

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

**Regular Meeting
Minutes**

**Thursday, September 15, 2016, 6:00 p.m. 231-879-3565
Fife Lake Village Hall, 616 East Bates Street, Fife Lake, MI 49633**

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

ROLL CALL: Vice President Lisa Leedy called Roll.

Present: Lisa Leedy-Vice President, Jodi Velez-Treasurer, Lori Ann Rognlie-Secretary, and Commissioners Ron Broering, Linda Forwerck, Tom Gray, Jonathan Rose, and Leigh Gifford.

Absent: None.

Others in Attendance:

Mr. Ben Kladder, Fleis & VandenBrink Engineering.
Mr. Ray Ravary, FLAUA Compliance Officer.
Mr. Ray Garchow, FLAUA employees.
Members of the Public.

APPROVAL OF AGENDA:

Ms. Gifford would like to discuss a conflict of interest during Board Comments.

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

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of August 18, 2016:

Board Action:

Ms. Rognlie made a motion to accept the Minutes of the Regular Meeting of August 18, 2016 as presented. Mr. Broering seconded the motion.

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

SPECIAL ORDERS: Presentation of proposed Employee Sharing program with Fife Lake Village.

Mr. Marv Radtke, Administrator for Fife Lake Village, delivered a proposal to the FLAUA Board of Commissioners and a short presentation outlining the savings, in terms of cost, time, and inherent value. He stated he estimated conservatively.

Topics discussed included costs for payroll processing through H&R Block versus the Village. H&R Block would continue to provide FLAUA accounting and billing services. Other areas for potential savings through combined services include fuel costs, telephone costs, and employee costs.

Board discussion addressed Workers Compensation expenses, payroll costs, and chain of command at the Village and with/between FLAUA and Village staff, which entity has authorization for determining salaries and making employee decisions, and who shared employees report to. There was also discussion about Mr. Radtke's administrative role.

Mr. Radtke indicated both Boards would have input and voting authorization on employees and that combined employee hours would be cut from approximately 130 to 105, with seasonal fluctuations. These are merely estimated numbers.

Ms. Forwerck suggested waiting until after the 1st of the year when the new system is on line before committing to a program. She is concerned about the proposal to have existing FLAUA employees become Village employees as she was under the impression it would be a sharing of employees and equipment. Ms. Velez clarified that the Village has in-house staff for a good deal of the administrative matters versus the FLAUA volunteer Board.

Ms. Forwerck believes the proposal should also to go to Fife Lake Township and Springfield Township for feedback. Mr. Rose noted the FLAUA is a separate entity, which has authority to make those decisions. Ms. Velez indicated that is one of the reasons the FLAUA Board has representation from each municipality.

Ms. Forwerck believes there should be a public meeting for users of the sewer system about this matter for transparency. Ms. Velez stated all FLAUA meetings are open to the public.

There was general Board consensus that Mr. Radtke's presentation was an initial proposal to determine if there was interest in pursuing a shared program. Mr. Radtke indicated the Village Council has stated they will make a decision October 1 on how they wish to proceed. He believes joining forces offers significant cost savings, improved management, and increased grant opportunities.

Board Action:

Mr. Rose made a motion that the FLAUA is interested with continuing the current employee-sharing program and is interested in further considering Mr. Radtke's presentation with the possibilities of entering into a formal contract with Fife Lake Village. Ms. Rognlie seconded the motion.

Board discussion: Ms. Forwerck believes there is a conflict of interest with the Village with FLAUA voting on this as the Village would benefit from it. Other comments suggested we would also benefit; however, not as a profit center.

VOTE: YEAS: Leedy, Velez, Rognlie, Broering, Rose, Gifford. NAYES: Gray, Forwerck. Motion carried.

OFFICERS' REPORTS:

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

The Treasurer's Report was previously distributed to the Board. Ms. Velez provided an updated A/P list and gave a budget overview of income and expenses. She is comfortable that the numbers are at an acceptable percent to budget.

