

**Minutes
Huron-Clinton Metropolitan Authority
Board of Commissioners
Thursday, June 12, 2014**

The regular meeting of the Huron-Clinton Metropolitan Authority's Board of Commissioners was held at 10:30 a.m. on Thursday, June 12, 2014 at the Thomas Welsh Activity Center at Lake St. Clair Metropark.

Commissioners Present:

John E. La Belle
John C. Hertel
Timothy J. McCarthy
Anthony V. Marrocco
Harry E. Lester
Robert W. Marans
Jaye Quadrozzi

Staff Officers:

Director
Deputy Director
Controller
Recording Secretary/Corporation Counsel

John P. McCulloch
George Phifer
Rebecca Franchock
Joseph W. Colaianne

Others:

Legislative Consultant
Rehmann Robson Consultant

George Carr
Mark Tschirhart

Chairman La Belle called the meeting to order at 10:34 a.m.

1. Chairman's Statement

No Statement.

2. Public Comments

No public comments.

3. Minutes – May 8, 2014 Regular Meeting

Motion by Commissioner Marrocco, supported by Commissioner Marans that the Board of Commissioners' approve the May 8, 2014 regular meeting minutes as submitted.

Motion carried unanimously.

4. Approval – May 8, 2014 Agenda

Motion by Commissioner Marans, supported by Commissioner Lester that the Board of Commissioners' approve the June 12, 2014 meeting agenda, as amended, removing HEART Lab Cooperative Agreement from Consent Agenda to Regular Agenda as Item 8-A-2; and adding to the Consent agenda, item 5(f) Approval - Stony Creek Winter Cove Picnic Shelter Replacement as recommended by Director McCulloch and staff.

Discussion: Commissioner Marrocco requested the removal of the HEART Lab [r1] Cooperative Agreement from Consent Agenda to Regular Agenda. Deputy Director Phifer requested that the Stony Creek Winter Cove Picnic Shelter Replacement project to be added the Consent Agenda.

Motion carried unanimously.

5. Approval – June 12, 2014 Consent Agenda

Motion by Commissioner McCarthy, supported by Commissioner Lester that the Board of Commissioners approve the June 12, 2014 Consent Agenda consisting of the following: Vouchers – May 2014; Financial Statements – May 2014; Approval – Amended Chief Pontiac Program Committee Use Agreement, Kensington Metropark; Approval – Amended Heavner Canoe Livery Agreement, Kensington Metropark; Update – REI Grant; Approval Winter Cove Picnic Shelter Replacement Project, Stony Creek Metropark; and Donations.

Motion carried unanimously.

Regular Agenda

6. Legislative Report

Motion by Commissioner Hertel, supported by Commissioner Lester that the Board of Commissioners receive and file the legislative report (dated June 3, 2014) as presented by Legislative Consultant George Carr.

Discussion: Mr. Carr noted that although the Legislature was not able to agree on a Transportation Funding bill, the legislature approved the state budget as well as \$195 Million in funding as part of the “Grand Bargain” to minimize pension cuts for retirees to help end the city of Detroit bankruptcy. Commissioner La Belle noted that the roads are significant to the Metroparks operations and inquired whether the Metroparks could receive any road funding. Mr. Carr indicated that the Metroparks does not qualify under current law to receive funding.

Motion carried unanimously.

7. Update – Park Operation

Motion by Commissioner Lester, supported by Commissioner Quadrozzi that the Board of Commissioners receive and file the Park Operations Update as presented by staff.

Discussion:

1. Mark Lietaert, Eastern District Maintenance Supervisor, presented the report from the Eastern District. He presented slides of the Eastern District before and after Memorial Day, and noted that Stony Creek had more than 9,000 vehicles pass through. He stated that Wolcott Mill Metropark Golf Course flooded twice this spring, but it is now under control. Please see attached slide presentation and May 2014 report.
2. Bill Rose, Park Operations Supervisor presented the report from the Western District. He noted there were huge crowds during the Memorial Day weekend. The swan boats are very popular. It was a challenge with the road and parking lot project at Martindale Beach, but with the assistance of staff and the public the weekend went very well. Mr. Rose highlighted a number of events, including the 33rd Annual Discraft Great Lakes Open held at both Hudson Mills and Kensington Metropark. The professional disc golfers played at Kensington and the amateurs played at Hudson Mills. This disc golf tournament is one of the major tournaments held in the United States and disc golfers from all over the country come to participate. Please see attached May 2014 report.

