

Northport/Leelanau Township Utilities Authority
116 W. Nagonaba, PO Box 158 Northport, MI 49670

Draft Minutes

December 19, 2023

Regular Meeting

I. CALL TO ORDER The meeting was called to order by Chair McMillan at 9:30 a.m.

II. ROLL CALL Board Members Present: Chris Holton, Mike McMillan, James Root and Chris McCann.
Absent: William Harper **Staff Present:** Joni Scott, Clerk Denise Dunn, Deputy Treasurer

III. ADDITIONS OR CORRECTIONS TO THE AGENDA

There were no additions or corrections to the agenda.

Chris Holton Moved, Supported by Chris McCann to accept the agenda as submitted. Motion Carried.

IV. APPROVAL OF MINUTES

Mike McMillan Moved, Supported by Chris McCann to approve the November 21, 2023 Regular meeting minutes as submitted. Motion Carried.

V. PUBLIC COMMENT/CORRESPONDENCE

EGLE- Annual Discharge Permit fee, cost explanation.

VI. PAYMENT OF BILLS

Chris Holton **Moved, Supported by** Mike McMillan to approve the bills to be paid for the months of November-December in the amount of \$87,284.55

Roll Call Vote: Yeas (4) Nays (0) Absent (1) Motion Carried.

VII. STAFF REPORTS

A. Clerk Report:

Clerk Scott provided a cash transaction, trial balance and revenue/expenditure reports to the Board. Scott also addressed some inquiries from the Board members regarding these reports.

Deputy Treasurer:

Mike McMillan, during the Treasurer's Report, informed the Board that a meeting had taken place with Joni Scott, Jim Dyer, Denise Dunn, and himself to coordinate the responsibilities of the Deputy Treasurer and Clerk. They discussed formalities and the exchange of bank account information during this productive and positive meeting. Clerk Scott noted that as previously discussed by the Board, she will be delivering deposits to Denise with a report sheet for reconciliation before it is deposited into the bank. They will also work on providing a separate report that align monthly.

B. Superintendent Report:

Superintendent Holton's report covered several key points; including Visual inspections of manholes on North Shore found no issues, anticipated activation of new connections in the coming months, possibly after the first of the year depending on weather.

C. Treatment Plant Operator Report:

Treatment Plant Operator Mark Huggard provided a written report of Treatment Plant and Collection System activities. Operator Justin Straub, reported that engineers successfully restored the vandalized monitoring well, now named 7S2, and obtained a quarterly sample from it.

VII. DISCUSSION/ACTION ITEMS

- **Audit Proposal**

Mike McMillan reported that two companies from Cadillac have shown interest in becoming municipal auditors for the NLTUA. One of these companies, which has a Traverse City branch, has an extensive track record of serving over 400 municipalities in Michigan. The first bid received was well within the expected range, indicating no significant cost increase. Another bid is expected shortly, potentially offering competition without the need for a formal RFP process.

- **LT Board approval of NLTUA rate recommendation:**

Mike McMillan reported that the Leelanau Township vote on the NLTUA rate recommendation wasn't approved, which was previously communicated via email. Since then, there have been discussions at the NLTUA office and consultation with the NLTUA attorney to seek a legal opinion. The board's opinion is that the NLTUA can control the rates going up or down, despite some initial confusion regarding the resolution presented to the township. It seems that the township board's vote is currently considered ceremonial in nature.

- **Draft Budget for the 2024-25 Fiscal Year:**

Clerk Scott provided a detailed report on the draft budget. The key points from her report include:

1. The draft budget has been a bit challenging to put together, mainly due to the understanding that an 8% increase in operations and maintenance fees is likely to be adopted.
2. The budget includes revenues such as a loan from the village, hookup and application fees, operations and maintenance fees (estimated at \$677,684 with an 8% increase), late charges and penalties, and system damage cost recovery.
3. Expenditures for Administration cover salaries, social security, Medicare, workman's comp, office supplies, operating supplies, postage, contractual services, legal services, CPA services, and loan payment to the Village of Northport. The total for Administration expenditures is \$147,001.88.
4. Expenditures for the Treatment plant include operating supplies, utilities, contractual services, capital improvement projects, and more. The total for Treatment plant expenditures is outlined at \$314,282
5. Expenditures for the collection system include operating supplies, utilities, contractual services, capital improvement projects. The total for Collection System expenditures is \$241,747

The budget also takes into account potential changes depending on a grant application for capital improvement projects, which includes main lift station cleaning and a new stationary generator for the collection system.

Clerk Scott mentioned that she intends to refine the details related to the grant and capital improvement projects (CIP) before distributing the draft budget to both the Village and Township.

- **Introduction of Denise Dunn, Deputy Treasurer**

Chair Mike McMillan introduced Denise Dunn, who will assume the role of Deputy Treasurer and take on associated responsibilities within the organization.

VIII. PUBLIC COMMENT

Campbell McLeod- highlighted budget concerns regarding Jacobs' hours and repair expenses, questioned contractual costs, and suggested sustainability measures like solar energy. He stressed the importance of transparent communication about cost-saving initiatives.

IX. MEMBER COMMENTS

The Board discussed the Jacobs contract and the budgeted call-out hours (300 hours). Clerk Scott will compile a 5-year comparison of billed hours and present it at the next meeting in January.

X. ADJOURNMENT

Chris Holton Moved, Supported by Mike McMillan to adjourn the meeting. Motion Carried. The meeting was adjourned at 10:40 am.

Respectfully Submitted by:

Joni L. Scott, NLTUA Clerk