

MANISTEE CITY COUNCIL

MEETING AGENDA

TUESDAY, APRIL 1, 2014 – 7:00 P.M. – COUNCIL CHAMBERS

I. Call to Order.

- a.) PLEDGE OF ALLEGIANCE.
- b.) ROLL CALL.

II. Public Hearings.

III. Citizen Comments on Agenda Related Items.

IV. Consent Agenda. All agenda items marked with an asterisk (*) are on the consent agenda and considered by the City Manager to be routine matters. Prior to approval of the Consent Agenda, any member of Council may have an item from the Consent Agenda removed and taken up during the regular portion of the meeting. Consent agenda items include:

- V. Approval of Minutes.
- VI. a.) Approval of Payroll.
b.) Cash Balances Report.
- XI. c.) Notification Regarding Next Work Session.
d.) Consideration of Proclaiming April as Parkinson's Disease Awareness Month.

At this time Council could take action to approve the Consent Agenda as presented.

***V. Approval of Minutes.** Approval of the minutes of the March 17, 2014 regular meeting as attached.

VI. Financial Report.

- *a.) APPROVAL OF PAYROLL.
- *b.) CASH BALANCES REPORT.

VII. Unfinished Business.

VIII. New Business.

- a.) CONSIDERATION OF A RESOLUTION, MDNR WATERWAYS GRANT FOR MARINA DREDGING PROJECT.

Originally the City was awarded a grant in the amount of \$24,000 from the Michigan Department of Natural Resources Waterways Division for dredging at the Municipal Marina. Bids came in higher than expected and the State of Michigan authorized additional money for this project at a not to exceed amount of \$65,000. This addendum to the original award is necessary in order to draw down the funds for the project. The project was awarded to Swidorski Brothers in December for a spring project. There is no City match.

At this time Council could take action to accept the agreement addendum from the Michigan Department of Natural Resources accepting the not to exceed amount of \$65,000 for dredging at the Municipal Marina; and further authorize the Mayor and City Clerk to execute the documents.

- b.) CONSIDERATION OF ENTERING INTO A FIVE-YEAR AGREEMENT WITH ANDERSON TACKMAN & COMPANY, PLC CPA TO CONDUCT CITY AND DDA ANNUAL AUDIT.

The City's contract with Gabridge and Co. for the City and DDA audit has expired. The City issued a Request for Proposals for auditing services. Ten firms responded. Anderson Tackman & Company, PLC CPA was the low responsible bidder. They bid a total of \$46,750 for five years of conducting the base audit, \$8,250 for five years of conducting the DDA audit, and \$2,500 per year to conduct a single audit, if needed. The City Attorney has prepared and approved a contract for these services.

At this time Council could take action to enter into a five-year agreement with Anderson Tackman & Company, PLC CPA to conduct the City and DDA audit.

IX. Notices, Communications, Announcements.

- a.) A REPORT FROM THE HOUSING COMMISSION AND THE COUNTY PROSECUTOR.

A regular part of each Council meeting is a report from a cooperating agency, organization or department.

At this time Mr. Clinton McKinven-Copus will report on the activities of the Manistee Housing Commission and respond to any questions the Council may have regarding their activities.

At this time Mr. Ford Stone will report on the activities of the Manistee County Prosecutor's Office and respond to any questions the Council may have regarding their activities.

No action is required on this item.

- b.) INTRODUCTION OF THE FISCAL YEAR 2014-2015 BUDGET.

Administration has prepared the proposed 2014-2015 Fiscal Year Budget. City Manager Mitch Deisch and Finance Director Ed Bradford will give a brief introduction of the budget recommendations to City Council and the Community.

Various budget work sessions have been established: a regular work session on Tuesday, April 8; a work session on Tuesday, April 15; and optional work sessions on Tuesday, April 22 and Tuesday, April 29, 2014. The public hearing to review these budget recommendations and receive public input on them has been scheduled for Tuesday, April 15, 2014. Budget adoption is anticipated at the regular meeting of May 6, 2014.

No action is required on this item.

- *c.) NOTIFICATION REGARDING NEXT WORK SESSION.

A Council work session has been scheduled for Tuesday, April 8, 2014 at 7 p.m. A discussion will be conducted on the 2014-2015 Budget Recommendations; and such business as may come before the Council. No action is required on this item.

*d.) CONSIDERATION OF PROCLAIMING APRIL AS PARKINSON’S DISEASE AWARENESS MONTH.

The Manistee County Parkinson’s Support Group has requested that the City of Manistee proclaim the month of April as Parkinson’s Disease Awareness Month.

At this time Council could take action to proclaim April as Parkinson’s Disease Awareness Month and authorize the City Clerk to sign the proclamation.

X. Concerns and Comments.

a.) CITIZEN COMMENT. This is an opportunity for citizens to comment on municipal services, activities or areas of City involvement. Citizens in attendance shall be recognized by the Mayor for comments (limited to five minutes). Letters submitted to Council will not be publicly read.

b.) OFFICIALS AND STAFF.

c.) COUNCILMEMBERS.

XI. Adjourn.

MDD:cl

COUNCIL AGENDA ATTACHMENTS:

Council Meeting Minutes – March 17, 2014
Cash Balances Report
MDNR Waterways Grant Agreement Resolution
Audit Bid Contract & Related Documents
Parkinson’s Awareness Month Proclamation

PROCEEDINGS OF THE MANISTEE CITY COUNCIL – MARCH 17, 2014

A regular meeting of the Manistee City Council was called to order by her Honor, Mayor Pro Tem Catherine Zaring on Monday, March 17, 2014 at 7:00 p.m. in the City of Manistee Council Chambers, 70 Maple Street, followed by the Pledge of Allegiance.

PRESENT: Edward Cote, Robert Hornkohl, Chip Goodspeed, Catherine Zaring, Mark Wittlieff, and Eric Gustad.

ABSENT: Colleen Kenny

ALSO PRESENT: City Manager – Mitch Deisch, City Attorney – George Saylor, City Deputy Clerk – Mary Bachman, and Director of Public Safety – Dave Bachman.

CITIZEN COMMENTS ON AGENDA RELATED ITEMS.

None received.

CONSENT AGENDA.

Minutes - March 4, 2014 - Regular Meeting
March 11, 2014 - Work Session

Payroll - no report

Notification Regarding Next Work Session.

A Council Work Session has been scheduled for Tuesday, April 8, 2014 at 7 p.m. A discussion will be conducted on the 2014-2015 Budget Recommendations; and such business as may come before the Council.

MOTION by Hornkohl, second by Cote to take action to approve the Consent Agenda as presented.

With a roll call vote this motion passed unanimously.

AYES: Cote, Hornkohl, Goodspeed, Zaring, Wittlieff, and Gustad.

NAYES: None

A REPORT FROM THE MANISTEE AREA CHAMBER OF COMMERCE.

A regular part of each Council meeting is a report from a cooperating agency,

organization or department.

Ms. Stacie Bytwork reported on the activities of the Manistee Area Chamber of Commerce and responded to questions the Council had regarding their activities.

CITIZEN COMMENT.

Ed Seng - 448 E. Kott Road, Owner and Operator of Seng Trucking made reference to the March 6, 2014 Planning Commission Meeting at which he made a request for a Zoning Amendment. He requested to either be placed on the Work Session Agenda or sit down and speak with Administration and some Council Members. Discussion followed.

OFFICIALS AND STAFF.

None received.

COUNCILMEMBERS.

Cote wished everyone a Happy St. Patrick's Day.

Hornkohl stated that he will be gone for the April 1, 2014 Council Meeting.

Goodspeed stated that he will also be gone for the April 1, 2014 Council Meeting.

MOTION to adjourn was made by Goodspeed, second by Cote. Meeting adjourned at 7:40 p.m.

Mary Bachman, CMC/MMC, LIA
Deputy City Clerk/Payroll & Benefits

CASH TRANSACTIONS REPORT

DRAFT

MONTH: FEBRUARY
City of Manistee

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Account Number	Beginning Balance	Debit	Credit	Ending Balance
Fund: 101 - GENERAL FUND				
Dept: 000				
001.000 Cash	1,470,102.08	156,222.05	390,366.62	1,235,957.51
001.002 Cash - Escrow	87,723.31	0.00	5,200.00	82,523.31
004.000 Cash - Petty	800.00	0.00	0.00	800.00
017.000 MBIA Mi Class Inv	57,152.57	0.00	0.00	57,152.57
Total Dept: 000	1,615,777.96	156,222.05	395,566.62	1,376,433.39
Fund: 101	1,615,777.96	156,222.05	395,566.62	1,376,433.39
Fund: 202 - MAJOR STREET FUND				
Dept: 000				
001.000 Cash	105,584.25	29,330.82	62,367.62	72,547.45
Total Dept: 000	105,584.25	29,330.82	62,367.62	72,547.45
Fund: 202	105,584.25	29,330.82	62,367.62	72,547.45
Fund: 203 - LOCAL STREET FUND				
Dept: 000				
001.000 Cash	34,330.27	20,539.27	43,953.29	10,916.25
Total Dept: 000	34,330.27	20,539.27	43,953.29	10,916.25
Fund: 203	34,330.27	20,539.27	43,953.29	10,916.25
Fund: 204 - STREET IMPROVEMENT FUND				
Dept: 000				
001.000 Cash	25,940.53	0.00	0.00	25,940.53
Total Dept: 000	25,940.53	0.00	0.00	25,940.53
Fund: 204	25,940.53	0.00	0.00	25,940.53
Fund: 226 - CITY REFUSE FUND				
Dept: 000				
001.000 Cash	114,523.12	16,185.86	3,500.00	127,208.98
001.030 Cash Mgt Chk	98,893.43	0.00	0.00	98,893.43
Total Dept: 000	213,416.55	16,185.86	3,500.00	226,102.41
Fund: 226	213,416.55	16,185.86	3,500.00	226,102.41
Fund: 243 - BROWNFIELD REDEVELOPMENT AUTHO				
Dept: 000				
001.000 Cash	21,759.67	0.00	0.00	21,759.67
Total Dept: 000	21,759.67	0.00	0.00	21,759.67
Fund: 243	21,759.67	0.00	0.00	21,759.67
Fund: 245 - OIL & GAS FUND				
Dept: 000				
001.000 Cash	86,826.77	8,489.35	0.00	95,316.12
001.020 Money Market	194,892.03	0.00	0.00	194,892.03
Total Dept: 000	281,718.80	8,489.35	0.00	290,208.15
Fund: 245	281,718.80	8,489.35	0.00	290,208.15
Fund: 249 - BUILDING INSPECTOR				
Dept: 000				
001.000 Cash	8,523.04	219.00	50.00	8,692.04
Total Dept: 000	8,523.04	219.00	50.00	8,692.04
Fund: 249	8,523.04	219.00	50.00	8,692.04

CASH TRANSACTIONS REPORT

DRAFT

MONTH: FEBRUARY
City of Manistee

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Account Number	Beginning Balance	Debit	Credit	Ending Balance
Fund: 251 - EPA GRANT - PETROLEUM				
Dept: 000				
001.000 Cash	-4,265.00	0.00	0.00	-4,265.00
Total Dept: 000	-4,265.00	0.00	0.00	-4,265.00
Fund: 251	-4,265.00	0.00	0.00	-4,265.00
Fund: 252 - EPA GRANT - HAZARDOUS				
Dept: 000				
001.000 Cash	-4,429.97	0.00	0.00	-4,429.97
Total Dept: 000	-4,429.97	0.00	0.00	-4,429.97
Fund: 252	-4,429.97	0.00	0.00	-4,429.97
Fund: 275 - GRANT MANAGEMENT FUND				
Dept: 000				
001.000 Cash	-6,894.99	1,200.00	0.00	-5,694.99
Total Dept: 000	-6,894.99	1,200.00	0.00	-5,694.99
Fund: 275	-6,894.99	1,200.00	0.00	-5,694.99
Fund: 290 - PEG COMMISSION				
Dept: 000				
001.000 Cash	12,447.62	1,430.88	6,500.00	7,378.50
Total Dept: 000	12,447.62	1,430.88	6,500.00	7,378.50
Fund: 290	12,447.62	1,430.88	6,500.00	7,378.50
Fund: 296 - RAMSDELL THEATRE				
Dept: 000				
001.000 Cash	-9,216.03	41,855.76	30,159.80	2,479.93
004.000 Cash - Petty	500.00	0.00	0.00	500.00
Total Dept: 000	-8,716.03	41,855.76	30,159.80	2,979.93
Fund: 296	-8,716.03	41,855.76	30,159.80	2,979.93
Fund: 297 - FRIENDS OF THE RAMSDELL				
Dept: 000				
001.000 Cash	1,657.43	0.00	0.00	1,657.43
Total Dept: 000	1,657.43	0.00	0.00	1,657.43
Fund: 297	1,657.43	0.00	0.00	1,657.43
Fund: 430 - CAPITAL IMPROVEMENT FUND				
Dept: 000				
001.000 Cash	254,757.46	0.00	27,494.68	227,262.78
Total Dept: 000	254,757.46	0.00	27,494.68	227,262.78
Fund: 430	254,757.46	0.00	27,494.68	227,262.78
Fund: 490 - RENAISSANCE PARK				
Dept: 000				
001.000 Cash	2,970.31	0.00	0.00	2,970.31
Total Dept: 000	2,970.31	0.00	0.00	2,970.31
Fund: 490	2,970.31	0.00	0.00	2,970.31
Fund: 508 - BOAT RAMP FUND				
Dept: 000				
001.000 Cash	1,655.67	40.00	250.00	1,445.67
004.000 Cash - Petty	1.00	0.00	0.00	1.00