Commissioner McCarthy inquired whether there were plans for purchasing additional duck/swan boats since they are popular. Director McCulloch indicated that staff would monitor and determine if additional boats were warranted.

Commissioner Quadrozzi commented on the weeds at the boat launch area; Director McCulloch noted that the weed harvesting machine will need replacing and we are looking at options to deal with the weed situation.

3. Jim Pershing Southern District Park Superintendent presented the report on behalf of the Southern District. He noted that Lower Huron Metropark opened in 1947, followed by Willow Metropark, 1970 (and pool in 1975), Oakwoods, 1975 and Lake Erie, 1980. Picnicking was prevalent throughout the district Memorial weekend. At Lower Huron several picnic areas went into overflow and parking moved to the adjacent roadsides. He indicated that more than 3,000 swimmers used Turtle Cove on Memorial Day. The district observed a record in revenue, but not in attendance.

Motion carried unanimously.

8. Reports

A. Indian Springs Metropark

1. Bids – Iron Removal System

Motion by Commissioner McCarthy, supported by Commissioner Marans that the Board of Commissioners award Contract No. 515-14L to the lowest responsive, responsible bidder, W.J. O’Neil, in the amount of \$329,700.00 and transfer \$62,200.00 from Capital Fund Balance to cover the cost between the bid amount and budgeted amount, as recommended by Manager of Assets and Development Mike Brahm-Henkel and staff.

Discussion: Mr. Brahm-Henkel noted that the project includes construction and modification to the well house plumbing to remove iron and manganese, which also includes a backwash pond and drain tile. He noted that the existing water quality has caused issues with the geothermal exchangers; squirt zone facility and staining of concrete surfaces. Commissioner Hertel expressed concerns regarding the clarity issue of the pond and associated maintenance costs. Mr. Brahm-Henkel noted that the real problem is phosphorus and insufficient water flow, and that he is working with ASTI (environmental consultant) to develop a solution. He also noted, according to ASTI, that as the pond gets older, the clarity issue may correct itself.

Motion carried unanimously.

A. Lake St. Clair Metropark

2. HEART Lab Cooperative Agreement

Motion by Commissioner Marans, supported by Commissioner McCarthy that the Board of Commissioners approve the Cooperative Agreement with Wayne State University and authorize the Director to execute agreements in substantial form as modified based on the Board discussion.

Discussion: Paul Muelle, Natural Resources & Environmental Compliance Manager indicated HEART is a cooperative effort between the Metroparks, Macomb County, Macomb County Community College and Wayne State University (WSU) to promote water quality awareness, conduct research and provide educational opportunities. Through this collaborative arrangement, WSU has proposed the development and operation of a field research station at Lake St. Clair Metropark. The proposed agreement is related to the installation and operation of the field research station at the administration/concession building at Lake St. Clair. Commissioner Marrocco expressed some concerns with the proposed agreement. First, under Section 2 of the agreement (Consideration), the exact amount of the consideration should be specified in the contract now that the Metroparks knows the costs rather than a “not to exceed amount.” Secondly, under Section 4, Commissioner Marrocco expressed concern as to the meaning of “or other activities” (Section 4, line 4); WSU’s exclusive control (Section 4 lines 5-6); and WSU’s ability to charge third parties for use of the facility. (Section 4, lines 6-7). It was discussed that the “charge to third parties” is primarily to cover costs, not to raise revenue. Third, Commissioner Marrocco also expressed concern regarding the term “reasonable cost” in Section 9. Finally, Commissioner Marrocco said that the ability to assign the agreement in Section 15 should be mutual. Joe Colaianne, Corporation

Counsel indicated that he would contact WSU, and discuss the concerns raised and making changes to the agreement. Commissioner McCarthy stated that he has no problem with changes to the agreements, provided it does not jeopardize the \$100,000 grant from the State (MDEQ). Colaianne suggested that the motion should be revised to read, "to approve the Cooperative Agreement with Wayne State in substantial form as modified based on the discussion."

