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VILLAGE OF ELBERTA BOARD OF TRUSTEES
REGULAR MEETING
June 19, 2014 • 7 PM

The Village of Elberta Board of Trustees held its regular meeting on Thursday, June 20, 2014, at the Community Building, 401 First Street, Elberta, Michigan.

The meeting was called to order by President Pro Tempore Robin Rommell at 7:00 p.m.

Recitation of Pledge of Allegiance.

Present: Robin Rommell, Diane Jenks, Linda Manville, Ken Holmes, Jennifer Wilkins, Joyce Gatrell

Absent: Reggie Manville

Public: Mary Kalbach, Toni Flynn, Ken Bonney, David Bissell, Don Tanner, Rosemary Tanner, Cathy Anderson, Bill Soper, Holly O'Dwyer, Sue Oseland, Lois Schram, Loy Putney, Max Kessler, Art Melendez, Emily Votruba, Connie Manke

Approval of Minutes:

• *Regular Meeting, May 15 Motion by Holmes, seconded by L. Manville, to approve the minutes as presented. All ayes. Motion passes.*

Approval of Agenda:

Rommell requests to delete item 7 (Zoning Hearing re: Mayfair) and add "Approval of Contract for Annual Audit"; item 8 "Grant Applications"; item 9 "Interfund Borrowing." Holmes requests to add discussion of untidy yards. L. Manville requests report from DPW about cost of putting out boardwalk (11). Jenks: add "Supervision of Employees" (12). Wilkins: add "Backup Water Operator," (13) and "President Pro Tem" (14)

Agenda Conflict: Wilkins notes possible conflict with Rommell voting on motions related to item 14. Rommell says that if a motion is made regarding her she will abstain.

Motion L. Manville, seconded by Jenks to approve the agenda with the above changes/additions.

7:10 pm Public Input

Mike Jones: Owns two parcels on Washington. The blue house on the corner [of Washington and Bigley; 905 Washington, my house—Emily Votruba] is a mess and needs to be cleaned up. Too much stuff out front. Also Putney should paint over signs designating former Bay Valley Inn so people don't think it's a lodging place.

Cheryl Gross: Representing Dunes Neighbors Group. Ongoing concerns with ORV trespass on the beach. Have completed a grant application for signage. Signs would list rules. Has done legal research. Fireworks are illegal on beach. Pitcher's thistle, an endangered plant, grows only three places in the world, including here, and people are driving over it.

Connie Manke: Bill Soper donated a trail cam for use in surveillance down on beach. R. Manville had it be used elsewhere, at Waterfront Park, and it got stolen.

Ken Bonney: He directed me to put the camera down in the Roundhouse to catch vandals there. Put it out one day, the next day it was gone.

Cheryl Gross: Make sure new camera does not have a light on it at night.

1 **7:16 pm Public Input Closed**

2
3 **CORRESPONDENCE** Rommell reads resignation letter from interim treasurer Toni Flynn. (The
4 letter received by council members is shown at the end of these minutes.) Holmes: This council has
5 not taken the time to do the work [to help out in the office]. They should have been down there five
6 days a week.... We should never even have talked about a 15 or 20 hour week. Rommell: Flynn
7 jumped in, worked hard.

8 *5/14/14 Letter from Charles and Thelma Thompson* wanting to buy property in front of them off old
9 M-168 ("where the old party store used to be") for \$500. Parcel is small triangle considered
10 unbuildable because of setbacks. Was donated to Village by J. Glenn, according to Ken Holmes.
11 Council discussed having Thompsons pay for survey. Matter added to July meeting agenda.

12 *Letter from Terry McGregor* (see below) McGregor has been helping clerk Kalbach with fund
13 balance software, with which she has experience through her work for city of Grayling. Some budget
14 amendment details still not clear. Property tax bills should be ready July 1; is helping Kalbach with
15 that as well. Strongly recommends a two-day work session with Chris Olson, Roxanne Nicholas
16 before audit takes place July 15 and 16. Opines that new, shorter office hours will be fine
17 "eventually" but more hours needed now to "catch up" and get office reorganized. Expresses
18 frustration that "our elected officials would leave our village affairs in such disarray." McGregor
19 writes that she would not be able to continue helping in the office for the time being because of health
20 concerns. L. Manville says McGregor has put in six full days of volunteer work in office. Rommell:
21 McGregor was not able to find some information going back several years. Whole file cabinet
22 drawers need to be organized. L. Manville: Files are in the garage and in the fire bld. as well as the
23 office and are in "great disarray." Village must pay Roxanne Nicholas's expenses for a consulting trip
24 here but no fee; Olson is willing to attend a meeting.

