

West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423

P (616) 368-3023

Comprising City of Zeeland, Park Township and City of Holland



West Michigan Airport Authority

Regular Meeting Agenda

June 8, 2020

11:30am – 1:00pm

Meeting will be conducted through Zoom

Authority Members

City of Holland

Dave Hoekstra
Scott Corbin

City of Zeeland

Kevin Klynstra
Beth Blanton
Les Hoogland

Park Township

Russ Sylte
Skip Keeter
Jeff King

Ex-officio

Jim Storey
Doug Zylstra

1. Public Comment
2. Consideration of May 11, 2020 meeting minutes. (Action Requested)
3. New Hangar Proposal by Ben Fogg. (Action Requested)
4. Fiscal Year 2021 Insurance Proposal. (Action Requested)
5. Fiscal Year 2020-2026 Audit Proposal. (Action Requested)
6. Fiscal Year 2021 Manager Employment Agreement. (Action Requested)
7. Future Airport Authority Staffing Structure.
8. FBO Report. (Terry)
9. Year End Budget Amendments. (Action Requested)
10. Financial Reports. (Accept as information.)
11. Other Business.
 - A. Mick Osborne retirement.
12. Next meeting: July 13, 2020; format to be determined.
13. Adjourn.

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.

West Michigan Airport Authority

MEETING MINUTES

May 11th, 2020

*****11:30am –**

1:00pm* Virtual**

Meeting Using Zoom

PRESENT: Corbin, Klynstra, Blanton, Hoogland, Sylte, Keeter, King, Storey, Zylstra

ABSENT: Hoekstra

OTHERS PRESENT: Boer (FBO), Airport Authority Manager Robinson, Assistant Airport Authority Manager Thelenwood, Administrative Assistant McCormick,

Board Chair Sylte called the meeting to order at 11:35 a.m.

20.05.01 Public Comments.

None

20.05.02 April 13, 2020 Meeting Minutes

Meeting minutes were corrected to omit Storey's name in the roll call vote.

Hoogland made a motion with support by King to approve the revised April 13th Meeting Minutes.

Aye votes- Corbin, Klynstra, Blanton, Hoogland, Style, Keeter, King

Motion carried.

20.05.03 Public Hearing-Fiscal Year 2020 Operating and Capital Budgets

Due the Covid-19 pandemic, traffic at the airport has decreased substantially. As a result, the estimated fuel flowage and landing fees have been reduced for FY20. The estimated operating budget revenues for FY21 are \$608,800. These operating revenues are anticipated to be stable and comparable to recent years, provided that traffic increases during the summer and fall 2020. The millage rate is recommended to remain at one-tenth of a mil.

FY21 operating expenses are expected to increase by about \$16,000 (3.6%) due to a budgeted

increase of \$10,000 in communications and various other incremental increases. Staffing expenses are budgeted to remain similar to FY20, however the allocation amongst the positions may change. The Assistant Authority Manager currently devotes 30% of his time to the airport and this is planned to increase to 40% for FY21. We would also like this title to be changed to Operations Manager. An evaluation of staffing needs will be conducted over the next several months as the result of the Communications Strategy being recently completed. Responsibilities and time allocations may change.

It is recommended that \$138,600 from revenues be placed in reserves to provide the local match for future Capital Projects. There are two major projects proposed for FY21:

- Construction of the runway and lighting rehabilitation.
- Possible construction of a new taxiway to the north hangar park.

It is also recommended that \$25,000 continue to be placed in the Reserves for future Business Center Maintenance and Repairs. These funds primarily cover the future depreciated value of Business Center equipment and infrastructure.

Recommendation

It is recommended that the Authority Board hold a public hearing, make any necessary changes to the budgets, and approve the attached resolution requesting the member local governmental units to levy .1 of a mill for fiscal year 2021.

Motion was made by Chairman Style to open the Public Hearing on the proposed Fiscal Year 2020 budgets. No Comments.

Klynstra made a motion with support by Keeter to close the Public Hearing.

Aye votes- Corbin, Klynstra, Blanton, Hoogland, Style, Keeter, King

Motion carried.

Keeter made a motion with support by Klynstra to approve the budgets as written.

Aye votes- Corbin, Klynstra, Blanton, Hoogland, Style, Keeter, King

Motion carried.

20.05.04 Presentation of Boileau Communications Strategy

The Airport Authority engages in a variety of means to inform stakeholders (citizens, property tenants, T-hangar tenants, users of the airport, member governmental units, financial supporters, etc.) of activities at the airport and the value of the airport to the community. These means have included social media, website, press releases, postcard

mailings, special events, the parade float, e-newsletters, videos, history book, chamber of commerce advertising and other items.

With everything the Authority does, it is important to periodically evaluate whether we are working on the right things and whether we are doing these right things well.

The Board has previously approved a proposal by Boileau Communications to provide Strategic Communication Services.

Boileau representative reviewed the strategy with the Board and provided recommended tactical priorities.

Recommendation

It is recommended that the Airport Authority Board accept and approve the 2020 Communications Strategy as prepared by Boileau Communications.

Keeter made a motion with support by Blanton to accept the 2020 Communications Strategy as written.

Aye votes- Corbin, Klynstra, Blanton, Hoogland, Style, Keeter, King
Motion carried.

20.05.05 Proposal from Ben Fogg for Location of a Hangar

Ben Fogg would like to construct a private hangar on the former airport office building site. Although the Board has identified the area north of the Airport Business Center as the preferred location for new hangars, a best-case scenario is that a new taxiway to service this area could not be completed until fall 2021. Mr. Fogg would like to construct his hangar this summer.

Staff and Jeff Thoman of Mead&Hunt have been working with Mr. Fogg to develop a suitable site layout. The former office site is limited in size and construction of a hangar on this site may result in different requirements than that required for other hangars at the airport.

The Authority's Building & Development Committee has discussed this with Mr. Fogg and is recommending that the attached Option 1 be used as the basis for preparing a more detailed site plan. If the Board agrees, then a detailed site plan will be prepared along with a land lease. The property would remain owned by the City of Holland and

the land lease will be with the Airport Authority.

Recommendation

The Building & Development Committee recommends that the Authority Board approve Ben Fogg's design Option 1 as the basis for a new private hangar at the airport.

Mr. Fogg provided information on why he wants this size and this location for the hangar stating that he would be renting out space within the hangar to transient renters. He stated that this is something needed at the airport.

Corbin made a motion with support by Hoogland to approve Ben Fogg's design Option 1 for a new private hangar at the airport.

Aye votes- Corbin, Klynstra, Blanton, Hoogland, Style, Keeter

Nay votes-King

Motion carried.

20.05.06 Construction Admin Contract for Runway/Lighting Rehab Project

The Authority has been planning the rehabilitation of the runway and replacing the runway lights with LED fixtures. The Board has previously approved project design contracts with Mead & Hunt, has approved the project contractor, and has budgeted for the required local match for all grants anticipated for these projects.

Robinson discussed the contract submitted by Mead&Hunt for Construction Administration for this project. The cost for this contract is \$268,526.20 which is about 6.4% of the project cost. Michigan Department of Transportation/Aeronautics has approved this contract and feels that the cost is reasonable. 90% of the project costs will be funded by the Federal Aviation Administration, 5% by the Michigan Department of Transportation and 5% (\$13,426) by the Airport Authority.

These projects are expected to begin in the fall 2020 and be completed in about three weeks.

Recommendation

It is recommended that the Authority Board approve the Construction Administration

contract with Mead&Hunt in the amount of \$268,526.20 for the runway and lighting rehabilitation projects; that this action is subject to receipt and approval of the FAA and MDOT grants for this contract; and that the local match for the grants be provided from the Authority's working capital.

Keeter made a motion with support by Blanton to approve the Contract with Mead&Hunt as presented.

Aye votes- Corbin, Klynstra, Blanton, Hoogland, Style, Keeter, King
Motion carried.

20.05.07 Bids for Maintenance & Repair of Instrument Landing System

The Airport Authority requested proposals to provide Maintenance and Repair Services for the Airport's Instrument Landing System (ILS), following the expiration of the previous maintenance agreement. The **term for service** is for five (5) years, with a possible three (3) year extension; granted at the Airport Authority's sole discretion.

The ILS is a critical piece of safety infrastructure which allows pilots to activate the runway guidance system (landing lights) remotely as they approach for landing. Having this system in place makes West Michigan Regional Airport a preferred airport both for pilots as well as for funding from FAA and MDOT-AERO.

Thelenwood reviewed two proposals and bids from Harris Airport Systems and DBT Transportation Services for the work.

Recommendation

Given the substantial difference in rates, and considering Harris Airport Systems has been servicing the ILS System for over ten years, it is recommended that the Airport Authority Board approve the contract with Harris Airport Systems, pending final approval as to form by the Authority's Attorney.

Blanton made a motion with support by Corbin to approve the Contract with Harris Airport Systems as presented.

Aye votes- Corbin, Klynstra, Blanton, Hoogland, Style, Keeter, King
Motion carried.

20.05.08 COVID-19 Protocols for Staff, Business Center and Meetings

Following the COVID-19 outbreak and pandemic, businesses and organizations are being required to have a COVID-19 Preparedness and Response Plan in place, outlining how organizations are going to safeguard staff and members of the public, while also identifying how they will adopt operations to mitigate risks associated with the pandemic.

Airport Staff have been researching guidelines from OSHA, the CDC, the state of Michigan, and the Governor's executive orders related to COVID-19, as well as the City of Holland Human Resources Department in developing this plan. The plan also requires the Airport Authority to name a COVID-19 Workplace Coordinator, who is responsible for staying abreast of the most recent updates regarding the pandemic and updating this plan accordingly. The Assistant Manager has been serving in this role. Staff have effectively split this document into two pieces:

1. The COVID-19 Preparedness Plan as described by OSHA; and,
2. The Airport Authority Covid-19 Operations Protocol

The Preparedness Plan serves as a guide for operations whereas the Operations Protocol spells out the specific steps the Airport Authority will be implementing to combat the spread of COVID-19 on site. Both will be updated accordingly and in-line with guidance from relevant agencies.

This plan outlines steps to be taken regarding day-to-day operations, staff requirements when reporting to work and while on the job, interaction with the public, as well as outlining how public meetings are to occur - when the Open Meetings Act is fully reinstated. All steps are focused on mitigating potential exposure and transmission of COVID-19.

The Airport Authority takes the health and safety of our employees, tenants, and airport users seriously. With the spread of COVID-19 and the need for certain employees to continue in-person work to conduct minimum basic operations of the Airport, we are committed to reducing the risk of exposure to COVID-19 at our facilities and to providing a healthy and safe workplace for our employees.

As the Airport serves as a gateway both into and out of the Community, it is essential that we take seriously the threat posed by COVID-19 and implement appropriate and necessary safeguards to prevent it's spread in our community or beyond.

Recommendation

It is recommended that the Airport Authority Board adopt the COVID-19 Preparedness and Response Plan and Operations Protocols as presented.

Corbin made a motion with support by King to adopt both the COVID-19 Preparedness and Response Plan, and the Operations Protocols as presented.

Aye votes- Corbin, Klynstra, Blanton, Hoogland, Style, Keeter, King
Motion carried.

20.05.09 FBO Report

Terry Boer reported the airport's worst fuel month ever, however they are surviving and doing reviews of their procedures and processes. His staff are all onboard with the COVID-19 response.

20.05.10 Financial Reports

Robinson asked that the Board accept the reports as information.

Keeter made a motion with support by King to accept the financial reports as information.

Aye votes- Corbin, Klynstra, Blanton, Hoogland, Style, Keeter, King
Motion carried.

20.05.11 Next Meeting

The next Board meeting will be held June 8, 2020, 11:30a.m., location format to be determined.

Meeting Adjourned at 1:00 p.m.

Minutes Approved:_____

_____(Secretary)_____

Date:_____

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60 Geurink Boulevard, Holland, MI 49423

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June 3, 2020

To: West Michigan Airport Authority Building & Development Committee.

From: Greg Robinson, Authority Manager.

Subject: New hangar proposal by Ben Fogg.

Background

Ben Fogg has submitted a proposal to construct a 120' x 100' private hangar on the former airport office site. This is a very limited site in terms of area, setback from S. Washington Avenue, and proximity to the FBO fueling facility.

The Building & Development Committee and the Airport Authority Board have discussed constructing a hangar park north of the Airport Business Center. Actually, the new taxiway for this new hangar park is in the 5-year Airport Capital Improvement Program submitted to the Michigan Department of Transportation/Aeronautics. However, an estimated \$758,500 from the Federal Aviation Administration (FAA) for this project would not be available until fiscal year 2024.

Authority staff has been working with Mead & Hunt to determine a way for the Authority to build this new taxiway sooner, but the earliest we could have it ready would be the fall of 2021 and would involve a substantial investment by the Authority without the \$758,500 in FAA funds.

Mr. Fogg would like to begin constructing the hangar in the summer 2020 as he is intending on sub-leasing portions of the hangar to tenants that need space now. There is another site to the west of the ADB hangar along 64th Street, but Mr. Fogg prefers to be as close to the FBO maintenance hangar as possible.

So, that leaves the former office building site near the entrance of the airport, along the east side of S. Washington Avenue.

Site Plan

Attached to this report is the proposed site plan for the new hangar. The 120' x 100' hangar would be located within a leased area of 25,610 square feet. A 30' x

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96' office area would be attached to the north portion of the hangar. Six to eight parking spaces would be provided along the north side of the hangar within the existing paved parking lot. The airport authority is likely to be removing much of the remaining parking lot after the Fogg project is completed. A 30' x 100' apron would be provided along the east side of the hangar.

Variances from Airport Building Standards

The Airport Building Standards include requirements for building and parking setbacks, as well as a 30% landscaped area. The Airport Authority may approve variances from the Building Standards provided that the variance(s) relate to unique circumstances applying to the subject property that do not apply to other leased properties at the airport. The Building Standards is not a legal document, but rather a policy of the Authority.

This project will require the following variances:

1. The project will not meet the 30% landscaped area requirement. However, landscaped areas are proposed along the north and west sides of the building.
2. The hangar will have an 11' setback from the street, rather than the 100' requirement. The hangar cannot be located any further to the east due to the existing FBO fueling facility.
3. The hangar will have a 10' side yard setback rather than the 40' requirement. The leased area cannot be extended any further to the south due to an existing building.
4. The parking area does not need to be landscaped and screened. They are providing only 6-8 parking spaces as part of an existing parking lot.

The unique circumstances applying to this property are that this is an existing site with limited site area and with two buildings, a fueling facility and a four-lane road bordering it. In fact, it would be difficult to develop most any type of significant airport-related building on the site without variances from the Building Standards. Other requirements of the Building Standards will be part of the land lease with Mr. Fogg.

Other Items

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.

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1. This project will need conditional use approval from the City of Holland Board of Appeals.
2. A portion of the hangar will extend beyond the airport building restriction line requiring a determination of non-hazard by the FAA.
3. As with all buildings constructed on or near the airport, a form 7460 will need to be submitted to the FAA.
4. A land lease with the Airport Authority will need to be approved by the Authority Board. This lease is currently being drafted by the Authority's attorney.

Recommendation

After review of the site plan by the Building & Development Committee, the Committee unanimously recommended approval of the plan and of the necessary variances to the landscaping and building setback requirements of the Airport Building Standards.

Attachments: Site Plan

Aerial layout

Airport Building Standards

NEW HANGER AT WEST MICHIGAN REGIONAL AIRPORT

60 GEURINK BLVD.
HOLLAND, MI 49423

ZONING

AIRPORT - AG DISTRICT

SETBACKS:
FRONT YARD 30 FEET MIN. *
SIDE YARD 20 FEET MIN.
REAR YARD 25 FEET MIN.
HEIGHT 45 FEET MAX.

* A VARIANCE FOR A REDUCTION IN THE WASHINGTON AVE.
FRONT YARD SETBACK FROM 30 FEET TO 15 FEET WILL BE REQUIRED.



LOCATION MAP NOT TO SCALE

DESCRIPTION

PARCEL I.D. NO. 53-02-08-300-028

ALL OF SW 1/4 EC THAT PT WHICH LIES N'LY OF A LN DESC AS FOLLOWS: BEG AT A PT ON W LINE OF SEC 8 WHICH IS S 01°DEG52'00"E A DIST OF 71.97' FROM W 1/4 COR OF SD SEC; TH N 88°DEG46'51"E A DIST OF 697.33'; TH N 79°DEG37'54"E 1954.16' TO A PT OF ENDING ON THE N/S 1/4 LN OF SD SEC 8 WHICH IS S01°DEG57'36"E A DIST OF 411.97' FROM CENTER POST OF SD SECTION. ALSO EX THAT PART TAKEN USED OR DEEDED FOR STREET SEC 8 T4N R15W.


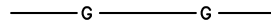

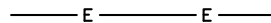










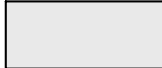



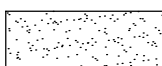






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LEGEND

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|  | SECTION CORNER |  | UNDERGROUND GAS |
|  | SITE BENCHMARK |  | UNDERGROUND ELECTRIC |
|  | SOIL BORING |  | UNDERGROUND TELEPHONE |
|  | FOUND STEEL BAR |  | CHAIN LINK FENCE |
|  | FOUND IRON PIPE |  | MINOR CONTOUR |
|  | SET STEEL BAR |  | INDEX CONTOUR |
|  | MANHOLE | | |
|  | CATCHBASIN |  | ASPHALT |
|  | HYDRANT |  | CONCRETE |
|  | WATER VALVE |  | GRAVEL |
|  | UTILITY POLE | | |
|  | LIGHT POLE | | |
|  | CLEANOUT | | |
|  | DECIDUOUS TREE | | |

CL CONSTRUCTION

AT IN: MR. BRIAN LAMAR
39 VETERANS DRIVE, SUITE 340
HOLLAND, MI 49423

NEW HANGER
60 GEURINK BLVD.

PT. OF THE SW 1/4 SECT. 08T04N, R15W
CITY OR TWP, ALLEGAN COUNTY, STATE

Issued for:		
Date	Description	No.
6/2/2020	PRELIMINARY CITY REVIEW	A

Plans are preliminary & incomplete until ISSUED FOR CONSTRUCTION

										E
Project Manager										
RYAN T. YSSELDYKE										

Vertical Datum NA	Horz. Datum NA
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Drawn by
NATE BRAMER

Checked by Survey .	Date .
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Civil	.	.
State		

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L. A.	.	.

HEI Project Number
20-05-063

Sheet Title

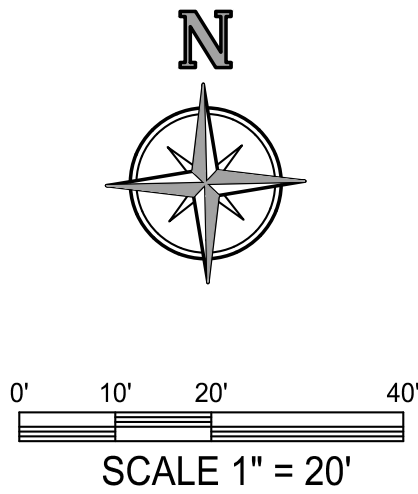
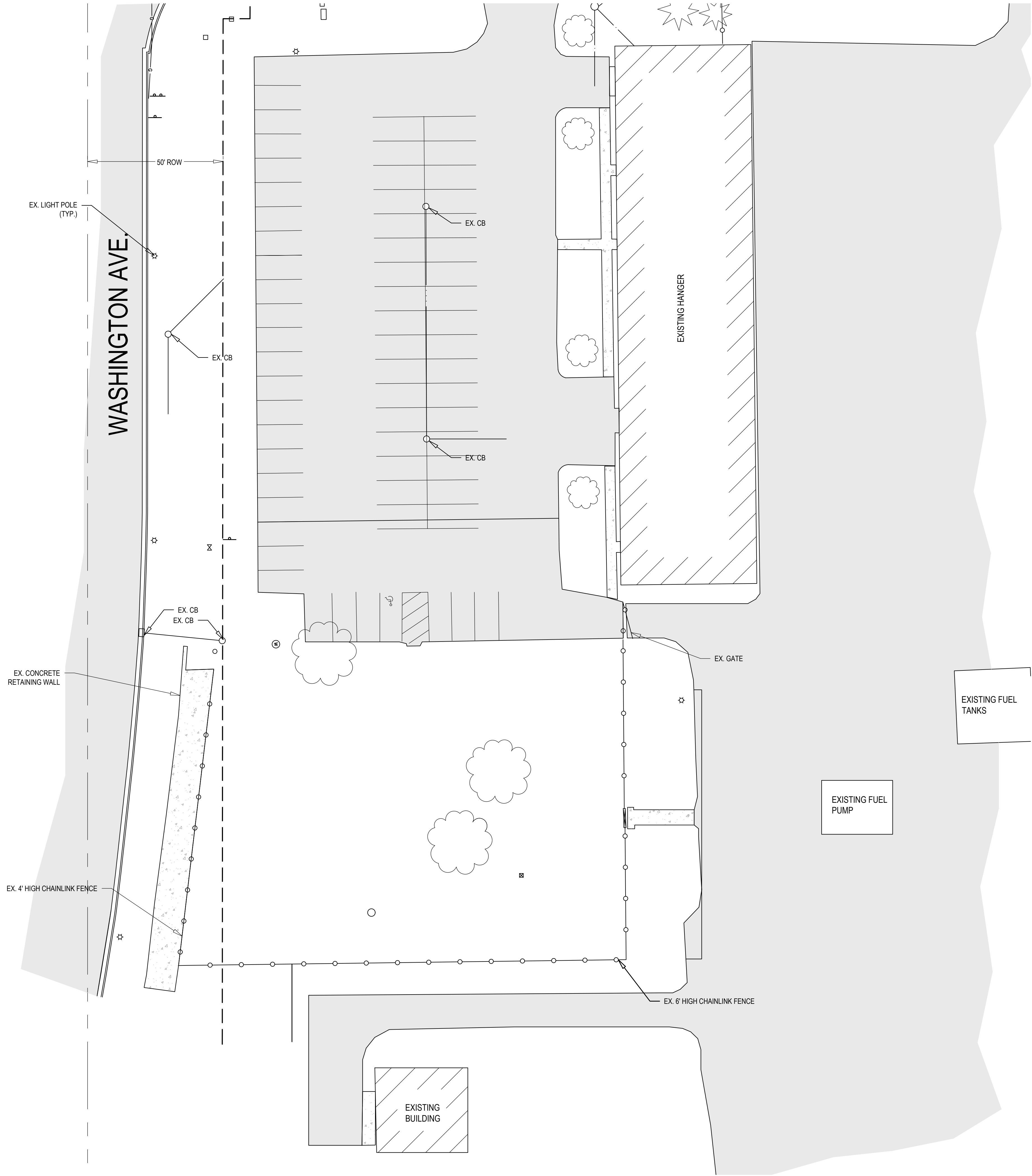
COVER
SHEET

Sheet No.
G-100

Engineer's liability for any and all claims, including but not limited to those arising out of the Surveyor's / Engineer's professional services, negligence, gross misconduct, warranties or misrepresentations shall be deemed limited to an amount no greater than the service fee.

HOLLAND
ENGINEERING

220 Hoover Boulevard
Holland, Michigan 49423-3766
www.hollandengineering.com
T 616-392-5938 F 616-392-2116



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1. THE SURVEY WAS COMPLETED BY ANOTHER FIRM AND PROVIDED TO HEI BY THE CLIENT. HEI IS NOT RESPONSIBLE FOR THE ACCURACY OF THE SURVEY INFORMATION OR ANY DESIGN DISCREPANCIES RESULTING FROM THE PROVIDED SURVEY INFORMATION.
 2. LOCATION OF UNDERGROUND UTILITIES HAVE BEEN SHOWN BASED ON SURFACE EVIDENCE AND RECORD INFORMATION AVAILABLE. IT IS THE CONTRACTOR'S RESPONSIBILITY TO VERIFY UTILITY LOCATIONS PRIOR TO CONSTRUCTION.
 3. DURING CONSTRUCTION, CONTRACTOR SHALL PROTECT ALL EXISTING AND NEW CONSTRUCTION FROM DAMAGE. SHOULD ANY DAMAGE OCCUR, CONTRACTOR SHALL MAKE ALL NECESSARY REPAIRS AT NO COST TO THE OWNER. THE PAVED ROADWAY SHALL BE SWEEPED CLEAN AS NEEDED, BUT AT LEAST ONCE A WEEK.
 4. CONTRACTOR SHALL PROVIDE BARRIERS, AS NECESSARY, TO PREVENT PEDESTRIAN AND VEHICULAR TRAFFIC FROM ENTERING THE CONSTRUCTION SITE.
 5. CALL MISS DIG AT LEAST THREE (3) WORKING DAYS PRIOR TO STARTING ANY EXCAVATION.
 6. REMOVAL ITEMS ARE SHOWN BASED ON BEST AVAILABLE INFORMATION AND ARE SHOWN SCHEMATICALLY. THE CONTRACTOR SHALL VISIT THE SITE PRIOR TO VERIFY THE EXTENT OF WORK REQUIRED.
 7. REMOVE ALL STRUCTURES, CONCRETE CURB, CONCRETE PAVING, ASPHALT PAVING, TREES, STUMPS, UTILITIES, AND OTHER EXISTING SITE FEATURES WITHIN THE LIMITS OF DEMOLITION. ALL DEMOLITION MATERIALS SHALL BE REMOVED FROM THE SITE UNLESS OTHERWISE NOTED AND DISPOSED OF IN A MANNER ACCEPTABLE TO THE LOCAL AUTHORITY HAVING JURISDICTION.
 8. PROTECT ALL TREES AND SHRUBS NOT SCHEDULED FOR REMOVAL. DO NOT OPERATE EQUIPMENT, STORE, STOOPPILE, OR PARK WITHIN DRIP LINE. HOLD NECESSARY DISTURBANCE TO A MINIMUM.
 9. IT IS THE CONTRACTOR'S RESPONSIBILITY TO COORDINATE ALL UTILITIES REMOVALS WITH PROPERTY OWNER AND UTILITY PROVIDER.
 10. ALL WORK IN ROAD RIGHTS OF WAY SHALL BE COMPLETED IN ACCORDANCE WITH MDOT, ALLEGAN COUNTY ROAD COMMISSION, AND THE CITY OF HOLLAND CURRENT STANDARDS.
 11. SEE OTHER SHEETS IN PLAN SET FOR MORE INFORMATION.

