

**Minutes**  
**Huron-Clinton Metropolitan Authority**  
**Board of Commissioners**  
**Thursday, May 12, 2016**

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A regular meeting of the Huron-Clinton Metropolitan Authority's Board of Commissioners was held at 10:30 a.m. on Thursday, May 12, 2016 at Willow Metropark at the food bar area.

Commissioners Present: John C. Hertel  
Timothy J. McCarthy  
Robert W. Marans  
Bernard Parker (arrived at 10:36 a.m.)  
John E. La Belle  
Anthony V. Marrocco

Staff Officers:  
Director George Phifer

Other Attendees:  
Steve Mann Miller, Canfield, Paddock and Stone, PLC  
Michael Rosati Johnson, Rosati, Schultz, Joppich, PC  
George Carr Legislative Consultant

Absent:  
Commissioner Jaye Quadrozzi

Chairman Hertel called the May 12, 2016 meeting to order at 10:33 a.m.

**1. Chairman's Statement**

Commissioner Hertel said he was hoping for dryer warmer weather.

**2. Public Comments**

None.

**3. Minutes – April 14, 2016 Regular Meeting**

Motion by Commissioner Marrocco, supported by Commissioner McCarthy that the Board of Commissioners' approve the April 14, 2016 meeting minutes as presented.

Motion carried unanimously.

**4. Approval – May 12, 2016 Agenda**

Motion by Commissioner Marans, supported by Commissioner McCarthy that the Board of Commissioners' approve the amended May 12, 2016 agenda as presented.

Motion carried unanimously.

**5. Approval – May 12, 2016 Consent Agenda**

Motion by Commissioner McCarthy, supported by Commissioner La Belle that the Board of Commissioners' approve the consent agenda consisting of the following:

- a. Approval – April 2016 Financial Statements and Payment Registers
- b. Approval – April 2016 Appropriation Adjustments
- c. Purchases
  1. Passenger Bus, Administrative Office
  2. Transportation Services, Summer Fun at the Metroparks
  3. Canopy Shade Structure, Lake Erie Metropark
- d. Update – Purchases over \$10,000

- e. Approval – Promotional Event Sponsor, Cryderman and Associates
- f. Approval – First Amendment to the Retiree Health Care Trust Agreement
- g. Bids – Roadway Crack Filling, various locations
- h. Bids – Shingle Roof Repair, Indian Springs
- i. Bids – Hike-Bike Trail Crack Filing

Motion carried unanimously.

## **Regular Agenda**

### **6. Report – Wayne County Tax Increment Taxing Authorities**

Motion by Commissioner Marans, supported by Commissioner Marrocco that the Board of Commissioners' receive and file the Wayne County Tax Increment Taxing Authorities report as recommended by Director George Phifer and staff.

*Discussion:* Director Phifer updated the Board on a letter sent from Wayne County Executive Warren Evans sent to the Metroparks and Wayne County Community College regarding Wayne County's requesting support in their effort to end the improper capture of expenditures of taxes by tax increment financing authorities (TIFAs, DDAs, LDFAs, Brownfield Districts etc.). Director Phifer also let commissioners know he had previously spoken to each of them regarding Wayne County's plan.

Motion carried unanimously.

### **7. Legislative Report**

Motion by Commissioner La Belle, supported by Commissioner McCarthy that the Board of Commissioners' receive and file the Legislative Report as submitted by Consultant George Carr.

*Discussion:* Legislative Consultant George Carr said due to the Flint water crisis, every state agency is double-checking its policies and procedures. He also said the House Judiciary Committee approved a 17-bill package updating and codifying law enforcement standards and law officer employment. When signed by the governor, these changes will bring the Authority's law enforcement agency up to equal status with others in the state.

Commissioner La Belle inquired if other non-profit organizations would be giving funding to Flint similar to the substantial C.S. Mott Foundation donation. Mr. Carr replied most likely.

Commissioner La Belle also asked Mr. Carr if he still planned to retire at the end of the year. Mr. Carr replied he was not sure. Commissioner La Belle said it was a good opportunity for the Metroparks to begin the process.

Further discussion was held.

Commissioner Hertel thanked George Carr for being direct and said it seems like a good time to begin our search.

Motion carried unanimously.