25 *Letter from Parks and Recreation Commission re: Transfer of \$20K Out of P&R Account* (see
26 below): Wilkins reads letter. Rommell: Would have saved a lot of this inquiry if you had just called
27 me. Wilkins: I emailed you many times. I had to go to the bank in order to find out about this.
28 Rommell: The transfer was a mistake. "We have 9 accounts, I picked the wrong one. Mary brought it
29 to my attention and I transferred it back the same day."

30
31 Motion by Wilkins, seconded by Jenks, to censure Rommell with an official reprimand for
32 transferring money without the knowledge or approval of council or Parks & Recreation. Roll call
33 vote: Gatrell, no. Holmes, no. L. Manville, yes. Jenks, yes. Wilkins, yes. Motion fails.

34
35 Holmes: We had similar situation with Ken [Bonney] a couple of weeks ago and that was resolved.
36 As long as nothing disappeared it's OK. [More discussion, comments from Sue Oseland]

37
38 Motion by Wilkins, seconded by Jenks[?], to remove Rommell as signatory on P&R and Solstice
39 account and that the passwords and account access information to those accounts be changed and
40 withheld from her. Gatrell: No. Holmes: No. Jenks: Yes. Manville: Yes. Wilkins: Yes.

41
42 Rommell: Motion fails. Jenks: Why does it fail? I don't understand. Rommell: On a council with 7
43 members it takes 4 to pass. But I hereby resign as signatory on all Village accounts, access to all
44 financial information, I ask that all passwords be changed..

45
46 Motion by Wilkins, seconded by Jenks[?], to accept Rommell's resignation as signatory. Gatrell: No.
47 Holmes: No. Jenks: Yes. Manville: Yes. Wilkins: Yes. Rommell: Yes. Motion passes

1 Rommell: That leaves just Linda and Mary available to sign checks and deal with accounts unless
2 someone else wants to volunteer. Manville: I don't currently have access to online banking for the
3 Village. I have personal accounts at State Savings Bank and I do not want that responsibility.
4 Holmes: Mayor has to write checks, an Kalbach should also be a signatory. L. Manville: It's unfair,
5 Kalbach is too new to have that responsibility. Rommell: I don't have the confidence of the council.
6 Holmes: This council got rid of the two best people we've ever had in the office. L. Manville: They
7 resigned. The DEP said we had to make cuts and we made cuts and they resigned. Rommell: Need to
8 discuss difference between interfund borrowing and transfers.

9
10 *Letter from Attorney re Arbitration:* L. Manville, Jenks, and Gatrell will meet with attys.
11 Letter from Crystal Survey re: Library

12
13 *Letter from Roxanne Nicholas re: Fund Balance Software Organization* (see below) *Letter from Eric*
14 *Cline re Budget* (see below) Wilkins reads letters. Wilkins: Approvals needed before transfers are
15 made. Eric Cline says transfers from Streets fund to General fund may be a violation, as are transfers
16 of monies from one fund to cover operating expenses in general fund without council approval. Cline
17 recommends clear communication between departments. Rommell: I want to make sure we're clear
18 on what interfund borrowing is. We deposit all money into one acct and from there it's transferred to
19 different checking accounts. We're transferring money that hasn't been assigned to a fund yet, from
20 our deposit account to another checking account. Jenks: Transferring money out of Streets or another
21 restricted account to pay for something else would be illegal. Rommell: At the end of the year you
22 can't have spent more money than is budgeted in any one fund. (Summarizes Interfund Borrowing
23 policy.) It doesn't require prior approval, it just has to be communicated within 90 days. L. Manville:
24 Money has been transferred from the Streets account, almost 50% of what's budgeted for Streets
25 expenses for the whole fiscal year and we've just finished the first quarter. I'm concerned about that.
26 Need to bring our records up to date and in order. Jenks: Would like explanation from
27 Cline/Nicholas. (Further discussion of scheduling workshop meetings as proposed by McGregor.)

28
29 Motion to have Mary Kalbach schedule a meeting with the auditors, and before that a 2-day
30 workshop meeting with Roxanne Nicholas, Chris Olson, Terry McGregor, and BFA Committee,
31 during which office will be closed. Seconded by Gatrell. All ayes. Motion passes.

32
33 *Letters from Rick Baker, Bill Drury, Cathy Schwerin [sp?], regarding boardwalks not being out*
34 Handicapped people not able to make it out onto pier. Drury letter ending, "or sell yourselves to
35 Frankfort." Iris Jones (via telephone), "a disservice to the business community." L. Manville: It costs
36 us \$1,600 to put out the boardwalk; 8 hrs of labor (Bonney plus 2 other strong men), use of the
37 DoMor. 1.5 days just to put out one (of two). Bonney: With cuts to salary and overtime, that \$1,600
38 will probably come off snowplowing. Do you want to spend this money on Villagers or visitors?