CASH TRANSACTIONS REPORT

DRAFT

MONTH: FEBRUARY
City of Manistee

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Account Number	Beginning Balance	Debit	Credit	Ending Balance
Total Dept: 000	1,656.67	40.00	250.00	1,446.67
Fund: 508	1,656.67	40.00	250.00	1,446.67
Fund: 573 - WATER & SEWER UTILITY				
Dept: 000				
001.000 Cash	461,130.91	288,817.94	170,225.77	579,723.08
001.002 Cash - Escrow	34,400.00	600.00	600.00	34,400.00
004.000 Cash - Petty	300.00	0.00	0.00	300.00
017.000 MBIA Mi Class Inv	488,687.14	0.00	0.00	488,687.14
Total Dept: 000	984,518.05	289,417.94	170,825.77	1,103,110.22
Fund: 573	984,518.05	289,417.94	170,825.77	1,103,110.22
Fund: 594 - MARINA FUND				
Dept: 000				
001.000 Cash	1,758.67	5,476.92	3,981.37	3,254.22
Total Dept: 000	1,758.67	5,476.92	3,981.37	3,254.22
Fund: 594	1,758.67	5,476.92	3,981.37	3,254.22
Fund: 661 - MOTOR POOL FUND				
Dept: 000				
001.000 Cash	390,099.17	46,666.68	0.00	436,765.85
001.002 Cash - Escrow	271,273.24	0.00	0.00	271,273.24
Total Dept: 000	661,372.41	46,666.68	0.00	708,039.09
Fund: 661	661,372.41	46,666.68	0.00	708,039.09
Fund: 703 - CURRENT TAX COLLECTION				
Dept: 000				
001.000 Cash	242,214.62	332,451.73	532,831.23	41,835.12
Total Dept: 000	242,214.62	332,451.73	532,831.23	41,835.12
Fund: 703	242,214.62	332,451.73	532,831.23	41,835.12
Fund: 704 - PAYROLL CLEARING FUND				
Dept: 000				
001.000 Cash	25,203.31	462,662.13	458,885.11	28,980.33
001.005 Cash - NEW Flex \ HRA	10,461.84	12,157.97	12,201.48	10,418.33
001.007 Cash - Federal & State Taxes	3.58	57,035.92	57,035.92	3.58
Total Dept: 000	35,668.73	531,856.02	528,122.51	39,402.24
Fund: 704	35,668.73	531,856.02	528,122.51	39,402.24
Fund: 705 - DELINQUENT TAX COLLECTION				
Dept: 000				
001.000 Cash	3,423.62	0.00	0.00	3,423.62
Total Dept: 000	3,423.62	0.00	0.00	3,423.62
Fund: 705	3,423.62	0.00	0.00	3,423.62
Grand Totals:	4,485,190.67	1,481,382.28	1,805,602.89	4,160,970.06



CITY HALL
70 Maple Street

CITY MANAGER
231.398.2801

CITY ASSESSOR
231.398.2802

BUILDING INSPECTOR
231.398.2806

**PLANNING, ZONING &
COMMUNITY DEV.**
231.398.2805

CITY CLERK
231.398.2803

CITY TREASURER
231.398.2804

WATER BILLING
231.723.2559

ADMINISTRATION
FAX 231.723.1546

CLERK/TREASURER
FAX 231.723.5410

POLICE DEPARTMENT
70 Maple Street
231.723.2533
FAX 231.398.2012

FIRE DEPARTMENT
281 First Street
231.723.1549
FAX 231.723.3519

PUBLIC WORKS
280 Washington St.
231.723.7132
FAX 231.723.1803

PARKS DEPARTMENT
231.723.4051

WATER MAINTENANCE
231.723.3641

WASTEWATER PLANT
50 Ninth St.
231.723.1553

March 25, 2014

Memo To: Mitch Deisch

From: Dave Bachman *DB*

Re: Agenda Item

Resolution to Council

Mitch, I am playing catch up with this agenda item. It went to Corey and I in November of 2013 with instructions from the State to present it to council to sign the resolutions. I am unable to locate an original signed document or paperwork indicating that it went to council for a vote.

The agreement addendum lays out the payment schedule and allows us to draw down funds when we meet certain milestones.

According to Paul Peterson, it does not impact the grant or the award to Swidorski. It is a piece of bookkeeping that needs to be completed in order for us to draw the funding.

I am not sure which one of us dropped the ball on this but I accept responsibility for not getting this to council sooner.

DB





RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF NATURAL RESOURCES
LANSING



KEITH CREAUGH
DIRECTOR

November 14, 2013

Mr. David Bachman
City of Manistee
480 River Street
Manistee, Michigan 49660

Dear Mr. Bachman:

Enclosed are two copies of an Agreement Addendum between the City of Manistee and the Department of Natural Resources (DNR), as well as two copies of a Resolution for adoption by the City authorizing execution of the Agreement Addendum.

Please have both copies of the Agreement Addendum (*do not date the first page*) and the Resolution signed as appropriate. All copies should be returned to my attention. The Agreement Addendum will be signed and dated by the DNR, and a fully executed copy will be returned for your files.

If you have any questions, please contact me (517-335-3033), or at DNR-Parks and Recreation Division, P.O. Box 30257, Lansing, MI 48909-7757.

Sincerely,

Paul R. Petersen
Waterways Grant Program Manager
Parks and Recreation Division

Enclosures

AGREEMENT ADDENDUM

(Supplemental Funding, Scope of Work Change, or Time Extension)

THIS AGREEMENT ADDENDUM, made this _____ day of _____, 201~~3~~, by and between the CITY OF MANISTEE, MICHIGAN, a municipal corporation, hereinafter referred to as the "City", and the MICHIGAN DEPARTMENT OF NATURAL RESOURCES, an agency of the State of Michigan, hereinafter referred to as the "Department."

WHEREAS, on May 21, 2013 an agreement was entered into between the Department and City, to assist the City in the Emergency Dredging at the City of Manistee, Manistee Municipal Marina facility, under provisions of the State's Waterways Grant-in-Aid Program.

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, it is mutually agreed as follows:

1. The Department agrees:

(a) To grant to the City funds for emergency dredging of Manistee Municipal Marina (the facilities). Said total grant-in-aid for the project shall not exceed Sixty five thousand dollars (\$65,000). These monies shall be used only for the project work outlined in the Agreement and this Addendum and related engineering costs.

(b) To release State funds according to the following:

Completion of Department approved plans and cost estimated by the community's engineer.

Twenty-five (25) percent of the total grant upon execution of this Agreement. These advance funds may be used toward the plans, specifications and permits acceptable to the Department and City. The State's ability to advance funds will be dependent on approval of the Emergency Dredge Plan Supplemental, and approval from the Department of Treasury. If the plan is not acceptable to the regulatory agencies and permits are denied, remaining funds will be returned to the State of Michigan.

The remaining seventy-five (75) percent shall be released as a reimbursement. The final ten (10) percent shall be paid upon completion of work and receipt of progress payment requests from the contractor that are approved for payment by the designated project manager. The final ten (10) percent of State funds shall be paid upon completion of the project and 60 days after receipt of project cost documentation to the Department by the City or completion of an audit of the expenditures for the facilities by the Department, whichever occurs first.

2. The City agrees:

(a) Said total grant-in-aid for the project shall not exceed Sixty five thousand dollars (\$65,000). These monies shall be used for the project work outlined in the Agreement and this Addendum and related engineering costs. This sum represents 100 percent of the total cost of the project work. Any additional funds needed to complete the project work shall be provided by the City. The City must have the prior written approval of the Department for any change orders to the contract(s) in cost, plans or specifications.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seal the day and date first above written.

IN WITNESS WHEREOF, the parties execute this Agreement by the signatures of their duly authorized representatives.

WITNESSES:

CITY OF MANISTEE

By: _____

Title: _____

**MICHIGAN DEPARTMENT OF
NATURAL RESOURCES**

By: _____
Ronald A. Olson, Chief
Parks and Recreation Division



Treasurer's Office

Memo to: Mitch Deisch, City Manager *MT Deisch*

From: Edward Bradford, Finance Director *EB*

Re: Auditing Services

Date: March 25, 2014



The City's contract with its current auditor, Gabridge & Co. PLC, has expired. As a result the City needed to put the annual audit out for bid. The City prepared a request for proposal for auditing services (Attachment 4) for fiscal years 2014-2018 and mailed it to a number of firms, as well as advertising in the Manistee News Advocate and thru the MITN website. The Council Audit Committee reviewed the RFP before it was issued.

We received ten proposals back. The bids varied widely and the results of the proposals are included (Attachment 2). Anderson Tackman & Company, PLC was the low bidder at \$46,750 for five years of conducting the base audit, \$8,250 for five years of conducting the DDA audit and \$2,500 per year to conduct a single audit, if needed. Their proposal is included (Attachment 3). The audit expense last year with Gabridge & Co. was \$16,890 (regular + single audit).

Both I and the Council Audit Committee reviewed the proposals. Some of the factors that I considered in coming up with my recommendation were price, similar engagements, professional qualifications and references.

After our review, I recommended, and the audit committee supported, that we engage Anderson Tackman & Company, PLC to conduct the City audit. City attorney George Saylor has prepared a contract for the engagement (Attachment 1).

In addition, we bid out the DDA audit as a separate item as a courtesy to the DDA. The DDA is required to use the same auditor as the City. This information will be provided to Patrick Kay, DDA/Main Street Director.

Professional Auditing Services Agreement

THIS AGREEMENT entered into this ____ day of April, 2014 between the City of Manistee, Michigan, a Michigan Municipal Corporation ["City" or "Client"] of 70 Maple Street, Manistee, Michigan, and Anderson, Tackman & Company, PLC ["AT&C" or "CPA"] 16978 S. Riley Avenue, Kincheloe, Michigan;

Whereas, the City of Manistee requires auditing services for its municipal activities, including subunits of the City; and

Whereas, the City sought proposals from qualified Certified Public Accounting Firms through a Request for Proposal ["RFP"]; and

Whereas, AT&C is a certified public accounting firm with experience and professional capacity to provide the services desired by the City for auditing services and submitted a Response ["Response"] to the City's RFP; and

Whereas, the City desires to engage the professional services of AT&C and AT&C desires to provide such professional auditing services under certain terms and conditions;

Now, therefore, the Parties for good and valuable consideration the receipt of which is hereby acknowledged, do contract for Professional Services to be performed by AT&C on behalf of the City, as follows:

1. Scope of Services:

- A. The City solicited proposals for the desired professional services through a Request for Proposal ["RFP"] for professional auditing services for fiscal years 2014 to 2018. Such RFP is attached hereto and incorporated herein by reference as Exhibit A.
- B. AT&C responded to such RFP in a proposal dated February 26, 2014 to City Finance Director Edward Bradford. Such response is attached hereto and incorporated herein by reference as Exhibit B.

The RFP and the Response shall constitute the scope of work, unless such scope is changed by written acknowledgement of the Parties. If in conflict, the scope of services described in the Request for Proposal (RFP) shall control.

2. Compensation for Professional Services:

Compensation for the professional services described in the RFP and Response are contained therein and are:

Fiscal Year	Fee for Audit & Reports	Single Audit (If Needed)	DDA
2014	\$8,500	\$2,500	\$1,500
2015	\$9,000	\$2,500	\$1,500
2016	\$9,250	\$2,500	\$1,500
2017	\$9,750	\$2,500	\$1,750
2018	\$10,250	\$2,500	\$1,750

3. Other Terms and Conditions:

- A. General: AT&C shall perform all auditing services and present reports in conformity with all Michigan and National standards for accounting for Michigan units of government.
- B. CPA Status: AT&C is an independent contractor for professional services and neither it nor its employees, contractors or subcontractors shall be deemed employees of the City. AT&C shall provide for its employees appropriate and statutorily required Workers Compensation Insurance Coverage, and provide to the City proof of the same upon request.
- C. Ownership of Work Product: Those copies of the Work Product [Reports and Schedules] provided to the City by AT&C, including electronic media copies, shall be the property of the City.
- D. Presentation of Audit: AT&C shall present the Audit to the Manistee City Council on a date coordinated with City Staff.
- E. Termination: City may terminate this Agreement at any time and for any reason by providing written notice of termination to AT&C. City shall be responsible for prorated fees according to the Schedule set forth in paragraph 2 above, through the date of termination.
- F. Review by Counsel: AT&C acknowledges that this document has been prepared on behalf of the City by Mika, Meyers, Beckett & Jones, PLC, Attorneys at Law,

414 Water Street, Manistee, Michigan 49660 and that it has had the opportunity before executing this agreement to review the same with counsel of its choosing.

