

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, January 19, 2022, 6:00 p.m. 231-879-3565
Fife Lake Township Hall, 134 Morgan Street, Fife Lake, MI 49633

CALL TO ORDER: President Tom 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 Thayer and Commissioners Ron Broering, Tom Hempsted and David Gill. A quorum was established.

Absent: Secretary Leigh Gifford and Commissioners Jim Gifford and Dave McGough.

Others in Attendance:

Ms. Kay Held, Recording Secretary

APPROVAL OF AGENDA:

Additions:

Treasurer's Report - Review & Approval of H&R Block 2022 Accounting Contract

New Business:

Review and Approve Michigan Participating Plan Insurance Renewal

Review and Approve Amended 2021 Budget

Board Action:

Mr. Broering made a motion to approve the Agenda as amended. Mr. Gill seconded the motion.

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of December 15, 2021:

Board Action:

Ms. Thayer made a motion to accept the Minutes of the December 15, 2021, Regular Meeting as presented. Mr. Broering seconded the motion.

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

TREASURER'S REPORT:

Treasurer's Report – Financial Report of December, 2021, and Payment of Bills:

The December, 2021, Treasurer's Report was distributed in advance of the meeting for Board review.

The President inquired about the State of Michigan \$306 payment (pd 11/23/21) that was discussed last month. Treasurer Thayer will verify.

Board Action:

Mr. Broering made a motion to approve the Financial Report as presented. Mr. Gill seconded the motion.

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

Review & Approval of H&R Block 2022 Accounting Contract:

H&R Block is proposing the following:

-Current Weekly Payroll Processing is \$115/hour. This will increase to \$120/hour. (THIS IS THE ONLY CONTRACT CHANGE)

-Standard Bookkeeping/Monthly Billing to Customers remains at \$165/hour. (E-billing, QuickBooks Online, Combining Accounts, etc.)

-Other Bookkeeping remains at \$600/month. (Receipt of payments, entry/payment of our bills, reconciling bank accounts, preparation of reports for meetings.)

-Bookkeeping Services include up to two hours of meeting time with Treasurer and correspondence with customers (monthly log provided) related to rates, balances, property tax liens, etc. Any time above two hours will be billed at \$59/hour.

-Time to attend meeting if requested: \$75/hour (same).

-Working with auditor \$59/hour (same).

This will be a one-year contract. Last year we paid \$12,855.

Board Action:

Ms. Hayes made a motion to approve the proposed January 1 – December 31, 2022 accounting contract. Mr. Gill seconded the motion. Treasurer Thayer will have authority to sign the contract agreement.

ROLL CALL VOTE: Hempsted-Y, Gill-Y, Hayes-Y, Thayer-Y, Broering-Y, Gray-Y. Motion carried.

Payment of Bills: December, 2021, Bills Payable: There was Board discussion regarding Bills Payable.

Since Gilroy's purchased the Fife Lake hardware business, H&R Block would like to know if we still want their invoice paid upon receipt; there is a discount if paid before the 20th of the month. There was Board consensus to continue this practice.

Board Action:

Ms. Hayes made a motion to approve the December, 2021, bills as presented. Mr. Broering seconded the motion.

ROLL CALL VOTE: Hayes-Y, Thayer-Y, Broering-Y, Gray-Y, Gill-Y, Hempsted-Y. Motion carried.

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. In the absence of the Compliance Officer, the President and Board discussed his report.

The Mahindra tractor is back; no bill has been received yet. Mr. Ravary will be checking into what may be warrantied.

There was discussion about Compliance Officer maintaining timekeeping to manage his hours at 40/week.

CITIZEN COMMENT: None.

NEW BUSINESS:

Explore New Legal Counsel:

There was Board discussion about pursuing new legal counsel. Members will explore other Utility or Municipality sources and prospective candidates to be discussed at the next meeting.

Review and Approve Michigan Township Participating Plan - Insurance:

The new PAR Plan policy has seen a premium increase of \$159, bringing it to \$12,130. This increase is solely due to a blanket property value increase of 5%. There are no changes in coverage. This policy is written through Michigan Underwriters of West Michigan (MUM), Paul Olson-Agent.

Treasurer Thayer will ask Mr. Olson if we need to itemize on the property list the purchase of the \$3,500 lawnmower and some other equipment.

Compliance Officer Ravary will verify we still own equipment itemized on the policy and any new items that may need to be specified.