39
40 Motion by Wilkins, seconded by Manville, to publicize cost of putting out boardwalk on village
41 website and Rommell send info to letter writers. One aye and a few abstentions.

42
43 Discussion: Holmes: People bought those boards for advertising. Jenks: Maybe we need to take a
44 year off. Holmes: Well, burn them then. Manke (public): I have two boards on that walk and I would
45 rather the Village save the money. Jenks: I have 8. They've been down every year until now and I'm
46 fine with it. Kalbach (public): Does anybody know how much money there is, seriously? I don't know
47 where the money is coming from. We've got to keep streetlights on, etc. Max Kessler (public): You
48 might as well hang out a not welcome sign. If you don't have tourists, you have nothing. Dance

1 to it, or don't dance. Rommell: Tourism is what we're about. Wilkins: Are you accusing me of not
2 wanting tourists, when I devote 20 to 30 hrs a week to volunteering? P&R is going to help Ken with
3 the boardwalk after Solstice. Holmes: People come to town and take one look at these places and turn
4 around. Wilkins: Park & Rec was going to help put it out after Solstice.

5
6 Motion by Jenks to hold off putting out boardwalk until we see where the money is coming from and
7 see if any response/donations come in.

8
9 Discussion: DPW job specifies boardwalk should go out by May 1. L. Manville: If P&R helps with
10 the boardwalk, how much will it cost? Bonney: My time and the DoMor. Christeen Kibby Crawford
11 (public): Put out jars for donations.

12
13 (Motion fails due to lack of support.)

14
15 *Letter from Mike Jones re: state of 905 Washington*

16 *Letter from Anonymous re: state of Ness house*

17 *Letter from Mary Carroll, Benzie Visitors Bureau re Bay Valley Inn signage "confusing and*
18 *frustrating." Ordinance states signs for closed businesses must be taken down within one year.*

19 Request for response.

20
21 Discussion: L. Manville: Large sign on south end of property is not on Putney's property. Bonney: It's
22 already down. Wilkins: Donate other one (on post at M-22/M-168) to Cabbage Shed.

23
24 **APPROVAL OF BILLS** L.Manville: Budget report in new format. Now includes a "% budget used"
25 column. That's very important. We've been asking for that for a long time. General Fund is currently
26 overbudget on revenue (by about \$4K), so that's high point for us. Report not quite perfect, needs to
27 be proofed. Revenues and expenses information for this monthly period not ready yet.

28 29 **DEPARTMENT REPORTS**

30 **DPW & Zoning (Ken Bonney):** Dave Bissell (present) will be backup water operator.

31 Bissell: We check water 7 days in Frankfort. I'm available to help here. Bonney: Spring Cleanup went
32 well. Fusebox broke, now fixed. Holmes is working on water rate study; will finish next week.

33 Meters will be read at beginning of July and billing will be back on track. Allied Waste says some
34 people are cutting up their garbage flag bags and putting out partial bags to save money. It might be
35 cheaper for those households to rent a container. From now on if Allied finds a partial bag they won't
36 pick up the trash. A well screen and check valve were stolen. Vandalism in the park: Someone
37 apparently went swinging from the overhead lights in the Pavilion because they're torn out of their
38 sockets. New garbage barrel lids were smashed. Zoning: Some illegal fencing around town.

39 **Water/Sewer/BLUA (Holmes & Gatrell):** Holmes: BLUA will save money through its bond
40 refinancing. Have received two bids for well heads. Bonney: Dixon and Nelson both good
41 companies. Holmes: Cathy Anderson is doing a great job with Water Committee, seeking grant for
42 fence around our water tank. Expecting a report from Engels regarding our rate structure.

43 **Parks & Rec/Marina/Farmers' Mkt (Wilkins):** Wilkins: New P&R treasurer Cathy
44 Anderson. She will have no authority to spend or move money, will just keep track of it. Soper and
45 O'Dwyer are working on trail signage for Dunes South. A Tot Park cleanup will be held. SHPO
46 signed an MOA with Scott Gest/Elberta Land Holding Company. No one has heard from Gest.
47 Equipment appears to be down there for ferry apron demolition. M-168 shirts to be sold at Solstice.
48 Benzie Bus running free shuttle during Solstice 10 am to 6 pm Saturday. Solstice setup work party 6
49
50

1 pm Friday. Farmers' Market has 8 permanent vendors.

