

**FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)**

**Regular Meeting  
Minutes**

**Thursday, June 16, 2016, 6:00 p.m. 231-879-3565  
Fife Lake Village Hall, 616 East Bates Street, Fife Lake, MI 49633**

**CALL TO ORDER:** President William Fisk called the meeting to order at 6:05 p.m.

**ROLL CALL:** President Fisk called Roll.

**Present:** William Fisk-President, Jodi Velez-Treasurer, Lori Ann Rognlie-Secretary, and Commissioners Ron Broering, Linda Forwerck, Tom Gray, and Leigh Gifford.

**Absent:** Vice President Lisa Leedy and Commissioner Jonathan Rose.

**Others in Attendance:** Member of the community: Ms. Marilyn Hayes.

**APPROVAL OF AGENDA:**

Mr. Fisk acknowledged guest Marilyn Hayes.  
He noted the following amendments to the Agenda:

Under Unfinished Business: The Operations Committee selection is not yet complete. The REU chart will be available at next month's meeting.

Under New Business: Ms. Marilyn Hayes would like to speak to the Board. There have been two requests for sewer hookup.

**Board Action:** Mr. Broering made a motion to approve the Agenda as amended. Ms. Rognlie seconded the motion.  
VOTE: YEAS: All. NAYES: None. Motion carried.

**ACCEPTANCE OF MINUTES:**

**Acceptance of Regular Meeting Minutes, May 19, 2016:**

Ms. Velez asked for clarification about the posting of the Special Meeting under "Approval of Agenda" regarding the time of the meeting as one posting read 6:00 p.m. and the corrected posting read 7:00 p.m. Ms. Leedy will clarify it.

**Board Action:**

Mr. Gray made a motion to accept the Minutes of the Regular Meeting of May 19, 2016. Mr. Broering seconded the motion.

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

**OFFICERS' REPORTS:**

**Treasurer's Report – Financial Report of May 31, 2016 and Payment of Bills:**

The Treasurer's Report was previously distributed to the Board. Treasurer Velez distributed an updated A/P Report.

Mr. Gray inquired who USA Blue Book is; Mr. Fisk stated it is a source for getting supplies for the plant.

Mr. Gray inquired about the \$731 State of Michigan expense. Ms. Velez replied it was for the Department of Treasury filing fee required for the Bond, requested by Mr. Roger Swets.

The Board reviewed budget expenses and percent to budget.

**NOTE: Commissioner Jonathan Rose arrived at 6:15 p.m.**

Ms. Velez noted reimbursements received from Fife Lake Village include hourly wages, supplies, and employee reimbursed mileage. We have not yet been reimbursed for any payroll taxes. Nor have we been paid for the use of FLAUA equipment. Ms. Velez wanted the Board to know that she will pursue more complete records related to employee expenses beyond wages as well as equipment. She will speak with Ms. Leedy and request relevant documentation and an invoice. Ms. Sawyer of H&R Block will be notified as well.

**Board Action:**

Mr. Rose made a motion to accept the Financial Report as presented. Mr. Broering seconded the motion.  
VOTE: YEAS: All. NAYES: None. Motion carried

**Board Action:**

Mr. Gray made a motion pay the bills as presented with the updates. Ms. Rognlie seconded the motion.  
ROLL CALL VOTE: Broering-Y, Rose-Y, Forwerck-Y, Gray-Y, Gifford-Y, Fisk-Y, Velez-Y, Rognlie-Y.  
Motion Carried.

**NOTE: FLAUA Employee/Compliance Officer, Mr. Ray Ravary arrived at 6:45 p.m.**

**DEBT FEE SCHEDULE:**

Ms. Velez reported on the Debt Fee Schedule and debt servicing. She reported on what she is required to do and loan servicing mandates.

We are required to pay \$140k per year. That equates to approximately \$82k interest annually. Our interest payments will not always be this high because we will be taking the loan in draws; however, this December, the interest payment is projected to be approximately \$40k. Next June we will be required to make a principal payment plus the other half of the interest.

