



COMMON GROUND

WINTER 2008

MESSAGE FROM THE PRESIDENT

I would like to wish all members and colleagues in the Security Business the best and successful of holiday seasons. This is the time that we must step back, reassess our priorities and spend some quality time with family and friends.

MCSA had an extremely successful Holiday Mixer, in Royal Oak at the Peking House, which was attended by approximately 45 members and prospective new members. MCSA was able to secure 5 new members through the event which was helped by the Kel-Light Gift from Kevin Whaley to new member sponsors. Kevin gave away more lights than he came prepared with and will be sending additional lights out. Please continue your efforts to recruit new members to the association as our power is in our numbers.

Chairman John Rutherford has begun having committee meetings of the legislative committee to conduct the rewrite legislation on PA 330. If you have interest in serving or offering your input, please contact John and he will include you in future meetings.

We are anticipating a very active year with the new legislature and the recruitment drive for additional members. Please talk to your colleagues and let them know of the savings in the shared insurance program and the other benefits of the legislation that we are currently working on. We will be playing defense as much as offense to make certain that our industry is not adversely affected by new regulations and laws that affect our ability to conduct business and pay our appropriate taxes in this state. Stay tuned and get involved, WE NEED YOU.

Sincerely,

Dale White
MCSA President
248-322-9673



Dale White,
MCSA PRESIDENT

IN THIS ISSUE

▶ President's letter

▶ Capitol Report

▶ From the Vice President

▶ Exclusive MCSA Business Insurance Program



**MICHIGAN CONTRACT
SECURITY ASSOCIATION**

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CONTACT INFO UPDATES

We at the MCSA office like very much to stay current with our members. We invite you to send us any updates or changes you might have in your contact info. Also if you have an email address, we would like to include this in our records as well.

All updates should be sent to:
MCSA
235 North Pine St.
Lansing, Michigan 48933



CAPITOL REPORT



The election is over for another cycle and the new legislators are getting ready to take office on January 1, 2009. The MCSA Board approved sending letters to all 110 elected State Representatives congratulating them on their election to office. We will schedule meetings with the new elected Representatives after they assume office.

The election resulted in 67 Democrats elected to maintain control of the House over 43 Republicans. Speaker Dillon was re-elected Speaker and Representative Kathy Angerer was elected as Majority Floor Leader. Representative Pam Byrnes was elected Speaker Pro-Tem for the Majority Democratic party. The Republicans elected Representative Kevin Elsenheimer as the Minority Leader and Representative David Hildenbrand as the Minority Floor Leader. The full Senate will be up for election in 2010 as well as the House of Representatives and the Governor.

The current Michigan Legislature has returned to session, albeit for a short session, prior to taking off for the hunting and Thanksgiving break. The legislature will return after the holiday for approximately three weeks of lame duck session. The agenda for that time frame has not been set yet, however the budget cuts in the Governor Executive Order may be part of the discussion.

Julian Vail, LLC continues to meet with Representative Condino and his staff, on our legislation which is now listed as HB 6316 & HB 6317 introduced on July 22, 2008. It does not appear that there will be any movement on this bill until the next session. We will continue the discussions with Chairman Rutherford and the committee looking at the re-write of PA 330 and have new bill drafted when the time is right and the language agreed upon by all parties involved in the discussion. MCSA Legislative Chairman- John Rutherford continues to be instrumental in the discussion and planning for these bills.

Julian Vail, LLC, Legislative Liaison

Looking for information on licensing? Visit www.michigan.gov/dleg for more information and contacts within the department.

Curious what's happening in the Michigan legislature? Visit www.legislature.mi.gov for legislative committee meeting schedules and agendas for the meetings.



FROM THE VICE PRESIDENT

Expect an Increase in Unemployment Tax Rate:

Due to skyrocketing unemployment the State of Michigan has fallen into arrears to the federal unemployment benefits trust fund to the tune of over four hundred and seventy million dollars (\$470,000,000.00). This must be repaid by the creation of a solvency tax. This tax was last imposed over twenty years ago and not since.

The majority of the surcharge will be applied to companies who have paid less in unemployment taxes than was paid out in unemployment benefits to its former employees. Such negative balance employers can expect to pay an additional \$67.50 per employee during 2009.

The surcharge will continue at least through 2010 when most employers will have to pay an additional \$21.00 per employee to restore solvency to the system. Michigan currently has the second highest unemployment rate in the country exceeded only by Rhode Island.

The Michigan Business Tax (MBT):

There is a lot of confusion regarding this new tax which replaces the former Michigan Single Business Tax. Even the State of Michigan is mired in confusion promising to finally have the requisite forms ready for filing this month.

There are three components to the tax:

1. A tax on gross receipts
2. A tax on business income
3. A 22% surcharge on the total of the above

A business with less than Twenty Million Dollars (\$20,000,000.00) in gross receipts and less than One Million Three Hundred Thousand Dollars (\$1,300,000.00) in business income and whose total compensation to officers, shareholders and partners is less than One Hundred Eighty Thousand Dollars (\$180,000.00) can elect to pay the Small Business Alternative Credit rather than the MBT.

Businesses must file and pay estimated MBT taxes quarterly just as with the old SBT. Failure to do so by the due date incurs a penalty. For business using a calendar year as their fiscal year the filing due dates are April 15, July 15, October 15 and January 15.

