

**REGULAR MEETING OF THE SOUTHEAST MACOMB SANITARY DISTRICT
HELD ON WEDNESDAY, SEPTEMBER 28, 2022**

Meeting called to order by Taylor at 4:23 p.m.

Board Member Present

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

Also Present:

Marie Tighe, Pete Trombley, Kyle Seidel, AEW, Tim Tomlinson, Mike Way, Steve Wietecha.

APPROVAL OF AGENDA

MOTION by Lucido, supported by Caron to approve the agenda.

AYES: All

MOTION CARRIED

REVIEW AND APPROVAL OF PROPOSED MINUTES

Minutes of the Southeast Macomb Sanitary District Regular Meeting held on Wednesday, September 14, 2022, was reviewed.

MOTION by Lucido, supported by Caron to approve the Minutes of the Southeast Macomb Sanitary District Regular Meeting held on Wednesday, September 14, 2022, as presented.

AYES: All

MOTION CARRIED

APPROVAL OF PAYROLL AND BILLS

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

PAYROLL:	(8/31/22)	(9/14/22)
Matt Adams	\$2,605.09	\$2,871.30
Brent Avery	\$2,982.47	\$3,073.32
Paul Everett	\$2,952.08	\$2,638.40
Brendan Fick	\$1,869.04	\$2,115.53
Frank Pelione	\$2,715.35	\$2,197.76
Joe Rayner	\$3,483.66	\$2,245.40
Thomas Riley	\$3,094.77	\$1,035.20
Dianne Schelosky	\$2,282.40	\$2,282.40
Luke Smith	\$2,024.25	\$2,496.46
Marie Tighe	\$1,452.85	\$1,459.36
Pete Trombley	\$7,605.65	\$6,257.03
Kip Walby	\$5,691.19	\$5,766.98

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Tom Walby	\$ 472.08	\$ 511.04
Chris Zielinski	\$2,244.68	\$2,120.40

<u>General Fund</u>		\$ 26,283.18
Hoffman Pump Station		\$ 76.50
Kerby Road Pump Station		\$ 1,378.33
Rio Vista Pump Station		\$ 2,233.96
Marter Road Pump Station		\$ 51,890.35
Milk River Pump Station		<u>\$124,223.65</u>
		\$206,085.97

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 Operations and Administrator update was provided by Kyle Seidel and Pete Trombley.

NEW BUSINESS

Audit FY22

Mr. Rolka began going over the management letter. He explained GASB Statement 87 regarding Leases is now effective this year. It put the Kerby Road Pump Station lease on the books, rather than just a disclosure. Its reported now as a right to use asset. The most sensitive estimates affecting the financial statements were the useful lives of its capital assets, assumption that goes into net assets, the net OPEB asset, deferred acquisition cost related to NESDS and right of use assets and lease liabilities. No audit adjustments.

Mr. Rolka went over the Independent Auditors' Report. Management's responsibility is to prepare financial statements and make sure internal controls are in place such that material misstatements or fraud would be detected or corrected on a timely manner. He stated Yeo & Yeo's responsibility is to conduct an audit based on their risk assessment using auditing procedures to make sure those financial

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statements figures are appropriate and materially misstated. The result of the audit is to provide an unmodified opinion.

Mr. Rolka went over the statement of net position and pointed out the noncurrent assets where the right to use assets is located. He went over the liabilities and pointed out the accounts payable and timing of payments to GLWA. The capital contributions are at \$1.1 million. Revenue is consistent year after year. The highlighted footnotes are GASB Statement 87 Leases, Statement 96 upcoming accounting and reporting changes. Mr. Rolka pointed out the capital assets table and showed us where the right to use asset is located. The employee retirement system is 102 funded. The OPEB is 106 funded. Mr. Walby pointed out the net position and its broken down in categories in the managements letter.

MOTION by Caron, supported by Lucido to receive and file the FY Audit Report as presented.

AYES: All

MOTION CARRIED

Insurance Renewal

Mr. Walby reported the renewal of Property and Casualty Insurance will be on January 1, 2023. In 2021 we conducted an RFP the SEMSD board moved to Nickel & Saph with a savings of \$11,036.00. The 2023 renewal for the SEMSD from Nickel & Saph is tentatively set for a 5% increase which is \$2,224.00. Mr. Walby asked the SEMSD board if they want to go out for bid or stay with Nickel & Saph with the 5% increase. Mr. Walby explained that Nickel & Saph conducted an appraisal at no costs for SEMSD to assure that the building, contents, and structures were properly valued which will be an increase in premium of \$2,200 which will be part of the 2023 renewal.

MOTION by Caron, supported by Lucido to authorize Mr. Walby to negotiate with Nickel & Saph for Property and Casualty Insurance effective January 1, 2023 and return in December 2022 with the final premium amount.

AYES: All

MOTION CARRIED

Jay Heck-Health Care

Mr. Walby wanted to have a discussion to go over Jay Heck's retiree health care and why the SEMSD is paying directly and not being paid by the Union. He explained the Union rejected payment because Mr. Heck did not retire as a Union employee. Mr. Tomlinson stated that the SEMSD is obligated to pay Mr. Heck's insurance regardless of whether through the Union or directly. Mr. Tomlinson will send a letter to Mr. Heck reassuring that the SEMSD will pay his and his wife's retiree health insurance for the rest of their lives.

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MOTION by Lucido, supported by Caron to approve the letter and mail to Mr. Heck that the SEMSD will pay his and his wife's retiree health insurance for the rest of their lives.

AYES: All

MOTION CARRIED

Duperon Repair

Mr. Walby explained the Kerby Pump Station has bar screen system manufactured by Duperon. The bar screen system protects the pumps from getting clogged/jammed by debris. During the routine inspection, we noticed a bearing worn down. We called Duperon, their inspection revealed that the main driveshaft had worn out so the bearing couldn't be replaced with the main driveshaft also being replaced. The cost to replace the driveshaft is \$21,279.92.

MOTION by Caron, supported by Lucido to authorize Duperon to repair the driveshaft and bearing on the bar screen system at the Kerby Pump Station for \$21,279.92.

AYES: All

MOTION CARRIED

General Updates

Mr. Walby showed a design of the new SEMSD office building. He explained the City of St. Clair Shores planning commission will review on October 11, 2022. The tour of the Milk River facility was a success and Mr. Walby showed the group picture. At Hoffman Pump Station, a VFD is being installed by Colville Electric today then Motor City Electric will hook it up tomorrow. Motor City Electric is hooking up level sensors with DTE at Parkway and Marter. Stanley and Meijer are done, and the one left is Sunnydale. We are continuing to work with Clark Hill on the flooding lawsuit. Making sure they understand the system. The Board had a discussion of the flooding that occurred in June 2021.

Attorney Update

None

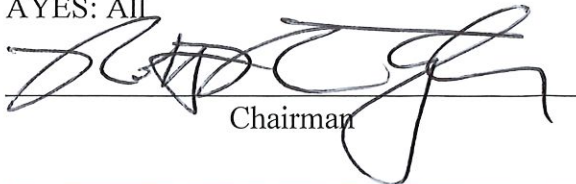
Public Participation

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

MOTION by Caron, supported by Lucido to adjourn the meeting at 5:25 p.m.

AYES: All

MOTION CARRIED


Chairman


Secretary

FINANCIAL REPORT

General Fund – Cash on Hand	\$6,271,679.83
Titan Wealth Advisors	
Unrestricted Fund-Emergency Fund	\$7,318,712.18
General Fund – Accounts Payable	(\$206,085.97)
TOTAL	\$13,384,306.04