2 Rommell: What is plan for the \$5 to be charged to get into the Solstice beer tent? [Some
3 confusion over what Emily Votruba posted on the Alert regarding reason for charge.] Are we using
4 Village employees? Wilkins: All work will be done on a volunteer basis. Rommell: Concerned about
5 postings on Solstice page. Wilkins: Solstice page is for Solstice, not to complain about other issues.
6 Rommell: When you (Wilkins) post on that page you represent the Village. I take issue with [quotes a
7 few of Wilkins's posts, including "Robin Rommell has stripped [Ken Bonney's] budget and work
8 hours." I believe that was a council decision. Wilkins: I apologize. That's why I deleted it. L.
9 Manville: We're a municipality. We should not be posting on Facebook about Village business.
10 Holmes: I'd like to shoot some of them [people posting re: Village]. Wilkins: Why are you looking at
11 me? Holmes: I'm not looking at you. I can't see out of that eye anyway.

12 **President's Report** Rommell: Should discuss regional planning and getting in line with what
13 other communities are doing (aesthetically). The state likes collaboration. Need to discuss
14 dysfunctional relationship between P&R and council. Much of what needs to be done in the office is
15 grunt work; hauling boxes, etc.

16 **Betsie Valley Trail Mgt Council (L. Manville)** No report

17 **Budget Committee** No report

18 **Fire & Safety (Holmes & Gatrell)** Holmes: No meeting. Budget was approved. Frankfort
19 has expanded its fire service to Blaine, so our protection is reduced. Had a good dinner for member
20 Raymond Mehlke. Jenks: Need to charge permit fees for fire pits in Village, source of revenue.
21 Should be posted. Holmes: Villagers are not to burn trash. Jenks: that ordinance already enacted.
22 Holmes: Suggests \$10 for a permit. Jenks: \$45/yr.

23 **Municipal Buildings (Jenks & Gatrell)** Community Building was rented previous weekend.
24 Jenks cleaned it. Ball diamond should use their new Porta-Johns and not use the Community Building
25 restrooms. We had to replace a toilet. The no-smoking sign was torn off the wall. Jenks: What are we
26 paying for heat and water on our part of the fire truck garage? Can that cost be reduced. Gilmore Twp
27 should be paying all utilities in Library. Unknown whether they're still considering buying the
28 building. Wilkins: Park&Rec still meets in Library. Can meet in Community Bld but needs a key.

29 Motion by Jenks, seconded by Manville, to get any keys back from Athletic Association and
30 not issue any more.

31 **Employee Relations (Rommell, Jenks, Gatrell)** Had a meeting June 2. Put ad in paper for
32 new interim treasurer. Created compensation charts. Discussed water software. Need to revise time
33 sheets; needs a more complete job description for clerk and treasurer with list of tasks to be
34 completed. Need to a sheet for documenting Mary Kalbach's flex time. Need sheet for part-time
35 seasonal employees at 30 hrs/wk. Kalbach nearly done with 90 day probation period. Rommell hands
36 out proposed formal evaluation sheet. ER Committee will meet regularly first Monday of the month
37 at 9 am [?] and will supply minutes. Wilkins: Didn't we approve clerk and treasurer job descriptions?
38 Rommell: We approved the General Law Village general descriptions, but those don't cover the day
39 to day tasks. Kalbach: I haven't been trained. I'm not getting any backup from you. Every time I ask
40 you to do something you don't do it [refers to getting former clerk and treasurer's names removed
41 from bank accounts and their cards canceled]. Rommell: I am not authorized to cancel those
42 accounts. Kalbach: I got it done. I got Bank of America to cancel those cards but I couldn't get my
43 own card issued. Jenks: Add job descriptions and flex time issue to agenda for next month.

44 **Planning Commission (L. Manville)** Working on revising some permit applications and the
45 zoning map. Janet Whiting and Katie Condon of Mayfair Tavern applied for land use permit, they
46 don't meet setbacks, appeal set for June 26.

47 **County Commissioner's Report (Don Tanner)** Tanner: Council of Governments had first
48 prosperity zone meeting. Word of caution on regional planning: don't lose your identity, but do work

49
50

1 with neighbors to share costs. State seems to be attempting to neutralize local governments through
2 regional planning. The Prosperity Zone will have a 63 member board. Tanner appointed to finance
3 committee. The County audited, given highest rating by both the workforce board and the Council of
4 Governments board. Held truth in taxation hearing. Millage is at 3.5144, no change. Benzie County
5 has lowest millage rate in the state of Michigan. Our original millage was 5.29, reduced through
6 Headlee Amendment. We are leaving \$1.8 million/yr on the table. Need to consider ending Headlee
7 Rollback. Brownfield Redevelopment accepted a bid for Bud's in Honor. County added some revenue
8 through tax reversion property loss. Considering an ORV ordinance. Suggest talking to Mark
9 Mandenburg about funds to put out boardwalk. County has a policy for Facebook use. County admin
10 Karl Sparks is a good resource for job descriptions.

11 **Budget, Finance, and Audit (BFA) (Rommell, L. Manville, Gatrell)** Rommell: BFA and
12 PPIC should meet monthly and submit minutes. Jenks: Agree.

