

AUDIT COMMITTEE

September 28, 2009
1st Floor Conference Room, Hilliard Building
121 E. Maple Street
Mason, Michigan

MINUTES

MEMBERS PRESENT: Joe Brehler, Chair; Ralph Tillotson; Earl Poleski (invited)

MEMBER ABSENT: Deborah Smith

STAFF: Gary VanNorman, Executive Director; Gerrie Roeser, Finance Manager; Lori Coe, Executive Secretary

GUEST: John Roy Castillo, Cristo Rey

CALL TO ORDER

Mr. Brehler called the meeting to order at 4:07 p.m.

APPROVAL OF THE MINUTES OF JUNE 22 AND JUNE 24, 2009

Mr. Tillotson moved approval of the minutes of June 22 and June 24, 2009 as presented. Mr. Poleski supported the motion. The motion carried.

NEW BUSINESS

A. Review of Bids for Audit Services

Mr. Brehler reported three bids were received; Smith & Klaczkiwicz, Abraham & Gaffney, and Foote & Lloyd. An information sheet and score sheet were provided to members. Mr. Brehler stated all have sufficient experience to complete the work. He noted the low number of hours quoted by Smith & Klaczkiwicz were a concern to him. He also noted their cost was sufficiently lower than the other two, based on the number of hours of work. Ms. Roeser stated all were qualified, and the reference checks were good for all three. Discussion ensued, with general consensus that it was time for a different firm since Foote & Lloyd had been engaged for several years. Mr. Tillotson stated he was concerned about the low hours quoted by Smith & Klaczkiwicz and preferred assuring the hours quoted would be sufficient to deliver the audit. It was noted that the bids included a statement that only hours necessary



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would be billed. Mr. Poleski agreed it was time for change, but stated he could not justify engaging the higher bid. Discussion continued.

Mr. Tillotson moved to recommend to the Board awarding the audit contract to Abraham & Gaffney. Mr. Brehler supported the motion. The motion carried with Mr. Poleski voting no.

OLD BUSINESS

Mr. Tillotson asked if a response had been received from the FDIC to our inquiry on insurance levels. Mr. VanNorman stated none had been received.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

The meeting adjourned at 4:31 p.m.