- G. Applicable Law & Venue: This agreement shall be interpreted in accordance with the Laws of the State of Michigan. In the event a dispute or claim arises out of or concerning this agreement, the Parties will meet and attempt to adjust or resolve such dispute or claim. In the event such claims or disputes cannot be resolved between the Parties, they agree that proper venue to litigate such disputes or claims is in a Court of competent jurisdiction in Manistee County, Michigan.
- H. Entire Agreement: The Parties acknowledge that this agreement incorporates their entire understanding concerning the subject matter of such agreement and that there are no other terms or conditions that have not been incorporated herein. Further, the Parties agree that any modifications in this agreement, including but not limited to the Scope of Work and Compensation for Professional Services, must be in writing and acknowledged and signed by each of the Parties.
- I. Effectiveness of Agreement: The Parties acknowledge and agree that this agreement shall be effective and binding upon full execution by the appropriate representatives of each Party. Each Party represents to the other that the persons signing for each respective Party has full authority to do so. And, the City represents to AT&C that the City signatories hereto have been empowered to execute this agreement at a duly constituted meeting of the Manistee City Council upon appropriate motion and vote.

The Parties acknowledge that the execution hereof may occur at different times and at different locations and will be effective when entirely executed by both.

IN WITNESS WHEREOF, the Parties execute his agreement on the dates denoted next to their respective signatures.

City of Manistee

Colleen Kenny, Mayor

Date:

Michelle Wright, City Clerk

Date:

Anderson, Tackman & Company, PLC

Kenneth A. Talsma
Kenneth A. Talsma, CPA, Principal

Date: *March 26, 2014*

	Anderson, Trachman & Company, PLC	Garbridge & Co., PC	Yeo & Yeo PC	Berthiaume & Co.	Seber Tans, PLC	Vredevoeld Haether LLC, CPA's and Consultants	Rehman Robson	Abraham & Gaffney, PC	Hooper Pavlik PLC	Andrews	Garland & Niergarth	Dennis
Audit												
2014	\$ 8,500	\$ 12,510	\$ 12,500	\$ 13,000	\$ 13,000	\$ 14,900	\$ 17,000	\$ 19,000	\$ 24,800	\$ 24,000	\$ 24,000	\$ 24,000
2015	\$ 9,000	\$ 12,510	\$ 12,875	\$ 13,200	\$ 13,300	\$ 15,150	\$ 17,500	\$ 19,500	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
2016	\$ 9,250	\$ 12,510	\$ 13,265	\$ 13,400	\$ 13,600	\$ 15,400	\$ 18,000	\$ 20,000	\$ 25,700	\$ 26,000	\$ 26,000	\$ 26,000
2017	\$ 9,750	\$ 12,510	\$ 13,665	\$ 13,600	\$ 13,900	\$ 15,650	\$ 18,500	\$ 20,500	\$ 26,400	\$ 27,000	\$ 27,000	\$ 27,000
2018	\$ 10,250	\$ 12,510	\$ 14,075	\$ 13,800	\$ 14,200	\$ 15,800	\$ 19,000	\$ 21,000	\$ 27,100	\$ 28,000	\$ 28,000	\$ 28,000
5 Year Cost	\$ 46,750	\$ 62,550	\$ 66,380	\$ 67,000	\$ 68,000	\$ 76,900	\$ 90,000	\$ 100,000	\$ 129,000	\$ 130,000	\$ 130,000	\$ 130,000
5 Year Difference	\$ - 0.0%	\$ 15,800 33.8%	\$ 19,630 42.0%	\$ 20,250 43.3%	\$ 21,250 45.5%	\$ 30,150 64.5%	\$ 43,250 92.5%	\$ 53,250 113.9%	\$ 82,250 175.9%	\$ 83,250 178.1%	\$ 83,250 178.1%	\$ 83,250 178.1%
Single Audit												
2014	\$ 2,500	\$ 1,500	\$ 3,000	\$ 3,000	\$ 2,750	\$ 2,750	\$ 3,500	\$ 2,500	\$ 4,800	\$ 2,000	\$ 2,000	\$ 2,000
2015	\$ 2,500	\$ 1,500	\$ 3,100	\$ 3,050	\$ 3,000	\$ 2,750	\$ 3,600	\$ 2,500	\$ 5,000	\$ 2,000	\$ 2,000	\$ 2,000
2016	\$ 2,500	\$ 1,500	\$ 3,200	\$ 3,100	\$ 3,250	\$ 2,750	\$ 3,700	\$ 2,500	\$ 5,100	\$ 2,000	\$ 2,000	\$ 2,000
2017	\$ 2,500	\$ 1,500	\$ 3,300	\$ 3,150	\$ 3,400	\$ 2,750	\$ 3,800	\$ 2,500	\$ 5,200	\$ 2,000	\$ 2,000	\$ 2,000
2018	\$ 2,500	\$ 1,500	\$ 3,400	\$ 3,200	\$ 3,600	\$ 2,750	\$ 3,900	\$ 2,500	\$ 5,400	\$ 2,000	\$ 2,000	\$ 2,000
5 Year Cost	\$ 12,500	\$ 7,500	\$ 16,000	\$ 15,500	\$ 16,000	\$ 13,750	\$ 18,500	\$ 12,500	\$ 25,500	\$ 10,000	\$ 10,000	\$ 10,000
5 Year Difference	\$ - 0.0%	\$ (5,000) -40.0%	\$ 3,500 28.0%	\$ 3,000 24.0%	\$ 3,500 28.0%	\$ 1,250 10.0%	\$ 6,000 48.0%	\$ - 0.0%	\$ 13,000 104.0%	\$ (2,500) -20.0%	\$ (2,500) -20.0%	\$ (2,500) -20.0%
Total 5 Year Cost	\$ 59,250	\$ 70,050	\$ 82,380	\$ 82,500	\$ 84,000	\$ 90,650	\$ 108,500	\$ 112,500	\$ 154,500	\$ 140,000	\$ 140,000	\$ 140,000
(assumes single audit every year)	\$ - 0.0%	\$ 10,800 18.2%	\$ 23,130 39.0%	\$ 23,250 39.2%	\$ 24,750 41.8%	\$ 31,400 53.0%	\$ 49,250 83.1%	\$ 53,250 89.9%	\$ 95,250 160.8%	\$ 80,750 136.3%	\$ 80,750 136.3%	\$ 80,750 136.3%
DDA												
2014	\$ 1,500	\$ 2,500	\$ 3,500	\$ 4,000	\$ 4,500	\$ 3,250	\$ 3,500	\$ 5,000	\$ 4,900	\$ 2,500	\$ 2,500	\$ 2,500
2015	\$ 1,500	\$ 2,500	\$ 3,600	\$ 4,050	\$ 4,600	\$ 3,400	\$ 3,700	\$ 5,200	\$ 5,000	\$ 2,500	\$ 2,500	\$ 2,500
2016	\$ 1,750	\$ 2,500	\$ 3,700	\$ 4,100	\$ 4,700	\$ 3,550	\$ 3,900	\$ 5,400	\$ 5,100	\$ 2,500	\$ 2,500	\$ 2,500
2017	\$ 1,750	\$ 2,500	\$ 3,800	\$ 4,150	\$ 4,800	\$ 3,700	\$ 4,100	\$ 5,600	\$ 5,200	\$ 2,500	\$ 2,500	\$ 2,500
2018	\$ 1,750	\$ 2,500	\$ 3,900	\$ 4,200	\$ 4,900	\$ 3,950	\$ 4,300	\$ 5,800	\$ 5,400	\$ 2,500	\$ 2,500	\$ 2,500
	\$ 8,250	\$ 12,500	\$ 18,500	\$ 20,500	\$ 23,500	\$ 17,850	\$ 19,500	\$ 27,000	\$ 25,600	\$ 12,500	\$ 12,500	\$ 12,500

Attachment 3

**PROPOSAL TO PERFORM THE
JUNE 30, 2014, 2015, 2016, 2017 & 2018**

**FINANCIAL AUDIT, SINGLE AUDIT, AND OTHER
MANAGEMENT ADVISORY SERVICES FOR**

**City of Manistee
Manistee, Michigan**

**PROPOSAL TO PERFORM THE
JUNE 30, 2014, 2015, 2016, 2017 and 2018**

**FINANCIAL AUDIT, SINGLE AUDIT, AND OTHER
MANAGEMENT ADVISORY SERVICES FOR**

**City of Manistee
Manistee, Michigan**

By

ANDERSON, TACKMAN & COMPANY, PLC

16978 S. Riley Avenue

Kincheloe, Michigan 49788

(906) 495-5952

Fax: (906) 495-7312

E-Mail: antack@antack.com

Contact Person

Kenneth A. Talsma, CPA

February 26, 2014

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ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

KINROSS OFFICE

PHILLIP J. WOLF, CPA, PRINCIPAL
SUE A. BOWLBY, CPA, PRINCIPAL
KENNETH A. TALSMA, CPA, PRINCIPAL

ROBERT L. HASKE, CPA
AMBER N. MACK, CPA, EA

February 26, 2014

MEMBER AICPA
DIVISION FOR CPA FIRMS

MEMBER MACPA

OFFICES IN
MICHIGAN & WISCONSIN

City of Manistee
70 Maple Street
Manistee, MI 9660

Dear Commissioners:

We appreciate this opportunity to present our qualifications to serve the City of Manistee, as its independent accountants. Our firm currently audits over 150 Michigan and Wisconsin municipalities and related entities, eighty-five of which are the responsibility of our Kinross, Michigan office. We are proud of our expanding practice in the governmental industry, and our record of active and timely service is your guarantee of our commitment to the City of Manistee.

Our proposal package annexed, addresses our understanding of services to be provided, our qualifications, approach to auditing, proposed fee and additional information requested. The proposal is for a five year engagement at the Council's request and is a firm and irrevocable offer for 90 days.

Our annual bid includes the financial audit for funds of the City as well as a separate fee for the Single Audit.

The information contained in this proposal is intended for the sole use of the City of Manistee, Michigan evaluating our qualifications to perform the proposed engagement and should not be used for any other purpose or be publicly disclosed or distributed to third parties without the written permission of Anderson, Tackman, and Company, CPA's, PLC.

We are confident that, as you evaluate this proposal, Anderson, Tackman & Company, PLC will have demonstrated to you that we have a commitment to the governmental industry, which when combined with our competitive fee structure will provide you with the cost effective, comprehensive, quality service you are seeking. We welcome the opportunity to service your City in its professional needs and would be pleased to meet with you at your convenience.

We welcome any questions regarding our proposal and will respond as directed at your convenience.

Very truly yours,
ANDERSON, TACKMAN & COMPANY, PLC

Kenneth A. Talsma

Kenneth A. Talsma, CPA
Principal

UNDERSTANDING OF SERVICES TO BE PROVIDED

We propose to perform an audit of all includable funds, and the Downtown Development Authority (a component unit), of the City of Manistee, sufficient in scope to enable us to render our opinion on the basic financial statements for the fiscal years ended June 30, 2014, 2015, 2016, 2017 & 2018. Our audit would be in accordance with U.S. generally accepted auditing standards and procedures as set forth in the Codification of Statements on Auditing Standards, Statements Published by the National Council on Governmental Accounting and the Governmental Accounting, Auditing and Financial Reporting Statements, the Industry Audit Guide for Audits of State and Local Governmental Units, Circular A-133: Single Audit Requirements for Financial and Compliance Audits of Governmental Units, Circular A-102, Grants and Cooperative Agreements with State and Local Governments, OMB Circular A-87, Principles for determining Costs applicable to grants, Government Auditing Standards and other requirements, as appropriate.

Our engagement would include preparation of the GASB 34 format Financial Report, and the Single Audit financial and compliance reports, as required. Although the primary purpose of our audit would be to express our opinion on the basic financial statements of the City, we would also prepare a report to management relative to areas within the accounting system where improvements would be appropriate and advantageous.

At the conclusion of our engagement, we would present the financial and compliance reports, as listed in the "Request for Proposal", to management and the members of the City Commission at your request, summarize our audit findings and conclusions, and review our Report to Management letter with management and the Commission. One unbound copy, one electronic (Word/Excel Format) copy, and twenty copies of the financial and compliance reports, as well as the Single Audit Report, if required, would be supplied to the City at the conclusion of the engagement. One report would be electronically filed to the Michigan Department of Treasury and appropriate awarding agencies.

The following Management Advisory Services would be provided at additional cost as required:

1. Other services as identified and requested

The primary purpose of our audit is to express an opinion on the financial statements. If conditions are discovered that lead to belief that material errors, defalcations or other irregularities exist we will advise management.

During the course of the engagement if circumstances are encountered that require extended services, the auditor will promptly advise appropriate City personnel. A description of services will be provided but no additional services will be provided without authorization.

Our 2014 engagement fieldwork would begin prior to year end and conclude by August 31, 2014. The subsequent year's engagement fieldwork would begin on a similar schedule of timing based on City approval. Draft reports would be furnished by September 15th, final reports by September 30th of each year, assuming the City is ready for the audit by July or August each year.

