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October 11, 2005

Scio Township Board of Trustees

Charles Nielsen	Jean Ledwith King
Kathleen Krol	David Nacht
Donna Palmer	Charles Ream
James Dries	

827 N. Zeeb Road
Ann Arbor, MI 48103-1599

Subject : Township Agreements with Carlisle Wortman and Orchard Hiltz & McCliment

This will memorialize my comments before the Board on October 11, 2005.

Let me describe a process to you. An organization with unlimited power to put me out of business comes to my company and says, "Here's a private company that will be doing work for you. You will pay their bills no questions asked, you will have no right to review or challenge their bills and, if you don't pay their bills, we will shut your business down."

Now, my father and my uncle were FBI agents who spent much of their careers fighting organized crime and they would have called this racketeering. Yet, this is precisely what goes on in Scio Township when the Township gives its outside consultants (specifically, Orchard Hiltz & McCliment, and Carlisle Wortman) the unlimited right to bill whatever they want to developers and then enforces payment by shutting down the developers' projects if the consulting bills are not paid in full no questions asked.

The system put in place by Scio Township for these outside consultants is no different than racketeering – with the Township instead of a Mob racketeer enforcing unlimited and unregulated profits for the outside consultants.

As I have said before and I will state again, the system for using consultants in Scio Township is an unregulated and uncontrolled tax which benefits only the consultants and their surrogates. It begs for abuse, and abuse is what the builders and developers are getting. The fees charged by the consultants have increased exponentially over the years and there's no end in sight. And, why shouldn't the consultants increase their fees exponentially ? There's nothing in place to stop them. Candidly, I'm not sure these consultants should be condemned – as I suspect the vast majority of companies, given the opportunity to bill with impunity, **would** indeed bill with impunity.

This "system" needs to be changed. With over \$600,000 of fees per year – hidden taxes shown nowhere on the books of the Township – the "services" provided by these outside consultants should be brought in-house. Absent that, those asked to pay these consultants' bills should have an estimated budget for fees up front, the right to negotiate fees and limits up front, the right to challenge invoices from the consultants, and a process for arbitrating differences of opinion.

Now, at the Board Meeting on September 15, 2005 the Township's new manager, Mr. Fecho, suggested that the Township's "arrangement" with the consultants was "standard practice." My interpretation of Mr. Fecho's comment was that anything that is "standard practice" should not be subject to review or change.

That is not this country's history nor the stance of citizens who reach out for justice. Consider the following :

- 230 years ago, taxation without representation in America was a "standard practice." We had a revolutionary war over that.
- 150 years ago, slavery was a "standard practice." We had a civil war over that.
- Prior to the ratification of the 19th Amendment to the Constitution in 1920, not permitting women to vote was a "standard practice."
- Prior to the passage of the Civil Rights Act of 1964, segregation was a "standard practice."
- Prior to the passage of Title IX and the efforts of an activist lawyer named Jean Ledwith King, not funding women's sports was a "standard practice."

Well. I think you get my point. Standard practices not subject to review lead to hegemony of the powerful over the weak.

There is a revolution brewing in Michigan and in America – against the privileges, economic and otherwise, that government bestows upon itself and selected non-governmental beneficiaries. The overall cost of government in Michigan and America today is not sustainable – as it represents a combined tax that makes Michigan and America uncompetitive with other countries.

I've attached a list which shows various rankings for the State of Michigan vs. the other 49 states. The source for the list was *Governing Magazine's 2005 State and Local Source Book*. As you can see in the areas of unemployment, economic growth, and economic momentum, Michigan is dead last. Businesses, young people, and great minds are leaving Michigan in droves and, if this doesn't change, we will soon be squabbling over scraps instead of opportunity.

Now, Scio Township is a small part of Michigan's pie. Still, Scio Township's leaders should not presume that they cannot contribute to the destruction of economic opportunity with burdensome taxes, fees, hidden taxes and hidden fees, rules, and regulations. My contention is this : if Scio Township continues this abusive system of "consultants get whatever they want" and "current standard practices are not subject to change," then Scio will simply be signing up for the same policies, procedures, and practices that are abusive and that are sending much of Michigan's economy to hell in a handbasket.

As I've said before, I think you folks have a very tough job.

I look forward to seeing what actions this Board takes to rectify these very disturbing practices.

Thank you.

Attachment