The Surveyors / Engineer's liability for any and all claims, including but not limited to those arising from the Surveyor's / Engineer's professional services, negligence, gross negligence or misrepresentations shall be deemed limited to an amount no greater than the service fee.

CL CONSTRUCTION

NEW HANGER

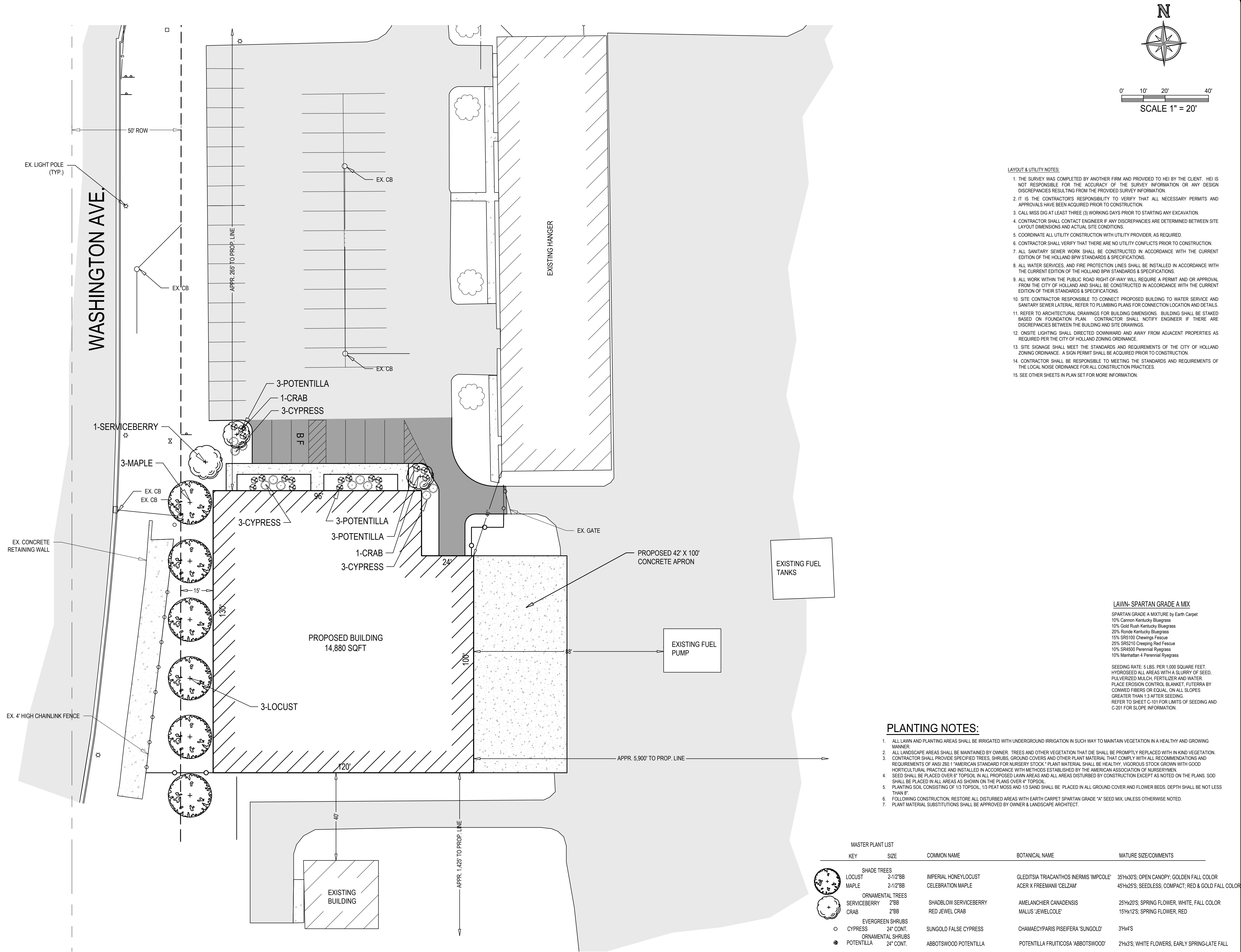
60 GEURINK BLVD.
HOLLAND, MI 49423

PT. OF THE SW 1/4 SECT. 08T04N, R15W
CITY OR TWP, ALLEGAN COUNTY, STATE

ATTN: MR. BRIAN LAMAR
39 VETERANS DRIVE, SUITE 340
HOLLAND, MI 49423

Issued for:		No.	
Date	Description		
6/22/2020	PRELIMINARY CITY REVIEW	A	

Project Manager RYAN T. YSSELDYKE	
Vertical Datum NA	Horz. Datum NA
Drawn by NATE BRAMER	
Checked by Survey	Date
Civil	
Struc.	
L. A.	
HEI Project Number 20-05-063	
Sheet Title EXISTING CONDITIONS	
Sheet No. V-101	



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NEW HANGER

60 GEURINK BLVD.
HOLLAND, MI 49423

PT. OF THE SW 1/4 SECT. 08T04N, R15W
CITY OR TWP, ALLEGAN COUNTY, STATE

Issued for:	No.	A							
	Description	PRELIMINARY CITY REVIEW							
	Date	6/22/2020							
Plans are preliminary & incomplete until ISSUED FOR CONSTRUCTION									

Project Manager
RYAN T. YSSELDYKE

Vertical Datum
NA

Horz. Datum
NA

Drawn by
NATE BRAMER

Checked by
Survey

Date

Civil

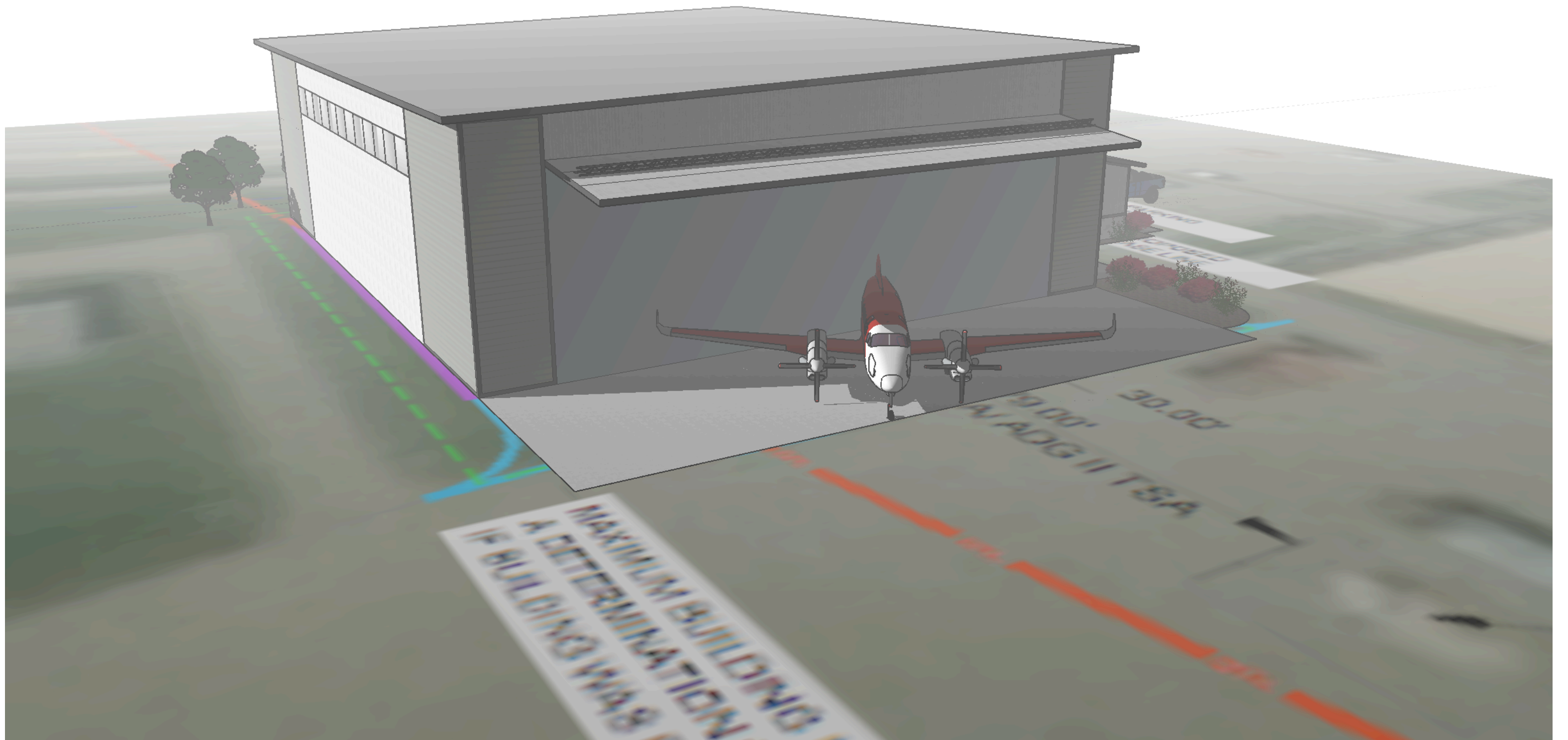
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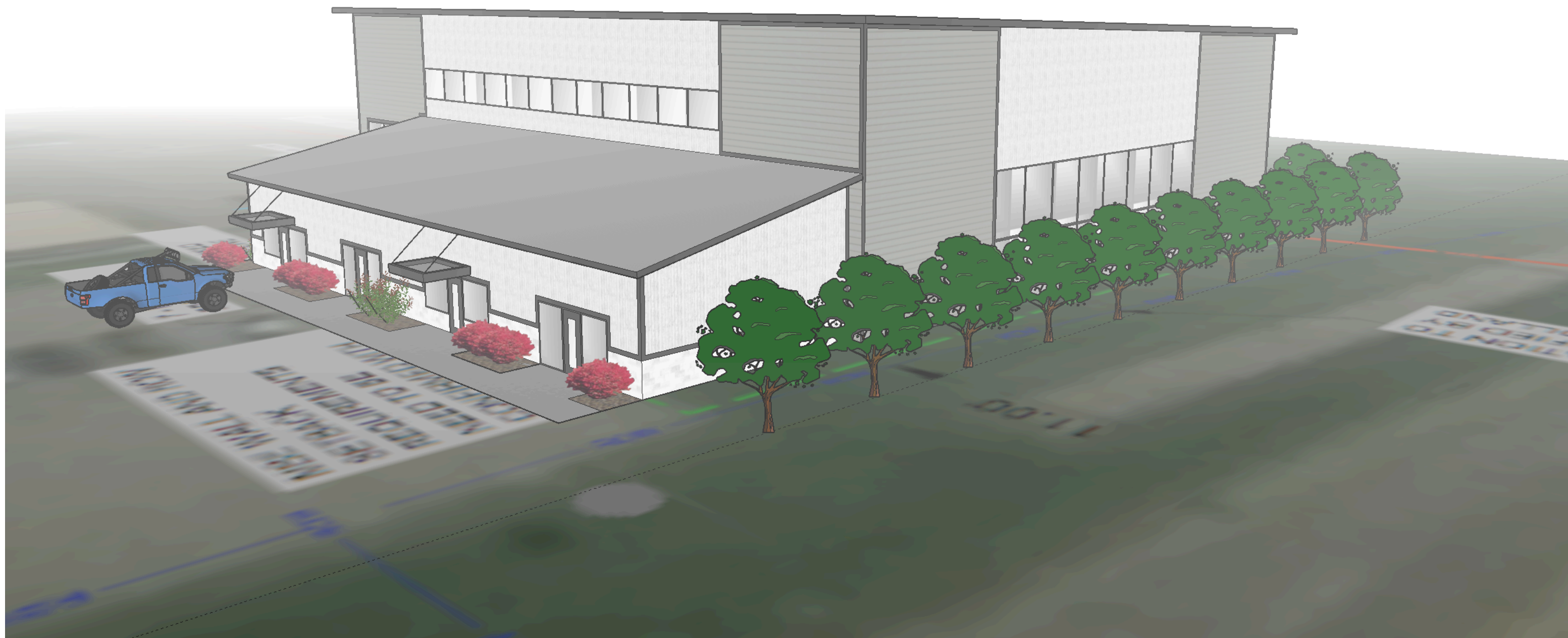
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HEI Project Number
20-05-063

Sheet Title
SITE LAYOUT PLAN

Sheet No.
C-101





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00 GLENNINK BLD
HOLLAND, MI

ISSUED

IP NO.: N/A
 I&H NO.: N/A
 DATE: APRIL 6, 2020
 DESIGNED BY: N/A
 DRAWN BY: AEF
 CHECKED BY: JET
 DO NOT SCALE DRAWINGS

HEET CONTENTS

FOGG OPTION 1

HEET NO. 1 of 3

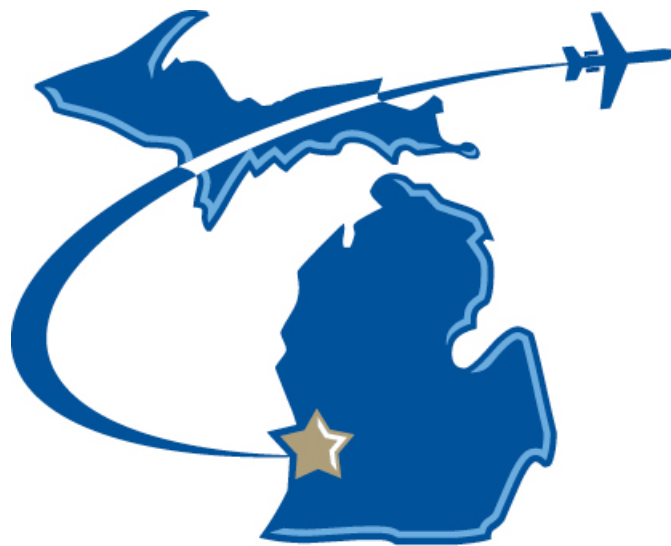
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West Michigan Airport Authority

Airport Building Standards

Revised: June 12, 2018



**WEST MICHIGAN™
REGIONAL AIRPORT**

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I. General

A. Definitions

"Building line or lines" shall mean the minimum distance which office or commercial buildings and outbuilding or any structures of any type or kind located above ground shall be set back from the property or street lines, taxiways, or runways, and reference is hereby made to the specified demised premises in the lease which describes the real property hereby subjected to these covenants for the location of such building lines.

"Building Site" shall mean any section, or portion thereof, or two or more contiguous sections or portions thereof, or a parcel of land upon which structures, offices, or hangers may be erected on property described herein and in the lease as "demised premises".

"Demised premises" shall mean the described premises in the lease agreement between Lessor and Lessee.

"Hanger facility" shall mean any structure designed for principal use to house aircraft.

"Improvements" shall mean and include an office or commercial building or buildings, outbuildings, appurtenant thereto, parking areas, loading areas, fences, masonry walls, hedges, lawns, mass planting, aprons, taxiways, and any structures of any type or kind located above ground.

"Site building site lines" shall mean the boundary or property line dividing two adjoining building sites.

"Lessor" shall mean the West Michigan Airport Authority, or its successors, or assigns.

"Lessee" shall mean the tenant.

B. Permitted Uses.

1. Site for an airplane hangar or hangars.
2. Maintenance and servicing for only those aircraft OWNED by the Lessee and STORED in the LESSEE's hangar.
3. Any other uses for which the Lessor gives its written approval.
4. Offices pertaining to aircraft operations, and passenger reception area.

- C. Precluded Uses. The intent of this section is to prohibit certain uses unless they are offered and approved in conjunction with an FBO contract with the City.
1. Commercial passenger and air cargo service (parts 121, 135) without the specific written approval of the Airport Board.
 2. Engaging in the business of selling aircraft and accessories.
 3. Engaging in the business of aviation instruction.
 4. The sales of aviation fuels or petroleum products.
 5. Tie-down of aircraft which may hinder or obstruct in any manner whatsoever the safe landing, taxiing or take-off of aircraft from the public landing and taxi areas of the West Michigan Regional Airport, which may interfere with the proper use of the field by others, or which may be objectionable to the West Michigan Airport Authority.
 6. The storage of fuels of any type other than those required for heating and operation of the hangar itself and its associated facilities.
 7. Any operation, activity, or use which is contrary to federal, state, or local law, statute, or ordinance.
 8. Any other activity which is reserved exclusively for the FBO(s) in the FBO agreement.

II. Approvals

A. Review Board

1. Definition: The "Review Board" shall be the Airport Building and Development Sub-Committee of the West Michigan Airport Authority.
2. Composition - The composition of the Review Board shall be the same as that of the Airport Building and Development Sub-Committee. At the discretion of the Committee's Chairperson, additional persons may be added if special needs arise.
3. Appeals - An Applicant for leased land, or a Lessee seeking approval for site development or improvement shall have the right to appeal an adverse decision of the Sub-Committee to the full West Michigan Airport Authority.

4. Approval - Prior to application for a City of Holland building permit for the construction, alteration, or improvement of any building or other structure, the review process set forth below shall be followed. No building, structure, or other improvement shall be constructed, altered, or placed upon the affected property until the location, design, plans, and specifications for such (including landscaping) shall have been first approved by this Review Board. Failure to respond to submitted plans by the Review Board within the designated time periods shall constitute approval. Contact between the applicant and the Review Board shall be through the **Airport Authority Manager or designee**.
5. Permits - Nothing in these standards is intended to supersede any permits required by other agencies or the City of Holland. It is expected that the lessee will obtain all permits required for the approved development plan.

STEP I:

Initial meeting between lessee and the Review Board to discuss general plans and desires.

STEP II:

Schematic Design Review - two copies of the conceptual plans of the site and building development are to be given to the Review Board for review. **Twenty-one (21)** business days response time will be allowed for the committee to review the plans. One (1) set of plans will be returned with comments and suggested changes. The FAA Form 7460 shall be filed at this time.

STEP III:

Design Development Review - Two (2) complete sets of building and landscaping plans and specifications drawn by a registered professional architect who has taken into account the comments and suggestions at Step II shall be submitted to the Review Board for its approval. **Twenty-one (21)** business days response time will be allowed for the Review Board to review the plans. One (1) set of plans will be returned to the applicant with comments and suggested changes.

STEP IV:

The Review Board submits a recommendation to the West Michigan Airport Authority on the building and landscaping plans, the specifications, **and the property lease**.

STEP V:

The West Michigan Airport Authority takes action on the plans, specifications, and property lease.

III. Site Standards

A. Site Coverage

1. It is the intent of these standards to create an airport development that is of high quality, yet provides the most efficient use of a limited land availability.
2. Site design shall provide a minimum of 30% (total area of building site) attractively landscaped green space.
3. Adequate automobile and aircraft parking areas shall be planned to reflect the use of the property by the lessee. Justification of the parking plan is required as a part of the approval process, and will be used to determine the lot size to be leased.

B. Automobile Parking Provisions

1. Parking shall be located between the building and the street.
2. Surface of parking shall be concrete or asphalt, and dust free, with sub-grade preparation meeting accepted engineering standards.
3. Parking area shall be landscaped and screened in a manner approved by Lessor.
4. Only vehicles associated with the operation of the hanger(s) and flight operations shall be kept in the parking area(s).
5. Parking area(s) shall be of a transient nature only, and not used for vehicle storage, maintenance, or other such use.
6. Parking area(s) shall not be permitted within 30 feet of the street side property line, nor within 15 feet of a side property line.
7. No parking will be permitted on any street, road, driveway, or any place other than the approved parking area.

C. Landscaping

1. Shall consist of seed, plants, shrubs, and trees.

2. All materials used will be of good quality and disease free provided by a licensed nursery.
3. All plant materials used will be indigenous to western Michigan to assure hardiness.
4. All trees will be selected and located to conform with the FAA height restrictions at full maturity.
5. Landscape design will be performed by a competent professional to enhance the building and visually soften other site improvement such as parking, utility entrances, etc.
6. All landscaping shall be kept in neat and well groomed order. Diseased, dying, or dead plantings will be removed and replaced on a timely basis.
7. All open spaces shall be dustproofed, surfaced, landscaped, rockscaped, or devoted to lawns, and shall be installed within 60 days of occupancy or substantial completion of the building, which ever occurs first, weather permitting.

D. Signage

1. **One** (1) freestanding sign **is** permitted on the leased premises to identify the establishment on the site.
 - a) The sign size shall be no greater than 32 square feet.
 - b) The sign shall be located on the road-side of the property.
 - c) The sign design and material shall be approved by the Lessor.
 - d) The sign may be illuminated, however, there shall be no flashing nor intermittent illumination.
 - e) The sign shall not exceed a height of six (6) feet measured from the highest point of the sign to the grade of the ground immediately beneath the sign.
2. One (1) wall sign is permitted that identifies the business or businesses located on the leased premises.
 - a) The sign shall not exceed one (1) square foot in sign area per each one (1) foot of building length of the wall upon which the sign is to be displayed.

b) The sign may be illuminated, however, there shall be no flashing nor intermittent illumination.

c) The sign design and material shall be approved by the lessor.

3. Directional signs are permitted subject to the following provisions:

a) Directional signs shall not exceed six (6) square feet in area and six (6) feet in height.

b) Directional signs shall be limited to the identification of functions such as traffic control and loading areas.

E. Utilities: All utilities shall be **located** underground.

F. Lighting

1. Site lighting to be specifically approved by the Review Board. Lighting is to **be directed downward so as** to avoid upward glare.

2. Site lighting is to provide lighting standards consistent in appearance with existing airport fixtures.

G. Security Fencing

Security fencing is encouraged and the style, height, and location of the fencing must be indicated on the development plan.

H. Private Fueling Facilities

Private fuel facilities may be permitted subject to the West Michigan Regional Airport Fueling Rules and Regulations.

I. Taxiway and Apron Standards

All taxiway and apron construction must follow the regulations established by the FAA and Michigan Bureau of Aeronautics.

IV. Architectural Design

A. Intent - it is the intent of these standards to encourage the most creative building solutions possible while maintaining quality aesthetics that are consistent with the building function and are sensitive to the surrounding environment.

B. Exterior Walls

1. Façade design shall be continuous from one exposure to the next so as not to create a good side (front) and a bad side (back).
2. Combinations of not more than two materials may be used, unless approved by the Review Board and Airport Authority.
3. Exposed material shall have an expected life of a minimum of twenty (20) years without maintenance.

C. Roofs

Roof material will have a minimum life expectancy of twenty (20) years.

D. Roof Mounted Equipment:

1. Equipment mounted on the roof shall be architecturally screened and located in such a manner to minimize visibility from the street and surrounding buildings.
2. All equipment mounted on the roof shall adhere to height requirements established by the FAA, and be equipped with proper obstacle lighting.

E. Setbacks

1. All buildings shall meet minimum setback requirements from all runways and taxiways as established by the airport master plan.
2. All buildings shall erected no closer than 100 feet from the front (street side boundary) property line.
3. Side setbacks shall be 40 feet.
4. Design shall adhere to local building code minimum setbacks.

V. Construction

- A. Lessee shall file and comply with the requirements of FAA Form 7460 prior to construction.
- B. Time Frame - Lessee shall commit to an acceptable schedule for construction that is approved by the Building and Development Committee.

VI. Maintenance

A. Any Lessee of any site shall have the duty of, and responsibility for, keeping the premises, building, improvements, landscaping, and appurtenances in a well maintained, safe, clean, and attractive condition at all times. This shall include, but not be limited to the following items which may also be included in the property lease:

1. Removal of trash and debris
 2. Cutting of weeds, noxious or otherwise
 3. Pruning or cutting of trees and or shrubs to meet maximum height requirements
 4. Painting and/or repair of structure
 5. Meeting local zoning and ordinance requirements.
- B.** Should Lessee fail to properly maintain the demised premises as specified in part A above, Lessor may give Lessee notice of such fact, and Lessee must within 10 days undertake to remedy such deficiencies. If Lessee fails to act after such notice, Lessor shall have the right and power to perform such care and maintenance to restore the site, and Lessee shall be liable for the costs of such work.
- C.** Should Lessee fail to reimburse Lessor for work done in restoring the demised premises, the cost shall be a lien against the property, and shall be assessed against the Lessee's City Tax liability.