INDEPENDENCE

Anderson, Tackman & Company, PLC is independent in relation to City of Manistee, Michigan as defined by the U.S General Accounting Office's Government Auditing Standards.

If we enter into any professional relationships during any period of our engagement as auditors that may affect our independence, we will contact you in writing. This correspondence would indicate our relationship and its effect on your audit.

LICENSURE

Phillip J. Wolf, CPA, Sue A. Bowlby, CPA, Kenneth A. Talsma, CPA, Robert L. Haske, CPA, Amber N. Mack, CPA and Anderson, Tackman & Company, PLC, are properly licensed as certified public accountants in the State of Michigan and are registered with the Michigan State Board of Public Accountancy.

FIRM PROFILE

Anderson, Tackman & Company, PLC is a mid-western regional certified public accounting firm with four offices in Michigan and one office in Wisconsin. We are currently members of the AICPA Division for CPA firms, Governmental Audit Quality Center and Employee Benefits Quality Center. There are presently thirteen principals in the firm and upwards of sixty-five supervisory and professional staff personnel.

Our firm provides services to a diversified group of clients in five basic areas: audit, tax, management consulting (including computer systems analysis), monthly accounting, and financial planning. Our clients include varied types of commercial enterprises, individuals, governmental units, financial institutions, and non-profit organizations.

Anderson, Tackman & Company, PLC, as evidenced by our client list, is very active in the area of providing services to governmental units. Our involvement includes the normal audit function as well as providing systems and computer consulting as needed by our clients. Recent governmental consulting engagements have included systems design, evaluation and implementation of internal computer hardware and software systems, feasibility studies, and user charge rate studies.

The engagement would be performed by our Kinross, Michigan office. The following is a list of personnel and their respective specialties at our offices.

<u>Personnel</u>	<u>Title</u>	<u>Specialty</u>
Phillip J. Wolf, CPA	Principal	Governmental Audit Principal
Sue Bowlby, CPA	Principal	Tax/Commercial Accounting Principal
Kenneth Talsma, CPA	Principal	Governmental Audit Principal
Robert Haske, CPA	Senior	Governmental Audit
Amber Mack, CPA, EA	Senior	Tax/Governmental Audit
Sheena Andrzejak	Senior	Governmental Audit
Douglas Welton	Staff	Governmental Audit
Kathryn Voigt	Staff	Governmental Audit
Jamie Leach, EA	Staff	Para-Professional
Sheri Ross	Staff	Clerical
Stephanie Osborn	Staff	Clerical

OUR SERVICE TEAM QUALIFICATIONS

At Anderson, Tackman & Company, PLC, we believe the key to establishing and maintaining a professional relationship with our clients is to provide superior services through a team effort. The team of professionals we have assembled to serve the City of Manistee includes specialists in areas such as governmental auditing and accounting, taxation, and grant expertise. We are very selective in our staff assignments and are proud of their ability to work effectively.

Anderson, Tackman and Company, PLC

ENGAGEMENT TEAM

Phillip J. Wolf, CPA
Review Partner

Kenneth A. Talsma, CPA
Partner

Robert Haske, CPA
Senior Auditor

Amber N. Mack, CPA, EA
Senior Auditor

Anderson, Tackman and Company, PLC is independent in relation to the City of Manistee as defined by the U.S. General Accounting Office's *Government Auditing Standards*. All staff as listed are properly licensed as certified public accountants in the State of Michigan and are registered with the Michigan State Board of Accountancy. All personnel meet the current Yellow Book guidelines for continuing professional education in order to participate in a governmental audit.

PROFESSIONAL STAFF PROFILES



Phillip J. Wolf, CPA
Kincheloe Office
Partner Governmental Division

EXPERIENCE Twenty-five years of public accounting experience with Anderson, Tackman & Company, PLC.

PARTIAL LISTING OF GOVERNMENTAL CLIENTS SERVED

City of Frankfort
City of Sault Ste. Marie
County of Benzie
County of Chippewa
County of Presque Isle
Benzie County Road Commission
Chippewa County Road Commission
Emmet County Road Commission
Isabella County Road Commission
Kewadin Casinos Gaming Authority
Sault Ste. Marie Tribe of Chippewa Indians

SPECIAL AREAS OF EXPERTISE

Financial auditing & reporting
Compliance auditing & reporting
Single audit
Debt capacity studies
Internal control reviews
Defalcation consultation
Personnel assistance
Feasibility study

PROFESSIONAL ACTIVITIES

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

EDUCATION

Northern Michigan University
Bachelor of Science Accounting

PROFESSIONAL STAFF PROFILES



Kenneth A. Talsma, CPA
Kincheloe Office
Partner Governmental Division

EXPERIENCE Nineteen years of public accounting
Experience with Anderson, Tackman &
Company, PLC, and Gillette, Halvorsen, & Leonhardt.

PARTIAL LISTING OF GOVERNMENTAL CLIENTS SERVED

City of Big Rapids
City of Boyne City
City of Cheboygan
City of East Jordan
City of Frankfort
City of Harbor Springs
City of Mackinac Island
City of Rogers City
City of Sault Ste. Marie
City of St. Ignace
County of Cheboygan
County of Otsego
County of Presque Isle
Betsie Lake Utilities Authority
Village of Newberry

SPECIAL AREAS OF EXPERTISE

Financial auditing & reporting
Compliance auditing & reporting
Single audit
Debt capacity studies
Internal control reviews
Defalcation consultation
Personnel assistance
Feasibility study

PROFESSIONAL ACTIVITIES

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

EDUCATION

Lake Superior State University
Bachelor of Science Accounting

PROFESSIONAL STAFF PROFILES



Robert Haske, CPA
Kincheloe Office
Senior Auditor

EXPERIENCE Six years of public accounting experience with Anderson, Tackman & Company, PLC.

PARTIAL LISTING OF GOVERNMENTAL CLIENTS SERVED

City of Cheboygan
City of East Jordan
City of Frankfort
City of Sault Ste. Marie
County of Antrim
County of Branch
County of Chippewa
County of Crawford
County of Luce
County of Montmorency
County of Otsego
County of Wexford
Sault Ste. Marie Tribe of Chippewa Indians
Non-profit entities

SPECIAL AREAS OF EXPERTISE

Auditing & financial reporting
Single audit
Preparation of F-65's for townships, cities and counties
Preparation of Act 51's for cities, and villages

PROFESSIONAL ACTIVITIES

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

EDUCATION

Lake Superior State University
Bachelors of Science Accounting

PROFESSIONAL STAFF PROFILES



Amber Mack, CPA, EA
Kincheloe Office
Senior Accountant/Auditor

EXPERIENCE Five years of public accounting experience with Anderson, Tackman & Company, PLC.

PARTIAL LISTING OF INDUSTRIES SERVED

Governmental units
Corporations
Non-profit

SPECIAL AREAS OF EXPERTISE

Financial auditing & reporting
Nonprofit auditing & reporting
Payroll tax reporting
Unrelated business income evaluations
Income tax preparation

PROFESSIONAL ACTIVITIES

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

EDUCATION

Lake Superior State University
Bachelor of Science Accounting

CPE OF STAFF ASSIGNED

PHILLIP J. WOLF, CPA

Governmental Accounting and Auditing Update – Winter, Spring, Summer & Fall
GASB 34 Implementation
Computer Training Seminar – Go Systems
MACPA – Ethics
GAQC Annual Update
Spring Governmental Accounting and Auditing Conference
MSU and U of M Taxation School
2012 Yellow Book Revisions
Quality Assurance Conference

KENNETH A. TALSMA, CPA

Implementation of GASB 34
Governmental Accounting and Auditing Update – Winter, Spring, Summer & Fall
Computer Training Seminar – Go Systems
Ethics in the Audit process
Quality Assurance Conference
Nonprofit Conference
Spring Governmental Accounting and Auditing Conference – 2009, 2010, 2011, 2013
Applying A-133 to Nonprofit and Governmental Organizations
Solving Complex Single Audit Issues for Governmental and Nonprofit Organizations
Implementing the New Risk Assessment Standards
MACPA- Ethics
AICPA National Government and Not-for-Profit Program

ROBERT L. HASKE, CPA

Spring Governmental Accounting and Auditing Update – 2010, 2011, 2012 & 2013
Federal Governmental Update – Single Audit, HUD, Compliance Supplement – 2011, 2012
Governmental and Nonprofit Annual Update – 2009, 2010
Governmental and Nonprofit Accounting and Auditing Annual Update – 2009, 2010
Applying A-133 to Nonprofit and Governmental Organizations
Implementing the New Risk Assessment Standards
MACPA- Ethics
Spalding Ethics – Confidentiality and Honesty Limits – 2010
Governmental Instructional – CPA Report Volume 1 – 2011
Other Instructional – CPA Report Volume 1 – 2011

AMBER N. MACK, CPA, EA

Spring Governmental Accounting and Auditing Update – 2010, 2011, 2012 & 2013
Federal Governmental Update – Single Audit, HUD, Compliance Supplement – 2011, 2012
Governmental and Nonprofit Annual Update – 2009, 2010
Governmental and Nonprofit Accounting and Auditing Annual Update – 2010, 2011
GAQC Annual Update
MACPA- Ethics
The CPA Report- Volume 2012 #1, #4, Volume 2013 #1
Applying A-133 to Nonprofit and Governmental Organizations
Implementing the New Risk Assessment Standards
Basic in Single Audit- 2013
QuickBooks 2012- Inventory and Job Costs

QUALITY ASSURANCE

ANDERSON, TACKMAN & COMPANY, PLC

Anderson, Tackman & Company, PLC is a member of the AICPA Division for CPA Firms and has elected to participate in the American Institute of Certified Public Accountants peer review quality control program, a lengthy process that was completed successfully in 2013 and included several city and other governmental audits. Anderson, Tackman & Company, PLC is also a member of the AICPA Government Audit Quality Center. The clients of Anderson, Tackman & Company, PLC, therefore, receive the services of a quality-oriented organization combined with a personal, non-institutional approach, geared to their specific needs.

All professional staff attend quarterly in-house education courses related to governmental audits. In addition, participating staff attend the MACPA Governmental Audit conference in Lansing each year to stay informed on regulations. Anderson, Tackman & Company, PLC assures quality in the field through work paper review, inspection and conformance to audit programs during the engagement.

Worker's compensation insurance and Commercial Liability Insurance will be maintained during this contract period. All working papers will be retained for five years unless notified in writing by the City.

SIMILAR ENGAGEMENTS WITH GOVERNMENTAL UNITS

Anderson, Tackman & Company's Kinross office similar engagements are as follows:

Client Name	City of Frankfort
Service	Financial & Compliance Audit and Various Special Projects Special Projects <ul style="list-style-type: none">- Year end closing assistance - modified accrual- Accounting staff recruiting and training- Assistance with accounting of fixed assets- Assistance with compliance audits- Other specific sensitive issues- Assistance with Deficit Elimination Plan- Assistance with Public Act 621 Budget Compliance- Assistance with accounting policies and procedures
Date	Fiscal 1994 to present
Partner	Kenneth A. Talsma
Hours	300
Contact Name	Kim Kidder
Phone Number	(231) 352-7117
Client Name	City of Sault Ste. Marie
Service	Annual Financial Audit and Compliance Audit
Date	Fiscal 2009 to present
Partner	Kenneth A. Talsma
Hours	500
Contact Name	Kristin Collins, Finance Director
Phone Number	(906) 635-5726

SIMILAR ENGAGEMENTS WITH GOVERNMENTAL UNITS (Continued)

Client Name City of East Jordan
Service Financial and Compliance Audit and various special projects
Date Fiscal 2011
Partner Kenneth A. Talsma
Hours 200
Contact Name Heather Jackson
Phone Number (231) 536-3381

Client Name City of Harbor Springs
Service Annual Financial and Compliance Audit
Date Fiscal 2011
Partner Kenneth A. Talsma
Hours 310
Contact Name Ron McRae, Clerk/Treasurer
Phone Number (231) 526-2504

Client Name Osceola County
Service Annual Financial Audit
Date Fiscal 1999 to present
Partner Kenneth A. Talsma
Hours 400
Contact Name Susan Vander Pol
Phone Number (231) 832-6196

Client Name Village of Newberry
Service Financial and Compliance Audit (Includes Electric Utility)
Date Fiscal 2007 to present
Partner Kenneth A. Talsma
Hours 200
Contact Name Beverly Holmes, Manager
Phone Number (906) 293-3433

AUDIT APPROACH

Our audit approach involves the use of risk analysis and other auditing techniques to maximize our efficiency and to minimize your projected cost. Our work program will be divided into four phases. Briefly, they are as follows:

PHASE 1: **ORIENTATION, REVIEW, AND PLANNING - to be performed prior to year end**

Our principal objectives would be to:

Familiarize ourselves with the City's accounting policies and operating procedures, budgeting, policy manuals, and computer information systems.

Meet with management to discuss our audit plan and the scope of the audit.

Determine the amount of reliance, based on questionnaires and narratives, we can place on your internal controls and develop an audit program designed for your system.