13 **Policies, Procedures, Internal Controls (PPIC) (Jenks, Wilkins, Holmes)**

14
15 **AGENDA 1: Search for Deputy Treasurer**

16 Rommell: Suggest considering all three applications even though one came in after the deadline.
17 [General agreement] Special meeting to interview candidates set for June 25.

18
19 **AGENDA 2: Survey of Library Property**

20 Rommell: Bid received from Crystal Surveying to survey Library property and create lot split. Est.
21 \$800-\$1K [reads bid]. Jenks: can't sell property without a survey.

22
23 Motion by Jenks, seconded by Holmes, to accept Crystal Surveying's bid to survey Library Building.
24 All ayes. Motion passed.

25
26 **AGENDA 3: Approval of 2014 Millage Rates**

27 Rommell: The millage rate comes in at 0.6% lower than last year. Wilkins: Will that decrease be
28 noted in the DEP? Rommell: Probably won't affect the taxes much, but I don't know.

29
30 Motion by Jenks, seconded by Gatrell, to approve 2014 millage rate. All ayes. Motion carried.

31
32 **AGENDA 4: Cleaning Community Building Computer for Clerk**

33 Jenks asks to change Ag.4 to "Computer for Clerk." Kalbach: Found a good deal.

34
35 Motion by Jenks, seconded by Holmes, to authorize Kalbach to purchase a new computer for up to
36 \$700. Motion passes with all ayes.

37
38 **AGENDA 5: Becker—Request to Vacate Street**

39 Resolution to decertify and vacate 165 feet at the west end of Acre at a width of 50 feet so that with
40 setbacks Becker can build a garage.

41
42 Motion by Holmes, seconded by Jenks, to adopt resolution to vacate street, to be signed by the
43 Village clerk. All ayes. Resolution adopted.

44
45 **AGENDA 6: Contract for Annual Audit**

46
47 Motion by Jenks, seconded by Gatrell, to sign contract with the auditor to perform annual audit.

1 **AGENDA 7: Grant Applications for Informational Signs on Beach, and Water Tower Security**

2
3 Cathy Anderson: Informational signage necessary in order to enforce ORV tickets on the beach.
4 Signs list rules and regulations. Village's match is in kind (Ken Bonney's labor in putting up signs). A
5 grant from the Grand Traverse Band. The other grant is to build a fence around the water tank to
6 address a deficiency cited in the DEQ's report and to protect the tank and also protect us from
7 lawsuits.

8 Rosemary Tanner (public): The year I reported the tank being broken into, I could hear the kids up on
9 bluff pounding on water tank. If someone gets hurt and they're inside a fence with barbed wire and a
10 no trespassing sign, what the heck were they doing in there?

11
12 Motion by Jenks, seconded by Wilkins, to approve two grant applications. All ayes. Motion passes.

13
14 **AGENDA 8: Yard Maintenance Enforcement**

15 Jenks: move this item to special meeting agenda. L. Manville: Full council needs to agree in order to
16 give Ken Bonney direction on problem yards. Holmes: Everybody needs to be treated the same. Ken
17 should make a list of addresses and what needs to be done at each. Bonney: Usually I just talk to the
18 people and they take care of it. Jenks: Anyone can make a list of addresses that are not in compliance.
19 We can have a side committee to write letters to homeowners. Holmes: We need a simple form.

20
21 Motion by Jenks, seconded by Holmes, to table Agenda items 10, 12, and 14 till Wednesday special
22 meeting. All ayes. Motion passes.

23
24
25 **10:03 pm Public Input**

26 Tanner: Might be able to get a Homeland Security grant for the fence. Talk to Frank Post.
27 Rosemary Tanner: For yards that aren't being kept up, might want to see how old the homeowner is.

28
29 **10:05 pm Public Input Closed**

30
31 Motion by Manville, seconded by TKTKTK, to adjourn the meeting. All ayes. Meeting adjourned.

32
33 Emily Votruba compiled these minutes and submitted them to Elberta Village clerk Mary Kalbach.

34
35 _____ (date)
36 Elberta Village Clerk

37
38
39 **Toni Flynn Resignation Letter**

40 May 28, 2014

41 In March of this year I was approached regarding my possible help with the Village Office duties because the previous
42 Clerk / Treasurer had left the job, with only a day or twos notice and the Village was in need of someone to fill that
43 position.

44 I told Linda Mainville and Robin Romemell that I was not familiar with most of the software in the office, but
45 would *temporarily* agree to work on Tuesday s to assist while someone was found to take the job on full time. Not
46 including council meetings I believe to date I have put in approximately 11 total days. Not a lot of time to learn a new
47 software program and use it effectively.

48 I do not enjoy knowing that I am unable to complete the work being given to me. It is more than stressful.
49 Since I began "trying to help" I have had more and more tasks assigned to me. Many things that I am being required to
50 do, I have never done before. There for doing those tasks takes me longer.