VII. Easements -

Lessee shall grant the Lessor easements for the installation of water, gas, electrical, telephone, sanitary and storm sewers when necessary.

VIII. Taxes and Assessments -

All taxes and assessments against the demised premises, structures, and improvements shall be the responsibility of the Lessee.

IX. Enforcement -

- A.** Restrictions contained in these building standards may be enforced at law or in equity by the Lessor. Lessor shall not have any liability at law or in equity to any person for failure to enforce any of the restriction contained in these Covenants.

B. Lessor may from time to time at any reasonable hour or hours, enter and inspect any of the affected property to ascertain compliance with these Covenants.

X. Duration -

These building standards shall be in effect until altered, revised, revoked, or terminated by Lessor.

XI. Effect of Invalidation -

In the event that any portion of these building standards is held to be invalid by any court, the invalidity of such provision shall not affect the remaining provisions of these building standards and they shall remain in full force and effect.

XII. Variances from Standards -

The West Michigan Airport Authority may approve variances from the Building Standards provided that the variance relates to unique circumstances applying to the subject property that do not apply to other leased properties at the airport.

XIII. Amendments to Plan

Any amendments to an approved development plan must follow the approval process described in Section II of these standards, unless another process is approved by the West Michigan Airport Authority specifically for a requested amendment.

West Michigan Airport Authority

270 South River Avenue, Holland, MI 49423
P (616) 510-2332

Comprising City of Zeeland, Park Township and City of Holland



June 6th, 2019

REPORT 4.

To: West Michigan Airport Authority Board.
From: Aaron Thelenwood, Operations Manager.
Subject: **Fiscal Year 2020 Airport Insurance Proposal**

The Airport Authority annually purchases insurance to cover property, liability, public officials, and workers compensation. The insurance also includes coverage for floods and terrorism. The Authority works through the City of Holland's insurance agent, AJ Gallagher, to obtain quotations and purchase the insurance. For airports, there are limited insurance providers when it comes to property and liability coverages.

A summary of the premium changes and rate analysis are attached to this report. The total premium cost for FY21 is \$24,366 which is a 6.6% decrease from the FY20 amount of \$26,093. This decrease is due to a change insurance carrier.

The FY21 budget includes \$27,000 for insurance premiums.

A representative from AJG will attend Monday's Authority Board meeting and this insurance will need to be approved in June so that the policies can be in place by July 1, 2020.

Recommendation

It is recommended that the Board approve the Fiscal Year 2020 insurance proposal as presented.

Attachment: Summary of insurance coverage.

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.

West Michigan Airport Authority

July 1, 2020 to July 1, 2021 (as of 5/27/20)



Premium and Rate Analysis

Coverage	19-20 Exposures @ 19-20 Rates	20-20 Exposures @ 20-21 Rates	% Change	\$ Change	Option 1	% Change	\$ Change	Notes
Workers Compensation	Accident Fund	Accident Fund			Accident Fund			
Exposure (Total Payroll)	\$ 15,000	\$ 15,000	0.00%	\$ -	\$ 15,000	0.00%	\$ -	
Rate per \$100 in Payroll	\$ 0.100	\$ 0.090	-10.00%	\$ (0)	\$ 0.090	-10.00%	\$ (0)	
Modified Premium	\$ 15	\$ 14	-10.00%	\$ (2)	\$ 14	-10.00%	\$ (2)	
Fees and Taxes	\$ 364	\$ 362	-0.55%	\$ (2)	\$ 362	-0.55%	\$ (2)	
Total Premium	\$ 379	\$ 376	-0.92%	\$ (4)	\$ 376	-0.92%	\$ (4)	
Property	Chubb	Chubb			Travelers			
Exposure (TIV)	\$ 5,127,418	\$ 5,950,779	16.06%	\$ 823,361	\$ 6,689,537	30.47%	\$ 1,562,119	
Rate per \$100 in TIV	\$ 0.269	\$ 0.264	-2.03%	\$ (0)	\$ 0.179	-33.56%	\$ (0)	
Premium	\$ 13,814	\$ 15,707	13.70%	\$ 1,893	\$ 11,975	-13.31%	\$ (1,839)	
Public Officials and EPLI	Greenwich	Greenwich			Greenwich			
Premium	\$ 6,305	\$ 6,420	1.82%	\$ 115	\$ 6,420	1.82%	\$ 115	
Engineering Fee	\$ 195	\$ 195	0.00%	\$ -	\$ 195	0.00%	\$ -	
Total Premium	\$ 6,500	\$ 6,615	1.77%	\$ 115	\$ 6,615	1.77%	\$ 115	
Airport Owners and Operators Liability	Chubb	Chubb			Chubb			
Premium	\$ 5,400	\$ 5,400	0.00%	\$ -	\$ 5,400	0.00%	\$ -	Optional 3-year term. See below
Total Premium	\$ 26,093	\$ 28,098	7.68%	\$ 2,005	\$ 24,366	-6.62%	\$ (1,728)	All Premiums Annualized

Notes:
 All listed rates reflect average rate calculation. Please refer to policy for specific ratings.
 This form is intended as a summary of premiums and exposures. Please refer to actual quotes for detailed coverages, terms and conditions of policies.

Airport Owners and Operators Liability

3 Year Policy Term was purchased last year: Total Premium \$16,200

Airport Owners & Operators Liability



West Michigan Airport Authority

July 1, 2019 to July 1, 2020

Coverages	Coverage Limits	Basis
General Liability Limits		
Each Occurrence	\$20,000,000	Each Occurrence
General Aggregate	N/A	Each Occurrence
Products / Completed Operations Aggregate	\$20,000,000	Each Occurrence
Non-Owned Aircraft Liability	\$20,000,000	Each Occurrence
Fire Damage - Any One Fire	\$100,000	Each Occurrence
Employee Benefits Liability	\$1,000,000	Each Loss
Premises Medical Payments	\$1,000	Each Person
Hangerkeeper's Liability Limits		
Hangerkeeper's - Any One Aircraft	\$20,000,000	Any One Aircraft
Hangerkeeper's - Any One Occurrence	\$20,000,000	Per Occurrence
Deductibles		
General Liability Each Occurrence	\$0	Per Loss
Hangerkeeper's Liability	\$1,000	Each Aircraft / Each Occurrence

Additional Coverages
Damage to Your Work and Damage to Your Products Exclusion(s) - Removed
Mutual Aid Agreements included as part of the Airport Operations definition
Incidental Medical Malpractice Liability - Included
Airside Auto Liability - Included
War Risks Liability - Included
Contingent Control Tower Liability - Included
Personal Injury extended to include Discrimination
90 Day Cancellation - 10 Day Non-Payment of Premium

Public Officials Liability and EPLI



West Michigan Airport Authority

July 1, 2020 to July 1, 2021

Coverages	Coverage Limits	Basis
Public Officials and Employment Practices Liability Limits		
Public Officials Management	\$5,000,000	Each Loss
Employment Practices Liability	\$5,000,000	Each Loss
Policy Aggregate	\$5,000,000	Each Loss
Non-Monetary Coverage - Defense Only	\$50,000	Each Loss
Non-Monetary Coverage - Defense Only Aggregate	\$100,000	Each Loss
Crisis Management	\$25,000	Each Loss
Deductibles		
Public Officials Management	\$2,500	Each Loss
Employment Practices Liability	\$10,000	Each Loss
Non-Monetary Coverage - Defense Only	\$2,500	Each Loss
Crisis Management	\$5,000	Each Loss
Additional Coverages		
Additional Insureds - Board, Commissions, etc.		
25% Minimum Earned Premium		
No Flat Cancellations		
See Policy for Extended Reporting Period		

Workers Compensation



West Michigan Airport Authority
July 1, 2020 to July 1, 2021

Coverages	Coverage Limits	Basis	
Basic Policy Limits			
Workers Compensation (Coverage A)	Statutory	Each Accident	
Employers Liability (Coverage B)			
Per Accident	\$1,000,000	Each Accident	
Per Disease	\$1,000,000	Per Employee	
Policy Limit	\$1,000,000	Policy Limit	
Deductible			
Deductible	\$0	Per Injury	
Payrolls			
Classification	2019 / 2020 Expiring Payroll	2020 / 2021 Renewal Payroll	% Change
8810 - Ticket Sellers & Clerks	\$15,000	\$15,000	0%

2020 Proposal of Insurance Prepared for:

West Michigan Airport Authority

1581 S. Washington Ave
Holland, MI 49423

Presented: May 27, 2020

Airport Owners & Operators Liability
Commercial Property Insurance

Effective: July 1, 2020 – July 1, 2021



Arthur J. Gallagher & Co.

AVIATION PRACTICE

Scott Bolger, CPCU, ARM

Area Executive Vice President

Ben Curtis, CPCU, ARM

Area Vice President

Arthur J. Gallagher Risk Management Services, Inc.

2580 Foxfield Road, Suite 203

St. Charles, IL 60174

847-586-0802

scott_bolger@ajg.com

www.ajg.com

CA Agency License #0D69293

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Mission Statement

OUR MISSION

We are an insurance brokerage, consulting & risk management services company committed to being the best at reducing the cost of risk and protecting the financial integrity of our clients.

OUR VISION

To be recognized and respected . . .

B*y our clients as unparalleled customer service professionals providing responsive and innovative solutions that address their needs.*

B*y our markets as tenacious competitors providing opportunities for growth and operating with the highest degree of integrity and ethical character*

B*y our employees as “a winning team” providing a fair, challenging and friendly environment that rewards performance, encourages creativity and supports personal development.*

B*y our community as an organization promoting both individual and collective involvement that “makes a difference”.*

Client Service Team

Main Phone Number: (847) 586-0800

2580 Foxfield Road, Suite 203
St. Charles, IL 60174



A service team approach will be implemented for West Michigan Airport Authority to provide a senior level availability for all of your services and risk management needs as well as daily services requirements.

<p>Ben Curtis, CPCU, ARM Account Executive</p> <p>Telephone #616-233-0909 Ben_Curtis@ajg.com</p>	<p>Scott D. Bolger, CPCU, ARM Area Executive Vice President</p> <p>Telephone #847-586-0802 Scott_Bolger@ajg.com</p>
<p>Katie Carlson, CISR Client Service Executive</p> <p>Telephone #616-233-0915 Katie_Carlsonr@ajg.com</p>	<p>Kathy Epstein Client Service Manager</p> <p>Telephone #847-586-0805 Kathy_Epstein@ajg.com</p>

Claims Reporting Instructions

Line of Coverage	Carrier	Policy #	Address	When to Report
Airport Owners and Operators Liability	ACE Property and Casualty Insurance Company	TBD	Chubb Specialty Casualty Aviation 1100 Poydras Street Suite 2150 New Orleans, LA 70163	Immediately
Property Insurance	Federal Insurance Company	TBD	c/o Chubb Insurance Company 2155 West Pinnacle Peak Road Phoenix, AZ 85027-1210	Immediately
Property Insurance	Travelers Indemnity Company	TBD	c/o National Hangar Insurance Program 1300 S. Main Tulsa, OK 74119	Immediately
Public Officials and Employment Practices	Greenwich Insurance Company	TBD	XL Catlin Attn: Denese Davis 14643 Dallas Parkway, Ste 770 Dallas, TX 75254	Immediately
Workers Compensation	Accident Fund National Insurance Company	TBD	Accident Fund 200 N Grand Ave Lansing, MI 48933	Immediately

Report Claims to:

Arthur J Gallagher & Co.
2580 Foxfield Road, Suite 203, St. Charles, IL 60174

Contact: Scott D. Bolger
Direct Phone: (847) 586-0802
Main Phone: (847) 586-0800
Fax: (847) 586-0810
Email: Scott_Bolger@ajg.com

Commercial Property:

Chubb Group of Insurance Companies
Claim Service Center
600 Independence Parkway
PO Box 4700
Chesapeake, VA 23327-4700
Telephone: (800) 252-4670 (24 hours a day, 7 days a week)
Fax: (800) 300-2538

Claims Reporting Instructions

Commercial Property:

Travelers: (800) 238-6225

Travelers.com

(24 hours a day, 365 days a year)

Workers Compensation:

Online: www.accidentfund.com

Telephone: (866) 206-5851

Fax: (866) 814-5595

Email: ClaimsExpress@accidentfund.com

Public Officials & Employment Practices

Telephone: (972) 383-7186

Fax: (972) 383-7177

Email: proclaimnewnotices@xlgroup.com

Airport Owners & Operators Liability Coverage Summary

CARRIER:

ACE Property & Casualty Insurance Company

POLICY TERM:

July 1, 2020 to July 1, 2021 both dates at 12:01 a.m. local time at first named insured's address.

NAMED INSURED:

West Michigan Airport Authority and their respective employees, elected or appointed board members, commissions, volunteers, agencies, and their elective or appointed officers, members, or persons acting in the scope of the airport's authority.

NOTE: *Any entity not named as an insured in this proposal may not be an insured entity. This may include Partnerships and Joint Ventures.*

MAILING ADDRESS:

1581 S. Washington Ave.
Holland, MI 49423

AIRPORT LOCATION:

BIV – West Michigan Regional Airport
Holland, MI 49423

INSURED PREMISES:

West Michigan Airport (i.e. Holland) and any locations necessary and incidental to the operations of the named insured.

LIMITS OF LIABILITY:

Each occurrence	\$ 20,000,000
General aggregate	N/A
Products/completed operations aggregate	\$ 20,000,000
Personal and advertising injury aggregate	\$ 20,000,000
Incidental medical malpractice aggregate	\$ 20,000,000
Non-Owned Aircraft Liability	\$ 20,000,000
Fire damage – any one fire	\$ 100,000

Airport Owners & Operators Liability Coverage Summary

LIMITS OF LIABILITY:

Excess Auto Liability Off Premises (Excess of \$1,000,000)	\$ 20,000,000
Excess Employers Liability, Excluding Disease (Excess of \$1,000,000)	\$ 20,000,000
Hangarkeeper's – any one aircraft	\$ 20,000,000
Hangarkeeper's – any one occurrence	\$ 20,000,000
Employee Benefits Liability	\$ 1,000,000
Premises Medical Payments – each person	\$ 1,000

DEDUCTIBLES:

Each occurrence	\$ NIL
Annual Aggregate	\$ NIL
Hangarkeeper's (Each Aircraft/Occurrence)	\$ \$1,000

ADDITIONAL COVERAGES

- War Risks Liability – Included
- TRIA - Included
- Damage to your Work and Damage to your Products Exclusions Deleted
- Mutual Aid Agreements included as part of the definition of Airport Operations.
- Incidental medical malpractice liability - Included
- Contractual liability ("Insured Contracts") – No Reporting Requirements
- Personal injury - Extended to include discrimination
- Worldwide territory
- Date Recognition Exclusion Writeback - Included
- Contingent Control Tower Liability included
- 90 day cancellation – 10 day non-payment of premium
- Fellow Employee Exclusion – Deleted
- Excess Auto Liability of \$20,000,000 Excess \$1,000,000
- Excess Employers Liability of \$20,000,000 Excess of \$1,000,000
- Airside Auto Liability - Included

Airport Owners & Operators Liability Coverage Summary

Included Forms and Endorsements:

AAP 200 (07-10) Airport Owners and Operators General Liability Policy - Jacket
AAP 201 (11-99) Airport Owners and Operators General Liability Policy - Declarations
AAP 201S (11-99) Airport Owners & Operators General Liability Policy - Schedule of Endorsements.
AAP 202 (11-99) Airport Owners and Operators General Liability Policy - Policy Provisions
AAP 203 (02-08) Extended Coverage – War Risks Liability
AAP 204 (11-03) Amendment of Noise and Pollution and Other Perils Exclusion
AAP 207 (11-04) Additional Insured Endorsement – City of Holland
AAP 210 (11/99) Amendment of Deductible Amounts and Conditions Endorsement
AAP 211 (03-09) Extension – Specific Excess Auto Liability \$20,000,000 Excess of \$1,000,000
AAP 212 (11/99) Fees and Expenses Included in Deductible Endorsement
AAP 220 (11/99) Immunity Waiver Endorsement
AAP 227 (03-09) Extension – Specific Excess Employers Liability \$20,000,000 Excess of \$1,000,000
AAP 228 (11/99) Cancellation Notification Change
AAP 234 (11/99) Airport Limited Enhanced Coverage Endorsement
AAP 237 (11/99) Nuclear Risks Exclusion Clause
AAP 242 (11/99) Personal Injury Limitation Endorsement
AAP 248 (11/99) Volunteers Endorsement
AAP 250 (11/99) Employee Benefits Liability Endorsement
AAP 256 (11/99) Date Recognition Exclusion Endorsement
AAP 255 (03-08) Date Recognition Limited Coverage Endorsement
AAP 270 (01-15) Amendment to Included Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism
AAP 273 (11-03) Pollution Endorsement
AAP 275 (01-15) Limited Terrorism Coverage Endorsement
AAP 277 (01-06) Silica And Silica-Related Dust Exclusion
ALL-21101 (11-06) Trade or Economic Sanctions Endorsement
AAP 306 (03-08) Infringement of Copyright, Patent, Trademark or Trade Secret Endorsement
AAP 307 (03-08) Amendment to Supplementary Payments (Court Cost) Endorsement
TR-19604d (01/15) Notice of Terrorism Insurance Coverage

Property Insurance Coverage Summary

CARRIER:

OPTION #1: Federal Insurance Company

OPTION #2: The Travelers Indemnity Company; Travelers Property Casualty Company of America; The Travelers Lloyds Insurance Company

EFFECTIVE DATES:

July 1, 2020 to July 1, 2021 both dates at 12:01 a.m. local time at first named insured's address.

NAMED INSURED: West Michigan Airport Authority

NOTE: Any entity not named as an insured in this proposal may not be an insured entity. This may include Partnerships and Joint Ventures.

MAILING ADDRESS:

60 Geurink Boulevard
Holland, MI 49423

LIMITS AND SUBLIMITS:

Coverage/Perils	Limit or Sublimit	Limit Chubb	Limit NHIP
Building Location #1	Limit	\$310,410	\$481,000
Building Location #2	Limit	\$310,410	\$481,000
Building Location #4	Limit	\$310,410	\$481,000
Building Location #7	Limit	\$2,587,187	\$2,833,643
Runway Sign and Lights	Limit	\$475,726	\$750,145
Instrument Landing System	Limit	\$754,690	\$1,000,000
Business Personal Property	Limit	\$606,188	\$586,720
Business Interruption (Building 1)	Limit	\$82,233	\$76,029
Flood (aggregate)	Sublimit	\$500,000	\$500,000
Earthquake (aggregate)	Sublimit	Not Currently Insured	Not Provided

PERILS COVERED:

Type	Description
Special Form Perils	Covered Causes of Loss

Property Insurance Coverage Summary

SCHEDULE OF VALUES AND LOCATIONS:

Schedule of Property Values
as of May 2020

	Location 1 Building 1	Location 1 Building 2	Location 1 Building 4	Location 1 Building 5	Location 1 Building 6	Location 1 Building 7	TOTALS
Location Addresses:	1581 S Washington Ave Holland, MI 49423	1581 S Washington Ave Holland, MI 49423	1581 S Washington Ave Holland, MI 49423	1581 S Washington Ave Holland, MI 49423	1581 S Washington Ave Holland, MI 49423	60 Geurink Boulevard Holland, MI 49423	
Occupancy Type:	Hanger Center	Hanger West	Hanger East	Runway Signs and Lights	Instrumental Landing System w/ Lights	New Terminal	
Building Construction / Description:	Non-Combustible	Non-Combustible	Non-Combustible				
Construction Type:	9,250	9,250	9,250				
Square Footage:							
Sprinklered? Type?							
Fire Alarm? Type?							
****ALL VALUES SHOULD BE LISTED AS REPLACEMENT COST VALUES - NOT Current Book Values.							
Real Property Values:							
Building Value	\$ 310,410	\$ 310,410	\$ 310,410			\$ 2,587,187	\$ 3,518,417
Fencing							\$ -
Underground Property							\$ -
Signs							\$ -
Runways, Taxiways, Aprons, etc.				\$ 750,145	\$ 1,000,000		\$ -
Lighting / Navigation Equipment							\$ 1,750,145
Personal Property Values:							
Office Equipment / Furniture	\$ 112,486	\$ 112,486	\$ 112,486			\$ 168,730	\$ -
Machinery							\$ 506,188
Computer Equipment (including printers, copiers, faxes, scanners, etc)	Included		\$ 100,000				\$ -
Computer Software	Included						\$ 100,000
Fine Art							\$ -
Signs							\$ -
Inventory							\$ -
Valuable Papers and Records							\$ -
Improvements and Betterments							\$ -
Mobile Equipment (Tugs, fuel trucks, APU's, forklift, etc.)							\$ -
Tools - Owner Owned							\$ -
Tools - Employee Owned							\$ -
Property of Others in your Care, Custody or Control							\$ -
Property at other Locations							\$ -
Property in Transit							\$ -
Other							\$ -
Spare Aircraft Parts							\$ -
Business Interruption / Extra Expense Valuation							
(use BI Worksheet for specific calculations)	\$ 76,029						\$ -
Ordinary Payroll?							\$ 76,029
Dependant Properties?							\$ -
Machinery Breakdown / Boiler Equipment							\$ -
TOTALS - CHUBB/ACE	\$ 498,925	\$ 422,896	\$ 522,896	\$ 750,145	\$ 1,000,000	\$ 2,755,917	\$ 5,950,779
TOTALS - The Travelers Indemnity Company	\$ 665,189	\$ 589,160	\$ 689,160	\$ 750,145	\$ 1,000,000	\$ 2,995,883	\$ 6,689,537

Property Insurance Coverage Summary

DEDUCTIBLE AND VALUATION:

Coverage/Perils	Amount	Amount Basis	Valuation
Building	\$2,500	Each Occurrence	Replacement Cost
Electronic Data Processing	\$2,500	Each Occurrence	Replacement Cost
Business Income	24 Hours	Each Occurrence	Actual Loss Sustained
Flood	\$50,000	Each Occurrence	Replacement Cost
Supplementary	\$3,500	Each Occurrence	Replacement Cost

COINSURANCE OR AGREED AMOUNT:

Description	Agreed Amount	Coinsurance %
Building	Yes	Waived
Business Personal Property	Yes	Waived

PROPERTY COVERAGE (ADDITIONAL LIMITS):

Description	Limit – Chubb	Limit – NHIP
Blanket Limit – Chubb	\$250,000	
Blanket Limit – The Travelers Indemnity Company		
Building(s):		\$2,835,086
Your Business Personal Property:		\$2,174,625
Accounts Receivable	Blanket Limit Above	\$50,000
In transit or at all undescribed premises		\$25,000
Appurtenant Buildings and Structures		\$100,000
Claim Data Expense		\$25,000
Electronic Data Processing Property	Blanket Limit Above	\$50,000
Fine Arts	Blanket Limit Above	\$50,000
Leasehold Interest – Bonus Payment, Prepaid Rent, Sublease Profit, Tenants Lease Interest	Blanket Limit Above	
Leasehold Interest – Undamaged Tenants Improvements and Betterments	Blanket Limit Above	\$100,000
Non-Owned Detached Trailers	Blanket Limit Above	\$25,000
Outdoor Trees and Shrubs	Blanket Limit Above	\$25,000 (\$2,500 each tree/shrub or plant)
Personal Property of Employees	Blanket Limit Above	\$25,000
Valuable Papers	Blanket Limit Above	\$50,000
At all described premises		\$50,000
In transit or at all undescribed premises		\$25,000
Public Safety Service Charges	Blanket Limit Above	
Any Other Location		
Accounts Receivable	\$50,000	
Building Components	\$50,000	
Electronic Data Processing Property	\$50,000	
Fine Arts	\$50,000	
Personal Property	\$50,000	
Research and Development Property	\$50,000	
Valuable Papers	\$50,000	

Property Insurance Coverage Summary

PROPERTY COVERAGE (ADDITIONAL LIMITS):

Description	Limit – Chubb	Limit – NHIP
Debris Removal		
Scheduled Locations	\$100,000	\$250,000
Any other Location	\$25,000	
Deferred Payments	\$25,000	\$25,000
Exhibition, Fair or Trade Show		
Electronic Data Processing Property	\$50,000	
Fine Arts	\$50,000	
Personal Property	\$50,000	
Extra Expense	\$100,000	\$25,000
Fire Department Service Charge		Included
Fire Protective Equipment Discharge		Included
Green Building Alternatives – Increased Cost Percentage: 1%		Included
Maximum amount – each building		\$100,000
Green Building Reengineering and Recertification Expense		\$25,000
Limited Coverage for Fungus, Wet Rot or Dry Rot – Annual Aggregate		\$25,000
Non-owned Detached Trailers		\$25,000
Outdoor Signs		
At all described premises		\$100,000
At all undescribed premises		\$5,000
Personal Effects		\$25,000
Theft Damage to Rented Property		Included
Undamaged Parts of Stock in Process		\$50,000
Water or other Substance Loss – Tear Out and Replacement Expense		Included
Installation		
Any Job Site	\$25,000	
In Transit	\$25,000	

