**REGULAR MEETING OF THE SOUTHEAST MACOMB SANITARY DISTRICT**

 **HELD ON WEDNESDAY, NOVEMBER 17, 2021**

Meeting called to order by Chairman Taylor at 4:30 p.m.

Board Member Present

Board Members Roll Call: Robert Taylor, Sarah Lucido, and John Caron

Also, Present:

Kip Walby, Marie Tighe, Kyle Seidel, AEW, Tim Tomlinson, York Dolan, Mike Way, Grosse Pointe Shores, Steve Wietecha, City of Roseville, Kevin VandenHaute, Titan Wealth Advisors.

**APPROVAL OF AGENDA**

MOTION by Caron, supported by Lucido to approve the agenda with addition to add new officer election under New Business.

AYES: All MOTION CARRIED

**REVIEW AND APPROVAL OF PROPOSED MINUTES**

Minutes of the Southeast Macomb Sanitary District Regular Meeting held on Wednesday, October 27, 2021, was reviewed.

MOTION by Caron, supported by Taylor to approve the Minutes of the Southeast Macomb Sanitary District Regular Meeting held on Wednesday, October 27, 2021, as presented.

AYES: All MOTION CARRI

**APPROVAL OF PAYROLL AND BILLS**

The payroll and bills were presented to the Board as follows:

**PAYROLL: (10/27/21)**

Matt Adams $ 2,485.52

Brent Avery $ 4,437.67

Paul Everett $ 3,085.58

Brendan Fick $ 2,593.36

Dave Jenken $ 1,893.36

Frank Pelione $ 2,566.42

Joe Rayner $ 3,182.73

Thomas Riley $ 1,938.42

Dianne Schelosky $ 2,044.45

Luke Smith $ 2,004.45

Marie Tighe $ 1,502.58

Pete Trombley $ 7,238.28

Kip Walby $ 5,451.05

Chris Zielinski $ 2,228.88

**General Fund**  $ 51,577.76

Hoffman Pump Station $ 280.53

Kerby Road Pump Station $ 86,113.48

Rio Vista Pump Station $ 33,150.00

Marter Road Pump Station $ 3,526.14

Milk River Pump Station $ 169,343.58

  **$ 343,991.49**

MOTION by Lucido, supported by Caron to approve the Payroll, General Fund, Martin Drain Pump Station, Hoffman Pump Station, Marter Road Pump Station, Kerby Road Pump Station and Wayne County invoices as presented.

AYES: All MOTION CARRIED

**RECEIVE AND FILE FINANCIAL REPORT**

The Financial Report was presented.

MOTION by Caron, supported by Lucido to receive and file the financial report.

AYES: All MOTION CARRIED

**Director of Operations**

The Director of Operations update was provided by Kip Walby.

**NEW BUSINESS**

Adopt Investment Policy

Mr. VandenHaute presented three investment policies. An existing cash investment and two proposed retiree healthcare and pension investment policy. The target investment allocation for these funds intended return is 6.75%. Both the retiree healthcare and pension investment policy are the same. A slight deviation from the benchmark, the propriate benchmark in the long run would be an investment allocation of 70% equity based and 30% fixed income. Mr. VandenHaute pointed out the back of the policy explains portfolio and the evaluations of the Managers.

MOTION by Caron, supported by Lucido to approve the Investment Policy as presented.

AYES: All MOTION CARRIED

MOTION by Caron, supported by Lucido to approve the Investment Policy for the Pension Plan.

AYES: All MOTION CARRIED

MOTION by Caron, supported by Lucido to approve the Investment Policy for the Retirement Health Plan.

AYES: All MOTION CARRIED

Mr. VandenHaute went over the SEMSD General account at Huntington Bank and recommends moving t to TD Ameritrade. This is in accordance with the Investment Policy Statement (IPS) of PA 20. The accounts at Morgan Stanley are SEMSD General, SEMSD Pension Plan and SEMSD Healthcare Plan will be moved to TD Ameritrade. Mr. VandenHaute went over the Investment strategy. He showed the SEMSD Board the Pension and Retiree Healthcare Investment Allocation breakdown. A discussion occurred on the investment options as presented by Titan Wealth Advisors.