Mr. Gray discussed total expenses and income, indicating bond payments do not show up, as they are not in the budget. Interest payments do show in the budget. Therefore, it appears on paper as though we have a \$50k profit. This year we are paying interest; next year we will be paying interest and principal. We need to consider having a line item for this; i.e., possibly a reserve fund.

Ms. Velez will discuss with Ms. Charity Sawyer of H&R Block about setting up as a possible Long-term Liability account so funds are accounted for and anyone reviewing it is aware of the funds.

Board Action:

Mr. Gray made a motion to accept the Financial Report as presented. Mr. Broering seconded the motion.

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

Bills Payable:

Board Action:

Mr. Gray made a motion pay the bills as presented. Mr. Broering seconded the motion.

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

Motion carried.

Ms. Velez reported that we received a request for Draw #4 on the USDA Loan for contractors and engineers in the amount of \$1,278,658.87. This was reviewed, approved, and recommended for payment by Fleis & VandenBrink (F&V).

Mr. Ben Kladder of F&V indicated the project is currently on target and within schedule. We are currently even with costs.

Board Action:

Mr. Gray made a motion to approve payment of Draw Request #4. Mr. Broering seconded the motion.

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

Motion carried.

PRESIDENT'S REPORT: None.

SECRETARY'S REPORT: Ms. Rognlie reported on the following:

As the Plant building was scheduled to come down Ms. Rognlie signed out the business files to her home and spent six weeks this summer matching all physical files to a master list of documents along with archiving 20 boxes of business documents, if ever needed for review. She also archived five years of A/P and A/R records.

She suggested the Board begin to seek out a potential replacement as her term as Commissioner/Secretary ends December 31, 2016.

COMMITTEE REPORTS:

Steering Committee: Project Update

Mr. Ben Kladder of Fleis & VandenBrink Engineering spoke to the Board and indicated the project is going well. At the wastewater plant, liners are in and leak tested, ballast sand is being put in, they are working on the irrigation pump station, and framing for the building will be going up shortly.

Regarding Contract 1: Pump stations are on target. Two stations have new control panels up and running. Two more will be starting up next week. The SCADA system should be delivered on 9/19 and the tower will go up. The auto dialer is wired in.

Regarding Contract 2: They are finishing the leaky Y-connection today. Fiberglass grinder stations being delivered.

Mr. Kladder addressed Ms. Forwerck's concern about construction and the upcoming Township Hall Meeting. He stated construction there shouldn't start until the middle of October.

Ms. Leedy indicated communication is going much better.

Personnel: The Personnel Committee Report of 9/11/16 was previously distributed to the Board.

Ms. Velez reported that Mr. Jamie Stocking resigned effective 9/1/16. We should be ok with personnel at the present time since watering has stopped; however, we should consider the Village proposal for personnel sharing, as we will have increased needs with snow removal, etc.

Mr. Broering praised her for her work as Treasurer and chairing the Personnel Committee.

Operations Committee:

Mr. Ravary reported he is taking heads off sprinklers to re-build and ordered parts today, which was approved by Vice President Leedy. It is increasingly difficult to get parts for the Massey-Ferguson.

Ms. Rognlie noted we received an application from Ms. Tina Broering for sewer hook-up. Application fees have been paid. Mr. Ravary is working on an inspection sheet.

Mr. Gray referenced Mr. Dar Zimmerman not wanting to do a second cutting because of the construction. Mr. Zimmerman suggested we use the flail mower; however, it is not made to do that and the cutting was quite tall. Mr. Gray contacted Mr. Tim Birgy, who did the cutting and retained the hay. Mr. Gray noted the contract with Mr. Zimmerman, as these cuttings are necessary.

Compliance Officer/FVOP Report:

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

UNFINISHED BUSINESS: McMachen –

Ms. Leedy reported the situation on the McMachen trailer is squared away. It will be on the REU table as it is a rental. There is no water connected to the property, but it has a structure. The McMachens will not be removing it. She will speak with Tom Greer further about this.