Property Insurance Coverage Summary

PROPERTY COVERAGE (ADDITIONAL LIMITS Continued):

Description	Limit - Chubb	Limit - NHIP
In Transit		
Accounts Receivable	\$25,000	
Building Components	\$25,000	
Electronic Data Processing Property	\$50,000	
Fine Arts	\$25,000	
Personal Property	\$25,000	\$25,000
Loss of Master Key	\$15,000	\$25,000
Loss Prevention Expense	\$10,000	
Mobile Communication Property	\$15,000	
(greater than 1,000 feet from a scheduled location)		
Money & Securities		
On Premises	\$15,000	
Off Premises	\$15,000	
Preservation of Property		
Expenses to move and temporarily store property		\$250,000
Direct loss or damage to moved property		Included
Pollutant Clean Up or Removal	\$25,000	\$100,000
Processing Water	\$10,000	
Stored Water		\$25,000
Preparation of Loss Fees	\$10,000	
Newly Acquired Premises or Newly Acquired or Constructed Property		
Building	\$2,500,000	\$2,000,000
Personal Property	\$1,000,000	\$1,000,000
Personal Property at Existing Premises	\$100,000	
Electronic Data Processing Equipment	\$1,000,000	
Electronic Data	\$50,000	\$50,000
Communication Property	\$50,000	
Fine Arts	\$15,000	\$50,000
Impairment of Computer Services – Malicious Programming		
Inside Attack	\$100,000	
Outside Attack – Per Occurrence	\$10,000	
Outside Attack – Annual Aggregate	\$50,000	

POLICY EXCLUSIONS (not a complete list – see policy for full details):

Governmental or Military Action
 Inherent Vice/Latent Defect
 Insects or Animals
 Mechanical Breakdown
 Nuclear Hazard
 Utility Supply Failure
 War and Military Action
 Flood

Public Officials and Employment Practices Liability Coverage Summary

Carrier: Greenwich Insurance Company

Policy Term:

July 1, 2020 to July 1, 2021 both dates at 12:01 am local time at first named insured's address

Retroactive Date:

Full Prior Acts

Named Insured:

West Michigan Airport Authority and their respective employees, elected or appointed board members, commissions, volunteers, agencies and their elective or appointed officers, members, or persons acting in the scope of the airport's authority

NOTE: Any entity not named as an insured in this proposal may not be an insured entity. This may include Partnerships and Joint Ventures

Description	Limit
Public Officials Management	\$5,000,000
Employment Practices Liability	\$5,000,000
Policy Aggregate	\$5,000,000
Non-Monetary Coverage – Defense Only	\$50,000
Non-Monetary Coverage – Defense Only Aggregate	\$100,000
Crisis Management	\$25,000
Deductibles	
Public Officials Management	\$2,500
Employment Related Practices	\$10,000
Non-Monetary Coverage – Defense Only	\$2,500
Crisis Management	\$5,000
Retentions are per claim	

Public Officials and Employment Practices Liability Coverage Summary

Included Forms and Endorsements:

PN MI 01 09 09	Notice to Michigan Exempt Commercial Policyholders
IL MP 9104 0314 GIC 03 14	In Witness
PGU2002 04 17	Schedule of Policy Forms and Endorsements
PGU POL 2001 04 17	Public Officials and Employment Practices Liability Policy
PGU POL 1033 04 17	Additional Insured – Boards, Commissions or Units
PGU 1052 (POL) 04 17	Minimum Earned Premium Upon Cancellation
PN CW 01 09 15	Notice to Policyholders – Fraud Notice
PN CW 02 10 15	Notice to Policyholders – Privacy Policy
PN CW 05 09 14	Notice to policyholders – US Treasury Department's OFAC
PGU POL 2000 08 19	Public Officials and Employment Practices Liability Declarations

Premium Terms:

Minimum Earned Premium: 25% of total policy premium or \$1,500
No Flat Cancellations

Extended Reporting Period

- (1) If either the Insurer or the Named Insured cancels, refuses or declines to renew this Policy for any reason other than nonpayment of premium, the Named Insured will have the right to:
 - (a) a seventy-five (75) day Automatic Extended Reporting Period, beginning on the effective date of cancellation or non-renewal, for no additional premium charge; and
 - (b) to purchase an Additional Extended Reporting Period, beginning on the effective date of cancellation or non-renewal, for an additional premium; provided that the Insured elects to purchase the Additional Extended Reporting Period in writing and provides to the Insurer any additional premium due within third (30) days of the effective date of cancellation or non-renewal, subject to the available options as set forth below in paragraph (3) of this Section.
- (2) The coverage otherwise afforded by this Policy will be extended to apply to Loss or Defense Expenses from Claims first made during an Extended Reporting Period, but only if such Claims are not Wrongful Acts committed on or after the Retroactive Date and before the end of the Policy Period. An Extended Reporting Period does not increase or reinstate any Limit of Liability and may only be effective if all premiums and retentions due under the Policy have been paid. The Automatic Extended Reporting Period shall not become effective if the Insured procures replacement coverage. Once purchased, the Additional Extended Reporting Period may not be cancelled and the premium shall be deemed fully earned.
- (3) Additional Extended Reporting Period Options:
 - (a) a one (1) year extended reporting period for an additional premium of seventy percent (70%) of the Premium set forth in ITEM 6. Of the Declarations;
 - (b) a two (2) year extended reporting period for an additional premium of one hundred percent (100%) of the Premium set forth in ITEM 6. Of the Declarations;

Public Officials and Employment Practices Liability Coverage Summary

- (c) a three (3) year extended reporting period for an additional premium of one hundred and fifty percent (150%) of the Premium set forth in ITEM 6. Of the Declarations

Definition of a Claim

Claim Means:

- (a) a written demand for monetary damages or Non-Monetary Relief;
- (b) a written request to toll or waive any statute of limitations, or to waive any contractual time bar, relating to a potential suit against an Insured for a Wrongful Act;
- (c) a civil proceeding in a court of law or equity, including any appeal therefrom, which is commenced by the filing of a complaint, motion for judgement, or similar proceeding;
- (d) a criminal proceeding which is commenced by the return of an indictment or similar document;
- (e) an administrative or regulatory proceeding or investigations, including a proceeding brought by or before the Equal Employment Opportunity Commission or similar state or local agency, commenced by filing of a notice of charges, formal order of investigation or similar document; or
- (f) an arbitration proceeding, or any other alternative dispute resolution proceeding, to which the Insured must submit or does submit with the Insurer's consent.

Claim shall not include any labor grievance, arbitration or other proceeding brought pursuant to a collective bargaining agreement.

Workers Compensation Coverage Summary

Carrier: Accident Fund National Insurance Company

Policy Term:

July 1, 2020 to July 1, 2021 both dates at 12:01 am local time at first named insured's address

Named Insured:

West Michigan Airport Authority

NOTE: Any entity not named as an insured in this proposal may not be an insured entity. This may include Partnerships and Joint Ventures

Coverage:

DESCRIPTION	LIMIT TYPE	AMOUNT	BASIS
Coverage A - Workers' Compensation		Statutory	
Employers' Liability Limits: Bodily Injury by Accident	Limit	\$1,000,000	Each Accident
Employers' Liability Limits: Bodily Injury by Disease	Limit	\$1,000,000	Each Employee
Employers' Liability Limits: Bodily Injury by Disease	Limit	\$1,000,000	Policy Limit

Deductibles / Self Insured Retention

TYPE	COVERAGE	AMOUNT
Deductible	Workers' Compensation	None

States:

DESCRIPTION	STATE
States Excluded:	ND, OH, PR, VI, WA, WY

Endorsements include, but are not limited to:

DESCRIPTION
WC990406 08 16 Premium Discount Endorsement

Endorsements include, but are not limited to:

DESCRIPTION
WC990660 05 17 Execution Clause Endorsement
WC992101 02 07 MI Amendatory Endorsement

Exclusions include, but are not limited to:

DESCRIPTION
Bodily Injury to an Employee While Employed in Violation of Law
Bodily Injury Intentionally Caused by Insured
Federal Employers' Liability Act
Assumptions under Contract

Premium Summary

Coverages	2019-2020	2020-2021	2020-2021
	Expiring Premium	Renewal Premium	Option 1 Renewal Premium
Airport Liability Premium: (ACE Property & Casualty Insurance Company) 2 nd year of three-year policy	\$5,400	\$5,400	\$5,400
Property Insurance Premium:	ACE Property & Casualty \$13,814	ACE Federal Insurance Company \$15,707	The Travelers Indemnity Company \$11,975
Public Officials and Employment Practices Liability Coverage (Greenwich Insurance Company) Includes carrier fee of \$195	Greenwich Insurance Company \$6,500	Greenwich Insurance Company \$6,615	Greenwich Insurance Company \$6,615
Workers' Compensation Accident Fund	Accident Fund \$379	Accident Fund \$376	Accident Fund \$376
TOTAL COMBINED ANNUAL PREMIUM:	\$26,093	\$28,098	\$24,366

Gallagher's Aviation Practice is responsible for the placement of the following lines of coverage:

- Airport General Liability and Commercial Property, Public Officials Liability & Employment Practices, and Workers' Compensation

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Premium Finance Options

Premiums for the policies are due and payable as billed, in full or as insurance company installments. Premiums may be financed, subject to acceptance by an approved finance company. Note: Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required.

Outside Financing Quote: Available on Request

Payment Plan Schedule: None

Changes and Developments

It is important that we be advised of any further changes in your operations that may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

1. Changes in any operation(s).
2. Mergers and/or acquisitions
3. Any newly assumed contractual liability, granting of indemnities, or hold harmless agreements.
4. Circumstances which may require increased liability insurance limits.
5. Any pilot changes.

Coverage Considerations

➤ Overview

- A proposal for any of the coverages can be provided.
- The recommendations and considerations summarized in this section are not intended to identify all exposures.
- Since Gallagher does not handle your complete insurance program, these recommendations only reflect items within our scope of responsibility.
 - Cyber Liability
 - Crime

Major Changes to Expiring Program

Coverage:	See Coverage Summary
Premium:	See Premium Summary
Exclusions:	Per Expiring Policy

Service Commitment

Account Service

At Arthur J. Gallagher & Co., we strive for long-term relationships. Insurance Relationships begin with solid, cost-effective insurance programs, but endure because of excellent service. We will address the day-to-day needs of your type of organization in a timely manner, and by being proactive regarding your insurance program throughout each insurance term and market cycle. In these ways, we can address your changing insurance needs.

Renewals

At each renewal, we will meet with you establish a renewal game plan, determining how many markets should be approached, how pricing is in the insurance marketplace, and what specific needs must be addressed. We will then approach markets we feel will present the best alternatives, and present each alternative at renewal as an option, even if we still feel the incumbent program is strongest. We will demonstrate how we have created competition within the marketplace to ensure that you receive the best renewal terms.

Phone Calls

Phone calls will be returned within one working day of receipt.

Certificates of Insurance

Certificates of Insurance will be issued within one working day of receipt and in most cases within hours.

Claims

Claims will be reported to the company within two working days of receipt, and acknowledgement of receipt will be sent to you. We will follow up with the carrier within ten working days after receipt of a claim. Monthly claim reports will be provided if requested.

Marketing Summary

Obtaining a comprehensive and competitively priced program of insurance in the marketplace requires more than access to the market. Past experience and credibility with markets are the foundation of a successful campaign for your company. Complete and accurate submissions, with detailed specifications, are essential. Gallagher companies made a complete and personal presentation to each company contacted.

Insurance Carrier	Coverages	Carrier's Position (Quoted/Declined & Reason)
ACE Property and Casualty Insurance Company	Airport Owners and Operators Liability	Quoted
Federal Insurance Company	Property Insurance	Quoted
The Travelers Indemnity Company Travelers Property Casualty Company of America The Travelers Lloyd Insurance Company	Property Insurance	Quoted
Greenwich Insurance Company	Public Officials and Employment Practices Liability	Quoted
Accident Fund National Insurance Company	Workers Compensation	Quoted

Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer

IMPORTANT: The proposal and/or any executive summaries outline certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. The insurance policies themselves must be read to fully understand the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract of insurance. Policy forms will be made available upon request. We make no warranties with respect to policy limits or coverage considerations of the carrier.

Compensation Disclosure

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

In the event you wish to register a formal complaint regarding compensation Gallagher receives from insurers or third-parties, please contact Gallagher via e-mail at Compensation_Complaints@ajg.com or by regular mail at:

Chief Compliance Officer
Gallagher Global Brokerage
Arthur J. Gallagher & Co.
2850 Golf Rd.
Rolling Meadows, IL 60008

Proposal Disclosures

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance; farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

The TRIPRA program increases the amount needed in total losses by \$20 million each calendar year before the TRIPRA program responds from the 2015 trigger of \$100 million to \$200 million by the year 2020.

TRIPRA is set to expire on December 31, 2020. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2020. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Proposal Disclosures

Note: This proposal abides by wholesale mandatory requirements, not those required in a retail proposal. It is the retail agent's responsibility to deliver the retail (Professional Standards) compliant proposal to the client.

PROPOSAL DISCLAIMERS

The coverage outlined above may not conform to the terms and conditions requested on the application.

Policy Review – The coverage outlined above may not conform to the terms and conditions requested. You are responsible for reviewing the terms carefully and explaining the coverage to the client, including any options available (or not available) from our office or other sources. The items listed here are not a complete description of applicable terms, which will be set forth in full in the policy(ies). No assumption should be made as to the adequacy of coverage for the client's needs.

You are not an agent of the insurer, and as such, cannot (a) bind coverage, (b) make any commitments on behalf of the insurer, or (c) make any commitments on our behalf. The policy cannot be assigned without the written consent of the insurer or their agent.

Cancellation – At binding, you commit to any provisions of coverage such as Minimum Earned Premiums. There are no flat cancellations allowed.

CONTINGENT OR SUPPLEMENTAL COMMISSION

Binding coverage may result in contingent or supplemental commission being paid to Arthur J. Gallagher & Co. / Arthur J. Gallagher Risk Management Services, Inc. Contingent commissions are typically contingent upon performance factors such as growth, profit, volume or retention, while supplemental commissions are not. These supplemental or contingent commissions may range from less than 1% up to 10% of the policy premium.

Carrier Ratings and Admitted Status

PROPOSED CARRIERS	A.M. BEST'S RATING	ADMITTED/NON-ADMITTED**
ACE Property and Casualty Insurance Company	A++, XV	Admitted
Federal Insurance Company	A++, XV	Admitted
The Travelers Indemnity Company Travelers Property Casualty Company of America The Travelers Lloyd Insurance Company	A++, XV	Admitted
Greenwich Insurance Company	A+ XV	Admitted
Accident Fund National Insurance Company	A XII	Admitted

*Gallagher companies use A.M. Best rated insurers and the rating listed above was verified on the date the proposal document was created.

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A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. Best's Credit Ratings™ are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings™ and Guide to Best's Credit Ratings, visit the A.M. Best website at <http://www.ambest.com/ratings>.

**If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Bindable Quotations and Compensation Disclosure Schedule

COVERAGE(S)	CARRIER NAME(S)	WHOLESALER, MGA OR INTERMEDIARY NAME 1	EST ANNUAL PREMIUM 2	COMM. % OR FEE 3	GALLAGHER U.S. owned WHOLESALER, MGA or INTERMEDIARY %
Airport Owners and Operators Liability - \$20 MIL Liability Limit	ACE Property and Casualty Insurance Company	Chubb Specialty Casualty - Aviation	\$5,400	15%	*
Commercial Property	Federal Insurance Co	Chubb	\$15,707	16%	*
Commercial Property	The Travelers Indemnity Company	National Hangar Insurance Program	\$11,975	12.5%	13%
PO & EPL	Greenwich Insurance Co	RPS	\$6,420 \$195 Carrier Fee	10%	5%
Workers Compensation	Accident Fund National Insurance Company	N/A	\$376	9%	N/A

1. We were able to obtain more advantageous terms and conditions for you through an intermediary/wholesaler.
2. If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.
* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.
3. The commission rate is a percentage of annual premium excluding taxes & fees.
* Gallagher is receiving ____% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated May 27, 2020, we accept the following coverage(s).
Please check the desired coverage(s):

Policy Options:

YES	NO	OPTION DESCRIPTION
<input type="checkbox"/>	<input type="checkbox"/>	\$20,000,000 CSL Liability Limit for Airport Owners and Operators Liability Insurance, ACE Property & Casualty Insurance Company, \$5,400 Annual Premium
<input type="checkbox"/>	<input type="checkbox"/>	Airport Owners and Operators Liability Insurance – Three-Year Fixed Premium Total Premium \$16,200 with annual installments of \$5,400
<input type="checkbox"/>	<input type="checkbox"/>	Option #1: Commercial Property Insurance, Federal Insurance Company, \$15,707 Annual Premium
<input type="checkbox"/>	<input type="checkbox"/>	Option #2: Commercial Property Insurance, The Travelers Indemnity Company, \$11,975 Annual Premium
<input type="checkbox"/>	<input type="checkbox"/>	Public Official Management & Employment Practices Liability Greenwich Insurance Company
<input type="checkbox"/>	<input type="checkbox"/>	Workers' Compensation Accident Fund National Insurance Company
<input type="checkbox"/>	<input type="checkbox"/>	Provide Quotations or Additional Information on the Following Coverage Considerations Gallagher recommends that you purchase the following additional coverages for which you have exposure. By rejecting a quotation for this valuable coverage, you understand that there will be no coverage and agree to hold Gallagher harmless in the event of a loss. <input type="checkbox"/> Cyber Liability <input type="checkbox"/> Crime

The above coverage may not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those addressed in the coverage considerations included in this proposal, please list below:

Producer/ Insured Coverage Amendments and Notes:

Client Authorization to Bind Coverage

It is understood this proposal provides only a summary of the details; the policies will contain the actual coverages.

EXPOSURES AND VALUES

We confirm the payroll, values, schedules, and other data contained in the proposal, and submitted to the underwriters, are compiled from our records and we acknowledge it is our responsibility to see that they are maintained accurately. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies.

We agree that your liability to us arising from your negligent acts or omissions, whether related to the insurance or surety placed pursuant to these binding instructions or not, shall not exceed \$20 million, in the aggregate. Further, without limiting the foregoing, we agree that in the event you breach your obligations, you shall only be liable for actual damages we incur and that you shall not be liable for any indirect, consequential or punitive damages.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.ajg.com/privacy-policy/>.

I have read, understand and agree that the above-information is correct and has been disclosed to us prior to authorizing Gallagher to bind coverage and/or provide services to us.

Client Signature

Dated



West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423
P (616) 368-3023

Comprising City of Zeeland, Park Township and City of Holland



June 8th, 2020

To: West Michigan Airport Authority Board.
From: Aaron Thelenwood, Operations Manager.
Subject: Fiscal Year 2020-2026 Audit Proposal

The term of the agreement for WMAA auditing services expired at the conclusion of the FY2019 Financial Audit. A Request for Proposals (RFP) was sent recently sent out by the City of Holland for these services. Since the City of Holland provides financial support services to the Airport Authority, the Airport Authority utilizes the same independent auditor. RFP's were emailed to eight firms, though only one firm responded with a proposal: Rehmann, the airport's incumbent auditing firm.

The proposed fee schedule for the years 2020-2026 (requested five years plus optional a two year extension) and are as follows:

FY-2020	\$7,700
FY-2021	\$7,900
FY-2022	\$8,100
FY-2023	\$8,300
FY-2024	\$8,500
FY-2025	\$8,700
FY-2026	\$8,900

The proposed rates appear to be in line with the current contract. FY19 auditing services were \$7,600.

Recommendation

It is recommended that the Airport Authority approve the proposal for auditing Services from Rehmann for FY20-26 as presented.

May 15, 2020



Professional Auditing Services

TECHNICAL PROPOSAL FOR
City of Holland
Holland Board of Public Works
Holland Historical Trust
Herrick District Library, and
West Michigan Airport Authority

Submitted by:

Rehmann
Paul Matz, CPA, CGFM, Principal

paul.matz@rehmann.com

231.739.9441



May 15, 2020

Michelle Price, Assistant Finance Director
City of Holland
270 S. River Avenue
Holland, MI 49423

We wish to extend our sincere appreciation to the City of Holland (the "City") for the opportunity we have had to be of service as your auditors for the past several years. We thoroughly enjoy working with you and your staff. We trust that you feel that the City benefits from our professional relationship as well.

Thank you for the opportunity to submit our proposal to audit the financial statements of the City of Holland and related entities as of and for the years ending June 30, 2020-2026. Our audits will be conducted in accordance with generally accepted auditing standards; *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), as required.

As current auditor for the City and related entities, we are uniquely qualified to provide high level services while minimizing the disruption to your staff that may come from auditor rotation. Our paperless audit environment also allows us to complete your audits and submit financial reports on a timely basis, whether onsite or offsite, which is even more critical in the current environment.

Our engagement will provide for annual report issuance in accordance with the terms and conditions set forth in your request for proposals and will include:

- Financial audits of the City of Holland, Holland Board of Public Works, Holland Historical Trust, Herrick District Library, and West Michigan Airport Authority for the years ending June 30, 2020-2026
- Certain limited procedures involving supplementary information
- Audit of federal awards and preparation of report on Single Audit Act compliance (if required)
- Assistance with the preparation of the comprehensive annual financial report for the City of Holland and the financial statements for the related entities
- Assistance with the implementation of new financial reporting and/or auditing standards
- Required auditor electronic submissions to state and federal governments

As a leading public accounting firm serving the governmental industry, you can be confident that Rehmann ("Rehmann") is well positioned to serve you. We will leverage our industry experience, technical skills and broad knowledge of issues impacting you to provide high-quality assurance services in a timely, efficient manner.

Our mission is to *deliver governmental business wisdom*. This means that you will:

- Have your audits managed and performed by full-time governmental professionals familiar with City operations.
- Work with a team known for excellence and efficiency in government financial reporting.
- Take comfort in our extensive experience auditing federal awards.
- Have access to customized governmental training and value-added services.
- Benefit from our extensive/unique use of technology, particularly Microsoft Excel.
- Enjoy our transparent audit process that eliminates surprises.
- Understand and appreciate our approach of budgeting *better hours* rather than *more hours*.

As you know, we do a large volume of governmental audits, including counties, cities, schools and other governmental and nonprofit entities. By virtue of this, we truly understand your unique challenges, we know what to expect, we can share best practices and we are intimately familiar with your industry. This depth allows us to serve you from the very beginning with minimal disruption while maintaining a high level of engagement effectiveness and efficiency. This is a great match of your needs with our skills and resources.

In addition to staffing your audits with experienced *governmental auditors*, we bring with us a commonsense customer service approach. For example, we will provide you with a preliminary notice of finding if we have a potential issue at the time such an item arises instead of days, weeks or months later when draft or final reports come out.

Rehmann is a strong advocate of the Government Finance Officers Association (GFOA) requirement to “publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) that satisfies both generally accepted accounting principles and applicable legal requirements.” We provide low- or no-cost solutions to assist clients to prepare award-winning reports and to maintain that level of excellence. We have a wealth of ideas to improve preparation efficiency and we support these highest standards by having more volunteer program reviewers than any other Michigan-based firm. Annually, we assist with the preparation and submission of 25 or more CAFRs (equating to hundreds over a period of years), and we extend this same emphasis on high-quality reporting to every report with which we are associated, whether or not it is part of a GFOA program.

Our reporting and overall engagement efficiency – part of our *better hours* rather than *more hours* philosophy – is anchored by our innovative use of Microsoft Excel for auditing and reporting templates. Besides facilitating much of what is described above, our templates are readily transferable and, given the proliferation of Excel in our daily work lives, easily applied to your needs.

We believe trust is earned through timely preparation and delivery of all financial reports and meeting agreed-upon deadlines. Our team will be dedicated to working with you in meeting your established timeframes for completion, and managing your evolving expectations throughout the audit.

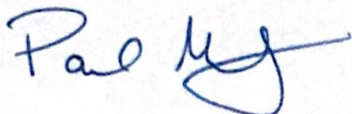
In summary, the Rehmann value proposition is its experienced governmental auditors and the high-quality services we provide on time and at competitive prices.

This proposal is a firm, irrevocable offer for 90 days to provide independent auditing services at the prices quoted herein. The undersigned is authorized to bind our Firm to any agreement resulting from this proposal and to make representations on behalf of our Firm.

Thank you for considering Rehmann. Feel free to contact us at any time.

Sincerely,

Rehmann Robson LLC

A handwritten signature in blue ink, appearing to read "Paul Matz", with a stylized flourish at the end.

Paul Matz, CPA, CGFM
Principal
paul.matz@rehmann.com
231.739.9441

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 Detailed single audit approach

EXPERTISE AND EXPERIENCE

The Rehmann Experience

At Rehmann, we combine our knowledge and experience to resolve the challenges our clients face. We provide forward-thinking solutions and immerse ourselves into our client's business. At the end of the day, we help our clients achieve their goals.