MOTION by Lucido, supported by Caron to approve to move the SEMSD General accounts at Huntington Bank and Morgan Stanley into a TD Ameritrade per the recommendation of Titan Wealth Advisors and to liquidate Morgan Stanley.

AYES: All MOTION CARRIED

MOTION by Lucido, supported by Caron to approve to move the SEMSD Pension Plan and Healthcare Plan from Morgan Stanley to TD Ameritrade per the recommendation of Titan Wealth Advisors and to liquidate Morgan Stanley.

AYES: All MOTION CARRIED

Marter Booster Station Backflow Prevention Recommendation

Kyle Seidel provided an update on the Marter Road Booster Station (MRBS) and the ability to achieve the contract capacity of 102 cfs. Since the SEMSD purchased the MRBS the maximum flow rate has been ranging 88-94 cfs. It was determined that the Tideflex valves had been pulled back into the discharge piping reducing peak flow. AEW is recommending that SEMSD purchase three 42-inch flap gates (Plasti-Fab) to replace the Tideflex valves. Total costs for three gates are $53,850.00.

MOTION by Lucido, supported by Caron to approve the three 42-inch Flap Gates for $53,850.00.

AYES: All MOTION CARRIED

Martin In-System Storage

Mr. Trombley provided an update on the Martin Drain In-System Storage. He explained that Macomb County Public Works (MCPW) was going to construct an inflatable device and bypass and now decided to construct a Weir with movable gates in the Weir. It’s safer and less chance for basement back-ups. It can pass the full flow of the Martin Drain. This will be located at Bon Heir and Harper Avenue.

Summons

Mr. Tomlinson explained the Summons and Complaint filed against the SEMSD arising from the flooding cases. Our answer is due October 29, 2021, we will be requesting an extension. The lawsuit names us as the NESDS, which is incorrect. We submitted this claim to our insurance company, and it has been denied. Mr. Tomlinson recommends we obtain Clark Hill to assist us and represent us and try to get a dismissal. Clark Hill hourly rate is approximately $325.00. Mr. Walby is asking permission to meet with Clark Hill to solicit a proposal, reach out to plaintiffs to indicate that they are likely to be retained and seek an extension before the next meeting.

MOTION by Lucido, supported by Caron to retain Clark Hill to ask for an extension, reach out to plaintiff’s and bring back a proposal to the SEMSD Board.

AYES: All MOTION CARRIED

**General Updates**

Mr. Walby showed pictures of the grating project at 9 Mile and Rio Vista. Inland Waters completed it today. At Kerby Pump Station, Mr. Trombley noted a pump failed. Kennedy Industries came out and swiped out the bad pump and put in the refurbished pump. Now we are fully back to five operable pumps. We do not have a quote from Kennedy Industries. At Hoffman Pump Station, Mr. Trombley explained Variable Frequent Drives (VFD) what drives the pumps we had failure of one of them three weeks ago. Then last weekend a second one went down. Mr. Seidel showed pictures of the VFD’s which are 21 years old. Mr. Trombley explained we were able to do a short term fix we were able to procure a soft start and was able to ramp it up to 100% and we can move water. This way we can run all three pumps until the new VFD’s come in. We will get pricing and come back to the board.

New Officer Election

Chairman Taylor stated the nomination of Vice-Chair was now in order.

MOTION by Caron, supported by Taylor to appoint Councilwoman Lucido as Vice-Chair of the SEMSD.

AYES: All MOTION CARRIED

Attorney Update

None

**PUBLIC PARTICIPATION**

There being no more public participation, Chairman Taylor called for a motion to adjourn.

MOTION by Caron, supported by Taylor to adjourn the meeting at 5:30 p.m.

AYES: All MOTION CARRIED

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**CHAIRMAN SECRETARY**

**FINANCIAL REPORT**

 GENERAL FUND – Cash on Hand $8,887,741.84

 HB INVESTMENT ACCOUNT 6,200,719.74

 (As of 10/30/21)

MORGAN STANLEY-Fixed 1,418,317.07

MORGAN STANLEY-Healthcare 3,593,909.67

MORGAN STANLEY-ERS 3,162,317.63

(As of 10/27/21)

 GENERAL FUND – accounts payable ($343,991.49)

 TOTAL $22,919,014.46