

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: *Chris Holton attended the meeting but arrived late.

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.

IV. APPROVAL OF MINUTES

Chris McCann Moved, Supported by William Harper to approve the December 19, 2023 Regular meeting minutes as submitted. Motion Carried.

V. PUBLIC COMMENT/CORRESPONDENCE

None

VI. PAYMENT OF BILLS

Chris Holton **Moved, Supported by** Mike McMillan to approve the bills to be paid for the months of December-November in the amount of \$50,005.42. **Discussion:** Chair Mike McMillan explained that some bills had to be paid before their meetings due to timing constraints. The standard practice was to ensure that expenses were within the budget, and they generally approved payments unless something stood out as exceeding the budget.

Roll Call Vote: Yeas (4) Nays (0) Absent (1) Chris Holton 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 acknowledging that the trial balance includes the loan to the village and the payment scheduled for this fiscal year, which will be made before the end of February. She mentioned that additional funding is needed for their CIP. Clerk Scott also

mentioned that she and Deputy Treasurer Denise are working on online banking transactions and recommended that if they can't complete it by the end of the month, they should cut checks for the debt retirement due this month, with Denise co-signing those payments for manual dispersal.

Deputy Treasurer:

Deputy Treasurer Dunn reported that she had made her first deposit.

B. Superintendent Report:

Superintendent Holton addressed various concerns in his report. He specifically noted a recent callout to a residence on W. Third Street, which has experienced multiple issues due to the actions of the homeowners' tenants. Additionally, he discussed his meeting with Rob from Kal Excavating regarding the extension of a sewer force main along Woolsey Lake Road. Holton anticipates receiving a quote for this extension and will subsequently share it with the NLTUA Board and the Leelanau Township Supervisor for further consideration.

C. Treatment Plant Operator Report:

Treatment Plant Operator Mark Huggard provided a detailed report on Treatment Plant and Collection System activities. He explained that the annual discharge permit fee for the facility is determined based on factors like population and the type of treatment plant, with their facility classified as a Class C facility utilizing rotating biological contactors for wastewater treatment. Huggard also presented a breakdown of labor hours over the past nine years, with a focus on the collection system. The data illustrated a gradual increase in total hours, with a peak in year 2021 due to pump station maintenance. He clarified that the hours are tracked on a calendar year basis and addressed questions about the budget cycle and rate consistency.

VII. DISCUSSION/ACTION ITEMS

- **Audit Proposal**

Mike McMillan read the following resolution;

WHEREAS, the Northport Leelanau Township Utilities Authority (NLTUA) is responsible for the financial oversight and management of utility services in the sewer assessment district (SAD),

WHEREAS, the NLTUA has received two proposals from auditing firms interested in providing auditing services to the authority,

WHEREAS, the auditing services are crucial for ensuring transparency, accountability, and financial soundness in the operations of the NLTUA,

WHEREAS, discussions and negotiations with auditing firms are necessary to select the most suitable partner to conduct the audit services for the NLTUA,

NOW, THEREFORE, be it resolved by the NLTUA Board that:

1. The Chair of the NLTUA, Mike McMillan, and the Clerk of the NLTUA are hereby authorized and empowered to enter into discussions, negotiations, and an agreement with the selected auditing firm for the provision of auditing services.
2. The NLTUA Chair and Clerk are further authorized to review the proposals from the auditing firms, negotiate the terms and conditions, and select the auditing firm that best aligns with the needs and objectives of the NLTUA.
3. The Chair and Clerk shall ensure that the auditing firm chosen meets all necessary legal and professional requirements and shall keep the NLTUA Board informed of the progress and outcomes of the negotiations.

This resolution shall take effect immediately.

Chris McCann Moved, Supported by William Harper to adopt the Resolution.

Roll Call Vote: Yeas (5) Nays (0). Motion Carried, Resolution Declared Adopted.

- **Discussion about NLTUA Staff Structure:**

Village Manager Jim Dyer explained the need to determine how payments for services should be handled. The primary issue was whether payments for services should go directly to the township or the village. Dyer recommended establishing contracts between the township and the village to define the terms and conditions of these payments. He emphasized that contracts would provide a clear way to ensure that the services required are being fulfilled and would simplify communication by involving the Chief Administrative Officers of both entities. The board

expressed agreement with this approach, recognizing it as a logical step to ensure a smooth transition during staff changes and to maintain accountability for services provide.

Mike McMillan Moved, Supported by William Harper that the NLTUA adopt contract agreements between the Village and Township with the NLTUA for staff positions; the superintendent, the clerk, and for the deputy treasurer at the current rate of pay at their next regular meeting.

Roll Call Vote: Yeas (5) Nays (0) Motion Carried.

Village Manager Jim Dyer offered to draft the agreements for the Board.

NLTUA Clerk Scott noted to the Board that she hadn't paid any money to the deputy Treasurer and asked for clarity on the pay for the position. The board confirmed that the pay for this position should remain at \$7,000, which was the same as what the previous Treasurer received. Village Manager Jim Dyer suggested that they should consider dividing the responsibilities and payments, given the changes in duties, with the Village handling accounts receivable and providing reports on payments and the Deputy Treasurer reconciling the reports and depositing payments. There was a discussion about how to determine the appropriate pay for these positions, with some board members expressing the need for job descriptions and a better understanding of the workload. The decision was made to maintain the \$7,000 payment to the township for the Treasurer position and to draft contracts with job descriptions for further review at the next meeting.

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

NLTUA Clerk Scott presented the draft budget for the 2024-25 fiscal year. She highlighted changes made since the previous meeting, including adjustments to the loan amount related to the village's loan to NLTUA. The proposed total revenues for the fiscal year were \$791,084.

The discussion also covered a grant application, where Scott outlined the details of the grant projects and the required local match of 10%, which amounted to \$50,000. Village Manager Jim Dyer mentioned positive communication from the Treasury regarding the grant and the need to provide prioritization of project requests. He plans to collaborate with the NLTUA Clerk and Superintendent to determine the priority order of these projects.

Additionally, there was a mention of potential changes to the budget due to previous discussions about staff positions and compensation, particularly in the administration section of the budget. Village Manager Jim Dyer explained that while the budget's appearance might change, the overall expenses would remain relatively similar.

VIII. PUBLIC COMMENT

None

IX. MEMBER COMMENTS

None

X. ADJOURNMENT

Chairman McMillan adjourned the meeting at 10:31 am.

Respectfully Submitted by:

Joni L. Scott, NLTUA Clerk