Township of Arcadia

January 26, 2018

Special Meeting Minutes

3422 Lake Street, Arcadia, Michigan 49613

**Present:** Janice McCraner, Supervisor; Patti Wilson, Clerk; Mike Cederholm, Trustee; and Greg

Wisner, Trustee

**Absent:** Debra Eckhout, Treasurer

Call to order by Supervisor, McCraner at 3:00p.m. Pledge of Allegiance and Invocation

**Public Comment:** Paul Smith stated he hoped the information from the preliminary audit report

would be made public, including data, source documents, findings from interviews,

communications from auditor and board members.

Supervisor introduced Karl Haiser CPA, CFE, Laura Merchant CPA and Craig Rolfe, Township

Attorney

Karl Haiser made his report for the township board’s consideration as well as several

recommendations to the board. Please see addendum 1

Haiser recommended three (3) actions the Township Board should take:

1. Township Treasurer must evaluate her options

2. Township Board must evaluate its options going forward to bring this situation to an end

3. Arcadia residents must pursue their options to help correct what is happening

Supervisor McCraner read a list of request to the treasurer from Haiser and Haiser stated that

he did not receive many of the items he had requested.

Clerk Wilson made a statement that upon receiving some interest income statements from

bank accounts there appears to be bank accounts that the board may not aware of. This needs

to be rectified immediately. She also received a renewal from West Shore Bank concerning a

safety deposit box. The board is not aware of the contents of the box and only the treasurer has

a key. Clerk stated she did not have access to all the accounts and core records were not made

available to her. The township has enlisted help from Amy Plumstead, CPA to try to track the

movement of township funds.

The attorney stated this is legally unacceptable and a dangerous position for the township to be

in. The township board, by law, has the sole responsibility and authority to determine the banks

where they will do business; as well how and where we do business within the mandated laws

of the State of Michigan and supported by adopted Township Board Policy.

The township has been inundated with FOIA (Freedom of Information Act) and many have been

brought forth by the treasurer requesting information that the clerk cannot produce because of

lack of records from the treasurer. The township will incur the cost of asking our township

attorney to advise. Those costs cannot be recouped from the requester.

The treasurer determined that tax payments would be mailed to her unsecured mailbox at her

home address instead of the using the authorized secure township post office box. Auditor

Haiser stated this township is at risk, he was concerned with the asset risk management of this

township and went on to say everyone is at risk by mailing their tax payments to an unsecured

mail box.

Supervisor McCraner asked for an answer as to how we move forward and should we initiate a

criminal investigation? After much discussion, it was decided to get the final report and detailed

billing statement from the forensic audit. Haiser will provide that report at the February 8, 2018

Township Board meeting and make specific recommendations, documentation and assistance

on procedures to accomplish securing records and accomplish a yearend audit.

Special meeting will be held at 7:00 p.m. on Monday, January 31, 2018

**Adjourned: Motion** by M. Cederholm second by G. Wisner AIF Passed 4:45 p.m.

Respectfully submitted, Patti Wilson. Clerk Township of Arcadia