Office Locations

Ann Arbor, MI.....	734.761.2005
Battle Creek, MI.....	269.979.4316
Bonita Springs, FL.....	239.992.6211
Cheboygan, MI	231.627.3143
Detroit, MI	313.202.7400
East Lansing, MI	517.333.6540
Farmington Hills, MI	248.579.1100
Grand Rapids, MI.....	616.975.4100
Grandville, MI.....	616.222.9200
Jackson, MI.....	517.787.6503
Jupiter, FL.....	561.694.1040
Lansing, MI	517.316.2400
Midland, MI.....	989.631.3131
Midland, MI (<i>Technology Solutions</i>)....	989.486.8198
Muskegon, MI.....	231.739.9441
Naples, FL	239.254.5057
Saginaw, MI	989.799.9580
Stuart, FL.....	772.283.7444
Toledo, OH	419.865.8118
Traverse City, MI.....	231.946.3230
Troy, MI.....	248.952.5000
Vero Beach, FL.....	772.234.8484

Professional Service Lines

Advisory & Tax and Assurance

- Tax advisory, compliance and preparation
- Specialized tax focus (R&D, SALT, international, cost segregation, M&A, estate & trust)
- Assurance and financial reporting
- Strategic business planning and advisory

Managed Services and Outsourcing Solutions

- Finance and accounting solutions
- Technology solutions (managed security, IT, cloud and networks)
- Human resource solutions

Specialized Consulting

- Corporate investigations and security
- Business valuation
- Turnaround, restructuring and insolvency
- Litigation support

Wealth Management

- Asset management and financial planning
- Risk analysis and evaluation of insurance coverage
- Planning and analysis for retirement, estate and education savings

Industries Served

Rehmann serves a wide range of clients. A full list of industries can be found on rehmann.com.

- Healthcare
- Manufacturing
- Construction
- Private Equity
- Government
- Education
- Individuals & Private Households
- Financial Services
- Not-for-Profit
- Commercial

International Affiliation

Rehmann is an independent member of Nexia International, a global affiliation of accounting and business services firms that enables members to provide clients with local knowledge in any overseas marketplace.

Mandatory requirements

Our role as your independent external auditor is to deliver assurance services in an efficient manner, without disruption to your staff, while maintaining a high level of quality. Accordingly, we affirm that:

INDEPENDENCE

Rehmann is independent (as defined under the independence standards in auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's *Government Auditing Standards*) of the City of Holland (including related entities) and all of its component units. We are aware of no professional relationships involving the City or any of its agencies or component units within the last five years which would represent potential conflicts of interest; however, we will provide the City with written notice of any pertinent professional relationships entered into during the term of our contract.

LICENSE TO PRACTICE

Rehmann and each certified public accountant to be assigned to the engagement are properly licensed to practice public accounting in the State of Michigan.

PEER REVIEW

The AICPA's peer review program requires that a CPA firm have an independent audit of its quality control documents, systems and procedures every three years. A copy of our most recent peer review report, which included a review of specific government engagements and for which Rehmann received a peer review rating of *pass*, is included in the appendix.

AGENCY REVIEWS

The Firm has no record of substandard work. We have received no negative comments from the numerous routine field and desk reviews which have taken place on the audits submitted to the various state departments and single audit clearing house over the last several years.

Firm qualifications and experience

Rehmann formed in the early 1940's. We have since grown to become a fully integrated financial services and advisory firm that provides accounting and assurance, comprehensive technology, accounting and human resource solutions, specialized consulting and wealth management services with over 900 associates in Michigan, Ohio and Florida. The firm employs a forward-thinking service model that guarantees complete client satisfaction and confidence.



Governmental industry experience

Providing governmental business wisdom requires that we have an intimate understanding of your operations. Rehmann's Governmental Industry Group includes 50 professionals who are dedicated full-time to governmental engagements on a year-round basis and another 75 full-time Rehmann associates who spend a significant amount of time working on public sector audits on a seasonal basis.



Industry involvement

Over the past year, we invested over 130,000 hours in governmental, not-for-profit and higher education clients including:

- Counties
- Cities
- Villages
- Townships
- Public school districts
- Transit agencies
- Public authorities
- Community mental health authorities



We serve
700
public sector
entities comprised of

[**200**
governmental
clients]

+

[**500**
other clients]

SERVICE OFFICE

Your audits will be managed and performed by governmental audit and financial reporting professionals from our Grand Rapids and Muskegon offices. All individuals assigned to your audits will be full-time employees of Rehmann.

In addition to numerous tax personnel, outsourcing experts, and professional support staff, our Grand Rapids office includes the following audit personnel, by job title:

- Principal: 7
- Senior manager: 3
- Manager: 4
- Senior/supervisor: 4
- Staff/in-charge: 6

Firmwide, Rehmann's government team consists of 50 professionals who are dedicated full-time to governmental engagements on a year-round basis and another 75 full-time Rehmann associates who spend a significant amount of time working on public sector audits on a seasonal basis.

EXPERIENCE AUDITING FEDERAL AWARDS

Rehmann's government, not-for-profit and higher education team is staffed by professionals who primarily focus on governmental accounting, auditing and consulting, so all of the professionals assigned to City's engagement will have extensive prior experience in auditing federal programs. Each year, we audit organizations administering hundreds of millions of dollars in federal awards. Accordingly, during 2018 (the last year for which complete data is available) we conducted 105 single audits for public sector clients totaling more than \$700 million in federal awards expended.



MORE EXPERIENCE

Our clients expect integrated solutions that provide real, tangible value — both short term and long term — and they know they can count on us to deliver.

One of the benefits in serving a large number of governmental entities is the experience that we gain from it. This includes experience with a broad range of federal programs. In addition, our executives routinely lead training seminars for the MICPA, GFOA and other organizations on conducting federal single audits. What this means is that you will not have to educate your auditors about your federal programs, but instead you will receive meaningful comments and advice on how to enhance your financial management of those programs.

SINGLE AUDITS PERFORMED BY REHMANN (FOR FISCAL YEARS ENDING IN 2018)

Type of entity	Number of clients audited	Total federal expenditures
City	5	15,999,573
County	18	125,132,880
School	39	91,446,705
Tribe	3	37,919,396
Other governmental entities	8	49,921,880
Higher education	16	346,237,276
Nonprofit	16	<u>76,340,811</u>
Grand total	105	<u>742,998,521</u>

GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

Our experience in assisting clients to receive (and keep receiving) the GFOA Certificate is extensive. At present, our Firm employs more GFOA reviewers than any other organization in Michigan, including Stephen Blann, Daniel Clark, Paul Matz, Kim Lindsay and Will Love.

For first time submitters, we provide sample CAFRs, the checklist used by the GFOA reviewers and spreadsheets for the statistical section. More importantly though, we explain the process and identify the additional information that needs to be gathered, where it can be found and what you will need to prepare.

Whether a first-time submitter or long time certificate recipient, we can provide a range of assistance with the statistical section, MD&A tables and transmittal letter narratives. We also assist in addressing the prior year GFOA review comments. We encourage our clients to assume as much of the responsibility for the CAFR as they are able to handle, but we are always available to assist and generally do so without additional fees.

Clients we are currently assisting or have recently assisted in receiving the GFOA or ASBO Certificate include:

- Bay County
- Charter County of Wayne
- City of Ann Arbor
- City of Battle Creek
- City of Bridgman
- City of Grand Blanc
- City of Holland
- City of Howell
- City of Jackson
- City of Lansing
- City of Sebastian, FL
- City of Tecumseh
- City of Troy
- City of Wyoming
- City of Ypsilanti
- Detroit Public Schools
- Grand Traverse County
- Indian River County, FL
- Isabella County
- Jackson County
- Kalamazoo County
- Kent County
- Kent County Dept. of Aeronautics
- Lucas County, OH
- Midland County
- Monroe County
- Muskegon County
- Plainwell Community Schools
- Portage Public Schools
- Saginaw Charter Township
- Saginaw County

CHARTER MEMBER OF THE AICPA GOVERNMENTAL AUDIT QUALITY CENTER

The AICPA Governmental Audit Quality Center (GAQC) is committed to helping its members achieve the highest standards in performing quality governmental audits. The Center's primary purpose is to promote the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. Members of the Center demonstrate their commitment to these standards by voluntarily agreeing to adhere to Center requirements. The Center provides an online forum for sharing best practices as well as discussion on audit, accounting and regulatory issues.

REHMANN IS CONNECTED

Rehmann is actively involved in industry associations that provide access to professionals with governmental and not-for-profit experience across the country, including:

- American Institute of Certified Public Accountants (member of the Government Audit Quality Center and member of the State and Local Government Expert Panel)
- Florida Institute of Certified Public Accountants
- Ohio Society of Certified Public Accountants
- Michigan Association of Certified Public Accountants (member/past chair of the governmental taskforce, and regularly provide speakers to train other CPAs across the state)
- Institute of Internal Auditors
- Government Finance Officers Association (multiple special review committee members, and an advisor to the CAAFR Committee)
- Florida Government Finance Officers Association
- Michigan Government Finance Officers Association (board member and member of the Standards Committee)
- Michigan Local Government Managers Association
- Michigan Municipal Treasurers Association
- Michigan Association of County Treasurers
- Michigan Association of Counties
- Michigan School Business Officials
- Michigan Association of School Boards
- Michigan Committee on Governmental Accounting and Auditing Statements
- Michigan Association of Community Mental Health Boards
- Association of Government Accountants (four board members and 11 CGFMs)

COMMITMENT TO QUALITY

- Earned ClearlyRated's Best of Accounting diamond award for providing superior service to clients for five consecutive years
- Registered with the Public Companies Accounting Oversight Board (PCAOB)
- Successfully completed all peer review requirements since inception of AICPA Quality Control Standards in 1979
- Named one of the 2018 Best and Brightest Companies to Work For In The Nation
- Recognized as one of the 101 Best and Brightest Companies to Work For in both Metro Detroit and West Michigan
- Ranked as number 32 in the 2019 Top 100 Firms and the 14th fastest-growing firm in the U.S. by Accounting Today



“At Rehmann, we believe the experience you have working with us is as important as the services we deliver. Each day, our goal is to help you get the most out of your Rehmann Experience. Simply put, we want to exceed your expectations.”

RANDY RUPP, CPA
CEO

ACCESS TO CUSTOMIZED TRAINING FOR GOVERNMENTAL ENTITIES

Drawing on our extensive background of providing auditing and consulting services to governmental and related nonprofit entities, Rehmann has developed a wide array of training sessions specifically targeted to the public sector. Following are several options we have for government financial managers:

Governmental webinar series

We host various webinars to update our clients and prospects on new issues related to the public sector. Following is a list of topics recently covered at our governmental seminar series:

- Practical implementation of GASB 84, fiduciary activities
- Mitigating the risk of fraud in the public sector
- Pension updates: GASB 67/68 (and OPEB under GASB 74/75)
- Excel tips and tricks for financial reporting
- Grants management
- 2 CFR Uniform Guidance
- Single audit: sub-recipient monitoring

Publications

We keep you informed about important issues through face-to-face communication and through our publications. Our monthly email newsletter, “BWDexpress,” covers technical changes and addresses relevant, practical issues – authored by our dedicated team of Rehmann advisors. You'll also receive invites to exclusive Rehmann events and more.

Want to see a sample of what Rehmann has to offer? Visit our government publications and resources web page at www.rehmann.com/government_resources.

OUR COMMITMENT TO LOCAL GOVERNMENTS

Rehmann is committed to providing high-quality, low-cost CPE to government financial managers through our involvement in various industry associations. In particular, Rehmann was instrumental in chartering the West Michigan Chapter of the Association of Government Accountants (AGA). Rehmann professionals hold several board seats, including Stephen Blann as education director and chapter president, and Paul Matz as membership chair.



AGA West Michigan provides approximately 40 hours of courses per year. On a quarterly basis, Rehmann sponsors, develops and delivers a variety of these training events, including a three-day, in-depth training program called the “Governmental Accounting Training Series” (GATS).

As a Rehmann client, you may attend any event sponsored by our Firm at no-cost as part of Rehmann’s strategic partnership with the AGA. In addition, Rehmann clients may access recorded versions of any Firm-sponsored training event. Through Rehmann articles, direct mailings, and participation in these AGA programs, our clients stay well-informed about changing professional standards.

Staff qualifications and experience

Your audits will be managed by full-time governmental auditors. The benefit to the City is that your people will not waste their valuable time teaching auditors about governmental accounting and reporting, or the nuances of the City operations. Instead, with Rehmann, your engagements will be staffed with a team of governmental professionals who can work with you as peers, sharing knowledge and best practices, and meeting your completion deadline. Another continuing benefit will be ready access to these professionals to answer questions, discuss options and receive timely technical assistance.

Rehmann brings a unique perspective to the City as our team has served as your auditors for the previous several years. It is important to note that there are no externally imposed requirements for auditor rotation, and in its 2002 Recommended Practice, entitled Auditor Procurement, the Government Finance Officers Association suggests that, "governmental entities should enter into multiyear agreements of at least five years in duration when obtaining the services of independent auditors."



“With Rehmann’s client service philosophy, nothing is more important than a timely response to your questions and concerns. We will not keep you waiting.”

STEPHEN BLANN, CPA, CGFM, CGMA
Principal, Rehmann Governmental Industry Group

REHMANN CLIENT SERVICE PHILOSOPHY

One Team. One Focus. Your Success – Your Rehmann team will have the optimal combination of skills and experience to support your success. Your primary business advisor, **Paul Matz, CPA, CGFM**, is a governmental audit principal with over 19 years of experience serving governmental entities. Paul will:

- Be integrally involved in planning and overseeing your audits.
- Ensure we are meeting and exceeding your needs by delivering *governmental business wisdom*.
- Provide access to additional resources available within our Firm and through our industry networks.

The Rehmann client service delivery model ensures you will have *direct access* to all members of your Rehmann team. **Stephen W. Blann, CPA, CGFM, CGMA**, a governmental principal who is also the firm's director of government audit quality, will serve as the City's client ambassador. Your client ambassador will ask for feedback on the quality of our service and about your experience as a Rehmann client to ensure we are doing all that we can to exceed your expectations.

In addition, a secondary principal, **Kim Lindsay, CPA, CGMA**, a government audit principal who is the primary business advisor for a number of governmental clients, leading financial statement audit, single audit and outsourced CFO engagements, will be available as a backup for Paul or for partner rotation in future periods, if desired.

Krystal Benson, CPA, CGFM, CFE will serve as the engagement senior manager and will be responsible for overseeing the engagement, completing fieldwork and supervising staff. Krystal has significant experience serving governmental entities, including with the City and related entities. In addition to overseeing fieldwork, Krystal will maintain active communication with City throughout the year.

Evan Rummel will be assigned to conduct and supervise the daily fieldwork. Evan has extensive city audit experience, including with the City and related entities. Evan will be on-site at the City on a full-time basis for the duration of the fieldwork for each annual audit.

Our staff accountants have one to five years of experience and will perform many of the audit procedures, as directed by the engagement executives. The final decision of which individual staff we will assign to your audits will be made when we prepare our schedule.

Biographical resumes of these executives are included on the following pages.

EXCELLENCE IN GOVERNMENT FINANCIAL MANAGEMENT

Many of our professionals carry the dual designation of CPA/CGFM (Certified Government Financial Manager), which emphasizes our strong commitment to the governmental sector. Our executives are frequently featured as speakers, both locally and nationally, on topics of importance to local governments. Furthermore, Rehmann has a large number of registered reviewers for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting (CAFR) Program.

Associates designated as “CPAs” are licensed to practice public accounting in the State of Michigan, and are current and in good standing with the Board of Accountancy’s continuing professional education requirements. In addition, all such individuals are current and in good standing with the yellow book governmental continuing professional education requirements.

Associates designated as “CGFMs” are recognized by the Association of Government Accountants as Certified Government Financial Managers. The CGFM designation is a mark of excellence in government financial management, which signifies the highest level of education, experience, and ethical standards in the governmental environment. Rehmann currently has 11 professionals with the CGFM designation.

MANAGEMENT ACCOUNTING EXPERIENCE

When you see CGMA after a Rehmann professional’s name, it means they have earned a Chartered Global Management Accountant (CGMA) designation. The CGMA designation was developed by the American Institute of Certified Public Accountants (AICPA) and the Chartered Institute of Management Accountants (CIMA) to recognize accounting professionals who have attained a proven track record of management accounting experience in business, industry or government.

Management accountants are trusted strategists, helping to guide critical business decisions and drive strong business performance.

CONTINUING PROFESSIONAL EDUCATION

To maintain our competitive edge and to stay ahead of the curve on technical quality, we place significant emphasis on continuing professional education with appropriate focus on industry specialization and relative responsibility levels. We readily exceed the State and GAO's biennial CPE hour requirements through a variety of external and internal programs.

External programs

- MICPA annual spring and fall governmental auditing and accounting updates - Rehmann sends several governmental team members.
- Annual GFOA national conference - Rehmann sends one to two people as speakers and attendees.
- Annual GFOA teleconference (conducted in November) - attended by many of Rehmann's senior and executive level staff.

Internal programs

- Rehmann sponsors multiple training opportunities in West Michigan each year through its involvement with the Association of Government Accountants (AGA). The opportunities total approximately 40 hours per year.
- Annual governmental technical updates, held in June and November, are mandatory for all industry group members.
- Annual audit and assurance service training provides updates on auditing standards with an emphasis on engagement planning, risk assessment, and analytical review techniques. Held in the summer, the training includes governmental breakouts with separate programs for beginning, intermediate and advanced staff.
- Quarterly webinars provide the latest developments in accounting, auditing, and financial reporting standards

Requirement details

We consider our professional staff members to be our most valuable asset and we are committed to their professional development throughout their career at Rehmann. Each of our professional staff members must spend 40 hours each year in accounting and related studies for his/her continuing education and related development.

You can be assured that all professionals designated as CPAs meet or exceed the State and GAO's CPE hour requirements. Rehmann logs each CPE course that associates attend through our centralized CPE tracking software.



Paul R. Matz, CPA, CGFM

PRINCIPAL

Governmental and Not-for-Profit Services



231.739.9441



paul.matz@rehmann.com



Calvin College
BS, accountancy



I focus on being responsive, proactive, and staying ahead of deadlines. As a result, our clients see us as part of their team — not just their auditor.

CURRENT ROLE

Paul is the primary business advisor for a multitude of governmental and not-for-profit clients, leading financial statement audit and single audit engagements. With a concentration on serving the public sector, Paul is committed to helping clients improve their operations by sharing best practices.

Paul serves on Rehmann's government audit quality control subcommittee, ensuring compliance with technical standards and Firm-wide consistency.

SERVICE AREAS

- Governmental and not-for-profit auditing and consulting
- Federal award compliance auditing
- GASB standards implementation
- School district auditing and consulting

EXPERIENCE

Paul joined Rehmann in 2009, during which time he has concentrated exclusively in the governmental and not-for-profit sector. With deep knowledge in the industry, Paul has assisted governments in various stages and is able to draw upon that experience to provide fresh ideas to his clients. Paul's public accounting career began in 2001 and he is licensed as a CPA in both Michigan and Florida.

Paul has extensive experience working with local and intermediate school districts, counties, cities, road commissions and a variety of not-for-profit organizations.

A CLOSER LOOK


- Keeping up-to-date on the latest industry standards, Paul is a member of the AGA West Michigan Chapter (membership chair), the AICPA and MICPA — and he attends national and local continuing professional education programs.
- Actively involved in his community, Paul serves as the board treasurer for Western Michigan Christian High School.
- Paul makes it a priority to proactively discuss new and changing standards with his clients; most recently his clients have recognized an easy implementation of pension-related GASB pronouncements.





Stephen W. Blann, CPA, CGFM, CGMA

PRINCIPAL

Governmental and Not-for-Profit Services

 616.975.2810

 stephen.blann@rehmann.com

 **Indiana Wesleyan University**
BS, accounting and business
administration

In addition to their day to day responsibilities, our public sector clients must follow a wide array of compliance requirements and demonstrate their public accountability. Rehmann's governmental specialists have the technical expertise to help them meet these unique challenges, while delivering our services through a personalized, client-focused approach.

CURRENT ROLE

As the Firm's director of government audit quality, Stephen is responsible for setting quality control standards, developing practice aids and training programs (both internally and for clients), and serving as the technical quality control principal for audit reviews. Stephen also provides outsourced CFO services to governments and not-for-profit organizations.

SERVICE AREAS

- Governmental and not-for-profit auditing and consulting
- Outsourced CFO services and consulting
- Technology utilization and training
- Custom spreadsheet and database programming

EXPERIENCE

Stephen has been with Rehmann since 1995, during which time he has concentrated exclusively in the governmental and not-for-profit sector. Stephen is a Certified Government Financial Manager (CGFM) and a Chartered Global Management Accountant (CGMA) and is licensed as a CPA in both Michigan and Florida. Stephen's client base is comprised of counties, cities, villages, townships, road commissions, community mental health authorities, local and intermediate school districts, Native American tribal governments and a variety of not-for-profit organizations.

A CLOSER LOOK


- Stephen is an active member of and nationally recognized speaker for various professional organizations, including the GFOA, NAFOA, MACMHB, AGA, FICPA and MICPA. His presentations focus on current issues in governmental accounting and financial reporting, grant compliance, internal controls and technology utilization.
- Since 2003, Stephen has served as an advisor on the GFOA Standing Committee on Accounting, Auditing, and Financial Reporting.
- Stephen is a member of the AICPA State and Local Government Expert Panel and the education director of the West Michigan Chapter of the AGA.
- Stephen provides multiple CFO outsourcing clients with a broad range of services, including establishing effective internal controls, creating deficit elimination plans, developing budgeting strategies and managing grants.
- Through frequent interaction with governmental and industry organizations, such as GASB and the AICPA, Stephen continuously monitors and responds to professional changes as they are being developed to ensure clients and Rehmann associates have access to national resources and robust training opportunities.




Kim Lindsay, CPA

PRINCIPAL

Governmental and Not-for-Profit Services

 616.975.2822

 kim.lindsay@rehmann.com

 University of Michigan – Flint
Bachelor's degree

“Client relationships are everything in this profession. My goal is that my clients find the success they desire.”

CURRENT ROLE

Kim is the primary business advisor for a multitude of governmental clients. His responsibilities include leading financial statement audit, single audit and outsourced CFO engagements.

As a thought leader in the industry, Kim is a frequent speaker for the MICPA, MSBO and the Genesee County School Business Officials organizations. Some of the topics he has addressed include: GASB #34 implementation for Michigan school districts, audit responsibilities related to service organizations, athletics and trust and agency accounts at Michigan school districts, preparing for an audit, fraud in local governments, and implementing risk-based auditing standards.

SERVICE AREAS

- Governmental and not-for-profit auditing and consulting
- Federal award compliance auditing
- Outsourced CFO services for Michigan school districts
- GASB standards implementation
- Closely-held business consulting and CFO services

EXPERIENCE

Prior to joining Rehmann, Kim was a principal with a regional Michigan accounting firm where he spent most of his time auditing and consulting with closely-held businesses and governmental units. He was also in charge of the firm's quality control process and procedures.

A CLOSER LOOK


- As a member of the Michigan Department of Education's Audit Manual and Audit Referent Group and Bulletin 1022 Committee, Kim serves as an advisor on the Michigan School Auditing Manual and helps determine accounting best practices for school districts.
- Kim stays current on issues impacting school districts through active memberships in the MSBOA, MASB and ASBO International.
- Kim is also a member of the AICPA, MICPA, GFOA, and Association of Certified Fraud Examiners.




Krystal Benson, CPA, CGFM, CFE

SENIOR MANAGER

Governmental and Not-for-Profit Services

 616.975.2817

 krystal.benson@rehmann.com

 **Central Michigan University**
BS, accounting

“I’m proud of the long-term client relationships I’ve developed over the years. Clients rely on our efficient, team approach to providing high-quality audit services.

CURRENT ROLE

As a senior manager with Rehmann’s audit and assurance team, Krystal is responsible for overseeing, completing fieldwork and supervising staff for financial statement and single audit engagements. With a focus on serving governmental and not-for-profit clients, Krystal brings her knowledge and experience gained from similar engagements to provide efficiency to her clients.

Krystal serves on Rehmann’s government audit quality control subcommittee, which develops technical standards and enables Firm-wide consistency. She also serves on the Firm’s assurance training committee which educates associates on audit risk assessment, analytical review procedures, financial statement analyses, and implementation of new software technology.

SERVICE AREAS

- Governmental and not-for-profit auditing and consulting
- Federal award compliance auditing
- GASB standards implementation
- School district auditing and consulting

EXPERIENCE

Krystal began her public accounting career in 2000. Prior to joining the firm in 2008, Krystal worked as a manager with a regional accounting firm and as a financial consultant. She has extensive experience working with local school districts, counties, cities, road commissions and a variety of not-for-profit organizations.

A CLOSER LOOK

- Krystal stays current on industry issues as an active member of the AGA West Michigan Chapter, the AICPA and MICPA.
- Demonstrating her strength in forensic accounting matters, Krystal earned the Certified Fraud Examiner (CFE) designation from the Association of Certified Fraud Examiners.
- As a Certified Government Financial Manager (CGFM), Krystal is knowledgeable about governmental accounting, auditing, internal controls, budgeting and financial reporting.