Motion carried unanimously.

8. Reports

B. Administrative Office

1. Update – Capital Projects

Motion by Commissioner Marrocco, supported by Commissioner Marans that the Board of Commissioners receive and file the Capital Projects Update as presented by Assets and Development Manager Mike Brahm-Henkel.

Discussion: Mr. Brahm-Henkel indicated that the Frost Laws came off mid-April, which gave a late start to the construction season. Of the 160 Capital and Major Maintenance Projects, he noted there are currently 70 projects and one Supplemental Major Maintenance project in construction; 20 of these projects are completed. All of the current construction projects are overseen by one Supervisor, three Field Engineers, and a Survey Crew of two. Mr. Brahm-Henkel also acknowledged the staff's extraordinary efforts because this is a very aggressive schedule and they are doing phenomenal work. In addition, he noted there are 32 unexpected and additional repair projects that were not budgeted. Moreover, there are also 100 Minor projects identified for 2014. Two of higher profile capital projects are: the Martindale Parking Lot Project at Kensington, which is currently two weeks ahead of schedule (even with the late start); and the Huron Meadows Maintenance Building, which is currently about a week ahead of schedule.

Motion carried unanimously.

2. Update – Marketing

Motion by Commissioner McCarthy, supported by Commissioner Marans that the Board of Commissioners receive and file the marketing update as presented by Administrative Services Manager Carol Stone.

Discussion: Ms. Stone indicated that the initial results show that the Facebook social media through Berline have greatly exceeded expectations; 366 annual permits sold and more than 1,500 new customers signed for the weekly e-blast. However, the digital advertisement campaign did not perform well and the program was suspended and the plan is to focus more on the promoted social media posts. The "Nine, Wine and Dine" has been canceled and the plan is to regroup with Berline. (Please see attached report dated June 5, 2014 and 2014 Media Exposure Log).

Motion carried unanimously.

3. Update – Introduction to Metroparks Fundraising

Motion by Commissioner Marans, supported by Commissioner Lester that the Board of Commissioners receive and file the fundraising update as presented by Fund Development Manager Moll Bell.

Discussion: Ms. Bell presented the "donor pyramid" that is used by the National Park Service and the parallel donor pyramid for the Metroparks. She noted that at the very base of the Metroparks' donor pyramid there are the annual park passes and golfers; above that, would be memberships/annual donors; the next level would include major contributors; and, at the top of pyramid, planned donations/bequests. The strategy going

forward would be to develop a “Friends of the Metroparks” membership similar to the Detroit Zoo program, which may include special privileges, such as two-for-one membership golf, or giving picnic shelter rental priority (as suggested by one of the Commissioners). Ms. Bell noted that she is in the process of collecting information to create a database of potential Metropark donors. Ms. Bell noted that an important aspect of fundraising will be to identify and cultivate relationships, and educating potential donors of the fiscal challenges of the Metroparks and why donations are important. (Please see attached report dated June 5, 2014).

Commissioner La Belle noted the importance of laying the groundwork for a successful program. We should be mindful of the reality of the situation with the City of Detroit, and the possibility that there will be some difficulty with large donors.

Commissioner Hertel indicated that the Metroparks system encompasses more than half the population of the State of Michigan and that this is a unique opportunity, with 60+ years of goodwill, to increase donations and charitable giving. Despite the problems with the city of Detroit, there a lot of people that would support the Metroparks. A prime group of people to consider is grandparents who love to have things to do with their grandchildren. Mr. Hertel suggested program such as “Grandparents Club” for the Metroparks.

Commissioner Marans noted that the National Park Service program extended over 20 years and inquired of Ms. Bell as to the schedule for the Metroparks. Ms. Bell indicated that while the Metroparks has cultivated donors, it will need to personally communicate and educate the necessity of donations vs. tax support. This will take time. She could not project at this time how long it may take for the program to develop, but hopes it will be considerably less than the 20-year timeline suggested by the NPS.

