

FIFE LAKE AREA UTILITY AUTHORITY (FLAUA)

Regular Meeting - Minutes

Wednesday, September 18, 2019, 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 Velez, Secretary Leigh Gifford, and Commissioners Ron Broering, Jim Gifford, Dave McGough and David Gill.

Absent: None.

Others in Attendance: Chris Houghton in the absence of Compliance Officer Ray Ravary.

APPROVAL OF AGENDA:

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

ACCEPTANCE OF MINUTES:

Acceptance of Regular Meeting Minutes of August 21, 2019:

Board Action: Ms. Hayes made a motion to accept the Minutes of the August 18, 2019, Regular Meeting as amended. Mr. Broering seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

TREASURER'S REPORT:

Treasurer's Report – Financial Report of August 31, 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.

Board discussion:

Concrete work amount previously discussed was moved from the Building Repair account to Operating Supplies Account. Building Repairs actual expenses YTD appear a bit high – Ms. Velez will check with Ms. Charity Sawyer at H&R Block to verify that recorded expenses are accurate.

The Board asked if it is possible for H&R Block to provide a monthly printout of Past Due Accounts and their totals. These will ultimately go on December tax bills. Ms. Velez will investigate.

As a follow-up on the Outstanding Task List:

Ms. Velez met and worked with Ms. Charity Sawyer of H&R Block in an effort to get our Bond and Interest payments to show up properly in our accountings.

The P&L statements for 2017 & 18 show Bond Interest payments (\$80k annually) and Principal Payments (\$60k annually). We currently have \$150k in required reserves to meet USDA requirements. This account ultimately needs to be built up to \$400k. We also have \$97k for RRI, and \$60k in another account. These are ALL USDA REQUIRED RESERVE FUNDS. These accounts are held at Chemical Bank and must be accessible funds.

Mr. Gill mentioned a State of Michigan interest-generating government program in which funds are accessible that the Grand Traverse County Road Commission has used. He suggested Ms. Velez contact Mr. Jerry Heim at the GT County Road Commission to inquire about this in an effort to earn a higher interest rate than we may be getting. Our larger "savings" or "required reserve" accounts can then possibly be moved to those financial vehicles.

The report shows a Net Income of \$93,478.17 in 2018 and \$83,350.88 in 2017. This includes income and expenses to and from any source. The Balance Sheet was also reviewed.

There was discussion about potential needs for rate increases in the future. While that may be necessary, Ms. Velez reported our current fee rate will handle our current expense load including long-term liabilities.

In summary to pursuing a way to provide an accurate reflection of our financial status, long-term Liabilities do not show up on a standard P&L Report; however do show on the Balance Sheet. After extensive discussion, it was determined that Ms. Velez will now be able, in cooperation with H&R Block, to provide a customized quarterly P&L Report to the Board inclusive of Bond Interest and Principal Expenses. The Board thanks Ms. Velez for her unwavering efforts to resolve this issue.

Board Action: Ms. Gifford made a motion to approve the Financial Report as presented. Mr. Gill seconded the motion.
VOTE: YEAS: All. NAYES: None. Motion carried.

Payment of Bills: There was Board discussion regarding Bills Payable. An updated Bills Payable list was distributed at the meeting.

Board Action: August, 2019, Bills Payable:

Mr. Gifford made a motion to approve the August 31, 2019, bills as presented. Mr. Broering seconded the motion.
ROLL CALL VOTE: Hayes-Y, Velez-Y, Broering-Y, Gray-Y, L. Gifford-Y, J. Gifford-Y, McGough-Y, Gill-Y. Motion carried.

GUESTS: None.

COMMITTEE REPORTS:

Personnel Committee: No meeting. No report.

Steering and Operations Committee:

The Committee met with Compliance Officer Ravary to review Engineering firms. To be discussed under New Business.

The Disc and Pump have not sold yet. Mr. Ravary will repost them on Craigslist and also post on Facebook Marketplace.

Compliance Officer/FVOP Report:

The Compliance Officer Report was distributed in advance of the meeting and discussed among the Board.

Mr. Chris Houghton reported on the following in the absence of Mr. Ravary:

Part-time employee Jordan Burfield has not been reporting to work nor calling in the past two weeks; Mr. Ravary is considering pursuing a replacement.

The Woodsege issue is resolved. There was only one location, not two as previously thought.

Per Compliance Officer report, final hay cut has not been done yet; it may be difficult to do based on moisture levels this time of year.

CITIZEN COMMENT: None.

NEW BUSINESS:

Document Retention (Kay's):

At her request, Recording Secretary Kay Held delivered her personal files of each meeting packet (less any meetings at which she was not in attendance) from May, 2014 through July, 2019 for permanent storage at the plant. Each January she will provide the prior year's files.

Engineering

The Operations Committee met and reviewed several engineering firm proposals. The Board discussed the proposals of Performance Engineers, Inc. of Petoskey and Gourdie Fraser, Inc. of Traverse City.

Performance Engineers can send an engineer to be onsite ½ day per week who is also pursuing his Operator's License. There is no cost to FLAUA for his efforts in attaining licensure. For any engineering work, the fee is \$110/hour.

The Committee discussed considering Performance Engineering as the FLAUA Engineer of Record and Gourdie Fraser for large design/build projects and extensive maintenance projects. Mr. Ravary will ensure there is no conflict of interest between the two firms and their functions.

Board Action:

Mr. Gill made a motion for Compliance Officer Ray Ravary to negotiate a contract with Performance Engineering, Inc. to be our engineer of record for a period of one year. FLAUA will also further negotiate with Gourdie Fraser, Inc. to be our backup engineer to provide services as necessary. Proposed contracts to be provided at October meeting for Board review. Ms. Gifford seconded the motion. VOTE: YEAS: All. NAYES: None. Motion carried.

Concealed Pistol Policy Draft:

Mr. Ravary wrote and presented a proposed Concealed Weapons Policy. There was extensive Board discussion about this item. Ultimately, there was Board consensus not to institute a Concealed Weapons Policy.

OLD BUSINESS:

Asset Management Plan: Ongoing.

Outstanding Task List Discussion:

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

Pierce Street Repair:

There has been a resolution on Pierce Street with the water runoff issue. The water will be diverted into the woods via the placement of bumpers. Proper flags will be placed to identify the bumpers used for the diversion.

COMMUNICATIONS: None.

CITIZEN COMMENT: None.

BOARD COMMENT: None.

ADJOURNMENT: Mr. Gill made a motion to adjourn the meeting. Ms. Gifford seconded the motion. The meeting adjourned at 7:07 p.m.

Submitted by: Kay Z. Held, Recording Secretary