Plan and coordinate the audit procedures that will be performed by us and those that can be performed by the City's staff.

Principal	4 hours
Supervisory	7 hours
Staff	<u>20 hours</u>
	<u>31 hours</u>

PHASE 2: **DETAIL TESTING OF THE SYSTEMS & RELATED COMPLIANCE ISSUES**

This phase of the audit would involve:

A confirmation of our understanding of the City's system of internal control over its assets and liabilities as well as the operational system through testing of transactions and other analytical procedures in conformance with laws and regulations. This would encompass random and haphazard samples between 10 and 60 transactions. This testing would include general A-133 requirements.

A review of procedural findings and their effect on the audit procedures would then be conducted.

Principal	4 hours
Supervisory	7 hours
Staff	<u>30 hours</u>
	<u>41 hours</u>

AUDIT APPROACH (Continued)

PHASE 3: YEAR-END PROCEDURES

Our year end procedures include:

Performing the year-end audit fieldwork, including supporting various assets and liability account balances and analyzing appropriate revenue and expenditure accounts. Proposed audit adjustments would be determined during this phase and we would review with the appropriate personnel the validity of those proposed adjustments.

Electronic Data Processing would be used in working trial balance preparation and analytical review. Analytical review would involve examination of budget variances, prior and current period performance, and ratio analysis.

Principal	8 hours
Supervisory	13 hours
Staff	<u>40 hours</u>
	<u>61 hours</u>

PHASE 4: AUDIT FINALIZATION

This phase would involve:

The preparation of our reports on the audited financial statements and the related compliance reports utilizing governmental and word processing software.

Preparing our letter of comments and recommendations incorporating our interim and year end observations and suggestions for improvements.

The delivery and presentation of all required reports to the City Commission.

Principal	9 hours
Supervisory	13 hours
Staff	10 hours
Clerical	<u>15 hours</u>
	<u>47 hours</u>

AUDIT APPROACH (Continued)

Phase 1 and 2 would be substantially completed at the preliminary field work stage. We would anticipate selecting sample sizes of 10-60 items using random number generation software. We also anticipate using Excel, Microsoft Word and "Go System Fund." The "Go System Fund" software also allows us to generate detailed analytical review worksheets for all funds of the City. We anticipate using this software to aid us in planning the extent of detail testing and final analytical review based upon final adjusted trial balances by fund. We would anticipate updating our permanent files which contain narratives and flowcharts of the City's systems. We subscribe to and use Practitioners Publishing Company audit manuals and programs which we customize to our individual clients needs. These manuals, in conjunction with other technical publications such as the GAO "Yellow Book" and state audit bulletins, assist us in determining which laws and regulations that will be subject to audit test work. We are also very familiar with "BS&A", "Civic Systems", "Fund Balance", "Accucomp", "S.D.S.", "Resource", "Manatron", "Munis" and other municipal software packages.

We feel by careful planning, our familiarization with governmental audits and the utilization of a proper audit work schedule we will minimize the disruption to your operations. This would be an important goal throughout all of the phases above.

During the course of the fieldwork, we would perform our audits of the Federal Programs. The audit would be in accordance with the auditing requirements as outlined in our Understanding of Services to be Performed. Accordingly, we will select the necessary procedures to test compliance and to disclose noncompliance with specified laws, regulations, and contracts.

PROPOSED STAFF HOURS

A total of 180 audit hours will be required to complete the basic audit engagement as detailed in the audit approach segment.

AUTHORIZED NEGOTIATOR

Kenneth A. Talsma, CPA, Principal is the authorized negotiator for the purposes of this proposal and is authorized to submit this proposal and bind Anderson, Tackman & Company, PLC, 16978 S. Riley Avenue, Kincheloe, Michigan 49788 – Phone 906-495-5952.

FIELDWORK AND TIMETABLE

To assure completion of the engagement in a timely manner, we propose the following timetable:

- Detailed audit plan and a list of schedules to be prepared by client will be provided before June 15, 2014
- Client prepared year end trial balances available a week before year-end fieldwork begins
- Fieldwork would be scheduled for July or August and be completed before August 31st
- Draft report to be completed by September 15th
- Exit Conference and SAS61 compliance meeting to take place within 15 days of last day of fieldwork
- Board presentation to the City of Manistee Commission/Audit Committee by first meeting in October
- Final reports to be issued before September 30, 2014

Note: The date of issue of the final report is dependent on the receipt of third party reports, confirmations, and attorney's responses. Draft reports are issued within fifteen days of the completion of fieldwork for the primary governmental unit.

PRICE AND COST ANALYSIS

As requested, we are providing the following Price and Cost Analysis for your information:

	Standard Rate	Total Hours	Fee
Manpower Costs:			
Principal	\$ 150	25	\$ 3,750
Supervisor	85	40	3,400
Other Staff	55	100	5,500
Clerical	35	15	525
		180	\$ 13,175
	Governmental Discount		(3,175)
		2014	10,000
		2015	10,500
		2016	11,000
		2017	11,500
		2018	12,000
	Total Financial Audit & DDA for five years		\$ 55,000
	Single Audit:	2013	2,500
		2014	2,500
		2015	2,500
		2016	2,500
		2017	2,500
	Total Single Audit for five years		\$ 12,500

Out of pocket costs related to the audit will be the responsibility of Anderson, Tackman and Tackman, PLC.

Our annual bid includes the financial audit for funds of the City as well as a separate fee for the Single Audit.

Any additional services requested will be billed at standard rates plus actual out of pocket costs, as approved by the City Commission. Routine phone consultation will be furnished at no additional cost.

If significant assistance or email is needed, we will seek approval of the City Council prior to rendering additional services.

SAMPLE "PBC" LIST

We have included a sample "Prepared by Client" list for a sample City engagement to give you an idea of the type of information we will need to complete the engagement. A specific "PBC" list for the City of Manistee will be developed if we are awarded the audit contract.

SAMPLE CITY

ITEMS TO BE PROVIDED BY CLIENT

For the Year Ended June 30, 2014

In connection with the audit of your basic financial statements as of and for the year ended June 30, 2014, please provide Anderson, Tackman & Company, PLC with the following items:

1. At the earliest possible date after your year-end, please send your ending trial balances for all funds, as well as final amended budgets for all funds, to our office. (It is preferable, but not necessary, that the budgets be broken down into individual line items). If you feel that shipment of these items to our office is not feasible, please call us and we will make suitable arrangements.
2. Schedule of Accounts Receivable by fund at June 30, 2014 showing date billed, description, amount, and billing number (if applicable). Also, we will need all receipts from July 1, 2013 to June 30, 2014 available for our review.
3. Schedule of Accounts Payable for each fund at June 30, 2014, showing date, description, amount, account distribution, and vendor. We will need invoices, warrants, or other support documents for amounts over \$8,000. Please have check registers/disbursements journals from July 1, 2013 to August 31, 2014.
4. Schedule of Accrued Payroll by fund at June 30, 2014, listing employee name, amount, and subsequent payment check number. Also, we will need the payroll register for the first payroll in July 2014.
5. Detail inventory listing showing description, number of items, price, and total extended cost. We will also need to review a few invoices to verify unit prices.
6. Detail listing of fixed assets for all proprietary and governmental fixed assets at June 30, 2014. Depreciation schedules by fund. Also, we will need a schedule of all fixed asset acquisitions and deletions during fiscal 13/14, including invoice/receipt copies, date of acquisition/disposal, sales price, original purchase price, and related accumulated depreciation.
7. Copies of any new debt issues including related documentation, notes, amortization schedules, etc. Copies of all new lease agreements, notes payable, land contracts, and any refunded bond issues. Also, we will need a schedule of all changes in long-term debt, including supporting documentation

8. Detail of sick and vacation pay accrued at June 30, 2014, showing employee, sick hours accrued, vacation hours accrued, pay rate, and extended dollar amounts. Also, we will need copies of your policies for vacation and sick leave.
9. Schedule reconciling salaries and wages expense per the general ledger to the total quarterly 941 forms.
10. Copy of deferred compensation plan reports for fiscal 2014.
11. Copies of all state and federal grants and/or contracts. Also, we will need a schedule of all federal monies received and related expenditures showing dollar amounts, accounts posted, payers, payees, and dates of receipts/disbursements for Single Audit purposes.
12. Schedule of "due from governmental units" account balances for all funds at June 30, 2014.
13. Please have available for us to examine, all canceled checks, bank statements, and deposit slips from July 1, 2013 through June 30, 2014. Also, we will need copies of all bank reconciliations and a schedule of all general ledger cash accounts.
14. Detail of special assessments receivable at June 30, 2014. Also, we may need to look at related tax receipts.
15. Copy of City tax settlement sheets for 2013-2014 tax levies.
16. Schedule of reconciling interfund transactions (due to/due from; transfers in/transfers out).
17. Listing of all City employees and their pay rates as of June 30, 2014.
18. Listing of all insurance policies (including life insurance), policy number, carrier, premiums paid, and type and amount of coverage in effect for fiscal 13/14. Please provide a listing of all bonded employees and the amount of bonding for each.
19. List of attorneys contracted during fiscal year and details of any unresolved litigation at year end.
20. Copy of personnel policy, conflict of interest policy, non-discrimination (civil rights) policy, harassment policy, purchase order policy, billing policy, property tax collection policy, competitive bid policy, drug-free workplace policy, and salary resolutions for fiscal year.
21. Copy of pension plan for the Michigan Municipal Employees Retirement System for June 30, 2014.
22. Copy of Michigan Municipal Risk Management Authority Statement of Changes in Member Retention Fund for the year ended June 30, 2014.
23. Copies of any amended/new union contracts.
24. Copies of any new/amended City policies/procedures.

25. Listing of any fraud, illegal acts, or criminal proceedings committed by City personnel during 2013/2014, or suspected frauds or actions during 2013/2014. This should also include any noncompliance with laws, regulations, or contracts.
26. Listing of any contingencies including litigation, commitments to purchase, tax liabilities, IRS actions, State of Michigan actions, sales of City assets, guarantees, long-term leases, and letters of credit.
27. Listing and description of events after June 30, 2014 that could have an effect on the financial statements of the City including bond issuance, loans, penalties, and loss of funding. If there are believed to be none of the above events, please prepare a brief memorandum to that effect.
28. Listing of related party transactions between management and the City that may constitute a conflict of interest such as leases, purchases, sales of property, etc. If there are believed to be none of the above transactions, please prepare a brief memorandum to that effect.
29. Listing showing the allocation of direct revenues, (e.g. charges for services and grants).
30. A determination of major funds.
31. Original and amended budgets for major funds.
32. Upon completion of the basic financial statements management will need to complete the MD&A section (a template will be provided).

AUDIT CLIENT LISTING

To assist you in evaluating our qualifications, we have listed below a partial listing of clients for which we have provided audit services during the past three years. Should you desire to discuss any of the services performed or the qualifications of our firm, we would be pleased to have you contact any of our clients directly.

ANDERSON, TACKMAN & COMPANY, PLC

<u>CLIENT</u>	<u>CONTACT PERSON</u>	<u>TELEPHONE NUMBER</u>
STATE OF MICHIGAN:		
* Sault Ste. Marie Bridge Authority	Peter Petainen	(906) 635-5255
* Mackinac Island State Park Commission	Lana Cotton	(906) 847-3328
COUNTY AUDITS:		
* Alcona County	Cheryl Franks	(989) 724-9420
* Antrim County	Sherry Comben	(231) 533-8596
* Benzie County	Michelle Thompson	(231) 882-0011
* Cheboygan County	Jeff Larson	(231) 627-8855
* Chippewa County	Charles Leonhardt	(906) 635-6308
* Crawford County	Joe Wakeley	(989) 344-3231
Delta County	Tom Sabor	(906) 789-5100
Dickinson County	Nicole Frost	(906) 774-2573
* Hillsdale County	Gary Leininger	(517) 437-4700
Iron County	Sue Cusch	(906) 875-3362
Marquette County	Sue Vercoe	(906) 228-1570
Menominee County	Brian Bousley	(906) 863-7779
* Osceola County	Lori Leudeman	(231) 832-6196
* Otsego County	Rachel Frisch	(898) 731-7520
* Presque Isle County	Bridget LaLonde	(989) 734-3288
Schoolcraft County	Dan McKinney	(906) 341-3618
COUNTY ROAD COMMISSIONS:		
* Alcona County	Pat Kollien	(989) 736-6687
Alger County	Jim Garipiey	(906) 387-2042
* Benzie County	Nancy Roseman	(231) 325-3051
* Chippewa County	Brian Decker	(906) 635-5295
* Emmet County	Judy Fouch	(231) 347-8142
Houghton County	Kim Sheldon	(906) 482-3600
Iron County	Darlene Anderson	(906) 875-6762
* Isabella County	Jalene Sandel	(989) 773-7131
* Leelanau County	Joel Nedow	(231) 271-3993
* Luce County	Gary Moulton	(906) 293-8171
* Mackinac County	Vicki Hough	(906) 643-7333
SCHOOL DISTRICT AUDITS:		
AuTrain Schools	Karen Hart	(906) 343-6632
Baraga Area Schools	Sue Wilson	(906) 353-6664
Breitung Township Schools	Doug Massegnan	(906) 779-2650
* Brimley Area Schools	Debra Connolly	(906) 248-3219