51 While working yesterday I needed to give someone Jen Wilkins email for Solstice info and in doing so, I found
52 this email chain that had included me at Treasurer@VillageofElberta.com. This is an Elberta Village office address to be

1
2 used by the Treasurer/deputy treasurer. I have no access to this outside of the village office. I noted there is a
3 reference to me being "opposed" to having a person from Fund Balance come to the office for training.

4 What I am opposed to is spending more Village funds to do what I am learning mostly from the support calls that
5 are already paid for in an annual contract. I have no desire to spend more Village funds than are necessary.

6 If I am lucky to find the time on the Tuesday s that I am working temporarily, I do try to take time for the
7 email. The email has no filters for junk mail that the previous employees must have used, so each time the email is
8 opened there are many (100 or so) junk email to scan thru looking for real correspondence.

9 When I arrive at the office I check the lock box on the door for payments, put what is there on the desk that I
10 use. I re associate myself with the safe combination, then open the safe and remove the bag containing payments to be
11 processed and put that also on the desk. I then check the answering machine for messages and write those down to return
12 calls as I am able.

13 I begin putting water and sewer payments in to the computer, and then run thru the computer process to have
14 them in the computer software system. The program takes a while to use. It is usually takes a good share of the morning
15 to complete just getting the deposit ready to go to the bank. I only leave my desk to use the restroom. I eat my lunch at the
16 desk while I work.

17 I will then attempt to process any other payments/monies also in the office.

18 It is very hard to understand all the different funds which are mashed together and which checking accounts get
19 what monies. Such as Water and Sewer are deposited in to the General Fund account.

20 I am beyond overwhelmed with the work I am asked to do in a 8 or 9 hour day, and then told that there is more
21 and more that I am expected to do in the one day I am available. I do not know how anyone person can do what I am
22 being asked to do in one 8/9 hour day per week! I never agreed to be anything more that TEMPORARY help.

23 So far I am supposed to create the water billings, tend to all questions from customers in regards to same, some
24 on the phone others in person (this may take 10 minutes or more).

25 Do all receipting of all monies that come into the office.

26 Do all accounts payable. (Mary helped me this last Tuesday).

27 Reconcile all bank statements. (I still have not had time to learn this)

28 Do adjusting entries in all funds. (I have NEVER done this, have no idea how it is done).

29 Add postage to the meter whenever it needs it.

30 Create financial reports for council meetings.

31 Attend council meetings for 3 hours each month.

32 And now I am told that I am expected to create the 2014 Tax bills which I have never done in the 26 years I have
33 worked for my Village.

34 Due to my lack of efficiency I must respectfully tender my resignation, effective June 18th, 2014.

35 If you would rather the effective date is immediate, there will be no hard feelings.

36 Sincerely,

37 Toni

38 Tonneta S Flynn

39
40 LETTER FROM PARKS&REC RE: \$20K TRANSFER

41 Dear Council Members,

42 In the course of reviewing the Parks and Recreation bank statements for the June 10, 2014 Parks and Recreation
43 Commission meeting, the Commission found a startling transaction recorded on May 22, 2014. \$20,000 was transferred
44 from the Parks and Recreation Bank Account at State Savings Bank to a Village of Elberta Checking Account at the same
45 bank. Inquiries were made and it was discovered that Robin Rommell initiated this transaction without knowledge of any
46 member of the Parks and Recreation Commission, Village Treasurer, Village Clerk, and any other member of the Village
47 Council. The General Ledger report for the Parks and Recreation accounts covering the transaction period does not show
48 any associated journal entry. In effect, Ms. Rommell unilaterally made a large transfer of funds between Village accounts
49 without notice and without documenting the transaction.

50 This action was in violation of the recently enacted ordinance for interfund borrowing. The action also put the
51 Parks and Recreation Commission in jeopardy of being unable to pay the large number of bills being incurred in
52 preparation for the upcoming Solstice Festival.

53 The Parks and Recreation Commission requests

54 1. That a review of all village bank accounts be conducted and checked against the journal entries to find, and
55 remedy, any other unauthorized transactions that may have been made,

56 2. That Ms. Rommell be censured with an official reprimand to be entered into the Village record, and

57 3. That Ms. Rommell be removed as a signatory from all village accounts and that all Village financial access
58 passwords be changed and withheld from her.

59 The Village can ill afford to suffer additional financial harm, trigger additional audits, or be found to be in direct

1 violation of the recently enacted Corrective Action Plan and ordinances. As residents and friends of the Village of Elberta
2 we have the gravest concern that Ms. Rommell has shown poor judgment and a blatant disregard for the rules and
3 regulations that she has sworn to uphold. We note that she is not an elected member of council and does not serve with
4 the mandate of the citizens of Elberta. Given all this, we suggest that the Village Council take action to send a clear
5 message to the public that abuses of authority will not be tolerated by the Village Council.