## 8. Reports

### A. Lake St. Clair Metropark

#### 1. Approval – Change Order, Seawall Replacement Project

Motion by Commissioner Parker, Supported by Commissioner Marrocco that the Board of Commissioners' approve the proposal from Rowe Professional Services, Co. of Farmington Hills in the amount of \$48,387 for engineering design services as recommended by Manager of Engineering Mike Brahm-Henkel and staff.

*Discussion:* Manager of Engineering Mike Brahm-Henkel updated the Board on the scope of the project and said staff was requesting a \$50,000 change order to resolve the soft soil issue where the seawall was in the process of being built. One option was to continue construction on the wall as is or move the deadman back to more stable soil.

Commissioner Marans asked when the seawall was built; Mr. Brahm-Henkel said in 1970.

Commissioner Parker asked if the estimated \$50,000 was based on either option. Mr. Brahm-Henkel it was important to keep moving forward with construction.

Commissioner Parker said he would like to see the seawall permanently fixed and does not see how the project can move forward without a final cost.

Director Phifer said staff would be able to move forward with the project with Board approval and would come back to the Board if the costs exceeded \$50,000.

Commissioner Marrocco asked when construction was supposed to be finished. Mr. Brahm-Henkel said sometime in the fall. However, the projected affected the ADA compliance for the dock, but that the summer boating season would not be affected.

Commissioner Parker amended the motion.

Motion by Commissioner Parker, supported by Commissioner Marrocco that the Board of Commissioners' authorize staff to use the necessary funding in order to permanently fix the problem with the seawall.

Motion carried unanimously.

### B. Wolcott Mill Metropark

#### 1. Bids – Farm Center Tollbooth

Motion by Commissioner Marrocco, supported by Commissioner McCarthy that the Board of Commissioners' (1) award Contract No. 513-16-129 to the low responsive, responsible bidder Dave's Contracting, Inc. in the amount of \$62,000; and (2) authorize a \$6,073 transfer from the Wolcott Mill Unallocated Capital account to cover the cost of the project as recommended by Manager of Engineering Mike Brahm-Henkel and staff.

*Discussion:* Manager of Engineering Mike Brahm-Henkel updated the Board on the scope of the project that includes a prefabricated tollbooth, communications cables, electrical service and construction of a toll island.

Commissioner Parker asked is staff had an estimate on revenue with from constructing a tollbooth. Director Phifer said estimated revenue has not been calculated, but he would have staff pull the information together and send it to the commissioners.

Commissioner McCarthy said it was a good sign that a tollbooth was needed at Wolcott.

Motion carried unanimously.

## 8. Reports

### C. Stony Creek Metropark

#### 1. Bids – Inflatable Slide Utilities

Motion by Commissioner Marrocco supported by Commissioner La Belle that the Board of Commissioners' (1) award Contract No. 509-16-533 to the low responsive, responsible bidder, ILE Excavating, Inc. in the amount of \$39,775; and (2) approve the fund transfer from the Kensington Major Maintenance Account to the Stony Creek Capital Improvement account as recommended by Manager of Engineering Mike Brahm-Henkel and staff.

*Discussion:* Mr. Brahm-Henkel updated the Board on the project and said the new slide requires a higher water volume supply than the old slide and requires six hoses. He said the project also included installing conduits underground, adding a backflow preventer, blowout and tree restoration.

Commissioner Marans asked if we anticipated the additional utilities cost; Director Phifer said no.

Motion carried unanimously.

#### 2. Bids – Golf Course Above Ground Storage Tank Installation

Motion by Commissioner Marrocco, supported by Commissioner Marans that the Board of Commissioners' That the Board of Commissioners' (1) award Contract No. 509-16-530 to the low responsive, responsible bidder, Matzak Inc. in the amount of \$113,505; and (2) approve the \$19,105 transfer from the Kensington Major Maintenance Account to the Stony Creek Unallocated Maintenance account to cover the cost of the project as recommended by Manager of Engineering Mike Brahm-Henkel and staff.

*Discussion:* Mr. Brahm-Henkel updated the Board on the project and said with the golf course moving from electric carts to gas-powered carts, an above ground storage tank was needed closer to the cart storage area. Grading and the installation of an asphalt pad was also added to the project to help with drainage issues.