AUDIT CLIENT LISTING (Continued)

CLIENT	CONTACT PERSON	TELEPHONE NUMBER
SCHOOL DISTRICT AUDITS: (Continued)		
Burt Township Schools	Chris Valima	(906) 226-5100
Delta Schoolcraft ISD	Beau Miller	(906) 786-9300
Dickinson Iron ISD	Wendy Warmouth	(906) 779-2663
Ewen Trout Creek Schools		
Gladstone Area Schools	Mike MacFarlane	(906) 428-2417
Gogebic Ontonagon ISD	Jan Greeno	(800) 281-0470
Gwin Area Schools	Amy Louma	(906) 346-0302
Iron Mountain and Community Schools	Ann Ammicongilo	(906) 779-2600
Ishpeming City Schools	Stephen Pierson	(906) 485-5501
* Les Cheneaux Community Schools	Kris Hill	(906) 484-2256
MARESA (ISD)	Robert Nardi	(906) 226-5100
Marquette Area Public Schools	Deborah Veiht	(906) 225-4207
* Moran Township Schools	Lillian Clark	(906) 643-7970
Munising Public Schools	Libby Blank	(906) 387-2251
Negaunee Public Schools	James Derocher	(906) 475-4157
NICE Community Schools	James DeLongchamp	(906) 485-1021
North Dickinson Area Schools	Mike Roell	(906) 542-9281
* Ojibwe Charter School	Stephanie Vittitow	(906) 248-3241
Ontonagon School District	Marilyn Anderson	(906) 884-4963
Powell Township School	Chris Valima	(906) 345-9355
Republic-Michigamme Schools	Jennifer Daniels	(906) 376-3377
Superior Central Schools	Terri Lintula	(906) 439-5532
* Three Lakes Academy	Lillian Clark	(906) 586-6631
Wells Township Schools	Jackie Cole	(906) 238-4392
CITY AUDITS:		
* City of Boyne City	Cindy Grice	(231) 582-0334
* City of East Jordan	Heather Jackson	(231) 536-3381
City of Escanaba	Michael Dewar	(906) 786-0605
* City of Frankfort	Kim Kidder	(231) 352-7117
* City of Grayling	Lisa Johnson	(989) 348-2131
City of Gladstone	Darla Falcon	(906) 428-2311
* City of Harbor Springs	Ron McRae	(231) 526-2104
City of Ishpeming	John Korhonen	(906) 485-1091
* City of Mackinac Island	Rick Linn	(906) 847-6002
City of Manistique	Sheila Aldrich	(906) 341-2290
City of Marquette	Gary Simpson	(906) 228-0415
City of Munising	Doug Bavin	(906) 387-2095
City of Negaunee	Paul Waters	(906) 475-7400
* City of Rogers City	Mark Slown	(989) 734-2191
* City of Sault Ste. Marie	Kristen Collins	(906) 635-5261

AUDIT CLIENT LISTING (Continued)

<u>CLIENT</u>	<u>CONTACT PERSON</u>	<u>TELEPHONE NUMBER</u>
TOWNSHIP AUDITS:		
AuTrain	Mary Rogers	(906) 892-8265
* Bois Blanc	Joan Shroka	(231) 634-7275
* Brevort	Daniel J. Litzner	(906) 643-9914
Champion	Berl LaPin	(906) 339-2920
Chocolay	Mary Sanders	(906) 249-1448
* Clark	Katie Vaneenenaam-Carpenter	(906) 484-2672
Duncan	Jane Wyatt	(906) 524-6966
Ely Township		
Garden	Janet Feenstra-Baasch	(906) 644-2447
* Hudson	Al Garavaglia	(906) 595-7202
Humboldt	Barb Maki	(906) 339-2927
Inwood	Cindy Watchorn	(906) 644-2815
L'Anse Township		
Ishpeming	Susan Jandron	(906) 485-5411
* Lakefield	Amy Wheeler	(906) 586-6193
Michigamme	John Olson	(906) 323-6608
McMillan	Joe Villemure	(906) 293-8798
Munising	Selina Balko	(906) 387-4404
Onota	Nancy Bennett	(906) 343-6535
Pentland	David Carlson	(906) 293-9936
* Pickford	Jim Hill	(906) 647-3361
* Pickford Township Sewer Authority	Robert Gay	(906) 647-3361
* Portage Township	Pat McGlonkin	(906) 586-9522
Powell Township		
Raber	Marilyn Mrozek	(906) 297-3805
Republic	Gary Johnson	(906) 376-8827
Richmond	Teresa Luetzow	(906) 475-4180
* Rudyard Township	Donna Hall	(906) 478-5401
Seney Township	Jan Bonifield	(906) 293-5544
Skandia	Marilyn Keto	(906) 942-7404
Spur	Linda Legacy	(906) 323-6166
Thompson	Cathi Labar	(906) 348-4823
Tilden	Jason Brown	(906) 485-1029
Turin	Diana Englund	(906) 356-6421
Village of Chatham	Paul Whitmarsh	(906) 439-5608
Village of Garden	Karen Haas	(906) 644-2423
* Village of Newberry	Beverly A. Holmes	(906) 293-3433
Wells Township		

AUDIT CLIENT LISTING (Continued)

CLIENT	CONTACT PERSON	TELEPHONE NUMBER
NATIVE AMERICAN ORGANIZATION AUDITS:		
Bay Mills Housing Authority	Cheryl Causley	(906) 248-5571
Hannahville Indian Community	Scott Herioux	(906) 466-2932
Hannahville Indian Community 401(k) Plan	Scott Herioux	(906) 466-2932
* Inter-Tribal Council of Michigan	Diane Rogers	(906) 632-6896
Island Resort and Casino	Scott Herioux	(906) 466-2932
* Kewadin Casinos Gaming Authority	Rick McDowell	(906) 632-0530
* Little River Casino Resort	Kelly Maser	(231) 723-7755
* Match-E-Be-Nash-She-Wish Band	Joe Wahmhoff	(616) 681-8830
* Michigan Indian Child Welfare Agency	Chris Sams	(906) 632-8062
* Ojibwe Charter School	Shelley Promo	(906) 248-2530
* Sault Ste. Marie Tribe of Chippewa Indians	Victor Matson Jr.	(906) 635-6095
* Sault Ste. Marie Tribe of Chippewa Indians Housing Authority	Karen Gregg	(906) 495-5555
EMPLOYEE BENEFIT PLANS:		
AM Express	Patrick Barron	(906) 786-0645
Baker Tilly 401(k)		
Besse Forrest Products, Inc. 401(k)	Dan LaMarche	(906) 428-3113
Calibre 401(k)		
Engineered Machine Products 401(k)	Barb Scott	(906) 786-8404
Hannahville Indian Community 401(k)	Scott Herioux	(906) 466-2932
* Little River Casino Resort Profit Sharing Plan		(231) 723-1525
Minor's Garden Center 401(k)		
PDQ Manufacturing, Inc	Charlie Licb	(920) 983-8333
Red Arrow Products Company 401(k)		
NON-PROFIT ORGANIZATION AUDITS:		
Alger-Marquette Community Action Board		
Altran	Kim Monette	(906) 387-4845
* Benzie County Council on Aging	Sabra Boyle	(231) 325-4851
Bridgewood Nonprofit Housing	Jon Mead	(906) 786-4701
* Chippewa County Community Foundation	Teresa Dwyer	(906) 635-1046
* Chippewa/East Mackinac Conservation District	Dusty King	(906) 635-1278
Community Coordinated Child Care	Kay Taylor	(906) 228-3362
Community Foundation of the U.P.	Gary LaPlant	(906) 786-6654
* Crossroads Industries	William Marshall	(517) 732-1233
DATA	John Stapleton	(906) 786-1187
Delta County Area Chamber of Commerce	Vickie Micheau	(906) 786-2192
* Diane Peppler Resource Center	Amy Perron	(906) 635-0566
Door County Community Foundation	Bret Bicoy	(906) 786-4701
* Drummond Island Tourism Association	Darleen Ellis	(906) 493-5246
Family Training Program, Inc.		

AUDIT CLIENT LISTING (Continued)

CLIENT	CONTACT PERSON	TELEPHONE NUMBER
NON-PROFIT ORGANIZATION AUDITS: (Continued)		
Finlandia University	Larry Ross	(906) 487-7340
* Friends of Les Cheneaux Library	Lori Pieri	(906) 484-2919
Great Lakes Center for Youth Development		
* Great Lakes Lighthouse Keeper Association	Terry Pepper	(231) 436-5580
* Great Lakes School of Wooden Boat Building	Debbie St. Onge	(906) 484-1081
Habitat for Humanity of Marquette County	Mike Shimon	(906) 228-3578
Hiawathaland Council of Boy Scouts of America	Dewey Jones	(906) 249-1461
Hiawathaland County Habitat for Humanity	Verda Kreuzwiser	(906) 341-6224
* H.O.M.E. of Mackinac County	Lori Pieri	(906) 643-6239
* Hospice of the E.U.P.	Tracy Holt	(906) 253-3151
Human Resources/Delta, Schoolcraft County	Bill Dubord	(906) 786-7080
Janzen House, Inc.	Dan Lancour	(906) 226-2271
Leelanau Township Community Foundation	Joan Moore	(231) 386-9000
* Manistique Lakes Tourism	Beth Nicolls	(906) 586-3700
Maps Education Foundation	Linda DeRocher	(906) 225-4372
Marquette Community Foundation	Kathy Suardini	(906) 226-7666
Marquette General Foundation		(906) 225-4704
Medical Care Access Coalition		
* Michigan County Directors Association		(231) 796-5765
MSU- CHM Upper Peninsula		
MTEC Smartzone		
N.E.W. Zoological Society, Inc.	Rita Dufour	(920) 499-8708
NMU Foundation		
* Newberry Tourism Association	Delain Timm	(906) 293-5562
* Northern Homes Community Development	Jane Mackenzie	(231) 582-6244
* Northern Transitions	Ed Detour	(906) 635-5681
* Northstar Habitat for Humanity	Barbara Searight	(906) 632-5464
Oak Crest Golf Commission	Carolyn Reimer	(906) 563-9046
Propylon Non-Profit Housing Corp.	Rose Keller	(906) 228-4446
* Sault Ste. Marie Convention & Visitors Bureau	Linda Hoath	(906) 632-3301
Stephenson Non-Profit Housing	Robert Winkler	(906) 753-4611
* St. Ignace Visitors Bureau	Mindy Sands	(906) 643-6950
Superiorland Library Cooperative	Suzanne Dees	(906) 228-7697
Superior Watershed Partnership		
Teaching Family Homes of Upper Michigan	Chris Myers	(906) 228-7997
Trico Opportunities	Wendy Kivisaari	(906) 774-5718
Women's Center		

AUDIT CLIENT LISTING (Continued)

CLIENT	CONTACT PERSON	TELEPHONE NUMBER
NON-PROFIT ORGANIZATION AUDITS: (Continued)		
United Way of E.U.P.	Tracy Laitenen	(906) 632-3700
United Way of New London	Nancy Rutherford	(920) 982-9261
U.P. Commission for Area Progress	Jon Mead	(906) 786-4701
U.P. Construction Labor Management Council	Tony Retaskie	(906) 786-1573
U.P. Region of Library Cooperation	Suzanne Dees	(906) 228-7697
UPSET	Det. Lt. Jeff Racine	(906) 346-9289
UPCAP Housing, Inc.	Jon Mead	(906) 786-4701
UPCAP Services, Inc.	Jon Mead	(906) 786-4701
OTHER:		
Aacer Flooring		
* August H. Seal Trust	Kristen Collins	(906) 635-5261
Aurora Sanitary District		
* Antrim County Transportation Associated Constructors	Julie Gorno Dave Batson	(231) 533-8644 (906) 226-6504
Bay Mills Housing Authority		
* Bayliss Public Library	Ken Miller	(906) 632-9331
Beyond Abilities, LLC		
* Betsie Lake Utilities Authority Calibre	Earnest Elliott	(231) 352-9804
Canale Tonella Funeral Home		
Carrington Manor		
Carolina Manor		
Central Landfill		
* Chippewa County EDC	Kathy Noel	(906) 495-5631
* City of Sault EDC	Kristin Claus	(906) 635-9131
Cognitive Concepts		
* Combined Federal Campaign	Barb Reid	(906) 632-3700
Community Education Division	Becky Moyle	(906) 475-4173
Delta County Central Dispatch	Nora Viau	(906) 789-5100
Delta County Solid Waste Management Authority	Don Pyle	(906) 786-9056
Ethel A. Brown	Jay Martin	(906) 341-2814
* E.U.P. Regional Planning	Jeff Hagen	(906) 635-1581
* E.U.P. Transportation Authority	Akemi Gordon	(906) 495-5656
* Frankfort City-County Airport Authority	Linda Wilson	(800) 315-3598
* Governor Chase S. Osborn Trust	Kristen Collins	(906) 635-5261
* Harbor Springs Area Fire Authority	Ron MacRae	(231) 526-6211
Hebert Construction	Don Hebert	(906) 265-5157
Hiawatha Behavioral Health	Lisa Henison	(906) 341-2144
Hillsdale Housing Commission		
Hurley Housing Commission		
* Icebreaker Mackinaw Maritime Museum	Bruce Benson	(231) 436-9825