6 This letter has been drafted per unanimous vote of the Parks and Recreation Commission. We ask that this letter be
7 entered into the minutes for the June 19 Regular Council Meeting.

8 Sincerely,

9 Grace Williams, President

10 Jennifer Wilkins, Secretary

11 Cathy Anderson, member

12 Christa Luxford Lundeen, member

13 Bill O'Dwyer, member

14 Bill Soper, member

15 Emily Votruba, member



17 TERRY MCGREGOR LETTER

18 Honorable Councilpersons,

19 At the request of the Clerk, Mary Kalbach, I agreed to assist her with the Fundbalance software, since I have experience
20 with the software from my prior employment. In order for me to help, I needed to have some kind of reliable starting
21 point. To me the logical point was the new fiscal 2014-15 adopted budget. When researching the minutes for the adopted
22 budget, we discovered the requested budget was included in the minute book, but the motion documented was to approve
23 as requested budget, with minor changes. We searched several hours for any documented detail that would be helpful
24 explaining the "minor changes", unfortunately we could not find any. Mary and I updated the General Ledger to reflect
25 the adopted budget, we appended accounts payable, payroll, utility billing and cash receipts. Since I do not have the time
26 to review every journal entry that was appended since the beginning of the fiscal year, I had to assume they were
27 journalized correctly by the software and posted them to the General Ledger.

28 Mary and I e-mailed several reports to the auditors, as requested on their list of needed information prior to the audit, but
29 I'm not sure the information is reliable.

30 Linda Manville did provide me with detail for part of an amendment made in May for the Park Fund and Sewer Fund.
31 Mary and I will enter the amendment on Thursday and give the council an updated expenditure/revenue report at the
32 meeting Thursday evening.

33 Since property tax bills should be printed July 1st, I will work with the County Treasurer to get the property tax billing
34 ready for collection this week. I will also show Mary how to enter payments into the equalizer tax system.

35 It is imperative that a pre-audit work session be scheduled with the auditor *as soon as possible* to reconcile the bank
36 accounts, and ready the files for the audit. This work session, which would probably be two full days with no
37 interruptions, would provide excellent guidance and training for Mary as well as save time and money when the actual
38 audit is performed. Since the auditors have all the permanent records of the Village, have performed the last several
39 audits, and are familiar with the operation, cash management, and the payback process from one fund to the other, it
40 makes sense for them to come in and help with manual journal entries needed to get the General Ledger up to date. This
41 process would be too time consuming for me to take on at this time. I would be willing to assist Mary with the input, and
42 setting up the re-occurring journal entries in conjunction with the auditors recommendations after the work session.
43 Unfortunately without their input, I will have to decline any further assistance. I apologize, but it is simply too hard to
44 find consistent, reliable information to work with, and I find myself getting very frustrated and stressed, which is a health
45 concern for me. I will continue to help if I can, but please consider bringing in the auditors, Chris Olson, and Roxanne for
46 the work sessions and get everyone on the same page and the ledgers up to date.

47 The girls in the office along with Linda, and Jen should be commended for their efforts, but unfortunately the job to
48 continue business as usual, learn the software, catch up the books, and handle the public has proven too large of a task for
49 any one or two people. I still think that once the office is in order, and the proper people in place, the approved hrs of

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operations should work just fine, but in the interim there is just not enough organization, or people. It is very disheartening to me that our elected officials would leave our community in such a state of disarray and confusion.

Sincerely,
Terry McGregor

ROXANNE NICHOLAS LETTER

Good Afternoon,
There have been many e-mails going around and here is my response. Eric may wish to respond as well.

I am glad to hear that Terry McGregor is assisting the Village and that her help has been so productive. In my opinion, the Village needs to get everything entered into the Fund Balance accounting software before more decisions can be made. The budget should be entered into the software as well as all of the revenue and expenditures for the fiscal year. After all of the data has been entered, more informed decisions can be made on budget adjustments and cash flow needs.

The interfund borrowing should be kept to a bare minimum (realizing that some bills must be paid and payroll needs to be met) until the accounts have been brought current in Fund Balance and everyone knows where the funds stand. Understanding that mistakes can be made, it is my opinion that there should be approvals before transfers are made. In addition, each Village official should have his or her own set of usernames and passwords for the Fund Balance program and for on-line banking.

Regards,
Roxanne Nicholas

ERIC CLINE LETTER

Good afternoon:
I have been monitoring the extensive exchange of messages regarding the status of the budget with some interest.