Evan R. Rummel

ASSURANCE SUPERVISOR



616.975.2885



evan.rummel@rehmann.com



Western Michigan University
BBA, Accounting

CURRENT ROLE

Evan is an assurance supervisor based in Rehmann's Grand Rapids office.

SERVICE AREAS

- Audit and assurance
- Governmental and not-for-profit organizations
- Intermediate and local school districts
- Federal award compliance and auditing

EXPERIENCE

Evan joined Rehmann in 2008 and prior to that, he spent time as an intern with an insurance company. His current client base includes cities, counties, public schools, community mental health boards and authorities, and not-for-profit agencies.

Similar engagements

We have provided auditing services to the City of Holland since June 1998. As current auditor for the City and related entities, we are uniquely qualified to provide high level services while minimizing the disruption to your staff that may come from auditor rotation.

Below are several engagements performed by our local office in the last five years that are similar to the City's engagement.

Client:	City of Fremont
Services provided:	Financial audit
Total staff hours:	approximately 200
Date gained:	05/24/2011
Engagement executives:	Paul Matz
Client contact information:	Todd Blake, Finance Director/City Manager, 231.924.2101, tblake@cityoffremont.net

Client:	City of Wyoming
Services provided:	Financial and single audits (when required)
Total staff hours:	approximately 500
Date gained:	05/08/2012
Engagement executives:	Kim Lindsay
Client contact information:	Nancy Bazan, CPA, Senior Accountant, 616.530.7204, bazann@wyomingmi.gov

Client:	City of Battle Creek
Services provided:	Financial and single audits
Total staff hours:	approximately 600
Date gained:	06/02/1999
Engagement executives:	Mark Kettner
Client contact information:	Linda Morrison, Finance Director, 269.966.3405, lbmorrison@ci.battle-creek.mi.us

Client:	Muskegon County
Services provided:	Financial and single audits
Total staff hours:	approximately 700
Date gained:	12/08/2008
Engagement executives:	Paul Matz, Krystal Benson, and Evan Rummel
Client contact information:	Dwight Avery, Accounting Manager, 231.724.6205, averyDw@co.muskegon.mi.us

Client:	City of Lansing
Services provided:	Financial and single audits
Total staff hours:	approximately 800
Date gained:	06/22/2005
Engagement executives:	Paul Matz
Client:	City of Benton Harbor
Services provided:	Financial and single audits (when required)
Total staff hours:	approximately 300
Date gained:	09/25/2003
Engagement executives:	Paul Matz
Client:	Kalamazoo County
Services provided:	Financial and single audits
Total staff hours:	approximately 800
Date gained:	10/10/2016
Engagement executives:	Paul Matz
Client contact information:	Amanda Morse, Deputy County Administrator of Internal Services, 269.384.8148, almors@kalamazoo.org
Client:	Mecosta County
Services provided:	Financial and single audits
Total staff hours:	approximately 300
Date gained:	09/26/2005
Engagement executives:	Paul Matz
Client contact information:	Mindy Taylor, Finance Officer, 231.796.2505, mtaylor@mecostacounty.org

We strongly encourage you to contact our clients directly to learn about the service they receive from Rehmann.

A complete listing of our public sector audit clients is listed in the appendix. We would be pleased to provide additional references for these clients, upon the City's request.

“Easy to work with. Practical solutions to problems. Nice staff.
Understanding of client issues. Always ready to help with any issue —
auditing or not.”

CITY OF JACKSON
Philip Hones, Finance Director

AUDIT APPROACH

Specific audit approach

Rehmann is committed to delivering high quality assurance services in a timely, efficient manner.

DELIVERABLES

- Financial and single audits (if required) of the City of Holland, Holland Board of Public Works, Holland Historical Trust, Herrick District Library, and West Michigan Airport Authority for the years ending June 30, 2020-2026
- Assistance with the preparation of the comprehensive annual financial report for the City of Holland and the financial statements for the related entities
- Preliminary notice of finding as potential audit issues are identified
- Preparation of a management letter of comments and recommendations
- Exit conference with management
- Presentations to the finance (or audit) committee and/or board
- Due diligence reviews of various official statements for periodic debt issuances, if requested
- Availability for ongoing technical assistance throughout the year

The format and presentation of the financial statements will conform to the applicable standards set forth by:

- ✓ Governmental Accounting Standards Board (GASB)
- ✓ American Institute of Certified Public Accountants (AICPA)
- ✓ Government Finance Officers Association (GFOA)
- ✓ U.S. Office of Management and Budget
- ✓ Michigan Department of Treasury

QUALITY CONTROL

In order to ensure that all our engagements meet our high quality standards, we have implemented a firm-wide system of quality control. The significant components of this system, as they relate to your audit, are as follows:

- All workpapers and audit programs are reviewed by the associates' immediate supervisors, and ultimately, the engagement principal.
- Draft financial statements and other reports are given a detailed review by an associate not connected with their preparation.
- Finally, the financial statements and other reports are reviewed for format, presentation, and compliance with all applicable professional guidance and technical pronouncements by the engagement principal and two top-level executives independent of the engagement team.

Through this quality control process, we are able to assure our clients that their financial reports have been subjected to the most stringent review of technical compliance and reporting excellence available.

SCHEDULE

Our anticipated schedule of audit milestone dates is intended to comply with your filing date. An initial estimate of such dates is as follows:

Description	Date (s)
Detailed audit plan	Prior to June 30
Fieldwork	September/October
Draft reports	Within two weeks of last day of audit fieldwork
Final reports	At management's request

Each of these dates are subject to change based on management's preference. We will work with management for each entity to determine specific fieldwork and completion dates, and will be flexible to accommodate your needs.

We understand that it is important to you for drafts of the financial statements to be provided timely to facilitate your review. At Rehmann, we audit directly from the draft financial statement (not just the trial balance), which means both a higher quality audit (focusing at the same level as our opinion) and more timely drafts for our clients. In fact, we are able to provide an electronic draft of the financial statements during the first week of fieldwork, or even in advance, depending on the availability of the trial balance.

APPROACH

We will complete our work in four inter-related phases: (1) planning and risk assessment, (2) primary fieldwork and testing, (3) financial statement preparation and review, and (4) conclusion and issuance procedures. A brief overview of our audit approach is provided below. **A detailed explanation of the audit process and Rehmann's approach is provided in the appendix.**



Phase 1: planning/risk assessment

In accordance with your time schedule, we will hold a planning meeting prior to the start of the engagement involving all associates assigned to the job. We will schedule the dates of our on-site fieldwork, arrange for downloads from your computer systems, document internal controls over financial reporting and compliance, and review the materials you typically provide your auditors. At roughly the same time, we will work closely with you to begin preparing/updating the format and structure of the financial statements in Microsoft Excel.

Once the City is ready and has available a reasonably-adjusted trial balance, we will complete the planning process. Our engagement executives will analytically review the draft financial statements, and document our assessment of audit risk by area. We will use this information to tailor our standard governmental audit programs to correlate with our risk assessment of City's accounting and financial processing environment.

Phase 2: primary fieldwork/testing

Working from the reasonably-adjusted trial balance used to complete our planning procedures, we will begin our year-end fieldwork. Our lead schedules and audit workpapers will be created based on City's draft financial statements. This allows us to conduct our audit at the same level of detail on which our opinions will be expressed, and enhances the efficiency of the entire process. Each audit area will be tested through a combination of analytical, substantive, and sampling procedures, consistent with the tailored audit programs developed in Phase 1.

As the year-end fieldwork procedures are completed, we will review the workpapers, quality control documents, and checklists as part of our internal system of quality control. All comments and issues generated by these reviews will be resolved in the field.

Phase 3: financial statement preparation/review

Financial statement preparation actually begins in Phase 1, and continues throughout Phases 2 and 3. Once the financial statements and related notes have been compiled, they will be processed through our Technical Standards Review (TSR).

In most cases, the first level of this process is completed while we are still in the field, which allows for complete drafts (including any related audit findings and recommendations) to be reviewed with management before the audit team leaves the field, when information is still fresh and any issues are easily resolved.

Phase 4: conclusion/issuance procedures

After management has had an opportunity to thoroughly review the draft financial statements and any audit findings or recommendation, we will perform our conclusion and issuance procedures. These vary, but may include following up on outstanding confirmations, reviewing the minutes of board meetings held subsequent to our fieldwork, and obtaining written representations from management concerning the completeness and fair presentation of the financial statements. Once complete, we will produce final PDF versions of the financial statements and related reports, and provide them to you via email. Hard copy reports may also be printed and bound, depending on your needs.



“Our commitment to the governmental industry ensures that your reports will be completed timely, accurately and in accordance with professional standards.”

NATHAN BALDERMANN, CPA, CGFM
Principal, Rehmann Governmental Industry Group

SIGNIFICANT EXECUTIVE INVOLVEMENT = TIMELY COMPLETION AND DELIVERY

At Rehmann, we believe that engagement executives belong in the field, not the office. Accordingly, you can expect a substantial on-site presence by the executives responsible for your engagement. We have found that when our most experienced people are investing a significant amount of time in the planning and implementation of an engagement, we are able to achieve optimum efficiency in conducting the audit. We also believe that frequent principal interaction with our clients strengthens our business relationship, gives us a deeper understanding of your needs, and fully leverages the knowledge and experience of our professionals.



MORE IDEAS

We're continually collaborating with clients and each other to help find new opportunities to increase efficiency, save money, streamline operations and enhance service value.

Our assurance practice is structured to provide our clients with efficient, effective services. We have one goal: becoming THE Firm of Choice for both our clients and our associates. To accomplish that goal, we employ a regional organizational structure, in-depth associate training, an emphasis on on-site review and completion of audit procedures, and an enhanced client service focus through our Rehmann Client Ambassador program.

Appendix

Peer review report
Public sector client list
Detailed audit approach
Detailed single audit approach

Peer review report

Page 1 of 2



CliftonLarsonAllen LLP
CLAconnect.com

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Principals of Rehmann Robson LLC
The National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Rehmann Robson LLC, a member of Rehmann, LLC (the Firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2017. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* (including compliance audits under the Single Audit Act), audits of employee benefit plans, an audit performed under the Federal Deposit Insurance Corporation Improvement Act (FDICIA) and examinations of service organizations (SOC 1 and SOC 2 engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm in determining the nature and extent of our procedures.



Rehmann Robson LLC
Page 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Rehmann Robson LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2017, 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*. Rehmann Robson LLC has received a peer review rating of *pass*.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
September 15, 2017

Public sector clients

Following is a list of Rehmann's public sector clients. Outsourcing clients are indicated with an asterisk (*).

CITIES

City of Battle Creek	City of Howell	City of Pontiac
City of Benton Harbor	City of Inkster	City of Royal Oak
City of Charlevoix	City of Jackson	City of Sebastian, FL
City of Charlotte*	City of Lansing	City of St. John's
City of Escanaba	City of Mackinac Island*	City of Sturgis*
City of Flint	City of Milan	City of Tecumseh
City of Fremont Michigan	City of Novi	City of Three Rivers
City of Gaylord	City of Oak Park	City of Troy
City of Grand Blanc	City of Oregon, OH	City of Wyoming
City of Hastings	City of Perrysburg, OH	City of Ypsilanti*
City of Holland		

COUNTIES

Bay County Building	Indian River County	Midland County
Berrien County	Isabella County	Monroe County
Calhoun County	Kalamazoo County	Muskegon County
Cheboygan County*	Kalkaska County	Newaygo County
Clinton County	Kent County	Otsego County
County of Jackson	Leelanau County	Shiawassee County
County of Saginaw	Lenawee County	Washtenaw County
Dow Event Center	Mecosta County	Wexford County
Eaton County		

VILLAGES AND TOWNSHIPS

Armada Township	Macon Township	Watertown Charter Township
Blair Township	Parma Township	Village of Augusta
Concord Township	Penn Township	Village of Blissfield
East Bay Township	Pittsfield Charter Township	Village of Brooklyn
Glen Arbor Township	Royal Oak Township	Village of Chesaning*
Green Lake Township*	Saginaw Charter Township	Village of Mackinaw City*
Holly Township	Superior Township*	Village of Port Austin
Little Traverse Township	Town of Orchid, FL	

LIBRARIES

Capital Area District Library	Portage District Library	Spring Lake District Library
Chippewa River District Library	Shiawassee District Library	

Note: standalone library audit clients are listed. We audit additional libraries through various municipalities.

TRIBAL GOVERNMENT

Bay Mills Indian Community
Chippewa Ottawa Resource Auth.
FireKeepers Casino*
Grand Traverse Band LLC

Little River Band of Ottawa Indians
Little Traverse Bay Band of Odawa Indians
Nottawaseppi Huron Band*

SCHOOL DISTRICTS

Adrian Public Schools
Airport Community Schools
Anchor Bay School District
Ann Arbor Public Schools*
Bangor Township Schools
Bedford Public Schools
Benton Harbor Area Schools*
Big Jackson Public School
Big Rapids Public Schools
Black River Public School
Chelsea School District
Crestwood School District
Dearborn Heights School District No. 7
Detroit Public Schools*
Detroit Public Schools Community District*
Dexter Community Schools
Dundee Community Schools
East Jackson Community Schools
Escanaba Public Schools
Flint Community Schools*
Freeland Schools
Fruitport Community Schools
Gibraltar School District
Grand Haven Area Public Schools
Grass Lake Community Schools
Harper Creek Community Schools
Harper Woods School District
Hesperia Community Schools
Hope Academy of West Michigan
Houghton Lake Community Schools
Huron School District
Ida Public Schools

Ionia Public Schools
Jackson County ISD
Knapp Charter Academy
Lakeview Community Schools
Lighthouse Academy
Lincoln Consolidated Schools*
Linden Community Schools
Mackinac Island School
Marshall Public Schools
Marquette Area Public Schools
Milan Area Schools
Mona Shores Public Schools
Monroe County ISD
Mount Clemens Community Schools
Napoleon School District
Northwest School District
Pennfield Schools
Pinckney Community Schools
Plainwell Community Schools
Portage Public Schools
Public Schools Of Petoskey
Sault Ste Marie Area Public Schools
Springport Public Schools
Summerfield Schools
Trillium Academy
Vandercook Lake Public Schools
Vanguard Charter Academy
Vassar Public Schools*
W-A-Y Academy
Western School District
Ypsilanti Community Schools

COLLEGES & UNIVERSITIES

Baker College
Bay College
Bay Mills Community College
Cleary University
Glen Oaks Community College
Jackson College
Kirtland Community College
Lake Michigan College

Lansing Community College
Macomb Community College
Montcalm Community College
North Central Michigan College
St. Clair County Community College
Washtenaw Community College
West Shore Community College

ROAD COMMISSIONS

Branch County Road Commission
Cass County Road Commission
Hillsdale County Road Commission

Missaukee County Road Commission
St. Joseph County Road Commission

TRANSIT

Bay Area Transportation Authority
Otsego County Bus System

Toledo Area Regional Transit Authority
Van Buren Public Transit

Note: standalone transit audit clients are listed. We audit additional transit authorities through various municipalities.

MEDICAL CARE FACILITIES

Bay County Medical Care Facility
Lenawee Medical Care Facility

Tuscola County Medical Care Facility*

COMMUNITY MENTAL HEALTH (CMH)

Detroit Wayne Mental Health Authority*
Genesee Health System*
Lifeways*
Macomb County CMH*
Muskegon County CMH*
Network 180*
Northern Michigan Regional Entity*
Oakland Community Health Network*

Region 10*
Saginaw County CMH*
Sanilac Mental Health Authority
St. Clair County CMH*
Summit Pointe*
West Michigan CMH*

CMH AFFILIATED PROVIDERS

American Neuropsychiatric Association
Domus Vita, Inc.
Enhance, Inc.
New Outlook, Inc.
New Life Services Inc.

Oakland Community Alternatives
Rgrps, Inc.
Pappalardo Alternative Placements
Residential Alternatives, Inc.

HOUSING PROJECTS

Avery Square Senior Housing
Grand Rapids Housing Commission

Trinity Continuing Care
Wickes Park Homes LDHA, LP

OTHER

Bay Area Narcotics Enforcement Team
City of Grand Rapids Pension Systems
Cloverland Electric Coop
Downtown Development Authority (Jackson)
Grand Rapids-Kent County Convention/Arena
Auth.
Grand Traverse Metro Emergency Services
Authority
Great Lakes Commission
Great Lakes Water Authority
Harbor-Petoskey Area Airport Authority
Health Department of Northwest Michigan*
Jackson Narcotics Enforcement Team (JNET)
Kent County Dispatch Authority
Lansing Economic Development Corporation
Lansing Entertainment and Public

LAWNET
Lucas Co Board of Dev'l Disabilities
Lucas County Land Reutilization Corp
Mackinac Island Department of Public Works*
MBS International Airport
Michigan Department of Treasury*
Monroe County Agency
Resources Global Professionals
Saginaw County 9-1-1 Authority
Tri-County Office on Aging
Western Wayne Criminal Investigations
Wolverine Power Supply Coop
Ypsilanti Community Utilities Authority

Public sector clients (not-for-profits)

Following is a list of Rehmann's not-for-profit audit clients.

PRIVATE AND COMMUNITY FOUNDATIONS

5 Healthy Towns Foundation	Indian River Community Foundation
Battle Creek Community Foundation	Jackson College Foundation
Bay Area Community Foundation	Kirtland Community College Foundation
Camp Leelanau & Kohahna Foundation	Lansing Community College Foundation
Chadtough Foundation	Lingap Children's Foundation
Cheboygan Communities Foundation	Macomb Community College Foundation
Cherryland Electric Community Caring Fund	Metro Health Hospital Foundation
CLA Foundation	Public Broadcasting Foundation of Northwest Ohio
Comerica Charitable Trust	Rotary Club of Lansing Foundation
Community Foundation for Muskegon County	SpartanNash Foundation
Dana Foundation	Stranahan Foundation
Detroit Regional Chamber Foundation	Toledo Community Foundation
Fremont Area Community Foundation	Towsley Foundation
Gogebic Community College Foundation	Washtenaw Community College Foundation
Grand Rapids Public Museum Foundation	West Shore Community College Foundation
Highscope Educational Research Foundation	

PRIVATE SCHOOLS

Ave Maria School of Law	Saint Edward's School, Inc.
Baker College System	St. John's Jesuit High School
Blue Lake Fine Arts Camp	St. Ursula Academy
Cleary University	The Leelanau School
Emerson School	The Roeper School
Ox-Bow School of Art	

RELIGIOUS ORGANIZATIONS

Ada Bible Church	Lost Tree Chapel, Inc.
Adventist Frontier Missions, Inc.	Main Street United Brethren Church
Central Wesleyan Church of Holland	Spring Arbor Free Methodist Church
Diocese of Saginaw	West Michigan District of the Wesleyan Church
Dominican SMME Corporation	Zion Christian Church

COUNCILS & AGENCIES ON AGING

Child Care Network/Washtenaw Regional 4C	Region 2 Area Agency on Aging
Midland County Council on Aging	Region 3B Area Agency on Aging
NW Senior Resources, Inc.	Tri-County Office on Aging

CONDOMINIUM ASSOCIATIONS

Le Rivage Association, Inc.	Reflections on the River Association
The Reef Ocean Resort Association	Riverwood Community Association

COMMUNITY ACTION AGENCIES

Community Action Agency - Chippewa-Luce-Mackinac
Community Action Agency - Serving Jackson, Lenawee & Hillsdale Counties
Community Action - Serving Barry, Branch, Calhoun & St. Joseph Counties
EightCAP Inc./CAMWC
FOCUS - Toledo

ASSOCIATIONS

American Concrete Institute	Saginaw Township Soccer Association
Ann Arbor Amateur Hockey Association	Toledo Orchestra Association
Festival of the Arts in Grand Rapids	The Community House Association and Foundation
Greater Lansing Association of Realtors	University of Toledo Alumni Association
Michigan Infrastructure & Trans. Association	

HEALTH PLANS & HEALTH CENTERS

Alcona Health Center	Hope Medical Clinic
Dental Center of Northwest Ohio	Jackson Health Plan Corporation
Dental Clinics North	Toledo Community Oncology Program
Genesee Health Plan	Washtenaw Community Health Organization

HEALTH & WELFARE ORGANIZATIONS

Addiction Treatment Services	Goodwill of West Michigan
Big Brothers Big Sisters Jackson County	Jackson Interfaith Shelter
Boy Scouts of America – Erie Shore	Leader Dogs for the Blind, Inc.
Boys & Girls Clubs of Toledo	Lifeways
Catholic Social Services of Washtenaw County	SOS Community Services
The Cocoon Shelter	United Way of Greater Toledo
Cristo Rey Community Center	United Way of Indian River County, Inc.
Crossroads of Michigan	United Way of the Lakeshore
Girl Scouts of Michigan Shore to Shore	United Way of Washtenaw County
Goodwill Industries of Greater Grand Rapids	Washtenaw Health Plan
Goodwill Industries of Northern Michigan	Women's Resource Center of the GT Area
Goodwill Industries of Northwest Michigan	

OTHER

Admiralty Yacht Club Association	Main Street Business Improvement Zone
Altarum Institute	McKee Botanical Garden, Inc.
Ann Arbor YMCA	Mercy Education Project
Baruch SLS, Inc.	Michigan Child Care Centers
Cancer Alliance of Naples	Michigan Christian Home
Career Alliance Inc.	Michigan Credit Union League
Cereal City Development Corporation	Michigan Human Resource Development
CIFT	Mid-Michigan Child Care Centers
Community Healthcare Connections	MOKA Corporation
Detroit Science Center	Neighborhoods
Everest Inc.	Northwest Ohio Scholarship Fund
First Steps Kent	Odawa Economic Development Management
Foreign Links Around the Globe (FLAG)*	Palmas Del Sol Condo Association Inc.
Graduate Medical Education, Inc.	Pelham Manor
Grace Place for Children and Families	Red Stick Golf Club, Inc.
Grand Rapids Public Museum	Ronald McDonald House Charities of Ann Arbor
Grand Traverse Industries	Ronald McDonald House of Western Michigan
Greater Lansing Convention & Visitors Bureau	Rotary Club of Lansing and Foundation
Ide I	Samaritan Homes
Ide II	Scholastic Shooting Sports Foundation, Inc.
Imagination Station	SMB Probation Center
Internet2	SMRC LDHALP
JC Dormitories, Inc.	SER Metro
Jefferson East	Society for College and University Planning
Jewish Federation of Greater Toledo	SVRC Industries, Inc.
Jewish Senior Services	Sweet Dreamzzz, Inc.
John Ball Zoo	The Historical Society of Michigan
Junior Achievement of NWO, Inc.	Toledo Zoological Society
Klingelberg America Inc.	Tri-Cities Historical Museum
Lansing Economic Area Partnership	Underground Railroad
Leisure Living Management of Fremont	Unison Behavioral Health Group
Lott Industries	West Side Montessori Center
Lucas Co. Board of Developmental Disabilities	White Lake Area Chamber of Commerce
Mackinac Island Convention & Visitors Bureau	Wings of Mercy, Inc.

Detailed audit approach

Each audit engagement is unique and requires different procedures to meet specific circumstances. However, the following broad approach is followed for most of our audits. While certain steps may occur in different order than presented below, a typical city audit would consist of the following audit procedures:

Phase 1: planning/risk assessment

Pre-engagement – Certain audit procedures and inquiries are completed prior to the commencement of audit fieldwork. This ensures that we have a complete understanding of the entity, agreement on the extent of procedures to be performed, and an anticipated timeline for completion.

Procedure	Description
Planning meeting	<p>All members of the audit team will meet with the key contacts at the government. All parties will set dates for the milestones of the audit:</p> <ul style="list-style-type: none">• Preliminary fieldwork (if requested)• Availability of reasonably adjusted trial balance• Primary fieldwork• Interim audit status meetings (for larger engagements)• Draft reports/exit conference• Final reports• Presentation to board(s)/committee(s), as requested <p>By agreeing to these dates up front, we are able to schedule the right people to have availability at the right time. During this meeting, both the City and the auditors will clarify expectations:</p> <ul style="list-style-type: none">• Requested downloads• Client-provided workpapers (content, format, timing, etc.)• Communication methods (phone vs. e-mail, etc.) and direction (all requests through the primary contact vs. inquiring directly of the employee responsible)
Draft preliminary financial statements	<p>Using the prior year trial balance and issued financial statements, the audit in-charge will gain an understanding of account groupings for financial statement presentation. This will simplify the process of compiling the financial statements by only requiring newly created general ledger accounts to be grouped. It will also ensure that the audited financial statements are being prepared consistently. We refer to this as “coding the trial balance” which will then link directly to the financial statements, management’s discussion and analysis tables, and leadsheets. If journal entries need to be posted after the auditors have received the trial balance, they can be posted in our Excel file and will flow through automatically to the related files.</p>

Engagement letter	The engagement letter will serve as the contract between the auditors and the City and will be sent each year. This letter contains information on the scope of the audit and the related fees. We ask that the City return a signed copy of the letter to us prior to the commencement of primary audit fieldwork.
Discussion with audit committee	Each year before the start of the audit, one of the audit executives assigned to your engagement will conduct a short meeting or phone call with the chair of your audit committee (or its equivalent in your entity). We will discuss timing and the planned scope of the audit. Your audit committee chair will be given the opportunity to provide us with any additional information he/she deems relevant and ask any questions about the audit process.
Communication with prior auditors	Auditing standards require that we make certain inquiries of your predecessor auditors. We will provide management with the template of a letter that the City will send to the predecessor audit firm authorizing them to answer our questions and allow us access to their prior year workpapers. We have the City send a copy of this letter to us so we know when to initiate communication. In addition to make standard inquiries as required by Statement on Auditing Standards No. 84: <i>Communications Between Predecessor and Successor Auditors</i> , we may also visit the prior auditors' offices to review their workpapers. If we can determine that the appropriate standards were followed in performing that audit, we may not consider it necessary to test opening balances.
Communication with other auditors	If the City has any funds or component units audited by other CPA firms, we need to make certain inquiries of these firms regarding their understanding of our reliance on their separately-issued report(s) and the auditing standards they plan to follow. This process requires minimal assistance from the City and is deemed to remain in effect unless the audit firm changes.