Ms. Rognlie noted the Cedar Ridge/Jones' property is still a hole in the ground. Mr. Ravary will check with them to see when the project will begin.

NEW BUSINESS:

LEP – Language Efficiency Program:

Ms. Leedy reported the Language Efficiency Program is a USDA mandate requiring we accommodate non-English speaking people. Mr. William Fisk has been working on documentation for this compliance.

Resignation: Ms. Leedy reported Mr. Fisk resigned as President of FLAUA.

Board Action:

Mr. Broering made a motion to accept Mr. Fisk's resignation. Ms. Rognlie seconded the motion.

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

Mr. Broering offered high praise for Mr. Fisk's work as President and his efforts on our improvement project.

Mr. Gray inquired about the need for a new President. In the interim, the Vice President will become Chair and has signing authority of the President. We will need a third signer. Ms. Leedy believes the position will be posted after the Village meeting Monday.

Board Action:

Ms. Forwerck made a motion to remove Mr. Fisk as signer from all bank accounts; however, he is to retain authorization to sign checks until a new signer is physically and legally added to accounts. Ms. Gifford seconded the motion.

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

Board Action:

Mr. Gray made a motion to add Ms. Lisa Leedy as a signee on all bank accounts (Resolution #16-12). Mr. Broering seconded the motion.

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

CITIZEN COMMENT:

Ms. Sharon Brown, 10992 Vans Lane, Fife Lake, MI 49633:

Ms. Brown introduced herself as a Realtor who has worked with buyers and sellers in following sewer guidelines. She was very upset with the FLAUA in the way her sister was informed (at Ms. Brown's property) of the sewer hook-up requirement and believes the public was not given information. She believes the three municipalities formed the FLAUA. She is very concerned about service to users and taxpayers. Ms. Brown requested notification of all postings we have had in the newspaper.

Marilyn Hayes, 446 Woodsedge Drive, Fife Lake, MI 49633:

Mrs. Hayes inquired how bond payments were made. Mr. Gray and Ms. Velez responded and noted the payments are not shown in the budget but are in the year-end audit. Ms. Velez will speak with the accountants to see if there is a way for this to be better reported in the budget.

Mrs. Hayes also inquired if Mr. Stocking is no longer an FLAUA employee who will fill in hours we need. The Board replied Mr. Ravary and Mr. Garchow will cover and have revised an on-call schedule. She stated Mr. Ravary stopped at her son's house asking for an occupancy permit. She has never known this to be a requirement of the FLAUA and requested clarity and that this be put in writing.

CORRESPONDENCE: We received a thank you note from the Chamber of Commerce 4th of July Committee, particularly for Mr. Ravary and Mr. Stocking's clean up of the park after the fireworks.

BOARD COMMENT: Ms. Gifford believes there is a conflict of interest because the Village of Fife Lake is benefitting from the cooperative agreement and asks if Village members on the FLAUA should be allowed to vote on the proposal.

Ms. Forwerck believes we should have allowed Mrs. Brown to use Mrs. Wilson's three minutes of time to continue her public comment. Mrs. Brown was upset about her point of discussion and Mrs. Forwerck believes we should not cut people off at three minutes during Public Comment. There was discussion among Ms. Forwerck, Mr. Broering, and Ms. Gifford about language used during discussion of whom the FLAUA Board represents. Ms. Forwerck states she is on this Board only as a representative of Fife Lake Township on behalf of the users of the system. Mr. Broering clarified the FLAUA does not get involved in other aspects of the municipalities but represents the citizens, who are hooked up to our system. Ms. Gifford believes we need to look at the hook-up demands we have made.

Regarding the three-minute time limit on Public Comment, Ms. Leedy responded a member of the public can also request they be added to the Agenda of a meeting. Mrs. Sharon Brown requested she be added to the Agenda of the next meeting.

ADJOURNMENT: Mr. Gray made a motion to adjourn the meeting. The meeting adjourned at 8:03 p.m.

Submitted by: Kay Z. Held, Recording Secretary