has only received in \$177K - where's the rest? (see last slide for schedule)						
101-000-676.00	REFUNDMENTS - PARK & REC	3,814.00	3,413.87	0.00	0.00	99.97
101-000-677.00	REFUNDMENTS - PARK & REC	34,000.00	(20,000.00)	0.00	36,200.00	100.00
101-000-687.00	REFUND/REFUNDS	0.00	3.37	0.00	(3.37)	100.00
101-000-689.00	CASH OVER OR SHORT	0.00	42.00	0.00	(40.00)	100.00
101-000-693.00	GAIN ON SALE FIXED ASSETS	0.00	0.00	0.00	0.00	0.00
101-000-699.00	INTERFUND TRANSFER IN	0.00	0.00	0.00	0.00	0.00
Total Dept 000		1,329,844.88	816,893.41	26,227.91	511,951.47	61.47
Dept 595 - AIRPORT		0.00	300.00	300.00	(500.00)	100.00
101-395-674.01	TIMBER SALES	0.00	300.00	300.00	(500.00)	100.00
Total Dept 595 - AIRPORT		0.00	300.00	300.00	(500.00)	100.00

Missing 39% of the revenues

Hap said: "So it was OK for the previous Board to pay people funds that were not approved or budgeted for work that never got done, but it's not OK for the current Board to pay people money that was approved and budgeted to actually get things done? Asking for a friend."

Well therein lies the problem Hap – those budget's were approved and as our Attorney at the time said...so was the work and the people doing the work – no differently than any other "employee" of the township today. Jane's graph shows that it was more cost effective and efficient to pay them to do the work. Not sure why that's so hard for you to understand.

But by all means, let's talk about people being paid and not performing their statutory duties. There's over \$400,000.00 missing in the books – WTH is it???

More to come.....

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		PERIOD ENDING 06/30/2024					
GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	YTD BALANCE 06/30/2024 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2024 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BUDGET USED	
Fund 101 - GENERAL FUND							
Revenues							
Dept. 000							
101-000-412.00	PROPERTY TAXES	485,995.62	50,317.79	6,98	385,691.43	1.75	
101-000-413.00	CURRENT FF TAX	300.00	0.00	0.00	300.00	0.00	
101-000-412.00	DELINQUENT PERSONAL PROPERTY TAX	200.00	0.00	0.00	200.00	0.00	
		10,200.00	10,200.00		0.00	0.00	
Expenditures							
101-000-546.00	STATE REC GRANT	180,200.00	180,000.00	0.00	0.00	100.00	
101-000-533.00	LOCAL COMMUNITY STABILIZATION SHARE	338.00	10,415.53	9,974.45	(10,081.55)	1,973.89	
101-000-574.00	STATE OWNED REVENUE - SALE/USE	337,360.00	177,326.00	0.00	180,034.00	52.16	
101-000-374.00	POWER & LIGHT/TIM PRIMER	0.00	7,357.46	7,357.46	(7,357.46)	100.00	
101-000-424.00	CHARGES FOR SERVICES RENDERED	2,761.22	335.00	(2,426.22)	142.04		
101-000-628.00	CHARGES FOR SERV. RENDERED, PARK	30,150.00	35,332.10	5,882.10	(5,182.70)	117.19	
101-000-630.00	CHARGES FOR SERVICES - AIRPORT	1,500.00	1,500.00	0.00	0.00	100.00	
101-000-642.00	CHARGES FOR CEMETERY GRAVE SITES	24,430.00	25,930.00	0.00	(1,500.00)	104.14	
		1,328,844.88	816,893.41	26,227.91	311,931.47	61.47	
Total Dept 000							
Dept. 595 - AIRPORT							
101-393-674.01	TIMBER SALES	0.00	300.00	300.00	(300.00)	100.00	
		0.00	300.00	300.00	(300.00)	100.00	
Total Dept. 595 - AIRPORT							
Missing 39% of the revenues							

