

**Charter Township of Ironwood
Special Meeting
May 2, 2018 @ 6:30 pm**

Call to Order: 6:30 pm Pledge of Allegiance.

Roll Call: Supervisor Steve Boyd, Clerk Mary Segalin, Treasurer Maria Graser

Trustees: Kevin Lyons, Marlene Saari, Bev Michaels, Bernie Brunello

Absent: None

Supervisor Boyd stated the purpose of tonight's meeting is to go over the forensic audit. We are fortunate to have the author of this report present. Ms. Michelle McHale-Adams is the chief forensic auditor for Plante-Moran, the 15th largest such firm in the nation. Ms. McHale works on 80-100 of these cases a year, and has been doing this for 20 years. Please do not interrupt her during the presentation, but she will welcome questions related to the audit when she has finished. As you know, the restitution part of this process was held yesterday. We will not know the results until close to the May 14th sentencing hearing. Please understand that since we still have pending litigation and insurance claims ahead of us, we have to limit discussion during this special meeting to this agenda item only. As always, feel free to talk to me afterwards privately if you have additional questions. Because of this, we can now share this report with you.

At the conclusion of the report, Ms. McHale will take questions, please remember one at a time.

Also Present: Darrin Kimbler, Yvonne Novascone, Laurie and Mike Soltis, Rudy and Kathy Grbavcich, George Kivi, Robert Lynn, Kathy Lahti, Greg Ruppe, Gayle Saari, Tom Schneller, Chip Winkowski, Tracey Talaska, Scott Suvanto, Phil Kucera, Peggy Krohn, Leroy Johnson, Leroy & Shirley Kangas, James Simmons, Joe Rohde, Jack Rouse, Terri Lahti, Sharon Saari, Scott Carlson, Art and Tiffany Romans, Brenda Angus, Linda Ellos, Sandy Lahtinen, Otto Berset, Dave & Diane Ruotsala, Ron Krempowski, Jim Krznarich, Dale Allen, James Romans, Dale Allen and Mark McDonald-Twp. Attorney

Public Comment: (3 minute limit). None

Appearances: Michelle McHale-Adams, CPA/CFF, CFE with Plante Moran

New Business: Ms. McHale stated that the treasurer's duties are to collect- Taxes, Garbage, Utility bills. Her forensic audit results were as follows: Plante Moran audited June 2013 through November 2016. At that time, over one million dollars was unaccounted for. They did not want to investigate any further due to potentially higher auditing fees for the township. Former Treasurer Olson-DeRosso diverted funds from one account to another. Their analysis into the Township accounts consisted of: Concealed deposits, expected revenues vs. deposits, minimal cash deposits and personal cash deposits by Olson-DeRosso. The loss range was from \$959,864 to \$1,024,770. Olson-DeRosso wrote over \$200,000 in checks to herself. The insurance bonds held by both Gogebic County and Ironwood Township will hopefully re-coop most monies diverted, but due to this and many cases- the insurance agents are re-evaluating the billings- all policy holders will be charged a slightly higher rate.

Closed Session: Mark McDonald, attorney to discuss pending litigation. A motion was made by Saari supported by Graser to enter into closed session at 8 pm. Motion carried. A motion was made by Segalin supported by Brunello at 8:35 pm to go back into open session. Motion carried.

Public Comment: (3 minute limit) Many citizens asked Ms. McHale questions about past township audits, past board responsibilities/duties, if this will affect taxes due in the future.

Adjournment: A motion was made by Brunello supported by Michaels to adjourn the meeting at 8:36 pm. Motion carried.

Steve Boyd, Supervisor

Mary Segalin, Clerk