

CITY OF MONTROSE  
139 S. SAGINAW STREET  
MONTROSE, MI 48457

PHONE (810) 639-6168  
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**Special City Council Meeting**  
**June 5, 2025**  
**To be held at the Montrose City Office**  
**Located at 139 S. Saginaw Street**  
**6:00 P.M.**

**CALL TO ORDER**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE TO THE FLAG**

**PUBLIC COMMENTS**

**SPECIAL BUSINESS**

1. City Council to Considered Engagement Letter of Agreement with Taylor & Morgan

**ADJOURNMENT**

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# CITY OF MONTROSE

## MEMORANDUM

**Date:** June 3, 2025

**To:** Mayor Banks and Montrose City Council Members

**From:** Interim City Manager, Joe Karlichek

**Subject:** Report regarding recommendation to authorize agreement with Taylor & Morgan Firm

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### **Background:**

The city of Montrose has been without a Treasurer for a period of time causing chronic inconsistencies relative to the City Charter Article IV, 4-202, "The City Treasurer." The city charter outlines its budget adherence in Article VI, 6-102 "Budget Procedure", 6-104 "Adoption of Budget", 6-105 "Budget Control", 6-107 Independent Audit and 6-108 "Uniform System of Accounts".

As a consequence of the aforementioned and my investigation internally, I summoned and met with the Taylor & Morgan Firm (Flint Township <https://www.tmcpa.com>) on June 2, 2025, at the city office. The Taylor & Morgan Firm provides the accounting and budgeting for the Genesee County 9-1-1 Authority. I have had the pleasure of working with their firm as a General Member and Executive Board Member for the past four (4) years. Their firm has provided significant guidance and structure to the budgeting and accounting practices of the 9-1-1 Authority, its Executive Board, administrative employees of 9-1-1 and complemented practices to ensure accountability and transparency.

I discussed with Taylor & Morgan the position the City of Montrose is in, and the necessary accountability needed to re-establish the principles of proper forecasting, budgeting, account reconciliation, and presentation of a formal budget to properly bring forth a FY25/26 Budget for City Council to adopt in accordance with the City Charter. As you are aware the city council, on Tuesday May 27, 2025, moved its regularly scheduled meeting of Tuesday June 10, 2025, to Tuesday June 24, 2025, to establish a Public Hearing for the purpose of adopting a balanced budget, in accordance with City Charter.

Provided in this memorandum to the council is the Taylor & Morgan Agreement for the Mayor and City Council to consider hiring to achieve the necessary adoption of the FY25/26 Budget. In the agreement it establishes the various funds the City of Montrose has relative to budget procurement. There are approximately fourteen (14) calendar days to complete this project for city administration to work, collaborate, review and submit to city council on Friday June 20, 2025, preceding the scheduled June 24, 2025, council meeting and Public Hearing.

### **Recommendation:**

It is recommended the City Council authorize City Administration to enter into the agreement with Taylor & Morgan and the City of Montrose at a proposed cost of \$6,000.00 - \$8,000.00.

June 3, 2025

Joe Karlichek, City Manager  
City of Montrose  
139 S. Saginaw Street  
Montrose, MI 48457

Dear Mr. Karlichek:

This letter is to confirm our understanding of the terms and objectives of our engagement to provide consulting services to the City of Montrose. These services will begin as soon directed by the City Manager and will include assisting the City Manager in preparing the 2025-2026 annual budgets for the following funds:

- General Fund
- Major Street Fund
- Local Street Fund
- Garbage & Rubbish Fund
- Neighborhood Enhancement Project Fund
- Mosquito Control Fund
- ARPA Grant Fund
- Sewer Fund
- Water Fund
- Downtown Development Authority

We will complete our budget report and have it available for the City Manager's review by June 20, 2025 and we will present it to the board on June 24, 2025.

We will invoice you monthly on a per hour basis at our standard hourly rates for the following individuals:

Partner-Shawna Farrell, CPA:	\$250.00/hour
Manager-Sheri Sprygada, CPA:	\$190.00/hour
Senior Accountant-Janet Fras:	\$155.00/hour
Staff Accountant:	\$120.00/hour

The fees above include all costs for travel and out-of-pocket expenses and are subject to annual increases. We estimate the total cost for these services to range between \$6,000 and \$8,000. Our invoices for those fees will be rendered each month as work progresses and are payable upon presentation. This agreement can be terminated by written notice of either party.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we will inform the appropriate level of management of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless clearly inconsequential.

In view of the limitations described above, you agree not to take or assist in any action seeking to hold us liable for damages due to any deficiency in the financial statements we prepare and you agree to hold us harmless from any liability and related legal costs arising from any third-party use of the financial statements in contravention of the terms of this agreement.

Should you require financial statements for third-party use, we would be pleased to discuss with you the requested level of service. Such engagement would be considered separate and not deemed to be part of the services described in this engagement letter.

In no event shall either party be liable to the other, whether a claim be in tort, contract, or otherwise, for any indirect, consequential, punitive, exemplary, lost profits, or similar damages in claims relating to services provided under this engagement.

If a dispute arises out of or relates to this contract or engagement letter, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Mediation Rules before resorting to arbitration, litigation or some other dispute resolution procedure. Any claims filed relating to the services covered in this engagement must be filed within one year of the completion of the engagement.

Except for the fraudulent behavior, willful misconduct, or gross negligence of our officers, employees, or agents as finally determined by judicial proceeding, our liability to you for services rendered under this engagement letter shall be limited to the fees paid to us for such services or work product giving rise to liability.

This engagement letter, and all related services and work product, will be governed by and subject to the laws of the State of Michigan.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return to us.

Sincerely,

*Taylor & Morgan, P.C.*

Taylor & Morgan, P.C.

Acknowledged:  
City of Montrose

\_\_\_\_\_  
Officer Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date