

**MINUTES
BOARD OF COMMISSIONERS MEETING
HURON-CLINTON METROPOLITAN AUTHORITY
THURSDAY, MAY 12, 2011**

The regular meeting of the Huron-Clinton Metropolitan Authority's Board of Commissioners was held at 10:30 a.m. on Thursday, May 12, 2011 at Wolcott Mill Metropark in the Camp Rotary Activity Center. The meeting was convened in pursuance to a call thereof by the Executive Secretary and due notice to the HCMA Board of Commissioners.

Present: Commissioners: Harry E. Lester
Robert W. Marans
Anthony V. Marrocco
John E. La Belle
Warren C. Evans
John C. Hertel
John P. McCulloch

Staff Officers:
Director David C. Moilanen
Deputy Director Gregory J. Almas
Controller David L. Wahl
Executive Secretary George Phifer

Absent: None

Others: Legislative Consultant George Carr

The meeting was called to order by Chairman Lester at 10:33 a.m.

1. Chairman's Statement

Chairman Lester welcomed the new commissioner for Oakland County, John McCulloch, to the Board.

2. Public Comments

Larry Noodén, Clinton Huron Environmental Coalition (CHEC), commented that he wanted to recognize staff for seeking grants and outside funding; that there are a lot of opportunities for funding in educational areas.

John Oldani, The North Macomb Sportsmen's Club, commented that the Sportsmen's Club is still interested in purchasing land from the Metroparks. Oldani said that they have had the property professionally appraised and have found out through the state of Michigan that the property is not encumbered.

3. Minutes – April 2011

It was moved by Commissioner Marrocco, supported by Commissioner Marans that the Board of Commissioners approve the April 14, 2011 regular meeting minutes as submitted.

Motion carried unanimously.

4. Financial Statements

a. 2010 Audited Financial Statements

Controller Wahl reported the Authority's auditing firm Rehmann Robson has completed their audit of the Authority's accounting records, pension plan, retiree healthcare trust and related financial statements for 2010 issuing an unqualified opinion. Tracy Kasperek, Manager from Rehmann Robson was present to review the 2010 audited financial statements.

Wahl reported there were no audit adjustments required to HCMA's final year-end numbers that were presented to the Board of Commissioners in February 2011. The Report on Internal Control over Financial Reporting noted no deficiencies in internal control that were considered a material weakness.

Tracy Kasparek, CPA reported on management's and the auditor's responsibility including Management's discussion and analysis – acts as a narrative overview to the financial statements, includes analysis of key financial data presented in the financial statements. Reviewed basic financial statements including:

- Governmental-wide financial statements
 - Done at an “entity-wide” level with the focus based on an economic of “full accrual” basis of accounting. Fiduciary funds are not included. Kasparek said total net assets were \$228,212,741 of which \$33,118,763 was unrestricted; total net assets increased by approximately \$3,773,000; unrestricted net assets increased by approximately \$3,722,000.
- Governmental “fund” financial statements
 - Focus is on “spendable” resources, or modified accrual basis of accounting. Total fund balance for all governmental funds amounted to \$37,820,439 at Dec. 31, 2010 which represents an increase in fund balance of approximately \$3,945,000.
 - Unreserved fund balance for all governmental funds amounted to \$36,271,594 at Dec. 31, 2010 of which \$14,255,086 is undesignated.
 - 2010 revenues exceed expenditures by approximately \$3,610,000.
 - Unreserved fund balance represents approximately 63.66 percent of annual expenditures.
 - Unreserved, undesignated fund balance was \$14,255,086 and represented 30.44 percent of all annual expenditures.
- Recommended fund equity
 - The Government Finance Officers Association (GFOA) recommends each government adopt a policy requiring a minimum unreserved fund balance of 5 – 15 percent. Each entity's policy should take into account predictability of revenue, volatility of expenditures and long-term stability.
- Fiduciary Fund financial statements
 - Presents statement of net assets for the Authority's employee pension and other postemployment benefit trust funds.
 - Net assets of the trust funds amounted to \$48,478,770 at Sept. 30, 2010.
- Supplementary information which include pension and other employee benefit trust fund statements.

Kasparek also reviewed statistical information which is unaudited, but read to make sure there are no inconsistencies with the audited financial statements. Reviewed the independent auditor's report on Internal Control over financial reporting and on compliance and other matters in accordance with governmental auditing standards. Kasparek noted there were no audit findings for the current year.

Commissioner McCulloch inquired about the funded status of the HCMA Pension Plan and the Authority's Reserve policy.

Controller Wahl indicated the Pension Plan is 70 percent funded and the Board's Reserve Policy calls for a 5 percent minimum of General Fund appropriations to be maintained in the Reserve Account.

It was moved by Commissioner Hertel, supported by Commissioner La Belle that the 2010 audited financial statements be accepted as recommended by Controller Wahl and staff.

Motion carried unanimously.

b. April 2011 Financial Statements

It was moved by Commissioner La Belle, supported by Commissioner Hertel that the financial statements for April 2011 be approved as submitted.