We are required by law to make quarterly deposits (she suggests we do it monthly); half of the next interest payment and a quarter of the next principal payment. Payments are made in December and July. We will receive an invoice specifying the exact amount due; however, we need to plan for the monthly deposits.

She needs permission to open a Redemption Account for these funds (depositing approximately \$11,667/mo.)

We are also required to make deposits into two additional accounts:

Bond Reserve Account: deposits of \$16,500/yr. for 10 years (\$1,375/mo.)

Repair, Replacement, and Improvement Account: deposits of \$26,500/yr. for 10 years (\$2,200/mo.)

We currently have approximately \$53k in a future equipment fund. She proposed leaving that and the current Bond and Redemption fund, into which we currently put \$3,000/mo.

She is asking for permission to relocate funds and rename account titles to be more accurate. The only transactions allowed in the new account are the deposits and the December/July payments. Ms. Velez will have restricted signers on the account and set up as USDA restricted account.

There was additional Board discussion regarding financing requirements and monthly expenses of the FLAUA.

**Board Action:**

Ms. Forwerck made a motion to allow Ms. Velez to open a Redemption Account at FAS with approved signers of William Fisk, Lisa Leedy, and Jodi Velez. Mr. Broering seconded the motion.

ROLL CALL VOTE: Rose-Y, Forwerck-Y, Gray-Y, Gifford-Y, Fisk-Y, Velez-Y, Rognlie-Y, Broering-Y.

Motion carried.

**Board Action:**

Mr. Broering made a motion to allow Ms. Velez to reallocate funds within our balance sheet and make required monthly deposits into all funds to satisfy USDA loan requirements: Redemption Fund (\$11,700/mo.), Bond Reserve Fund (\$1,375/mo.), Repair, Replacement & Improvement (RiR) Fund (\$2,200/mo). Ms. Forwerck seconded the motion.

Board discussion followed. Ms. Velez will explore deposit accounts, which might offer a level of interest. She will also check with the Mr. Roger Swets.

ROLL CALL VOTE: Forwerck-Y, Gray-Y, Gifford-Y, Fisk-Y, Velez-Y, Rognlie-Y, Broering-Y, Rose-Y.  
Motion carried.

Mr. Fisk reported we received a PAR Plan dividend of approximately \$650.

Mr. Fisk has the Bond Book and the Bond Record original has been given to Treasurer Velez who will put it in her home safe. Ms. Forwerck noted the credit union has a safe for documents. The Board will consider this for best practices. Ms. Velez noted she has to log every request and transaction, it may be better to have it more readily accessible at this time given her work schedule/location and the credit union's business hours.

**PRESIDENT'S REPORT:**

Mr. Fisk indicated to the Board he is currently in a state of employment flux given the announcement of the prison closing. He is exploring many options. The Board expressed good wishes to him.

**SECRETARY'S REPORT:**

Ms. Rognlie confirmed amendments were made to the 4/7/16 and 4/21/16 Minutes.

Last month while we were in discussion with Mr. Marv Radtke, Mr. Rose found the Urban Cooperation Statute and they reviewed it, which addresses risk and liability. This was distributed. The most recent By-Laws were also re-issued.

She created and distributed a dining & lodging sheet as a courtesy for contractors who will be working on our project.

**COMMITTEE REPORTS:**

**Compliance Officer/FVOP Report:**

The Compliance Officer's Report and FVOP Report were previously distributed to the Board.

Mr. Ravary also reported the following:

He will be taking effluent samples tomorrow.

Fleis & VandenBrink (F&V) marked out their bypasses.

Central Michigan Contracting was out today brush hogging.

He asked for Board guidance when to tear down the fence when the Bates & Thomas lift station comes down.

Mr. Ray Garchow expressed interest in purchasing the propane tank and remaining propane.