AUDIT CLIENT LISTING (Continued)

CLIENT	CONTACT PERSON	TELEPHONE NUMBER
OTHER: (Continued)		
Industrial Maintenance Service	John Soper	(906) 789-9021
Innovative Counseling, Inc.		
Iron Mountain-Kinsford Joint Wastewater	Gary Lessard	(906) 774-3526
Ishpeming Area Wastewater Treatment Facility	Debbie Pellow	(906) 486-4391
Keweenaw Land Association, LTD	Bob Davenport	(906) 932-3410
* Luce County EDC	Carmen Pittenger	(906) 293-3307
Luna Pier Housing Commission		
Mackinac County Housing Commission		
* Mackinaw Associates, Inc	Lana Cotton	(231) 436-4100
Marla Vista Manor		
Marquette County Solid Waste Management	Rick Aho	(906) 249-4125
Marquette EDC		
Marquette Joint Electrical	Patrick McGee	(906) 226-7497
Manitowac-Calumet Library System	Carol Gibson	(920) 683-4869
Meceola Central Dispatch	Laurie Smalla	(231) 796-5765
Montcalm County Housing Commission		
NIIJI Capital Partners, Inc.		
Northcare Network		
Northern Michigan Insurance Corp		
Northern Michigan Library Network	Suzanne Dees	(906) 228-7697
Northern Mutual Insurance Company	Mike Godby	(906) 482-2880
* Otsego County Bus System	Theron Higgins	(989) 731-5865
Packerland Brokerage Service	Bernie Boushka	(920) 662-9500
Pathways	John Leow	(906)-225-5157
Quincy Haven, LLP- Housing		
Red Arrow International		
Red Arrow Products Company		
Rio Tinto Eagle Mine, LLC		
* Sault Ste. Marie EDC	Kristin Collins	(906) 635-5261
Six County Employment Alliance	Orrin Bailey	(906) 789-9732
Skandia-West Branch Joint Operating Authority	Marliyn	(906) 942-7404
Smith Paving, Inc.	Andy Smith	(906) 228-7285
* Straits Regional Ride	Kari Kortz	(231) 627-8430
* Taquamenon Area Recreation Authority	Sharon Brown	(906) 293-5332
The Einstein Project		

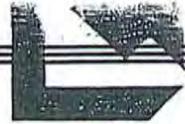
AUDIT CLIENT LISTING (Continued)

<u>CLIENT</u>	<u>CONTACT PERSON</u>	<u>TELEPHONE NUMBER</u>
OTHER: (Continued)		
Twin County Airport Commission	Tony Krysiak	(906) 863-8408
West Marquette County Sanitation Authority	James	(906) 485-5411
Saranac Housing Commission		
Schoolcraft County Public Transit System	John Stapleton	(906) 341-2111
West Marquette County Sanitation Authority	James	(906) 485-5411
WNMU TV and WNMU FM		
U.P. State Fair Authority		
HEALTH CARE:		
* Benzie Leelanau District Health Department	Dodie Putney	(231) 882-4409
* Chippewa County Health Department	Chris Lundquist	(906) 635-1566
* Chippewa Health Access Coalition	Andrea Osborn	(906) 635-7483
Copper Country Mental Health	John Blissett	(906) 482-9400
Delta Menominee District Health	Lynn Wuelffer	(906) 786-4111
Gogebic County Community Health	Julie Hautala	(906) 229-6100
* LMAS District Health Department	Amy Pavey	(906) 293-1309
Medical Care Access Coalition	Stacie Ketchum	(906) 226-4400
NorthPointe Behavioral Healthcare	Bill Adrian	(906) 774-0522
U.P. Managed Care		
Schoolcraft County Medical Care	Keith Aldrich	(906) 341-6921
* Superior Health Support Systems	Christine Lundquist	(906) 635-6911
U.P. Healthcare Network	Gerry Messana	(906) 225-3146
HUD AUDITS:		
Alma Housing Commission	Marcia Zimmerman	(989) 463-4200
Baldwin Housing Commission	Silva Calas	(231) 745-7441
Baraga Housing Commission	Michael Wadago	(906) 353-6432
Bay County Housing Department	Kathy Baughman	(989) 895-8191
Bay Mills Housing Authority		
Bessemer Housing Commission	Sheri	(906) 667-0288
Calumet Housing Commission	Gail Perala	(906) 337-0005
Charlevoix Housing Commission	Rob Harrison	(231) 547-5451
Dundee Housing Commission	Patricia Sabo	(734) 529-2828
Escanaba Housing Commission	Mary Sweeney	(906) 786-6229
Evart Housing Commission	Karen Higgins	(213) 734-3301
Gladstone Housing Commission	Sue Larson	(906) 428-2215
Hancock Housing Commission	Gail Hannon	(906) 482-3252
Hermansville Housing Commission	Mary Hudson	(906) 498-2141
Houghton Housing Commission	Sherry Hughes	(906) 482-0334
Iron County Housing Commission	Steve Gagne	(906) 875-6060
Iron Mountain Housing Commission	Jean Allard	(906) 774-2685
Iron River Housing Commission	Jane Gustafson	(906) 265-5540

AUDIT CLIENT LISTING (Continued)

<u>CLIENT</u>	<u>CONTACT PERSON</u>	<u>TELEPHONE NUMBER</u>
HUD AUDITS: (Continued)		
Ironwood Housing Commission	Cliff Berg	(906) 932-3341
Ishpeming Housing Commission	Opal Giroux	(906) 485-4100
Kingsford Housing Commission	Cynthia Carlson	(906) 774-2771
L'Anse Housing Commission	Venessa Houle	(906) 524-6311
Livonia Housing Commission		
Luce County Housing Commission	Erin Teske	(906) 293-5988
Manistique Housing Commission	Kathleen Schuetter	(906) 341-5451
Manitowac Housing Commission	Dan Lehman	(920) 684-5865
Marquette Housing Commission	Bonnie Pelto	(906) 226-7559
Menominee Housing Commission	Bonnie Ruleau	(906) 863-5149
Monroe Housing Commission	Paul Wickenheiser	(734) 242-5880
Munising Housing Commission	John Oas	(906) 387-4084
Negaunee Housing Commission	Marcia Waters	(906) 475-9107
Niles Housing Commission	Sharron Darrick	(269) 683-2783
Ontonagon Housing Commission	Sally Jarvey	(906) 884-2258
Paw Paw Housing Commission	John Austin	(269) 657-4776
Port Huron Housing Commission		
Pottersville Housing Commission	Jean Robinson	(517) 645-7076
Schoolcraft County Housing Commission	Dixie Klagstad	(906) 341-5052
Stambaugh Housing Commission	Kathy Willard	(906) 265-5540
Wakefield Housing Commission	Fred Francis	(906) 229-5204
FINANCIAL INSTITUTIONS:		
Baraga County Federal Credit Union	Marilyn Harden	(906) 524-6151
* Chippewa County Credit Union	Connie Tonseng	(906) 632-3134
Delta County Credit Union	Brenda Lippens	(906) 786-7213
* Federal Employees of Chippewa County Credit Union	Sabrina Oshelski	(906) 632-4210
First Bank, Upper Michigan	Mike Nardi	(906) 428-3535
* Huron National Bank	Eric Nadolsky	(989) 734-4734
Marquette Community Federal Credit Union	Jim Lori	(906) 228-9850
Miners State Bank		(906) 265-5131
Old Mission Bank		
Peoples State Bank	Rick Nebel	(906) 387-2006

*Clients of our Kinross office



Division for CPA Firms

American Institute of Certified Public Accountants

Certificate of Membership

*Anderson, Tackman
& Company*

is admitted to the Division
for CPA firms and is entitled to
all rights and privileges
of membership.

Admission date: September 18, 1992

Jake L. Netterville

Chairman of the Board





WEINLANDER FITZHUGH

CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS

ROBERT E. LIST, CPA
STEWART J. REID, CPA
MICHAEL L. HANISKO, CPA
DAVID D. QUIMBY, CPA
KATHLYN M. ENGELHARDT, CPA
AMY L. RODRIGUEZ, CPA
SHANNON L. WILSON, CPA

System Review Report

December 4, 2013

To the Owners of Anderson, Tackman and Company, PLC
and the Peer Review Committee of the
Michigan Association of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Anderson, Tackman and Company, PLC (the firm) in effect for the year ended June 30, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the Government Auditing Standards and audits of employee benefits plans.

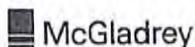
In our opinion, the system of quality control for the accounting and auditing practice of Anderson, Tackman and Company, PLC in effect for the year ended June 30, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Anderson, Tackman and Company, PLC has received a peer review rating of *pass*.

1600 CENTER AVENUE
POST OFFICE BOX 775
BAY CITY, MI 48707-0775
989-893-5577
800-624-2400
FAX: 989-895-5842
www.wf-cpas.com

OFFICES IN: BAY CITY, CLARE,
GLADWIN AND WEST BRANCH

Weinlander Fitzhugh

An Independently Owned Member
MCGGLADREY ALLIANCE



PROPOSER GUARANTEES

- A. The proposer certifies it can and will provide and make available to the City of Manistee, at a minimum, all services set forth in the Understanding of Services to be Provided and the City of Manistee Request for Proposals.

Kenneth A. Talsma

Signature of Authorized Proposer Representative

KENNETH A. TALSMA, CPA

Name (typed)

PRINCIPAL - GOVERNMENTAL SERVICES

Title

ANDERSON, TACKMAN & COMPANY, PLC

Firm

2/26/14

Date

PROPOSER WARRANTIES

- A. Proposer warrants that it is willing and able to obtain and maintain an errors and omissions insurance policy providing a \$2,000,000 of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof.
- B. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Commission.
- C. Proposer warrants that all information provided by it in connection with this proposal is true and accurate to the best of its knowledge.
- D. Proposer warrants that the financial statements and audit opinion will be acceptable to appropriate State or Federal agencies and if there are any problems, they will be corrected.

Kenneth A. Talsma
Signature of Proposer

KENNETH A. TALSMA, CPA
Name (typed)

PRINCIPAL - GOVERNMENTAL SERVICES
Title

ANDERSON, TACKMAN & COMPANY, PLC
Firm

2/26/14
Date



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/26/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Garceau*Wenick-Kutz*Magowan Insurance Agency 823 Ludington Street Escanaba MI 49829		CONTACT NAME: Sandra O'Connor PHONE (A/C No. Ext): (906) 789-0900 FAX (A/C No.): (906) 789-9124 E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Hartford Casualty Insurance Co NAIC # 29424 INSURER B: Multiple Companies 00914 INSURER C: INSURER D: INSURER E: INSURER F:	
INSURED ANDERSON, TACKMAN & CO. 901 LUDINGTON ST. ESCANABA MI 49829			

COVERAGES **CERTIFICATE NUMBER** Master 13-14 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR (WVD)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		815BAKO1467	7/29/2013	7/29/2014	EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 10,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC					GENERAL AGGREGATE \$ 4,000,000
						PRODUCTS - COMP/OP AGG \$ 4,000,000
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$
	DED	RETENTION \$				\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		81WBCJE2408	7/29/2013	7/29/2014	WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N				E.L. EACH ACCIDENT \$ 500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				E.L. DISEASE - EA EMPLOYEE \$ 500,000
						E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER Insured Copy	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Jeffrey Magowan/SRO <i>Jeffrey A. Magowan</i>



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/16/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Professional Concepts Insurance Agency, Inc.
1127 South Old US Highway 23

Brighton MI 48114-9861

CONTACT NAME: certs@pciaonline.com
PHONE (A/C No. Ext): (800) 969-4041 **FAX (A/C No.):** (800) 969-4081
E-MAIL ADDRESS:

INSURED
Anderson, Tackman & Company
102 West Washington
Suite 109
Marquette MI 49855

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Liberty Insurance Underwriters	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES CERTIFICATE NUMBER: 1314PL REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A				<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability		CPL100303	12/1/2013	12/1/2014	Per Claim 3,000,000 Aggregate 3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

For Informational Purpose Only

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Mike Cobgrove/THERES *Michael Cobgrove*



ATTACHMENT A

**REQUEST FOR PROPOSAL
AUDITING SERVICES**

Firm Submitting Proposal: Anderson, Tackman & Company, PLC

Proposed Fee:

Fiscal Year	Audit & Reports	Single Audit	DDA
2014	\$8,500*	\$2,500	\$1,500
2015	\$9,000	\$2,500	\$1,500
2016	\$9,250	\$2,500	\$1,750
2017	\$9,750	\$2,500	\$1,750
2018	\$10,250	\$2,500	\$1,750

Kenneth A. Talsma

02/26/14

Signature of Authorized Representative

Date

Kenneth A. Talsma

Print Name

Principal

Title



County of Manistee, State of Michigan

**Request for Proposal
For Auditing Services**

**For the Fiscal Years
2014 to 2018**

INTRODUCTION

General Information

The City of Manistee is requesting proposals from qualified firms of Certified Public Accountants to audit its financial statement for the fiscal years ending June 30, 2014 thru June 30, 2018. This engagement will also include auditing the City of Manistee Downtown Development Authority as a separate audit for the same fiscal years, and Federal single audit(s) as needed.