Motion carried unanimously.

5. Vouchers

It was moved by Commissioner Marans, supported by Commissioner Marrocco that the vouchers for April 2011 (0216367 through 0216833) be approved as submitted.

Motion carried unanimously.

6. Purchases

It was moved by Commissioner Marrocco, supported by Commissioner Evans that the following purchase be approved as recommended by Purchasing Manager Scott Michael and staff.

- ITB-11-009, Lake Aquatic Chemicals – Kensington, Stony Creek and Willow

Motion carried unanimously.

It was moved by Commissioner Hertel, supported by Commissioner Marans that the following purchase be approved as recommended by Purchasing Manager Scott Michael and staff.

- Letter of Quotation, HVAC System – Indian Springs

Commissioner Evans voted no.

Motion carried.

It was moved by Commissioner Marrocco, supported by Commissioner La Belle that the following purchase be approved as recommended by Purchasing Manager Scott Michael and staff.

- RFQ-11-009, Personnel Scissor Lift – Metro Beach

Motion carried unanimously.

It was moved by Commissioner Marrocco, supported by Commissioner Evans that the following purchase be approved as recommended by Purchasing Manager Scott Michael and staff.

- RFQ-11-006, Microsoft Licenses – All locations

Motion carried unanimously.

It was moved by Commissioner Evans, supported by Commissioner Marans that the following purchase be approved as recommended by Purchasing Manager Scott Michael and staff.

- RFQ-11-008, Turf Chemicals – All locations

Motion carried unanimously.

It was moved by Commissioner Evans, supported by Commissioner Marrocco that the following purchase be approved as recommended by Purchasing Manager Scott Michael and staff.

- Pool Chlorinating System, Chlorinating Tablets – Metro Beach, Willow and Lake Erie

Motion carried unanimously.

7. Reports

A. Metro Beach

1. Bids – Remove North (Floating) Marina Piers and Docks

Chief Engineer Arens reported the project is to include the demolition, removal and disposal of three floating piers and associated docks at the North (Floating) Marina, including timber piles, floating structures, ramps and appurtenances. Piers and docks were constructed with grant assistance by the Michigan State Waterways Commission (MSWC) in 1967.

It was moved by Commissioner Marans, supported by Commissioner Hertel that the Board of Commissioners award Contract No. 702-11Q to the lowest responsive, responsible bidder, Dean Marine and Excavating, Inc., in the amount of \$36,740.00, as recommended by Chief Engineer Arens and staff.

Motion carried unanimously.

2. Bids – Underground Communication Cable Installation

Chief Engineer Arens reported the project is to include Installation of new underground communication cabling to provide service from the Park Office, through the Marina area and into the Service Area, and from there connecting to the public telephone system. Work includes the furnishing and installation of approximately 4,260 lineal feet of underground cable, directional boring under roads and culverts, in-building cabling and related work.

It was moved by Commissioner Evans, supported by Commissioner La Belle that the Board of Commissioners award Contract No. 502-11P to the lowest responsive, responsible bidder, AMcomm Telecommunications, Inc., in the amount of \$42,961.00, and that \$4,000.00 of Capital Improvement funds be returned to the Reserve Account, as recommended by Chief Engineer Arens and staff.

Motion carried unanimously.

3. Bids – Concrete Repairs, Tot Lot

Chief Engineer Arens reported the project is to include general concrete repairs of sidewalks in the Tot Lot area, including concrete removal and replacement, concrete curb and gutter, asphalt patching, and related work.

It was moved by Commissioner Evans, supported by Commissioner Marans that the Board of Commissioners approve the issuance of a Purchase Order to the lowest responsive, responsible bidder, Advance Concrete Services, LLC, in the amount of \$10,407.00, as recommended by Chief Engineer Arens and staff.

Motion carried unanimously.

4. Consultant Services Agreement – Great Lakes Restoration Initiative (GLRI) Grant

Chief of Natural Resources Muelle reported that at its Nov. 11, 2010 meeting, the Board of Commissioners approved an Intergovernmental Agreement with Macomb County for the development of a Marshland Restoration project at Metro Beach. The project is to be developed under a Great Lakes Restoration Initiative (GLRI) grant from the Environmental Protection Agency (EPA) in the amount of \$1,420,000.

Muelle also reported that a component of the GLRI Marshland Restoration grant is the monitoring of the wetland flora and fauna before, during and after the proposed restoration activities, to evaluate the performance of the project. Funding for the various monitoring programs was earmarked for the grant partners in the EPA-approved grant budget. HCMA for herpetological and avian monitoring; Wayne State University for vegetation and macroinvertebrates monitoring; and the Clinton River Watershed Council for vegetation monitoring and educational programs.