Commissioner Marrocco asked if there were a lot of expenses when the golf courses began using electric carts several years ago. Mr. Brahm-Henkel said yes.

Commissioner Marrocco said he was happy to see staff get rid of the electric carts and return to gas carts; it was a good move.

Motion carried unanimously.

### D. Administrative Office

#### 1. Report – 2015 Audited Financial Statements

Motion by Commissioner Marrocco, supported by Commissioner La Belle that the Board of Commissioners' receive and file the 2015 Audited Financial Statements as reported by Controller Franchock and staff.

*Discussion:* Controller Franchock introduced James Frendt with Abraham & Gaffney who then reviewed the findings from the 2015 financial audit. He said

Abraham & Gaffney believes that the audit evidence they obtained is sufficient and appropriate and presented fairly. Mr. Frendt said there was a change in accounting principles this year related to the Governmental Accounting Standards Board (GASB) where pension liability had to be reported (GASB 68). Mr. Frendt reviewed the balance sheet and said the unassigned fund balance was in good shape at \$18.35 million or 40 percent.

Commissioner Marrocco asked if pre-paid expenses should be listed as a liability. Commissioner McCarthy replied that the Metroparks are pre-paying to other organizations and it is not a liability.

Motion carried unanimously.

## **8. Reports**

### **D. Administrative Office**

#### **2. Approval – 2016 Pension Plan Actuarial Valuation and Contribution**

Motion by Commissioner Marans, supported by Commissioner Parker that the Board of Commissioners' (1) receive the Annual Actuarial Valuation and GASB Statement No. 67 and No. 68 Report; and (2) approve of the 2016 Pension Contribution at the budgeted amount of \$2.7 million.

Discussion: Controller Franchock said the Pension Committee recommended that the full Board approve the \$2.7 million 2016-budgeted amount, which is \$250,000 higher than the Gabriel, Roeder, Smith & Company (GRS).

Commissioner La Belle asked what the return on investment was last year. Ms. Franchock said it was slightly negative (almost flat).

Commissioner Marrocco asked what the forecast was from GRS. Commissioner McCarthy said January and February started off poorly, March and April were better and that HCMA should be consistent with market conditions.

Commissioner La Belle said that it gave HCMA flexibility.

Motion carried unanimously.

#### **3. Approval – 2016 Retiree Health Care Trust Contribution**

Motion by Commissioner La Belle, supported by Commissioner Marans that the Board of Commissioners' approve of the 2016 Retiree Health Care Trust contribution at the budgeted amount of \$904,023.

Discussion: Controller Franchock said the Pension Committee approved and recommended that the full Board approve the \$904,023 2016-budgeted amount. She also said the GRS recommendation is from 2014 since the valuation is done every two years and 2016 is an off year.

Commissioner Marrocco asked what a comfortable level was; Director Phifer said the mid 80 percent range.

Motion carried unanimously.

#### **4. Approval – Internal Control Review / Audit Proposal**

Motion by Commissioner McCarthy, supported by Commissioner Marrocco that the Board of Commissioners' award FP-16-027 Internal Control Review/Audit Proposal to the low responsive, responsible bidder Plante Moran for the estimated amount between \$20,000 – \$23,000 as recommended by Controller Franchock and staff.

Discussion: Controller Franchock said the internal audit was approved by the Board for the 2016 budget and would assist staff with reviewing internal controls throughout the entire system. She said \$25,000 was budgeted and that Plante Moran came in as the low bidder.

Commissioner Parker asked if Plante Moran would be looking at how we collect cash. Ms. Franchock said yes, they would be reviewing the entire system.

Commissioner Parker asked if our system was entirely cash based or if a part of it was computerized. Ms. Franchock said the parks are moving towards a Point of Sale (POS) system, but most of the tollbooths are cash based.

Director Phifer said currently the parks has an aging infrastructure and once the correct person is hired to oversee the Information Technology department staff would be able to address current needs such as moving forward with an overall POS system.

Commissioner La Belle said cash handling should have been part of the yearly financial audit.

Commissioner La Belle voted no.

Motion carried.