Dawn Webb

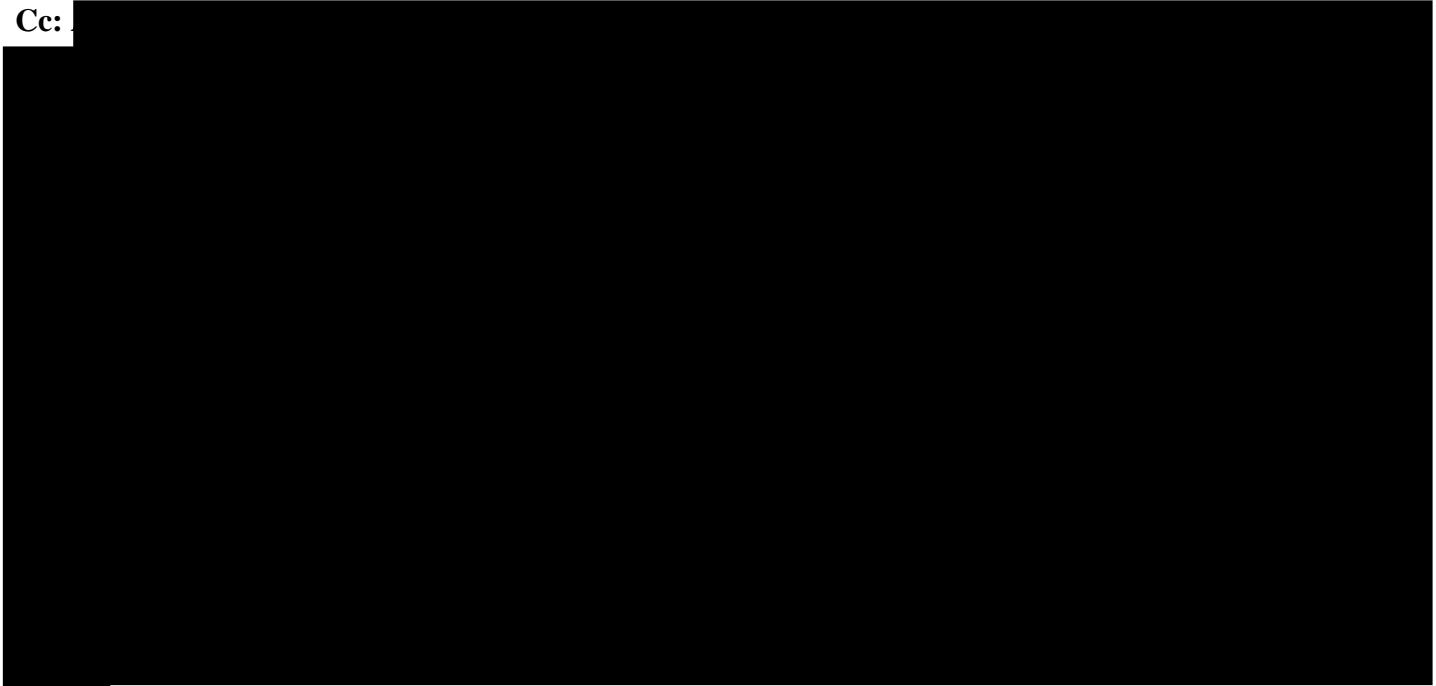
----- Original message -----

From: Dawn Webb [REDACTED]

Date: 7/25/24 6:29 AM (GMT-05:00)

To: Ron [REDACTED]

Cc: [REDACTED]



Subject: RE: Former Treasurer and Clerk

Ron,

If you are going to spread misinformation, at least have the guts to include everyone that was on the original distribution. After all, we need to make sure that the voters are educated. Workman's comp premiums are based on the number of employees and the classification assigned to each (see form below). If you look at the table of year over year premiums I provided again – premiums went from just over \$25K in 2018/19 to just over \$21K in 2021/22 – that's a reduction in premium. I can't even determine what 2023's premium is because THE BOOKS AREN'T BALANCED. In fact, as I was going through the revenue/expenditure report dated 7/5/24 for FY end, I noticed that there is \$22K in revenues missing from the police fund (see below). Add that to what's missing in the general fund revenues.

Where is the money?

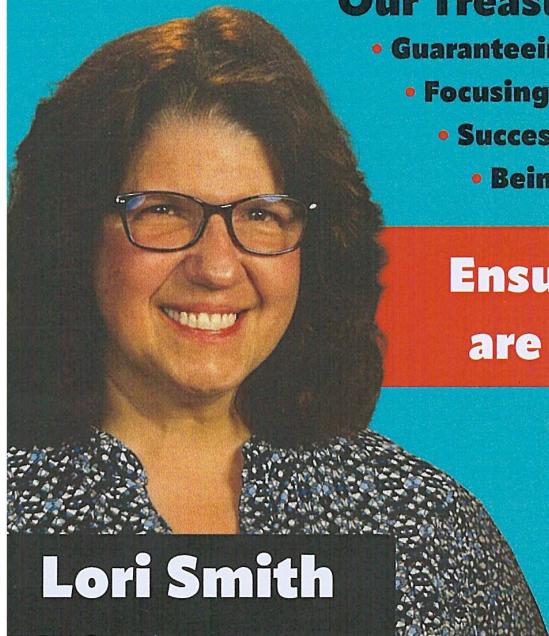
PRSR STD
U.S. POSTAGE
PAID
DETROIT MI
PERMIT NO. 1096

The township bank accounts have not been reconciled for almost two years and the books are not balanced.

