

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, December 18, 2019, 6:00 p.m. 231-879-3565
Fife Lake Township Hall, 134 Morgan Street, Fife Lake, MI 49633

CALL TO ORDER: President Gray called the meeting to order at 6:02 p.m.

ROLL CALL: President Gray called Roll.

Present: President Tom Gray, Vice President Marilyn Hayes, Treasurer Jodi Velez, and Commissioners Jim Gifford, Ron Broering, and David McGough.

Absent: Secretary Leigh Gifford and Commissioner David Gill.

Others in Attendance: Compliance Officer Ray Ravary.

APPROVAL OF AGENDA:

Addition:

New Business: 2019 Adjusted Budget and 2020 Proposed Budget

Board Action: Mr. Broering made a motion to approve the Agenda as amended. Mr. Gifford seconded the motion.

VOTE: YEAS: All. NAYES: None. Motion carried.

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of November 20, 2019:

Board Action:

Mr. Gifford made a motion to accept the Minutes of the November 20, 2019, Regular Meeting as presented. Ms. Velez seconded the motion. Mr. Broering abstained from the vote as he was absent from the prior meeting.

VOTE: YEAS: All. NAYES: None. Motion carried.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of November 30, 2019, and Payment of Bills:

The Treasurer's Report was distributed in advance of the meeting. An updated A/P report was distributed at the meeting. Treasurer Velez reported on the following:

There are two Balance Sheet entries of two cents (Construction in Process – SAW) and 12 cents (Construction in Progress – USDA) that Ms. Velez will look into with H&R Block. It appears they should be cleared out.

Board Action: Mr. Broering made a motion to approve the Financial Report as presented. Mr. Gifford seconded the motion.

VOTE: YEAS: All. NAYES: None. Motion carried.

Payment of Bills: There was Board discussion regarding Bills Payable.

Board Action: November, 2019, Bills Payable:

Mr. Broering made a motion to approve the November, 2019, bills as presented. Ms. Hayes seconded the motion.

ROLL CALL VOTE: Hayes-Y, Velez-Y, Broering-Y, Gray-Y, J. Gifford-Y, McGough-Y. Motion carried.

Re: SCADA repairs – Integrated Controls. We received a letter and invoice from Integrated Controls for repairs of \$2,067.50. This invoice is included in the monthly approved bills. The Board advised Mr. Ravary to facilitate an insurance claim with Paul Olson Michigan of Underwriters of West Michigan (MUWM).

Michigan CLASS Investment Pool:

Per prior Board discussion, Ms. Velez spoke with Forest Area Credit Union, who could only offer 60-month CDs at 1.92%. Their 12-month CD is at 1.21%, and their six-month CD is at .45%. Mr. Blake Smith of USDA stated CDs are acceptable; however, if we pull the funds prior to maturation, we pay early withdrawal penalties.

As of this date, 12/18/19, the Michigan CLASS fund's YTD yield is 2.3166%.

Per USDA Blake Smith, funds must be secure and liquid. Ms. Velez has previously reviewed the Michigan CLASS investment policy with the Board and verified the funds are insured. At next month's meeting, she will have prepared and bring the appropriate documents for submission if the Board approves to put funds into this program.

GUESTS: None.

COMMITTEE REPORTS:

Personnel Committee: No meeting. No report.

Steering and Operations Committee: No meeting. No report.

Compliance Officer/FVOP Report: The Compliance Officer Report was distributed in advance of the meeting and discussed among the Board. Mr. Ravary also reported on the following:

Employee Chris Houghton had an incident with the work truck today, 12/18/19, and slid into a tree due to ice and snow. Mr. Ravary will file an insurance claim.

He has a load of ferric chloride coming as we are getting low. All sprinkler heads are rebuilt. He will speak with our current farmer, Mr. Dar Zimmerman and Mr. Gray spoke with Mr. Birgy regarding the Farming Rights contract. We are looking to set that contract next month.

The Training Account needs to have more funds put into it as he will be taking the Rate Study Class in January.

There was Board discussion regarding the last remaining resident on Vans Lane who has not hooked up despite being given numerous notifications and information on pursuing financial aid through various resources. This resident has had at least two years' notice.

Board Action: Ms. Velez made a motion that if the last resident on Vans Lane who has not yet not tied in, has not secured a permit to hook-up by February 1, 2020, the FLAUA attorney will be contacted, as per FLAUA Ordinance, to pursue legal action. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Mr. Ravary noted he will be with FLAUA five years in May and part-time employee Chris Houghton is coming up on two years of employment with us.

CITIZEN COMMENT: None.

NEW BUSINESS:

Annual Meeting Schedule: The 2020 Annual Meeting Schedule will be distributed to the Board by Vice President Hayes.

2019 Adjusted Budget: Treasurer Velez discussed Budget vs. Actual YTD. To Balance the 2019, the following adjustments will be made and presented to the Board at the January, 2020 meeting for approval:

Cell Phone: increase by \$250

Training & Education: increase by \$500

Building Repairs: there may be an adjustment or reclassification

Payroll & Wages: will review average monthly payroll with Emily at H&R Block

Uniforms: increase by \$200

Quick Book payments (fees are likely to increase): increase by \$250

In order to make these adjustments, funds will be pulled from the Professional Fees account as that has an excess amount budgeted (\$25,000) and YTD we have spent \$9,000.

Proposed 2020 Budget:

The 2020 Proposed Budget will reflect all 2019 Budget Adjustments with the exception of Training and Education account, which will be increased to \$2500. Additionally, we will be budgeting \$17,500 under Contract Services for GIS Televising in 2020.

OLD BUSINESS:

Audit and Accounting Sealed Bids: Sealed Audit bids were tabled to next month. Our current provider was not contacted for an opportunity to provide a sealed bid.

Sealed Accounting Bids:

Board Action: Ms. Hayes made a motion to accept the bid of C&T Management Services, dba H&R Block, to continue with their accounting services for a period of three years. Mr. Broering seconded the motion.

VOTE: YEAS: All. NAYES: None. Motion carried.

Ms. Velez will notify the provider.

Asset Management Plan: Ongoing.

Contract for Farming Rights: Tabled to next month.

Outstanding Task List Discussion:

The Outstanding Task List from last month was discussed. New items were added for individual and Board follow-up.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

BOARD COMMENT: Ms. Velez reported a check was written to transfer funds from Chemical Bank to Forest Area Credit Union (FAFCU) but delivered to Chemical Bank, who called Ms. Velez questioning why funds drawn from our account with them were being redeposited to that account. She then had to physically pick up the check and hand deliver/deposit it to the FAFCU account to ensure the funds were there for the December 1 USDA payment. The Board expressed many thanks to her for the extra effort in ensuring this was managed properly.

ADJOURNMENT: Mr. Velez made a motion to adjourn the meeting. Mr. Gray seconded the motion. The meeting adjourned at 6:55 p.m.

Submitted by: Kay Z. Held, Recording Secretary