## **8. Reports**

### **D. Administrative Office**

#### **5. Approval – IRS Defined Contribution Plan Corrective Contribution**

Motion by Commissioner Marans, supported by Commissioner Marrocco that the Board of Commissioners' approve the Defined Contribution Plan corrective contribution (with interest to be calculated based on the IRS's recommended interest rate) related to an error in the original ICMA-RC Defined Contribution plan as presented by Controller Franchock and staff.

Discussion: Controller Franchock updated the Board on the issue and said Metroparks recently received notification that the IRS required the 401(a) Money Purchase Plan and Trust (Defined Contribution Pension Plan) agreement needed to be restated. During the process of preparing the restatement, an error was found in the original document regarding the definition of eligibility. The original agreement indicated, "All full-time employees are eligible." The document should have stated, "All full-time employees hired on or after Jan. 2, 2013 are eligible."

Legal Counsel Steve Mann addressed the Board and said it was an unintended error; however, it needs to be addressed in order for the Pension Plan to remain in compliance.

Commissioner Parker asked if it affected new employees. Ms. Franchock said it affects four current employees and one former employee.

Motion carried unanimously.

## **9. Closed Session**

At the regular meeting of the Board of Commissioners' held on May 12, 2016 there was a motion by Commissioner Marrocco supported by Commissioner Parker that the Board of Commissioners adjourn to a closed session to consult with attorney(s) regarding pending litigation. [Section 8\(e\) of the Michigan Open Meetings Act M.C.L. 15.268 \(e\)](#)

## **ROLL CALL VOTE**

Voting yes: Marrocco, Parker, McCarthy, Marans, La Belle, Hertel

Voting no: None

Absent: Quadrozzi

The regular meeting adjourned at 11:21 a.m.

Chairman Hertel reconvened the regular meeting at 11:44 am

No action was taken regarding the closed session.

### **10. Other Business**

Media Relations Specialist Lisa Croff said she has been officially with the parks for one month. She showed the Board three videos she has produced, which will be used throughout for marketing purposes. She said she has revised the current press release and made adjustments based on the media outlet (i.e. radio, newspaper or TV). She also reviewed items she is currently working on for media exposure.

Commissioner Parker asked if Public Service Announcements (PSA's) are a possibility. Ms. Croff said she would find out and report back to the Board.

Ms. Croff said she has been in contact a public access channel near Stony Creek about doing a monthly TV program about the Metroparks.

Commissioner Parker asked if the Metroparks phone number could be added to the videos.

Commissioner Hertel said he was looking forward to seeing what Ms. Croff would accomplish in her second month with the Metroparks.

Commissioner McCarthy let everyone know there was an event coming up on Sunday, May 15 in recognition of Wilson Born and that he and Commissioner Marrocco would be attending. He said it should be a nice event and urged everyone to attend.

### **11. Staff Officer Update**

Interpretive Services Manager Jennifer Hollenbeck briefed the Board on the Summer Fun at the Metroparks and said staff has received good feedback from communities.

Manager of Planning Nina Kelly updated the Board on upcoming Master Planning meeting for Stony Creek and Wolcott Mill.

### **12. Commissioner Comments**

Commissioner La Belle made a courtesy motion for the Foundation.

Motion by Commissioner La Belle, supported by Commissioner Marrocco that the Board of Commissioners' acknowledge former Director of Development Molly Bell and the efforts she made reestablishing the Foundation.

Motion carried unanimously.

Commissioner Parker said his school, Timbuktu Academy, received a grant from Kaboom to build a playground in one day and that Delta Airlines would be onsite to help with the efforts. He invited everyone to come out and lend a hand on June 11 from 7am – 2pm.

Commissioner La Belle also said that staff needs to reevaluate the salary range for the technology department to meet the demands of the market.

Commissioner Parker asked if this analysis was for one position as he recently asked to have salary surveys conducted for the entire executive staff.

Motion by Commissioner La Belle, supported by Commissioner Marans that the Board of Commissioners' authorize staff to conduct a salary analysis and adjust the salary requirements for the Information Technology Manager.

Motion carried unanimously.

**13. Motion to Adjourn**

Motion by Commissioner Marans supported by Commissioner McCarthy that the Board of Commissioners' adjourn the regular meeting.

The meeting adjourned at 12:08 p.m.

Respectfully submitted,



Shawn M. Athayde  
Recording Secretary