Tell Lori Smith this issue needs immediate attention to ensure transparency and accountability in our financial management.

Our Treasurer must have clear, accurate financial records.

- Guaranteeing prompt payments for Police, Fire, Schools, Library and County services.
- Focusing on all County bank accounts consistently.
- Successfully completing County audits.
- Being available during business hours to promptly address resident concerns.

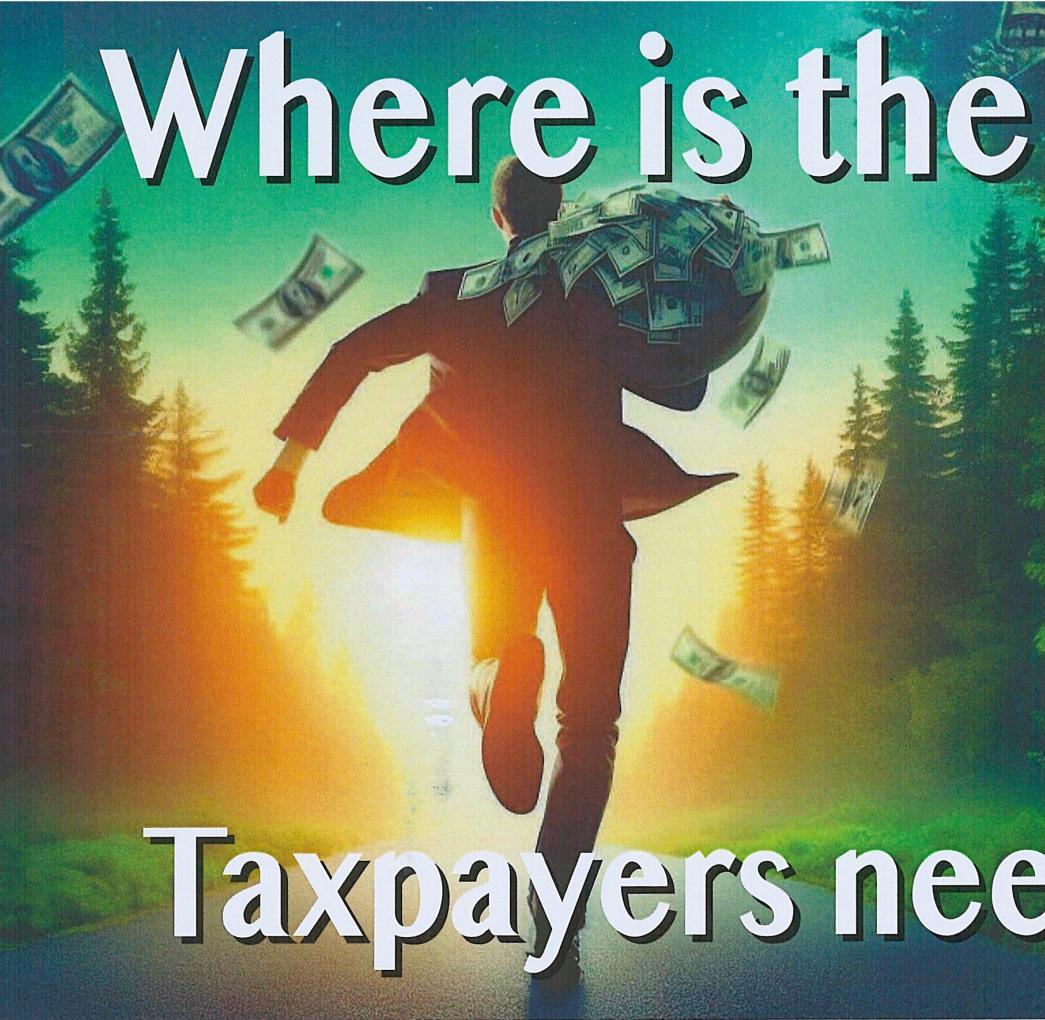


**Ensure that taxpayer dollars
are being used responsibly.**

Not paid for or authorized by any candidate or candidate committee.

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Listen to American Citizens
P.O. Box 80505
Lansing, MI 48908-0505

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Lansing, MI 48908-0505



Where is the money?

Lori Smith has the right priorities. The township bank accounts have not been reconciled for almost two years and the books are not balanced. Citizens need to know where the money is and why the township spent thousands of taxpayer dollars to hire an outside firm to do the job.

Taxpayers need answers!