There is no expressed or implied obligation for the City of Manistee to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

During the evaluation process, the City reserves the right to retain all proposals submitted and to use any ideas in the proposals regardless of whether the proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted by the firm selected and agreed to by the City.

Term of Engagement

A five-year contract is contemplated, subject to annual review by the Chief Financial Officer, the satisfactory negotiation of terms (including a price acceptable to both the City of Manistee and the selected firm) and the concurrence of the City Council.

In the event of a merger of the audit firm with another firm of certified public accountants or the change of partners to the audit firm, this contract will be transferable to the successor firm with the approval of the City.

This agreement shall not be assigned or transferred without the written approval of the City of Manistee.

DESCRIPTION OF THE GOVERNMENT

Principal Contact

The auditor's principal contact with the City of Manistee will be:

Edward Bradford	(231) 398-2804
Chief Financial Officer	ebradford@manisteemi.gov
70 Maple Street	www.manisteemi.gov
Manistee, MI 49660	

Background Information

The City of Manistee is located between Lake Michigan and Manistee Lake in Manistee County. Located at the confluence of the Big and Little Manistee Rivers, the City boasts one of the best deep water ports on Lake Michigan. Freighters can often be seen navigating the river channel between Lake Michigan and Manistee Lake.

Known as the Victorian Port City, the community of 6,600 is rich in history and culture. It enjoys a diverse economy with a mixture of tourism, retail and manufacturing all contributing. The downtown is spectacular, with River Street supporting many businesses and boutiques. The Riverwalk flanking the south side of the Manistee River attracts many visitors each year, as do its wide, clean beaches. Manistee is also perennial Tree City USA and is world renown for its excellent sports fishing.

The City has approximately 56 full-time equivalent employees and several on a seasonal basis. It maintains a full-time Police and Fire | EMS Department and operates a water & sewer utility, municipal marina, boat launch and the historic Ramsdell Theatre. The City also provides essential municipal services such as street maintenance, parks, building & rental inspection, planning & zoning and general administration.

To help familiarize you with the City's funds and finances, City financial information can be found at:

www.manisteemi.gov/finances

The City of Manistee Financial Services\Clerk Department(s) provides the budgetary, accounting, auditing, information system, purchasing, payroll, utility billing, collections and accounts payable functions. The departments have a staff of 4 full time employees. It utilizes Tyler Technologies Fund Balance as its primary accounting software. BS&A software is used for tax and delinquent tax collection.

SCOPE OF WORK TO BE PERFORMED

General

To meet the requirements of this request for proposal, the audits shall be performed in accordance with generally accepted auditing standards (GAAS) as set forth by the American Institute of Certified Public Accountants (AICPA), the standards applicable to financial audits contained in Government Auditing Standards as issued by the U.S. Government Accountability Office (GAO), the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, and all other applicable State of Michigan or federal standards. The City of Manistee desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles (GAAP).

These audits will need to address the requirements of and be in compliance with all of the following:

- Applicable State of Michigan requirements
- Applicable Federal Requirements
- Applicable requirements under GAAP
- Any other applicable requirements

The auditors shall also be responsible for preparing the supplementary information required by the Government Accounting Standards Board (GASB) as mandated by GAAS. They shall also prepare a stand-alone, plain language, descriptive summary of the results of the City audit (separate from the MD&A) as a tool to aid in understanding the audit results. Additionally, the auditor will be responsible for preparing other supplementary schedules as required or requested by the Chief Financial Officer.

The auditors shall provide to the City all audit adjustments including appropriate backup documents and will meet with staff, if requested, to discuss these final adjustments.

The auditor will be available to answer reasonable questions that may arise on financial and compliance matters without additional cost to the City during the course of the year.

Component Units

The City has four component units, the Downtown Development Authority (discrete), the Friends of the Ramsdell (discrete), the City of Manistee Brownfield Redevelopment Authority (blended) and the Manistee Housing Commission (discrete).

The City maintains the books and records for the Friends of the Ramsdell and City of Manistee Brownfield Redevelopment Authority. The DDA maintains its own books. The Manistee Housing Commission maintains its own books and hires their own independent auditor.

City Audit Committee

Auditors will be required to meet with the City's audit committee prior to, during and after the audit, as needed.

Irregularities and Illegal Acts

Auditors shall be required to make an immediate, written report of all irregularities and if illegal acts or indications of illegal acts of which they become aware to the Chief Financial Officer and City Manager.

Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue a report on the fair presentation of the general-purpose financial statements in conformity with generally accepted accounting principles. The auditor shall prepare the following report at the completion of the audit:

1. **Compiled and Audited Financial Statements (CAFS):** Compiled and Audited Financial statements for the City including all funds, account groups and applicable component units. The auditor will prepare all financial statements, schedules, supplementary information and notes to the financial statements.
2. **Management Discussion and Analysis:** The auditor will work with the City on an acceptable format and will update all charts, graphs, tables and figures. The City will provide the narrative\explanatory information.
3. A stand-alone, plain language, explanatory summary of the results of the City audit (separate from the MD&A) as a tool to aid the Council and public in understanding the audit results.
4. State of Michigan auditing procedures report.
5. A report on the financial statements, internal control and compliance in accordance with the audit guide and standards for compliance with the Single Audit Act, as may be required.
6. Any supplemental reports, schedules or other required by the State of Michigan, Federal Government, GASB or GAAP, including the F-65.
7. A management report containing comments and recommendations regarding a municipality's system of internal controls: its methods of safeguarding its assets, ensuring the accuracy of its financial information, promoting efficiency and adhering to municipal policies. This letter should contain comments and recommendations for controlling any internal weaknesses discovered and shall be reviewed by the CFO before finalizing.

8. Other mandatory or required reports.

Working Paper Retention and Access to Working Papers

Records and documents pertaining to the City of Manistee audit will become the property of the City. All working papers and reports must be retained, at the auditor's expense, for a minimum of 5 calendar years after completion of the audit, unless the firm is notified in writing by the City of Manistee of the need to extend the retention period. The auditor will be required to make any and all working papers available, upon requested, to the City of Manistee.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

AUDIT SCHEDULE AND REPORT REQUIREMENTS

Audit Calendar

The auditors must be able to substantially adhere to the following timeline for the audit; with the understanding that the earlier the audit can be completed, the better:

Pre-Audit Meeting with City by mid-June
Preliminary and field work completed by no later than the end of August
Draft reports completed by no later than mid to late-September
Final reports by no later than early October
Presentation of Audit by no later than the second Tuesday in October

If the proposing firm sees any problem with meeting this schedule, it should be noted in the proposal with an alternate schedule.

All filing deadlines for the CAFS and other reports shall be adhered to.

Report and Other Requirements

The independent auditor shall type, reproduce and assemble the following reports and submit as noted:

1. Ten (10) copies of the CAFS;
2. Submission of CAFS with the State of Michigan as required;
3. Ten (10) copies of the Single Audit Report (included with CAFS), if needed;
4. Management Letter (included in CAFS)
5. Other required reports
6. High quality Adobe PDF file of the CAFS and all other reports, letters and findings.

ASSISTANCE TO BE PROVIDED TO THE AUDITOR

Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of the Auditor.

PROPOSAL REQUIREMENTS

Deadlines to Submit Proposal

Completed proposals must be received by 12:00 noon, Monday March 3, 2014. Council action to award bids is expected on Tuesday, March 18, 2014.

Submittal Requirements

The proposal (4 copies) shall be labeled clearly with: **Request for Auditing Proposals** and addressed to:

City of Manistee
Attn: Edward Bradford
70 Maple Street
Manistee, MI 49660

The proposal shall also be emailed in PDF format to ebradford@manisteemi.gov by the deadline.

Firm Information

The proposal shall list the legal name of the firm, its address and phone number, the type of firm (LLC, Corporation, etc.) and how long it has been in business and firm history. Provide proof that the firm is licensed to conduct business in Michigan.

Firm Qualifications, Experiences and References

The proposal should state the size of the firm, the size of the firm's governmental audit staff and the location of the office from which the work on this engagement is to be performed. Please identify (for the firm's office and personnel that will be assigned responsibility for the audit) the most significant engagements performed in the past three years that are similar to the engagement described in this request for proposal. Indicate the scope of work provided and the name and telephone number of the principal client contact.

Staff Experience

The proposal should provide the number of the professional staff to be employed in this engagement. Identify the principal supervisory and management staff including engagement partners, managers, other supervisors and staff, who would be assigned to the audit. Provide information on the length and type government auditing experience of each person, relevant education, degrees, certifications and status of current continuing education requirements.

Independence

The firm should provide an affirmative statement that it is independent of the City of Manistee as defined by GAAS and Government Accounting Standards.

External Quality Control Review\Peer Review

The firm shall submit a copy of its most recent external quality control peer review report.

Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the City.

Conflict of Interest

List and describe the firm's professional relationships with the City or any of its agencies for the past five years (if any) and include a statement explaining why such relationship does not constitute a conflict of interest relative to performing the proposed audit and/or compilation engagement. Further, the selected firm shall give the City written notice of any professional relationships entered into during the period of this agreement or subsequent renewal that would constitute a conflict of interest.

Price for Services

Attachment A must be completed and signed. Attachment A's price(s) should specify all pricing information relative to performing the audit engagement as described in this request for proposal. The price(s) shall be all inclusive and shall include all direct and indirect costs including all out-of-pocket expenses and travel.

Manner of Payment

For the City, two payments will be made to the audit firm. The first will be made on the basis of hours of work completed during the course of the engagement and will approximate the half-way point of the engagement. The second will be made after the engagement is completed and all reports have been issued. It is the firm's responsibility to bill for these payments. The firm shall bill the DDA separately.

Other

Please include any other information that you think would be helpful in allowing the City of Manistee to make an informed decision in the selection process. Focus on the evaluation criteria.

EVALUATION CRITERIA

Mandatory Elements

1. The audit firm is independent and licensed to practice in the States of Michigan.
2. The audit firm's professional personnel are adequately trained and have received adequate continuing professional education within the preceding three years.
3. The firm has no conflicts of interest with regard to any other work performed by the firm for the City of Manistee.
4. The firm has an acceptable external quality control review and a record of quality audit work.
5. The firm demonstrates an understanding of the specific needs of the City of Manistee as it relates to the audit engagement.
6. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal.

Technical Qualifications

1. The firm exhibit expertise based on past experience and performance on comparable government engagements.
2. The quality of the firm's professional personnel to be assigned to the engagement.

Price Consideration

Cost will be an important, but not primary, factor in the selection of an audit firm.

Final Selection

The City of Manistee will select a firm based upon its review of the proposals submitted. The City may request clarification of any items in the proposal.

Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Manistee and the firm selected.

The City of Manistee reserves the right without prejudices to reject any or all proposals.



ATTACHMENT A

**REQUEST FOR PROPOSAL
AUDITING SERVICES**

Firm Submitting Proposal: _____

Proposed Fee:

Fiscal Year	Audit & Reports	Single Audit	DDA
2014			
2015			
2016			
2017			
2018			

Signature of Authorized Representative

Date

Print Name

Title

RESOLUTION TO DECLARE APRIL 2014

AS PARKINSON'S DISEASE AWARENESS MONTH

IN THE CITY OF MANISTEE, MICHIGAN

At the regular meeting of the Manistee City Council held in the City Council Chambers 70 Maple Street, Manistee, Michigan, on the ____ day of _____, 2014. This resolution was presented by _____, seconded by _____, and passed by a vote of the Council:

WHEREAS: Parkinson's Disease affects citizens of the City of Manistee.

WHEREAS: The symptoms of Parkinson's disease may be misread by others.

WHEREAS: Parkinson's disease is a progressive neurological, progressively deteriorating disease, with no known cure.

WHEREAS: Parkinson's Disease takes an enormous emotional, psychological and physical toll on not only the patient, but also the family, friends, and caregivers of the patient.

WHEREAS: There are volunteer support groups in the area set up by volunteers to assist those dealing with Parkinson's Disease.

WHEREAS: The purpose of this document is to promote the awareness of Parkinson Disease and to educate the citizens of the City of Manistee about Parkinson Disease.

THEREFORE, BE IT RESOLVED, The Manistee City Council does hereby proclaim April 2014 as "Parkinsons Disease Awareness Month" in the City of Manistee, Michigan.

STATE OF MICHIGAN)

CITY OF MANISTEE)

I, _____ City Clerk do hereby certify the foregoing is a true copy of a resolution adopted by the Manistee City Council, at a regular meeting held on the _____ day of _____, 2014, by vote of the Council