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October 11, 2010

Mr. Keith Sawdon
 Director of Finance
 City of Rochester Hills
 1000 Rochester Hills Drive
 Rochester Hills, MI 48309

Dear Keith:

Thank you for your continued interest in retaining the services of Plante & Moran as auditors for the City of Rochester Hills. We value our years of service to the City, and sincerely appreciate the opportunity to continue our relationship as auditors and financial advisors for the City.

You have asked us to evaluate whether there are any opportunities for Plante & Moran to reduce its audit fee for the audit proposal currently being considered by the Rochester Hills City Council. The purpose of this letter is to amend our fee proposal for the audit of the years ended December 31, 2010, 2011 and 2012 (with City option to renew for additional years).

As a reminder, the audit fees for the fiscal year ended December 31, 2009 were as follows:

City of Rochester Hills	\$	79,580	
RARA		1,982	
OPC		8,923	
Total	\$	<u>90,485</u>	

Our original fees proposed a reduction in 2010, in recognition of the reduced economic condition of the City resulting from its decrease in taxable values. Our original fees were proposed as follows:

	<u>City</u>	<u>RARA</u>	<u>OPC</u>	<u>Total</u>
2010	77,838	1,992	8,673	88,503
2011	77,838	1,992	8,673	88,503
2012	80,303	2,053	8,940	91,296
2013	82,768	2,114	9,307	94,189
2014	85,296	2,178	9,486	96,960

We have given your current request serious consideration, and we believe we are able to reduce our fees in two respects:

1. Currently the City staff prepares the comprehensive annual financial statement. If the City were also to take responsibility for publishing the CAFR, we believe we could save approximately \$1,500 per year.



2. In addition, we are willing to reduce the fees significantly for the 2010 through 2012 audits, in recognition of the revenue reductions currently being experienced by the City. We will also add one additional year onto the City's option to extend the contract.

Our amended fee proposal, considering the above two factors, is as follows:

	<u>City</u>	<u>RARA</u>	<u>OPC</u>	<u>Total</u>
2010	\$ 71,838	\$ 1,992	\$ 8,673	\$ 82,503
2011	71,838	1,992	8,673	82,503
2012	71,838	2,053	8,940	82,831
2013	81,268	2,114	9,307	92,689
2014	85,800	2,178	9,486	97,464
2015	88,900	2,230	9,510	100,640

I would like to reiterate that we highly value our professional relationship with the City of Rochester Hills. We feel strongly that the quality of our professional services is on a par with any firm in the nation. That includes the international firms, which we know well in our service on national committees. We strive to be the best value to the City, and that means charging fees that are fair and reasonable. Our hope is that the our fees proposed to the City of Rochester Hills, as amended above, will be viewed as representing the best value to the City, considering both quality and price.

We would be happy to meet with you or the City Council to discuss our proposal in more detail.

Very Truly Yours,
Plante & Moran, PLLC



Joseph C. Heffernan