Commissioner Marrocco suggested that perhaps we should consider raising donations through purchase of license plate (i.e. HCMA License Plate).

Motion carried unanimously.

8. Reports

B. Administrative Office

4. 2013 Audited Financial Statements

Motion by Commissioner Hertel, supported by Commissioner Lester that the Board of Commissioners receive and file the 2013 Audited Financial Statements as recommended by Controller Franchock and staff.

Discussion: Mark Tschirhart, Rehmann Robson, independent auditors for the Metroparks, indicated that it had completed the financial audit and the report on compliance for the Major Federal Program. Rehmann noted that it was pleased to report that in course of performing tests on whether the Authority’s financial statement were free of material misstatements, the results of the test disclosed no instance of non-compliance or other matters that are required to be reported under Government Auditing Standards. (Please see the attached 2013 financial audit report and 2013 Comprehensive Financial Annual Report).

Motion carried unanimously. Vote: 6-0-1

(Commissioner Quadrozzi left the meeting at 11:56 a.m.)

8. Reports

B. Administrative Office

5. Five-Year-Plan Projections, 2015 through 2019

Motion by Commissioner Marans, supported by Commissioner Hertel that the Board of Commissioners receive and file the Five-Year-Plan report and related documentation as recommended by Controller Franchock.

Discussion: Controller Franchock presented the five-year plan projections for years 2015 through 2019. She noted that this is rolling Five-Year-Plan, which is a departure from past practice, which looked at five year-projections every five years. Ms. Franchock noted that it may be helpful to look beyond a five year projection in the future as current projections could show revenues exceeding expenses in the short term, but based on current assumptions, further projection could yield revenues and expenses converging. There were 450 capital projects proposed, with 100 included in the Five-Year-Plan. Ms. Franchock indicated that a capital project rating system was developed to determine whether a project would be undertaken. The rating system consisted of the following five factors: 1) number of people served; 2) fiscal impact; 3) comports with park mission; 4) safety/regulatory compliance; and cost of neglect (i.e. if not undertaken or delayed). Factors affecting revenue projections includes increases to annual permit (year 2016); and green fees. Ms. Franchock summarized the various factors affecting expenses at Administrative Office, Operations and Major Maintenance. She noted that the proposed increase in the minimum wage will also affect the revenue projections. The Fund Balance was also reviewed and it was noted that \$2 million is being allocated to fund increased Major Maintenance levels and that Fund Balance will be decreased by an additional \$2 million over the course of the next five years to offset the structural deficit of current revenues and expenditures. Next steps include reviewing the plan with commissioners individually to address concerns or questions; obtain public comment; revise draft of plan in July 2014; and the implementation of ERP System, asset management system and planning development system.

Motion carried unanimously. Vote: 6-0-1

9. Election of Board Officers

Motion by Commissioner Hertel, supported by Commissioner Marrocco that the Board of Commissioner maintain the same officers for 2015.

Motion carried unanimously. Vote: 6-0-1

10. Staff Officer Report

Director McCulloch noted that although he would need to further analyze the statistics from the Memorial Day weekend, he was very pleased with the number of vehicle entries and revenue. He complimented Shawn Athayde for the report compiled showing the statistics from Memorial Day weekend 2012 through 2014.

11. Other Business

None

12. Commissioner Comments

Commissioner Hertel complimented Commissioner Marrocco with his role and assistance in regards to the Detroit bankruptcy and the impact on the water and sewer rate payers.

Commissioner McCarthy – no comment

Commissioner Lester – no comment

Commissioner Marrocco noted that vehicle entries revenue increase but numbers are down. Director McCulloch indicated that staff look at the statistics and analyzing the information as to what it means.

Commissioner La Belle complimented the Superintendants on wonderful job they are doing and that should not go unnoticed.

Commissioner Marans suggested a joint letter complimenting the staff.

13. Motion to Adjourn

Motion by Commissioner Lester, supported by Commissioner Hertel that the Board of Commissioners adjourn the regular meeting.

Motion carried unanimously.

The meeting adjourned at 12:45 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Joe Colaianne".

Joe Colaianne
Recording Secretary/Corporation Counsel