**Board Action:**

Ms. Rognlie made a motion to allow Mr. Ray Garchow to present a proposal to purchase the propane tank and approximately 300 gallons of gas remaining, and to remove it promptly, paying 95 cents/gallon with the tank free. Mr. Broering seconded the motion.

Board discussion followed. Mr. Gray would like to see some value on the tank. Ms. Forwerck suggested other people may have an interest in purchasing it and some may see a potential conflict of interest in an employee offering to purchase it. Ms. Velez indicated she had seen propane tanks selling on Craigslist for up to \$1,000. There was Board consensus to place the tank and propane on Craigslist.

Ms. Rognlie withdrew her Motion.

**Board Action:**

Mr. Broering made a motion we place a Craigslist ad for the sale of a 40-year old, 1,000-gallon propane tank, with 300 gallons of propane. The ad will state the buyer accepts full responsibility for pumping and tank removal by July 1. FLAUA is to accept the highest bid. They will be private bids and sent to Ms. Velez's email. Ms. Forwerck seconded the motion.

Mr. Ravary will email Ms. Velez photos for the ad.

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

Ms. Rognlie reported she would like to purchase additional business cards Mr. Ravary. Ms. Forwerck requested he drop some cards off at the Township office to distribute to people making inquiries.

**Personnel Committee:**

Ms. Rognlie reported that she and Messrs. Ray Ravary, Ray Garchow, and Jamie Stocking planned to have their quarterly operation review; however, schedules did not yet accommodate it. Mr. Ravary provided plant needs in his June Compliance Officer Report.

**Steering Committee:** No report available.

**SPECIAL ORDERS:** None.

**UNFINISHED BUSINESS:**

**Operations Committee Reinstatement and REU Chart**

Both items were tabled to next month's meeting.

**NEW BUSINESS:**

Ms. Marilyn Hayes spoke to the Board about her request for approval for sewer hookup at 299 Woodsedge Drive.

**Board Action:**

Ms. Rognlie made a motion to approve sewer hookup for Ms. Marilyn Hayes at 299 Woodsedge Drive. Mr. Broering seconded the motion.

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

**Board Action:**

Ms. Linda Smith made a request to the Board for sewer hookup. Ms. Velez made a motion to approve sewer hookup for Ms. Linda Smith at 305 Pierce Street. Mr. Broering seconded the motion.

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

The Board will contact the Village for permits if necessary.

**CITIZEN COMMENT:** None.

**OTHER BUSINESS:** None.

**CITIZEN COMMENT:**

Ms. Marilyn Hayes urged the Board to work on someone else being able to issue permits, rather than once a month at our meeting. The Board will present a working document at next month's meeting to address the procedure and see how it may be simplified.

**BOARD COMMENT:**

Ms. Forwerck addressed the Board, stating a Board Member met her outside in the parking lot tonight with a document related to Township business. She requested that only business pertaining to the FLAUA Board take place at our FLAUA meeting. This has happened twice; she wanted the Board to be aware of it and asked for their support.

Board discussion followed that sometimes this happens out of convenience, as many members are involved in multiple organizations, are employed, are sometimes hard to reach, and that many documents are time sensitive. Additional comments emphasized we are public servants on a volunteer basis.

President Fisk commented when someone expressly states they do not wish to be approached with other business at the meeting their personal preference be respected. He asked that we move forward, cease personal attacks, and respect one another.

Mr. Broering commended Ms. Velez in her performance succeeding Mr. Gray as Treasurer. He hopes that Mr. Fisk can retain his position on the Board given his career situation.

Mr. Gray commented he is concerned about labor costs currently being \$1,800/week, which equates to \$95k/year. We are budgeted at \$44k/year. Ms. Velez addressed the line items and billing cycle. He asked the Board to consider his concern about the discrepancy.

**ADJOURNMENT:** Mr. Broering made a motion to adjourn the meeting. The meeting adjourned at 7:33 p.m.

**Submitted by: Kay Z. Held, Recording Secretary**