Ms. Thayer noted under Inland Marine we have specifically listed the communications tower, bypass pump trailer mounted, Mahindra tractor, and trailer mounted generators (this coverage is at \$294,000). Also as part Inland Marine is Miscellaneous Property and Equipment coverage for \$35,000. Separate from Inland Marine is another machinery endorsement for \$250,000.

Each pump station property is listed separately.

Treasurer Thayer will ask Agent Olson if we need to specifically itemize the addition of the purchased \$3,000 lawnmower and other equipment.

The Board agrees we have adequate coverage; the question is whether we need to itemize all assets for the insurer.

Board Action:

Mr. Gill made a motion to approve the PAR Plan insurance contract through Municipal Underwriters of West Michigan and pay the premium invoice of \$12,130, with coverage dates of March 22, 2022 through March 23, 2023. Mr. Broering seconded the motion.

ROLL CALL VOTE: Hempsted-Y, Gill-Y, Hayes-Y, Thayer-Y, Broering-Y, Gray-Y. Motion carried.

Review and Approve an Amended 2021 Budget:

Treasurer Thayer reported the following Amendments to the 2021 Budget on line items over 100%:

- Postage: Propose adding \$300 to line item.
- Accounting Fees: Propose adding \$3,000 to line item.
- Cell Phone: Propose adding \$250 to line item.
- Internet: Propose adding \$100 to line item.
- Uniforms: Propose adding \$400 to line item.
- QuickBooks Payment Fees: Propose adding \$600 to line item.

Total adjustment: \$4,650.

Remove \$4,650 from Uncategorized Expense line item.

This will balance the 2021 budget to original budgeted items; none is over projections.

Board Action:

Ms. Hayes made a motion to accept the proposed budget adjustments to the 2021 Budget to balance line items. Mr. Broering seconded the motion.

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

Treasurer Thayer distributed the quarterly Modified P&L Statement which accounts for the USDA Bond Interest Payment and Bond Principal Payment. As previously discussed, it is not possible to include this as a line item in the budget; this quarterly report was designed to document the interest and principal payments. There was discussion regarding the management and transfer of required funds to ensure monies are set aside properly for payment due dates. This is being done monthly as planned. Ms. Thayer will continue to distribute this Modified P&L Statement to the Board quarterly as planned last year and requested by USDA.

OLD BUSINESS:

Asset Management Plan:

There was Board discussion about long-term needs. Compliance Officer Ravary will have an updated Asset Management Plan next meeting.

OUTSTANDING TASK LIST:

The Outstanding Task List was reviewed. New items were added for individual and Board follow-up. Additional follow-up/resolution includes:

Treasurer Thayer verified the Vans Lane lien has been filed with the Registrar of Deeds.

Treasurer Thayer drafted and distributed correspondence to the Vans Lane resident, the property owner and the resident's attorney that the settlement has been filed and a lien recorded. She expressed that while the entire settlement amount is due at this time, 10% will be placed on the tax roll annually, and we will continue to do so until the settlement amount is paid in its entirety.

Treasurer Thayer has added any missing Minutes to the Website and updated contact information of Board Members. She suggested we consider revamping the site as it is dated with old photos, etc. She will provide suggestions at the next meeting.

Treasurer Thayer will check length of terms of Board Members and expiration dates.

Treasurer Thayer has been in communication with the USDA. They require:

-30 days after fiscal year end: Budget for following year (2022), Board Member names, titles, and terms, Rate Schedule (effective 1/21), List of System Users, Number of Gallons Treated, Insurance Verification.

-150 days after fiscal year end: Audit.

She is on top of these requirements.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

BOARD COMMENT:

President Gray referenced the Headworks item on Compliance Officer's Outstanding Task List and the significant problem we have with residents flushing non-flushable items that are marketed as flushable as well as sanitary products, baby wipes, diapers, cloths and numerous types of miscellaneous items. Every sewer authority in the country is complaining about this issue including the marketing of "flushable" products. There is ongoing frustration regarding this matter and how we can get user compliance. We already sent printed notices/reminders. This is a costly issue and one that is not easily remedied.

ADJOURNMENT:

Mr. Broering made a motion to adjourn the meeting. Ms. Thayer seconded the motion.

The meeting adjourned at 7:16 p.m.

Submitted by: Kay Z. Held, Recording Secretary