I have a few observations and a question:

First, I would recommend that it be reflected upon to ensure that Village policy is being followed and that all of these recommend changes are in the best interest of the Village and compliance with state law is adhered to. There is no advantage to the Village if fiscal issues are compounded by policy/state law violations.

Second, I realize that the Village’s budget is tight, but exactly what cash shortage has developed and in what areas is the shortage occurring in?

With all of the talk of “transferring funds,” is this to mean a permanent movement of resources between Village funds? If so, this could be rather problematic depending upon the fund.

I note talk of transferring funds from the Streets to the GF. This could be a potential violation of Act 51 of 1951, which restricts street funds to the purpose of the funding source.

If the Village issues checks from one account, then charging various funds for expenses is appropriate. However, if the Village is moving resources from other funds just to cover GF expenditures, this could be a violation of state statutes.

Operationally, the Village Council needs to approve all transfers not already identified in the budget prior to implementation. No one individually has the authority to do so unless the Council specifically grants this (which is not recommended).

There needs to be a clear communication process and a written administrative approval process to avoid any potential state statute violations and to let all Village decision makers know what the status of their budgetary resources are.

I hope this provides some basis to which to “grade” some of your recent decisions. If anyone would like more information or some assistance on how to proceed, please contact either Roxanne or me.

Regards,
Eric Cline | Unit Operations Specialist - Office of Fiscal Responsibility
State of Michigan | Michigan Department of Treasury

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SYNOPSIS

VILLAGE OF ELBERTA SYNOPSIS
REGULAR MEETING June 19, 2014

Meeting called to order at 7:00 pm by Pres Pro Tem Robin Rommell. Pledge of Allegiance. Present: Robin Rommell, Diane Jenks, Linda Manville, Ken Holmes, Jennifer Wilkins, Joyce Gatrell. Absent: Reggie Manville. **Public Input:** Mike Jones, Cheryl Gross, Connie Manke, Ken Bonney. **Minutes:** Approved for *Regular Meeting, May 15* as presented. **Agenda:** Approved with Ag.7 (Zoning Hearing re: Mayfair) deleted and Approval of Contract for Annual Audit, Grant Applications, Interfund Borrowing, Yard Maintenance, DPW Boardwalk cost report, Supervision of Employees, Backup Water Operator, and President Pro Tem added. **Correspondence:** Resignation letter from interim treasurer Toni Flynn. Letter from Charles and Thelma Thompson. Letter from Terry McGregor. Letter from Elberta Parks & Recreation Commission re: Transfer of \$20,000 out of Parks & Recreation account. Letter from Village Attorney re Arbitration. Letter from Roxanne Nicholas of State Treasury. Letter from Eric Cline of State Treasury. Letters re: Boardwalk from Rick Baker, Bill Drury, Cathy Schwerin. Letter from Mike Jones re: state of 905 Washington. Letter from Anonymous re State of Ness House. Letter from Mary Carroll, Benzie Visitors Bureau re Bay Valley Inn Signage. **Approval of Bills:** New format for report includes "% budget used" column. Revenues and expenses information for this period not yet prepared. **Department Reports. Agenda 1:** Search for Deputy Treasurer. **Agenda 2:** Survey of Library Property. Motion by Jenks, seconded by Holmes, to accept Crystal Surveying's bid to survey Library Building. All ayes. Motion passed. **Agenda 3:** Approval of 2014 Millage Rates. Motion by Jenks, seconded by Gatrell, to approve 2014 millage rates, .6% lower. All ayes. Motion passed. **Agenda 4:** Computer for Clerk. Motion by Jenks, seconded by Holmes, to authorize Kalbach to purchase a new computer for up to \$700. All ayes. Motion passed. **Agenda 5:** Request by Becker to Vacate Street. Motion by Holmes, seconded by Jenks, to adopt a resolution to vacate 165 feet at the west end of Acre Street at a width of 50 feet. All ayes. Resolution adopted. **Agenda 6:** Contract for Annual Audit. Motion by Jenks, seconded by Gatrell, to sign contract with the auditor to perform annual audit. All ayes. Motion passed. **Agenda 7:** Grant Applications for Informational Signs on Beach and Water Tower Security. Motion by Jenks, seconded by Wilkins, to approve two grant applications. All ayes. Motion passed. **Agenda 8:** Yard Maintenance Enforcement. Motion by Jenks, seconded by Holmes to table Agenda items 10, 12, and 14 till the special meeting on June 25. All ayes. Motion passed. **Public input:** was heard from Don Tanner and Rosemary Tanner. **Adjournment:** Motion by Linda Manville to adjourn meeting passes with all ayes at 10:06 pm. Complete minutes of these proceedings are available for inspection in the Village Office, 151 Pearson Street, Elberta, MI and at villageofelberta.com/about-us/village-government/meeting-minutes/ Submitted by Emily Votruba, July 22, 2014.