Public Act 330 Replacement:

The Michigan Contract Security Association has undertaken the project of a complete re-write of Public Act 330. As of this writing the Legislative Committee of MCSA has identified at least five areas of common interest for reform:

1. Include proprietary guards, bodyguards and executive protection in the Act.
2. Reform the screening requirements (including fingerprinting) of the Act.
3. Simplify and relax uniform standards.
4. Establish minimum training standards for security professionals.
5. Create a fee structure for licensing which requires DLEG to employ an investigator with power to enforce the Act.

Some other ideas under consideration include making any violation of the Act a felony, revising and upgrading the requirements for licensure and including the authority for security officers to carry tasers after requisite training.

Please send your suggestions and thoughts to the Legislative Committee Chairman at cpp@aarmco.com.

John P. Rutherford, CPP
MCSA Vice President
cpp@aarmco.com

Exclusive MCSA Business Insurance Program



Four years ago, the MCSA Board of Directors began a feasibility study to see if our members could benefit from an association sponsored insurance program. The Campbell Group of Grand Rapids was contracted to do an initial analysis of current members' coverage, rates and quality of services. A brief summary of their findings as follows:

- ✓ The financial strength of many members insurer was questionable.
- ✓ Some members could not find necessary lines of insurance coverage's at any price.
- ✓ None of the members interviewed (approximately 20 agencies) were with insurance companies that were licensed in Michigan nor did they participate in the Michigan Guarantee Fund which would provide coverage in the event of an insurer's insolvency.
- ✓ Policy forms were often very restrictive and there was no consistency in coverage offered from one insurance company to another. Members were shocked to find policy exclusions and restrictions took away coverage they thought they had.
- ✓ All members had separate insurance carriers handling their Worker's Compensation, General/ Professional Liability, Crime, Automobile, Property, Equipment and Bonding.
- ✓ In most cases the current agents, auditors, and claim representatives had very limited knowledge of the contract security industry.

Due to the above findings a National search was done in hopes of identifying an insurance company that would offer some relief. The goal was two fold. The primary objective was to see which of the fore mentioned short comings could be effectively dealt with. The second goal was to provide our members with reduced and consistent rates. As a result of these findings, the MCSA has partnered with The Campbell Group/Great MidWest Insurance Company and now has an insurance program that address all of our major concerns and at considerably reduced rates. Member's savings this year were in the \$500,000 range. Simply put, this is the "BEST" insurance program available to Contract Security companies in Michigan.

To obtain a proposal contact:

Kevin Whaley at The Campbell Group 1-800-651-7495 or kwhaley@thecampbellgrp.com.

- **Over \$50,000 in dividends were returned to MCSA policy holders for the 2008 term!**
- **NEW medical plan is available for 2008. Check it out!**



Kevin Whaley
Toll Free: 800.748.0351
Email: kwhaley@thecampbellgrp.com



MICHIGAN CONTRACT SECURITY ASSOCIATION

2008 HOLIDAY MIXER

at the Peking House in Royal Oak.

Thirty-seven joined MCSA for complimentary hors d'oeuvres buffet. MCSA handed out mag-lights to members who brought in potential new members. Four new membership applications were received.



Dale White, MCSA President, Larry Julian, Julian Vail, LLC, and John Rutherford, MCSA Vice-President.



MCSA members enjoying the 2008 Holiday Mixer.



Michigan Contract Security Association (MCSA) Board Members (L-R), John Rutherford, MCSA Vice-President, Kevin Whaley, MCSA Board Member, Glen Burg, MCSA Secretary, John Thomas, MCSA Board Member, and Dale White, MCSA President.



Glen Burg, MCSA Secretary speaking with a potential MCSA member.



Mag Lights courtesy of Kevin Whaley, MCSA Board Member.



Please indicate any corrections or additions to database information.

Phone Number _____

Fax Number _____

Cell Phone _____

Email Address _____

Web site Address _____

MICHIGAN CONTRACT SECURITY ASSOCIATION
 235 North Pine Street
 Lansing, MI 48933
 Ph: (800) 710-2371
 Fax: (517) 372-1501

2009 MEMBERSHIP RENEWAL
Please check appropriate category:

TYPE OF MEMBERSHIP:

AGENCY \$500.00

Entitles agency to two (2) paid memberships with full voting/office rights. Members must be designated on application.

ASSOCIATE \$100.00

Does not hold office, does not vote, may serve on committees; i.e.:students, small agencies, and employees of a licensee.

INDIVIDUAL \$250.00

May hold office, holds one vote, may serve on committees; i.e.: licensee, employee of licensee

PARTNER \$250.00

Non-exclusive, non-voting membership for businesses and organizations who market to the security industry; i.e.: Insurance agencies, uniform suppliers, payroll processors, attorneys, etc.

MCSA dues cover membership from January 1, 2009 to December 31, 2009.

Member Name: _____

Total amount: \$ _____ Check # _____ Visa MasterCard

Card Number: _____ Exp: _____

Cardholder Name: _____

Card Billing Address: _____

Signature: _____ Date: _____

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Michigan Contract Security Association
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MCSA CALENDAR OF EVENTS

January 21, 2009	MCSA Board/Membership Meeting
May 20, 2009	MCSA Board/Membership Meeting
July 15, 2009	MCSA Board/Membership Meeting
October 21, 2009	MCSA Board/Membership Meeting

Visit www.mcsa-online.org for locations and meeting times.