Phase 2: primary fieldwork/testing

Planning/Risk Assessment – In order to design our auditing procedures according to your unique operating environment, we will use various methods to gain an understanding of processes and internal controls. We will use the results of these inquiries and tests to assess risks and to further tailor our governmental audit programs. This process is more extensive in the first year as a base understanding is gained by the audit team, and may require a specially scheduled visit of 1-2 days. In future years, the process will consist primarily of updating our understanding for any procedural or personnel changes that may have occurred. Our standard planning/risk assessment procedures might include these tests:

Procedure	Description
Document financial systems	We will obtain any existing accounting policies and/or procedures manuals to gain an understanding of the operating environment. If no such materials are available, we have a form of basic questions that will guide you through the process of documenting your actual practices.
Review control activities	<p>A yes/no questionnaire will be provided that describes various typical control activities by transaction class (i.e., cash, accounts receivable, long-term debt, etc.). We will ask you to answer these questions and provide us with any additional information that may be helpful to us in understanding the internal control structure.</p> <p>Based on the responses to these questions, we will determine the 2-3 “key controls” over each transaction type.</p>
Walkthroughs	Once we have an understanding of internal controls and have identified the key controls, we will select a small sample of actual transactions and “walk through” each of the key controls to determine if the controls have been implemented and documented appropriately. The typical areas for which walkthroughs are performed are: cash disbursements, cash receipts, payroll, and general journal entries, though other areas may also be tested at this time.
Establish materiality and major funds	Using the reasonably adjusted trial balance and draft financial statements, the audit team will test the appropriateness of major funds. Materiality will then be calculated by opinion unit. Our substantive tests generally require the audit team to test all individually significant items and, depending on the remaining untested balance, may require sampling the remaining population.
Review of board minutes	In addition to discussing major activities in the year under audit with management (such as issuance of long-term debt, large capital-related purchases, new programs or services, etc.), we will review minutes from meetings of the Board and any committees. This will allow us to identify significant or unusual events or purchases and revise our planning audit procedures accordingly.
Analytical review	Using the current and prior years’ trial balances and the final amended budget, we will perform analytical procedures at the financial statement level. In general, we consider an income statement line item to be reasonable and consistent if it is within either 10 percent of the prior year actual or current year budget.

	<p>Any financial statement line items with fluctuations outside of these parameters will be selected for additional procedures. We will review fluctuations at a greater level of detail (by general ledger account) and have discussions with management to identify and document the reasons for the change. At times, this process will identify errors or inconsistencies in posting of transactions, or accruals that still need to be posted (or reversed from the prior year).</p> <p>Based on our preliminary analytical review, certain income statement accounts may be selected for substantive testing because of their significance and/or ease of testing. Common substantive tests over income statement accounts are described later in this appendix.</p>
Risk assessment and brainstorming	<p>At various times through the year, Rehmann's governmental audit group will meet to discuss risks that are common to Michigan governments. The audit team will review the notes from these meetings at the beginning of the City's audit to determine which of these risk factors might be applicable. The team will then use the information provided in the previous steps to identify additional risks and design audit procedures to address such risks. Our government-specific audit programs will be tailored to reflect the planned audit procedures.</p>
Consideration of fraud	<p>In accordance with Statement on Auditing Standards No. 99: <i>Consideration of Fraud in a Financial Statement Audit</i>, we will make certain inquiries of personnel in various departments and positions to obtain their views about the risks of fraud and how they are addressed. These inquiries are made in the form of written questionnaires which are provided to selected individuals with a postage-paid return envelope and mailed directly to us when completed.</p> <p>In addition, each year the audit team will conduct 2-4 "surprise" procedures that are outside the scope of the typical audit. The use of these unpredictability tests is a requirement of SAS 99. These tests are generally relatively simple and address various internal control, financial statement presentation, and compliance issues.</p>
Review of attorney invoices	<p>We will discuss any pending or anticipated litigation with upper management and review invoices for attorney services. If items are identified that may require accrual and/or disclosure in the financial statements, we may request written responses to certain inquiries from your attorneys. A pre-drafted letter to send to the attorney will be provided to management for preparation of inquiries, if deemed necessary.</p>

Substantive Audit Procedures – In general, our approach to this audit will be “balance sheet oriented”. This means that we will first focus our attention on testing the ending balances of the assets and liabilities of each opinion unit. This approach has two distinct advantages: (1) it places greater emphasis on identifying potential misstatements in accounts that could have a carry-over effect on later periods (unlike income statement accounts that reset each year), and (2) it can reduce risk of material misstatement over the aggregate income statement accounts to a level where a primarily analytical approach can be applied with an acceptable detection risk for potential misstatements. This results in a very efficient audit process, and allows us to provide a high level of assurance in fewer hours. Of course, certain income statement accounts may still be tested substantively because of their ease of testing and/or significance.

Our auditors approach substantive balance sheet testing at the financial statement level (following our opinion) and not by individual trial balance accounts. Leadsheets are generated directly from the trial balance using grouping codes, and accounts are divided and subtotaled by opinion unit in order to easily determine whether appropriate testing has been completed. Each leadsheet contains both current and prior year balances to allow the auditors to quickly identify trends and expectations and document any significant fluctuations. Balance sheet accounts that have remained unchanged will be brought to the attention of management for inquiry and follow up.

Initially, all individually significant or unusual items are selected for testing and the percent of coverage by opinion unit is calculated and evaluated for adequacy to support our opinion. If, based on our risk assessment, we consider it necessary to obtain additional audit coverage, the remaining untested balance is stratified and sampled following professional standards. With each test performed, the auditors include sufficient documentation to both comply with professional standards and to allow the audit executives to understand the procedures performed and related conclusions reached during their review process.

Our entire audit process is facilitated electronically, using a paperless system. Accordingly, to the extent possible, we request that supporting schedules and documentation be provided to us in their native electronic format. The audit team will also come prepared with a high-speed scanner which will allow them to scan any hardcopy documents provided into the electronic audit file. The audit team will generally not require paper photocopies of supporting documents (unless the City is more comfortable providing photocopies). After testing is completed and any important items have been scanned into the file, the originals will be returned in-tact.

There are many advantages to a paperless system, or electronic audit file. As mentioned previously, the auditors will not require photocopies be made of supporting documentation. Workpapers and leadsheets can be updated and edited in the field without reprinting, and the auditors will have ready access to the prior year audit files in their entirety and can show you examples of what they are requesting. Throughout the year, if you contact the audit team with a question, they will have easy access to the audit files, regardless of whether they are in the office, at home, or at another client site.

While not all inclusive, the following listing summarizes many of the standard substantive audit procedures that may be performed, along with the requested documentation:

Audit Area	Substantive Test
Cash and investments	<ul style="list-style-type: none"> • Send bank confirmation forms (completed by management) to respective financial institutions, compare confirmed balances to bank statements, and investigate discrepancies. • Consider allowability of investments in accordance with State statute and the government's investment policy. • Agree book balances to a trial balance account (or group of accounts for pooled cash systems). • Test bank reconciliations by tracing deposits in transit and outstanding checks to the subsequent period statement. Trace inter-bank transfers in transit between account reconciliations. Identify outdated or unusual reconciling items. • Consider the appropriateness of accrued interest on certificates of deposit and investments. • Calculate Federal Depository Insurance Coverage (FDIC). • Prepare financial statement disclosures such as those concerning interest rate risk, credit risk, and concentration of credit risk.
Receivables	<ul style="list-style-type: none"> • Obtain subledgers for significant account balances. Select items for detail testing and obtain subsequent receipt noting whether the amount was earned prior to year end and received in the next period. • Consider whether any receivables in governmental funds are collected outside of the period of availability (as it is defined by the government) and should be deferred in the fund financial statements. • Send confirmations for utilities receivable, pledges receivable, etc. • Trace grant receivables to financial status reports, subsequent receipts, and/or determine whether the recorded receivable is equal to grant expenditures, less actual cash receipts. • Trace special assessments receivable to signed special assessment rolls. Perform a rollforward of special assessments by taking the prior year receivable, subtracting special assessment revenue from the trial balance or financial statements, adding new assessments levied, and comparing the result to the amount of the current receivable.
Inventory	<ul style="list-style-type: none"> • Compare detailed listings of items, individual cost, and extended cost to the general ledger control accounts. • If deemed necessary, perform a physical observation of the inventory count at year-end. Select a sample of items from

	<p>the inventory listing, locate and count the items, and compare to the recorded balance. Also select a sample of items directly from the floor, count, and compare to the actual amount recorded in the subledger.</p> <ul style="list-style-type: none"> • Inquire about obsolete inventory.
Prepays	<ul style="list-style-type: none"> • Determine the nature of prepaid items in each general ledger account. • Recalculate prepaid balance using invoices and check vouchers and determine whether the amount was paid prior to year-end.
Capital assets	<ul style="list-style-type: none"> • Obtain rollforwards of capital asset activity. Agree beginning balances to prior year audited amounts and ending balances to general ledger control accounts. • Obtain a detailed listing of additions and agree to the rollforward. Test individually significant items by tracing to approved invoices. • Compare capital outlay expenditures to capital asset additions for reasonableness. If considered necessary, perform a search for unrecorded capital assets to audit completeness. • Agree approved capital items from board minutes to additions listing. • Obtain a detailed listing of disposals and agree to the rollforward. Determine whether any proceeds on the sale of such assets has been reported appropriately in the financial statements. • Obtain depreciation schedules and test the accuracy of calculation based on the selected depreciation method and useful life. • Test the accounting for and disclosure of amounts acquired through capital leases or installment purchase agreements. • Test the allocation of depreciation expense by function. • Inquire about timing of physical inventory observations, the existence of idle assets, and whether remaining useful lives are still appropriate. • Inquire about the existence of intangible assets such as usage or access rights. • Consider whether amounts remain on construction contracts related to construction in progress for disclosure in the notes to the financial statements.
Payables	<ul style="list-style-type: none"> • Obtain a detailed listing of the composition of general ledger control accounts and compare to year-end account balances. • Perform a completeness test by selecting certain subsequent disbursements, reviewing the invoice for information on the accounting period involved, and determining whether the

	<p>amount is properly included or excluded from year-end accounts payable.</p> <ul style="list-style-type: none"> • Trace fiduciary liabilities to subsequent disbursements or detailed subledgers of amounts held by individual/entity. • Determine whether any amounts are being held in agency funds that represent funds of the primary government which should be accounted for in the respective funds.
Accrued liabilities	<ul style="list-style-type: none"> • Recalculate accrued salaries and wages payable by gaining an understanding of the timing of service periods and pay dates, obtaining support for the first pay date in the subsequent period, determining the number of service days covered by the pay run and the number of service days during the period under audit, recalculating the accrual. • Recalculate the accrual for the employer's share of FICA taxes payable based on known rate of 7.65%. • Consider the reasonableness of other fringe benefit accruals such as health insurance, retirement, and workers' compensation. • For self-insurance programs, obtain calculations or third-party reports estimating incurred-but-not-report claims. Rollforward self-insurance claims payable for disclosure in the footnotes.
Long-term debt	<ul style="list-style-type: none"> • Obtain a rollforward of long-term debt activity. Compare the beginning balances to the prior year audit. • Obtain amortization schedules for bonds and notes payable. Consider whether any debt covenants exist and test accordingly. • Trace principal payments to the debt rollforward and the amortization schedules. • Agree the current portion of long-term debt and future minimum payments of principal and interest to the amortization schedules. • Determine whether new debt was approved by the governing body and issued in accordance with State statute. • Determine whether there were premiums and/or discounts associated with the issuance of the debt by obtaining the sources and uses statement. Consider whether any bond issuance costs should be capitalized and amortized over the life of the bonds. Recalculate such balances. • Recalculate accrued interest payable based on the first interest payable of the subsequent period, the length of time covered by this interest payment, and the length of time within the year under audit.

Compensated absences	<ul style="list-style-type: none"> • Obtain a detailed listing of compensated absences (accrued sick and vacation time) by employee and agree to general ledger control accounts. • Obtain an understanding of compensated absences policies, such as vesting, payment rates, and maximum payouts. • Select a sample of individuals for testing. Trace accrued hours to source files and pay rates to personnel files or union/bargaining unit contracts. Recalculate accrual and determine whether hours are within the maximum amount. • Determine whether FICA taxes are being accrued on the year-end balance. • Rollforward compensated absences liability by obtaining either the accrual for amounts earned or the amounts used/paid for disclosure in the notes to the financial statements. • Consider the appropriateness of the expense allocation for the change in compensated absences of governmental activities. • Inquire about an estimated current portion and consider whether this is being presented appropriately in the financial statements. Compare current portion to actual uses/payments for reasonableness. • Inquire about the existence of any severance agreements or termination benefits. Obtain supporting documentation and test accordingly.
Equity	<ul style="list-style-type: none"> • Compare beginning equity by fund to the prior year audit, and investigate any differences. • Review fund balance classifications based on the nature of the funds and board resolutions/policies (if applicable). • Review net asset classifications for accuracy. Recalculate net assets invested in capital assets net of related debt.

These substantive procedures will be completed primarily by our staff and senior auditors. Each workpaper will be reviewed by the engagement manager (and where appropriate, the engagement principal) during fieldwork so questions can be resolved while the team is still on-site.

Phase 3: financial statement preparation/review

Financial Statement Preparation - Another key element of the fieldwork process is the preparation of draft financial statements (including footnotes), the management letter, and other applicable reports/correspondence. As mentioned briefly in the beginning of this appendix, Rehmann uses a unique system for preparing the financial statements. The following are the primary steps in the preparation of the financial statements:

Procedure	Description
Downloads	<ul style="list-style-type: none">• Obtain a download directly from the client's financial accounting system which includes: complete account number, account name, and account balance. For income statement accounts, the original and amended budgets will be downloaded as well.• Extract the system download into a usable Excel file using Monarch or other data extraction software.• Assign fund and government-wide financial statement captions to each account based on the level of detail in the financial statements. This effectively maps each account on the government's chart accounts to the appropriate sections of the financial statements.• This process is most intensive in the first year of the audit, which is why we request a prior year trial balance before we arrive on-site. That way, we can have the initial set-up completed before the audit begins.
Linking	<ul style="list-style-type: none">• Use Excel PivotTables to summarize the data in the trial balance based on the assigned captions.• Use Excel's "VLookup" and "Match" functions to link the PivotTables to the actual financial statements.• The advantage of this system is that any account coding changes or journal entries discovered through the audit process can be posted to the auditors' version of the trial balance and with the click of a button the PivotTables are refreshed and the financial statements are automatically updated.• Tables for the Management's Discussion and Analysis are linked to the financial statements.
Footnotes	<ul style="list-style-type: none">• Draft notes to financial statements using a current disclosure checklist to ensure completeness.• Obtain supporting documentation for disclosures not directly linked to the trial balance or financial statements, such as: retirement and other postemployment benefit plan funding progress and funded status, related party transactions, subsequent events, etc.

SAS 114 letter	<ul style="list-style-type: none"> • Through the audit process, the engagement team will keep a list of potential audit issues and/or internal control or efficiency recommendations. • Near completion of fieldwork, the potential items are reviewed and discussed amongst the audit team. • The method of communication for items deemed to be control and/or compliance deficiencies is determined and a SAS 114 letter (informally known as the “management letter”) is drafted.
Other reports	<ul style="list-style-type: none"> • If the government is subject to a single audit in accordance with the Uniform Guidance (by expending at least \$750,000 in Federal awards in any given fiscal year), the reports on Single Audit Act compliance will be prepared.
Detail check	<ul style="list-style-type: none"> • After the financial statements and notes are drafted and a disclosure checklist has been completed, the entire report is reviewed by another individual. Controls totals are compared between statements and schedules, numbers are footed and cross-footed, footnotes are agreed to the underlying financial statement amounts (when applicable), and overall presentation is reviewed for proper formatting, spelling, and grammar. • The audit opinion (and Yellow Book report and/or single audit report, as applicable) are compared to current professional standards for completeness and accuracy. • Any management letter comments are reviewed for clarity and appropriateness. • The preparer of these documents is then provided feedback from the independent review and follows up on questions/comments accordingly.
Technical standards review	<ul style="list-style-type: none"> • Generally on the final day of audit fieldwork, the engagement principal comes on-site to review the audit team’s workpapers and perform a technical standards review of the financial statements and management letter. • Additional technical standards reviews are conducted after fieldwork by a principal not associated with the engagement (i.e., a “cold review” of the statements).
Exit conference	<ul style="list-style-type: none"> • While the auditors are still on-site, the draft financial statements and management letter are provided to and reviewed with management during an exit conference. • Audit findings or recommendations are explained in detail, and an open dialog is held to ensure that the facts and circumstances are properly understood by all parties.

	<ul style="list-style-type: none"> • A working draft of the management's discussion and analysis (with information related to the audited financial statement completed already) is provided. • Any open items are summarized in written format and reviewed with the client. • The timeline for engagement completion and issuance (initially agreed-upon as part of the planning meeting) is reviewed for reasonableness, and updated as needed.
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At this point in the process, the auditors will pack up their equipment and leave the field. Management is then given as much time as requested to review the draft reports, provide feedback, and ask questions. Once management has proposed any necessary corrections and the management's discussion and analysis is completed, the entire financial reporting package is submitted to a second technical standards review. This review is always done by an audit executive in a different office with no continuing involvement in the audit process.

Any questions or issues that arise through the technical standards review are discussed between the audit team and management. If changes have been made to the initial drafts, management is provided with a final draft for its review and approval. We then provide management with a draft representation letter. This is a document that puts into writing the assertions made by management to the auditors throughout the audit process. We ask that this letter be printed on the government's letterhead and signed by two individuals (generally the equivalents of the CEO and CFO). We consider the signed representation letter to be management's assertion that drafts have been reviewed and our authorization for processing of final reports.

Phase 4: conclusion/issuance procedures

Rehmann's professional support staff will coordinate the printing and binding of final reports and will upload the required PDF to the State of Michigan. The printed copies will be mailed or delivered. Management will be provided with a final PDF of all reports produced in the audit. The government is free to use this document for distribution to grantor agencies and related parties, upload to the government's website, or to produce additional printed copies.

The audit process concludes with presentation to the governing body (or one of its committees), as requested. One of the executives assigned to the audit team will report on the result of the audit in whatever level of detail is requested. A typical presentation lasts 10-15 minutes, but can be as short as 5 minutes or as long as one hour, depending on your preferences.

While this concludes the formal process of the annual audit, your engagement team will be available for questions throughout the year. We will provide management with information on relevant upcoming changes in accounting standards and opportunities to participate in training events or webinars. We will also check in at times throughout the year to say hello and provide an opportunity for management to ask any questions or provide updates on the government's operations.

We are confident that our audit process maximizes efficiency while still providing the highest level of audit assurance. Our governmental auditing team has a deep understanding of accounting and financial reporting as it relates to local units of government. But our auditors also understand that you are busy and have priorities and responsibilities in addition to the annual audit. Your audit team will make as many requests ahead of time as possible, coordinate information requests and questions, and strive to keep the audit process as quick as possible.

Detailed single audit approach

Your single audit will be conducted in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Each audit engagement is unique and requires different procedures to meet the specific circumstances. However, the following broad approach is followed for most of our single audits. These procedures are generally performed concurrently with the financial statement audit and the reports are issued on the same date. However, this work can be performed at a separate time if requested by management. The following procedures describe our general approach in performing a single audit.

Testing of schedule of expenditures of federal awards and understanding internal controls over federal awards

Our first step in performing a single audit is obtaining a complete schedule of expenditures of federal awards (SEFA) from management. While the auditors may assist in the compiling and formatting the SEFA, the responsibility of identifying federal awards and providing information on the Catalog of Federal Domestic Assistance (CFDA) number, grant/pass-through award number, pass-through agency, and current year expenditures is the responsibility of management. We will request that a complete SEFA be provided before commencement of the single audit procedures. The following are the primary steps in testing the SEFA and obtaining and understanding the related procedures and internal controls:

Procedure	Description
Agree to general ledger	<ul style="list-style-type: none">• Obtain an understanding of the chart of accounts used to track federal revenue and expenditures and which identifying numbers correspond to each grant award.• Agree federal revenue (by grant and in total) to the SEFA• Agree federal expenditures to the SEFA• Inquire of the existence of non-cash awards that may be recorded as a government-wide adjustment only
Agree to source documents	<ul style="list-style-type: none">• Obtain source documents to substantiate amounts/disclosures in the SEFA, such as grant award agreements, financial status reports, award close-out reports, etc.
Obtain understanding of internal controls	<ul style="list-style-type: none">• Review with management the overall controls over compliance with each of the applicable compliance requirements of the OMB Compliance Supplement• Inquire of any program audits or grantor agency monitoring during the year and results of those visits• Review prior year audits for instances of control deficiencies or noncompliance related to federal awards.

Determine major programs and perform controls/compliance testing

A single audit involves detail testing of individual programs (or clusters of programs) which are selected by the auditors using various criterion. Some of the factors are subjective and others have very little flexibility. For example, programs of a certain size must be tested at least every third year. The audit team will select major programs based on the criteria listed in the Uniform Guidance and their risk assessment process. Programs/clusters selected as major will be communicated to management as soon as they are determined and a detailed request list will be provided. The following procedures describe our controls/compliance testing:

Procedure	Description
Determine major programs	<ul style="list-style-type: none">• Determine whether the auditee meets “low-risk” criteria by reviewing single audit reports and Federal Audit Clearinghouse submissions from the past two years. Calculate the required audit coverage (20 percent or 40 percent, depending on whether the entity is “low-risk”)• Perform risk assessments and select those programs required to be tested in the current year• Select additional programs, as necessary, to obtain sufficient audit coverage• Calculate materiality for each major program/cluster
Gather information	<ul style="list-style-type: none">• Extract the general ledger transaction detail for the revenue and expenditure accounts used for each major program (complete general ledger detail already obtained through financial statement audit procedures)• Group general ledger transactions based on transaction type (i.e., payroll, accounts payable, indirect charge, etc.)• Summarize transactions by type and agree expenditures in total to the SEFA• Review the matrix of compliance requirements as provided in the OMB Compliance Supplement (if available) for selected programs and determine applicable compliance requirements• Obtain the grant agreement and budget and review along with the summarized general ledger postings to determine whether the compliance requirements indicated on the matrix are all applicable• Review the detail compliance requirements and suggested audit procedures of the specific grant in the OMB Compliance Supplement• Determine whether any other authoritative guidance exists, such as pass-through grantor manuals or memos, and review such requirements
Controls/compliance testing (overall procedures)	<ul style="list-style-type: none">• Perform tests of controls and compliance for each applicable compliance area. Such procedures are generally a combination of inquiries/observations along with a sample of actual transactions• Select individually significant items for testing and sample remaining balances to obtain sufficient audit coverage for controls and compliance

	<ul style="list-style-type: none"> • Inquire of the internal controls over each compliance area and the method of documenting such controls • Review source documentation and determine whether the entity demonstrated compliance and documented controls over compliance. • Document understanding of each applicable compliance requirement, related internal controls, testing performed, and audit conclusions
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General procedures for each of the applicable compliance requirements are as follows, but will vary based on audit risk assessment, materiality, provisions of the grant agreement, and other factors:

Procedure	Description
Allowable costs/cost principles	<ul style="list-style-type: none"> • Review invoices and purchase orders for accounts payable disbursements. Determine whether disbursements were allowable in accordance with the provisions of the grant agreement and whether the disbursement was made and documented in accordance with the entity's purchasing policies. • Recalculate payroll charges based on approved timesheets and pay rates (for hourly employees) • Determine whether time and effort were documented in accordance with the Uniform Guidance • Analytically compare fringe benefit charges for Federal programs to entity-wide averages for reasonableness • Agree indirect charges to approved rates or cost allocation plan
Cash management	<ul style="list-style-type: none"> • Determine whether cash advances are allowed for the grant or if it is operated strictly on a reimbursement-basis • Review a sample of actual cash draws and compare to source documentation (such as a general ledger expenditure report) • For reimbursement-based grants, determine whether cash was disbursed (and not just expended) within 3 days of receipt • Identify whether the cash draw was subjected to a documented independent review and approval
Eligibility	<ul style="list-style-type: none"> • Determine eligibility requirements under the grant and whether they apply to individuals or groups of individuals • Obtain an understanding of how eligibility is determined, documented, and independently verified • Obtain a detail listing of the individuals/groups receiving benefits under the grant. Select a sample and review source documentation to verify eligibility
Equipment and real property management	<ul style="list-style-type: none"> • Determine whether the entity has purchased capital items with federal funds in the current or previous years • Obtain a listing of capital items purchased with federal funds and ensure that each asset is being flagged as "federally-funded" and

	<p>listed along with the grantor agency name and other required information</p> <ul style="list-style-type: none"> • Inquire of the most recent physical inventory and reconciliation to the accounting records and review documentation of this process • Determine whether any disposals during the current year were made in accordance with Federal guidelines • Inquire of the controls over safekeeping and appropriate use of federally-funded equipment. Determine whether a physical inspection or tour is necessary
Matching, level of effort, and earmarking	<ul style="list-style-type: none"> • Review management's documentation for compliance with minimum and maximum percentage requirements • Determine whether matching requirements were met and trace to supporting documentation
Period of performance	<ul style="list-style-type: none"> • Determine the period of performance of the grant by reviewing the award agreement • Select a sample of transactions and ensure that each was incurred during the period of performance • Determine whether grant funds were required to be expended in accordance with certain timelines and whether such requirements were met
Procurement, suspension and debarment	<ul style="list-style-type: none"> • Review the entity's purchasing and procurement policies. Determine when competitive bidding is required • Review a sample of transactions and determine whether each was processed in accordance with entity policies and procedures • Determine the expenditures in which competitive bidding was required. Select a sample of such expenditures and review procurement files for evidence of full and open competition and compliance with entity policies • Determine whether any vendors/contractors were utilized in the amount of \$25,000 or more for which suspension/debarment procedures would apply. Search vendor/contractor name on the Federal Excluded Parties List System (EPLS) and identify whether any are listed as suspended or debarred • Inquire of the controls over doing business with suspended or debarred parties. Review corroborating evidence, such as: excerpts of contracts, signed certifications regarding suspension/debarment, or other documentation, as applicable to the entity
Program income	<ul style="list-style-type: none"> • Determine whether the entity generated any income through use of grant funds. If so, ensure that it was accounted for appropriately and reinvested in the program • Inquire of the controls over ensuring that all program income is appropriately captured as such in the general ledger and therefore identifiable for reinvestment in the grant

Reporting	<ul style="list-style-type: none"> • Gain an understanding of the required reports (financial, performance, and/or special), and submission frequency • Select a sample of each type of report (financial, performance, and special) and trace reported amounts and data to the general ledger or other underlying records • Determine whether selected reports were submitted by the required due date • Review evidence of independent review and approval of reports prior to submission
Subrecipient monitoring	<ul style="list-style-type: none"> • Obtain a listing of the grant subrecipients and dollars passed-through to each • Select a sample of subrecipients and review subaward agreements for appropriate communication of required items • Review monitoring files for evidence of on-site review. Determine whether any finding were noted and if appropriate follow-up action was taken • Obtain subrecipient single audit reports (if applicable) and determine whether the amounts reported by the subrecipient reconcile to the entity's records. Review paperwork to support that this review and reconciliation was completed and follow-up action was taken as necessary
Special tests and provisions	<ul style="list-style-type: none"> • Identify special tests and provisions through review of the OMB Compliance Supplement and the grant agreement. • Design tests to determine compliance with such requirements, obtain information on the population, select a sample of transactions, and review evidence to support compliance

Report preparation and audit finalization

After all the detail testing is completed and related inquiries have been made, the auditors will identify whether any noncompliance or control deficiencies were noted. These instances will be evaluated for magnitude and materiality and an initial determination of method of communication will be made. The following summarizes the remaining procedures performed for the single audit:

Procedure	Description
Review of workpapers and evaluation of potential findings	<ul style="list-style-type: none"> • As with the financial statement audit, all workpapers will be subjected to an independent review while the auditors are on-site. This will allow for follow-up on any questions to be completed in the field • At the end of audit fieldwork, or shortly thereafter, the workpapers and potential finding listing will be reviewed by the engagement partner. The appropriate method of communication for any noncompliance or control deficiencies will be determined

Draft report	<ul style="list-style-type: none"> • Draft report on Single Audit Act compliance. This may be included in the back of the entity's financial statement audit, or as a free-standing document, based on management's preference • Prepare required reports in accordance with <i>Government Auditing Standards</i> and the Uniform Guidance and ensure that language is consistent with authoritative guidance • Prepare the schedule of findings and questioned costs • Draft language for any items noted as control deficiencies and/or noncompliance. Each item will be identified by number, indicate the grant name and CFDA number, the pass-through agency (if applicable), and the pass-through/grantor award number. In accordance with professional standards, the write-up will include the <i>criteria</i> necessary for compliance, the <i>condition</i> noted in our testing, the primary reason(s) or <i>cause</i> for this condition, the related <i>effect</i> on the entity, and the auditors' <i>recommendation</i> for future action. In addition, there will be a section on the <i>view of responsible officials</i> where the entity can provide its perspective on the situation and planned corrective action • Enter data into the web-based data collection form for eventual submission to the Federal Audit Clearinghouse
Technical standards review	<ul style="list-style-type: none"> • Subject single audit report and data collection form to technical standards review by the engagement partner • Process draft report in PDF format and provide to management
Review report with management	<ul style="list-style-type: none"> • Either as part of the financial statement audit exit conference, or at a different pre-arranged time, meet with management to discuss the results of the audit • Discuss and clarify any reported audit findings and obtain initial management feedback. While reading of potential findings in written, draft report format may seem too formalized, we have found that it is best to communicate these items in writing, where they can be reviewed in detail by the engagement partner first. Our auditors are encouraged to avoid verbally concluding on the method of communication of audit findings or recommendations until they can be reviewed in context by the engagement partner. This limits the chance of miscommunication or misunderstanding • Agree to a timeline for report finalization, including: management feedback on drafts, "view of responsible officials" language for any findings, report issuance, and presentation to the governing body
Finalization	<ul style="list-style-type: none"> • Encourage management to review the draft reports in detail and agree reporting information to the entity's internal records • Obtain feedback from management on its review of the draft reports in detail

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| | <ul style="list-style-type: none">• Discuss management objections to reported finding. Based on the extent of information and/or documentation provided, determine whether it is necessary to reclassify, reword, or remove any findings• Subject single audit report and data collection form to a second technical standards review by another audit partner• Provide management with final drafts• Auditors receive signed representation letter and management authorizes finalization of reports• Date audit reports to match the representation letter, prepare finals, and e-mail a clean PDF copy to management for distribution to the Board, grantor/pass-through agencies, or other interested parties.• Print, bind, and mail paper copies of the report• Initiate submission to the Federal Audit Clearinghouse. The audit principal will electronically certify the information and an e-mail with instructions will be provided for management to perform its certification• Receive auto-generated notification via e-mail when the Federal Audit Clearinghouse receives and accepts the reporting package and certifications• Present results of the audit to the governing body |
|--|---|

PEACE OF MIND
FORWARD-THINKING
CONFIDENCE
TRUSTWORTHY
GUIDANCE
COLLABORATION
BUSINESS SOLUTIONS
RELENTLESS SERVICE

THE REHMANN EXPERIENCE

West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423
P (616) 368-3023

Comprising City of Zeeland, Park Township and City of Holland



June 8, 2020

Report #6

To: West Michigan Airport Authority Board.
From: Greg Robinson, Airport Authority Manager.
Subject: FY 2021 Authority Manager Employment Agreement.

The Authority's Employment Agreement with me terminates on June 30, 2020 unless renewed by the Authority Board. The Authority's Operations Committee and I have discussed the renewal of this Agreement for Fiscal Year 2021.

The Authority Board, committees and staff have made great progress on accomplishing the activities in the fiscal year 2020 Action Plan, have already begun addressing activities in the fiscal year 2021 Action Plan, and have worked on numerous items not identified in either Action Plan. My gratitude goes to all of you for your involvement in making this airport an important economic asset to the Holland/Zeeland/Park Township community.

The Operations Committee and I are recommending that the current Employment Agreement be renewed for fiscal year 2020 and revised as follows:

1. That the term of the Agreement extends until June 30, 2021.
2. That the hourly compensation be increased to \$41 from the current \$40; a 2.5% increase.
3. It is likely that I will not continue my work with the Authority after some time in December 2020. As a result, the Agreement includes the following items 4-6.
4. In the event that I do voluntarily leave the Authority prior to the end of this Agreement, then the Agreement includes a \$400 per month compensation for consultation and advice to "...permit the orderly transition of management and administrative services for the WMAA."
5. That the Health Care Benefits (\$6,500) would be paid monthly, however, this payment will stop if I voluntarily terminate the Agreement.

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.

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6. Section 7 of the Agreement includes language regarding the Authority continuing officials, officers, and director's liability coverage for me for a 3-year period.

The Agreement also includes a \$50 per month payment for smart phone service.

Recommendation

The Operations Committee recommends that the Authority Board approve the Fiscal Year 2021 Employment Agreement with Greg Robinson as revised and described in this report.

Attachment: Proposed FY21 Employment Agreement with highlighted changes.

EXHIBIT A

Airport Services to be Performed

1. Implement activities assigned by the Authority;
2. Provide staff support to the Authority and its subcommittees;
3. Prepare budget information for the Authority and manage its budget;
4. Prepare state and federal grant applications and manage these grants;
5. Manage various airport contracts such as the FBO Agreement, land leases, private fueling facilities, etc.;
6. Evaluate and coordinate airport operations in cooperation with the Fixed Base Operator;
7. Develop and coordinate community education and public relation activities;
8. Monitor the Emergency Management Plan and other airport operational matters;
9. Facilitate communication with the Michigan Department of Transportation, the Federal Aviation Administration, and member governmental units;
10. Recommend operation improvements and identify capital needs at the airport; and
11. Ensure airport compliance with state and federal regulations.

EMPLOYMENT AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, ~~2020~~, ~~2019~~ by and between the **WEST MICHIGAN AIRPORT AUTHORITY**, of Holland, Michigan, hereinafter called the "Authority" or "the WMAA", and **GREGORY W. ROBINSON**, hereinafter called "Employee".

WITNESSETH:

The Authority desires to hire Employee to provide management and administrative services to the Authority.

The WMAA desires to employ the services of Employee and to provide certain benefits, establish certain conditions of employment, and to set working conditions of said Employee in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

SECTION 1. TERM:

This Agreement shall commence on July 1, 20~~20~~~~19~~ and shall terminate on June 30, 20~~21~~~~20~~, subject to the right of the WMAA to renew the terms and conditions of this Agreement for additional terms of one (1) year from and after June 30, 202~~1~~~~0~~ and each and every year thereafter. Notwithstanding the foregoing, this Agreement may be terminated upon sixty (60) days' notice by the WMAA to the Employee. This Agreement may be terminated with or without cause. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with the Authority, subject only to the provision that Employee provide 60 days' notice to the Authority prior to the effective date of his resignation.

In the event the WMAA or the Employee terminates this Agreement for a reason other than cause, the WMAA shall pay to the Employee a monthly amount of Four Hundred Dollars (\$400.00) per month for consultation and advice by the Employee to permit the orderly transition of management and administrative services for the WMAA.

SECTION 2. DUTIES:

The Authority employs the Employee to perform the functions and duties specified in the job description attached as **Exhibit A**, and to perform such other legally permissible and proper duties and functions as the WMAA Board of Directors shall from time to time assign. The duties and responsibilities delineated on **Exhibit A** may be performed by the Employee or others assigned by the Authority Board or Authority Manager.

SECTION 3. SALARY:

Commencing on the effective date of this Agreement, the Authority agrees to pay Employee for his services rendered pursuant hereto the sum of \$41-\$40 per hour, which shall be paid bi-weekly by the Authority to the Employee. Employee shall be required to provide and submit a log and a description of his hours devoted to the duties on behalf of the Authority. Unless earlier terminated by the WMAA or the Employee, it ~~It~~ is anticipated that Employee will work approximately 350-500 hours during the term of the Agreement. The hours and schedule that the Employee shall work each month shall be mutually agreed between the Authority and the Employee.

The Authority shall be required to provide workers' compensation insurance for the Employee and shall pay and deposit the Employer contribution for FICA and Medicare taxes. The Employee contribution for FICA and Medicare taxes shall be deducted from Employee's bi-weekly payment.

SECTION 4. PROFESSIONAL DEVELOPMENT:

The Authority agrees to pay for the travel and subsistence expenses of Employee for short courses, institutes, and seminars that are necessary for his professional development and for the good of the Authority. Such costs shall be approved by the Authority prior to the attendance of the Employee, and shall be subject to the availability of funds within the budget of the Authority.

SECTION 5. GENERAL EXPENSES:

The Authority agrees to provide a laptop and office for the Employee to perform the services pursuant to this Agreement. The Authority shall pay Employee's cell phone expenses in the amount of \$50 per month during the term of the Agreement or any renewal thereof.

SECTION 6. HEALTH CARE BENEFITS:

The Authority agrees to pay a stipend of \$6,500 to the Employee to be used to offset family health care costs. This stipend shall be paid in ~~monthly~~^{quarterly} installments beginning on July 1, 2020~~19~~, and shall continue until the date of termination. In the event the Employee voluntarily terminates this Agreement and is paid the monthly consultation amount of \$400, the monthly stipend for health care benefits shall not be paid.

SECTION 7. PUBLIC OFFICIALS LIABILITY COVERAGE/INDEMNIFICATION:

During the term of this Agreement, the Employee shall be a named insured on the Public Officials' Liability Coverage which is purchased by the Authority for its operations. At Employee's request, a Certificate of Insurance evidencing such coverage or a letter from the insurer of the Authority may be requested to confirm compliance with this paragraph.

The Authority further agrees to save, defend, and hold harmless the Employee from any claim, action, or liability which is asserted against Employee arising out of the performance of his duties on behalf of the Authority. This covenant of indemnification shall only apply if the Employee was acting within the scope of his authority on behalf of the Authority.

Upon the termination of this Agreement and continuing for three (3) years thereafter, the WMAA shall endeavor to obtain a prior tax endorsement on the public officials, officers, and directors liability policy naming Employee as an additional insured.

SECTION 8. PERFORMANCE EVALUATION:

The Authority may review and evaluate the performance of the Employee during the term of this Agreement upon fifteen (15) days' notice to the Employee. Said review and evaluation shall be in accordance with specific criteria developed jointly by Employer and Employee. Said criteria may be added to or deleted from as the Board of Directors of the WMAA may from time to time determine, in consultation with the Employee. Further, the Chairperson of the Authority shall provide the Employee with a summary written statement of the findings of the Authority and provide an adequate opportunity for the Employee to discuss his evaluation with the Authority.

SECTION 9. GENERAL PROVISIONS:

- A. The text herein shall constitute the entire agreement between the parties.
- B. This agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.
- C. If any provision, or any portion thereof, contained in this agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

(This page intentionally left blank. Signatures begin on next page.)

IN WITNESS WHEREOF, the Authority has caused this agreement to be signed and executed in its behalf by its Chairperson, and the Employee has signed and executed this agreement, both in duplicate, the day and year first above written.

WEST MICHIGAN AIRPORT AUTHORITY

By: _____
_____ ~~Russ Sylte~~, Chairperson

(Seal)

EMPLOYEE

Gregory W. Robinson

West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423
P (616) 368-3023

Comprising City of Zeeland, Park Township and City of Holland



June 8, 2020

REPORT #7

To: West Michigan Airport Authority Board.
From: Greg Robinson, Authority Manager.
Subject: Future Airport Authority Staffing Structure.

With the possibility that I will be leaving my employment with the Airport Authority in December 2020, the Operations Committee has discussed the future staffing structure.

The current staffing structure is budgeted at an estimated cost of \$74,600 for Fiscal Year 2021. This structure includes:

- Authority Manager – 10 to 13 hours per week.
- Operations Manager – 16 hours per week.
- Communications Coordinator – 15 hours per week. (Position currently vacant.)
- Department Assistant – 10 to 12 hours per week.
- Total full-time equivalent (FTE) = 1.375

The Committee has evaluated the following options:

1. Status quo, but increase the Authority Manager to 15 hours per week.
 - a. FTE = 1.45
 - b. Estimated cost = \$90,900.
2. Increase Authority Manager and Operations Manager to 20 hours per week. Other positions remain at current hours.
 - a. FTE = 1.7
 - b. Estimated cost = \$118,000
3. Full time Authority Manager and increase Department Assistant hours to 15-20 hours per week, no Operations Manager, no Communications Coordinator.
 - a. FTE = 1.44
 - b. Estimated cost = \$108,250.
 - c. This cost assumes a \$70,000 annual salary for the full-time manager.

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.

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Any increases in cost will likely decrease the annual amounts transferred for capital projects. However, even the current structure is likely to cost more in the future in that I am away from the Authority 8-10 weeks each year and the new Manager would likely work more weeks than this.

At this point, the Operations Committee is favoring Option 3. This option will not include a communications coordinator, but these responsibilities would be shared by the Manager, Department Assistant, and outside support. This option should provide valuable time to conduct more community and business outreach, as well as provide consistent attention to the airport and the activities of the Authority.

Recommendation

The Operations Committee members intend to discuss this with the Board at Monday's Board meeting.

WMAA MONTHLY FBO REPORT

West Michigan Regional Airport FBO Report May, 2020

**Total Fuel Gallons
Delivered**

Current Month May-20	One Year Ago May-19	Fiscal Year To Date 10-1-19 to 9-30-20	F/Y to Date Compared 10-1-18 to 9-30-19
23,347	77,586	295,855	-85,309

Transplant Flights

0

Wings Of Mercy Flights

0

Freight Flights From/To Holland

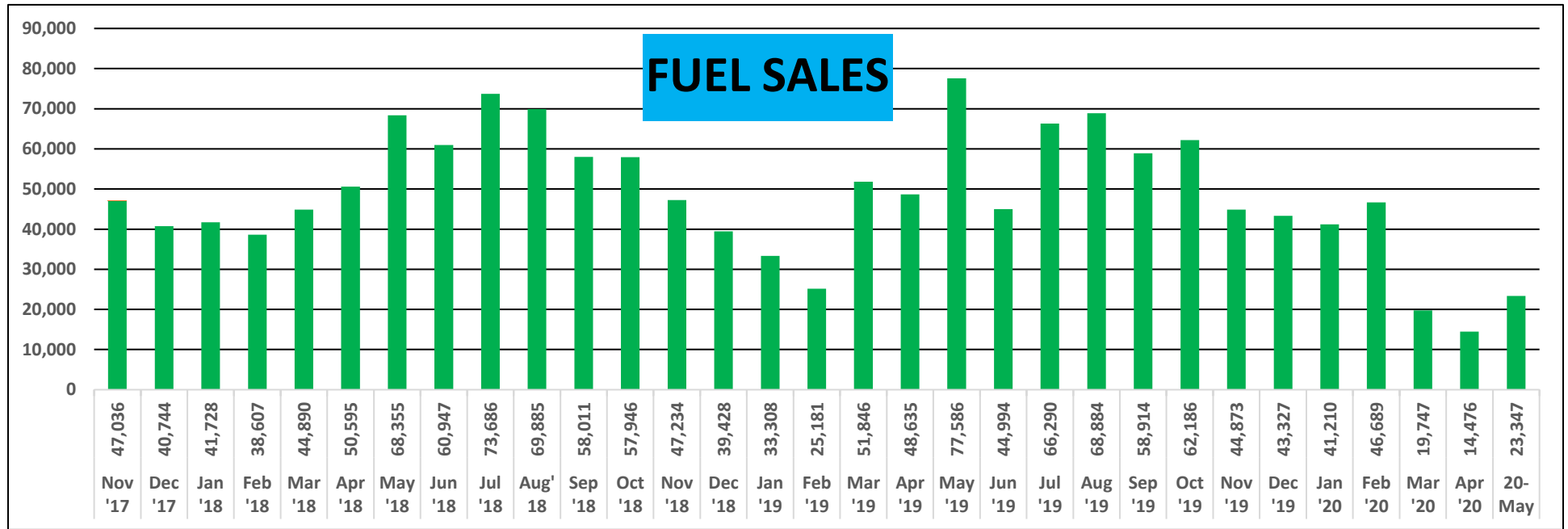
0

Freight Weight

0

Number of Parts if Known

0



West Michigan Airport Authority

270 South River Avenue, Holland, MI 49423
P (616) 510-2332

Comprising City of Zeeland, Park Township and City of Holland



June 8th, 2020

REPORT 9.

To: West Michigan Airport Authority Board.
From: Aaron Thelenwood, Operations Manager.
Subject: **Fiscal Year 2020 Budget Amendments.**

Prior to the end of each fiscal year (FY), the Authority Board is required to approve significant budget changes due to actual revenues and expenses. Attached to this report is a list of the changes for FY 2020 as prepared by the City of Holland Finance Office.

Under expenses the largest line-item increase was related to the Runway Lighting & Rehab Project. Initially, there was nothing budgeted under this item. Due to this project being moved up in our Capital Improvement Plan well into the current fiscal year, it was not included in the original approved budget. Expenses for engineering services at the end of the year are \$12,050. It is recommended to round up and approve this line item to \$12,100.

Additionally, \$3,917.65 was charged to Business Center – Building Grounds and Maintenance. \$2,243 is being re-allocated to Airport Operations and \$1,700 (rounded up from \$1675) will be allocated to Business Center-Building Grounds & Maintenance. This cost was not originally budgeted and was for an electrical repair at the business center as well as installation of emergency Duress Buttons located in the facility.

Recommendation

It is recommended that the Authority Board approve the proposed amendments to the Fiscal Year 2020 budget.

West Michigan Airport Authority
Member and Staff Roster
(Revised 05.12.2020)

City of Holland

Dave Hoekstra - 1st Term

443 Central Ave
Holland, MI
616.886-8000 (C)
d.hoekstra@cityofholland.com

Term Expiration: December 2022

OPERATIONS

Scott Corbin - 1st Term

3270 122nd Ave.
Allegan, MI 49010
269.673.0571 (O)
scorbin@allegancounty.org

Term Expiration: December 2020

OPERATIONS

OPEN

Holland, MI
phone
[EMAIL](#)

Term Expiration: December 2022

City of Zeeland

Kevin Klynstra - 1st Term

21 S. Elm Street, Zeeland, MI 49464
616.772.6400 Ext. 1218 (O)/ 616.283.3407 (C)
kklynstra@ci.zeeland.mi.us

Term Expiration: January 2023

COMMUNICATION

Beth Blanton - 1st Term

201 W. Washington Ave. Loft 410, Zeeland, MI 49464
616.772.5226 (O)/ 616.990.9798 (C)
beth.blanton@lakeshoreadvantage.com

Term Expiration: January 2021

COMMUNICATIONS

Lester Hoogland - 1st Term

353 N. Colonial, Zeeland, MI 49464
616.772.4156 (H)/616.218.5663 ©
clerk@ci.zeeland.mi.us

Term Expiration: January 2021

BUILDING & DEVELOPMENT

Sally Gruppen (Alternate)

516 W. Lawrence, Zeeland, MI 49464
616.772.4021 (H)
clerk@ci.zeeland.mi.us

Park Township

Russ Sylte (Chair) - 1st Term

1835 Erin Isle Drive, Holland, MI 49424
616.886.8530 (M)
rds@metalfloor.com

Term Expiration: June 2023

OPERATIONS

Skip Keeter - 1st Term

616.283.0514
616.738.4240
ekeeter@parktownship.org

Term Expiration: November 2020

COMMUNICATIONS

Jeff King

1268 W Lakewood Blvd, Holland, MI 49424
517-425-2900
king.robert.j@gmail.com

Term Expiration: June 2020

COMMUNICATIONS

To Be Appointed (Alternate)

Address, Holland, MI 49424
phone
[@parktownship.org](#)

West Michigan Airport Authority
Member and Staff Roster
(Revised 05.12.2020)

Ex-Officio Members

Jim Storey (Allegan Co. Rep.)
344 West 35th Street, Holland, MI 49423
616.848.9767 (C)
jmstore@yahoo.com

Doug Zylstra (Ottawa Co. Rep.)
152 E 24th St, Holland, MI 49423
616.443.4281
dzylstra@miottawa.org

COMMUNICATIONS, Bldg & Development

Youth-On-Board

OPEN

Other/Staff

Greg Robinson (Airport Authority Manager)
West Michigan Regional Airport
60 Geurink, Holland, MI 49423
616.368.3023 (O)/ 616.566.3759 (M)
g.robinson@wmairportauthority.com

Terry Boer (FBO)
Tulip City Air Service
1581 S. Washington, Holland, MI 49423
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tboer@tulipcityair.com

Aaron Thelenwood (Staff)
City of Holland
270 S. River Avenue, Holland, MI 49423
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Pam McCormick (Admin Asst.)
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