In addition, Muelle stated that HCMA must retain the services of professional consultants for herpetological and avian monitoring and the following firms were recommended:

- a. *Avian Monitoring Services*: Mr. Allen Chartier submitted a proposal in the amount of \$20,750.00 to monitor avian populations, nesting patterns, species and health, during the course of the multi-year project.
- b. *Herpetological Monitoring Services*: Herpetological Resource and Management, LLC submitted a proposal in the amount of \$24,000.00 to monitor amphibians and reptiles, their habitat and populations, during the project.

Muelle said both firms are uniquely qualified to provide these services at Metro Beach and HCMA has retained their services in the past. Both proposals are in not-to-exceed amounts and total to within the \$45,000.00 earmarked for HCMA under the EPA GLRI grant for monitoring services.

Muelle also said an agreement with the primary grant consultant; ASTI Environmental is also required in order for HCMA to be reimbursed for these monitoring activities, as well as for other potential reimbursements for grant-eligible activities HCMA may undertake during the grant period. HCMA will be fully reimbursed through the EPA GLRI grant for costs incurred under both monitoring agreements, as reimbursement requests are submitted by HCMA.

It was moved by Commissioner La Belle, supported by Commissioner Marans that the Board of Commissioners approve the wildlife monitoring agreements with Mr. Allen Chartier and Herpetological Resource and Management, LLC; approve the reimbursement agreement with ASTI Environmental; and approve the transfer of funds in the total amount of \$44,750 from Reserves to cover the expenditures as recommended by Chief of Natural Resources Muelle and staff.

Motion carried unanimously.

7. Reports

B. Wolcott Mill

1. Agreement – Macomb County 4-H Club

Executive Secretary Phifer requested a renewal of the License Agreement between the 4-H and the Authority. This agreement was assigned to the Authority as part of the purchase of Camp Rotary in September 2006.

It was moved by Commissioner Marrocco, supported by Commissioner Hertel that the Board of Commissioners approve renewal of the license renewal agreement with the Macomb County 4-H Horse Program Committee through Aug. 22, 2015 for the sum of \$1.00 dollar as recommended by Executive Secretary Phifer and staff.

Motion carried unanimously.

7. Reports

B. Wolcott Mill

2. Agreement – Romeo Model Airplane Club

Deputy Director Almas presented a proposed five (5) renewal of the Romeo Area Radio Control Model Airplane Club Use Agreement between the Club and the Authority.

It was moved by Commissioner Hertel, supported by Commissioner Marrocco that the Board of Commissioners approve renewal of the agreement with the Romeo Area Radio Control Model Airplane Club for five (5) years for the sum of \$1.00 dollar as recommended by Deputy Director Almas and staff.

Motion carried unanimously.

7. Reports

C. Indian Springs

1. Easement Agreement – DTE Energy SolarCurrents Project

Chief Engineer Arens reported that at its Nov. 11, 2010 meeting, the Board of Commissioners authorized staff to continue negotiations with DTE Energy toward an agreement for a SolarCurrents photovoltaic power project at Indian Springs Metropark.

Arens reported the proposed photovoltaic project, to be owned by DTE Energy and located on an easement to be granted by HCMA, will be approximately 390 kilowatts (kW) in capacity. It will occupy a site approximately 2.7 acres in area, located on the north side of White Lake Road and approximately 2,000 feet east of the park entrance, at the former Camp Pontiac prison site now owned by HCMA. DTE will install, operate and maintain a photovoltaic system at its expense on HCMA property.

Arens said the program requires that the customer enter into a 20-year contract with DTE, that it remain a DTE customer at the premises for the contract term, and that DTE retains interest in the renewable energy credits (RECs) generated. The system will connect directly into DTE's distribution system.

Arens also said it will allow HCMA and DTE to partner in supporting alternative power production, without capital investment by HCMA. HCMA's proposal was one of 10 sites out of 168 from across the state to be selected for DTE's 2011 construction program. At approximately 390 kW, the system will generate energy sufficient to power approximately 80 homes a year. Total area needed to support the system is approximately 2.7 acres and the photovoltaic array will be mounted on helical screw anchor supports for minimal disturbance of the site.

Under the Easement Agreement, DTE will provide an up-front payment of \$7,800, and an annual payment of \$7,800 for each year of the contract term. These amounts are based on DTE's typical payment of \$20 per kW of installed capacity for both the up-front payment and for the annual payment, and they will be adjusted based on actual installed capacity.

It was moved by Commissioner Marans, supported by Commissioner Hertel that the Board of Commissioners approve of the DTE Energy Solar Power Easement Agreement as recommended by Chief Engineer Arens and staff.

Commissioner McCulloch said it is not appropriate to have the same firm representing both sides and that there is a conflict of interest having attorneys from the same firm draw up the agreement.

Commissioner Hertel withdrew his support for the motion; Commissioner Marans withdrew his motion.

It was moved by Commissioner Hertel, supported by Commissioner Marrocco that staff go back and work with DTE on this agreement and to address the terms of the easement agreement and DTE's compensation to the Authority.

Motion carried unanimously.

D. Willow and Oakwoods

1. Bids – Hike-Bike Trail Reconstruction and Repairs

Chief Engineer Arens reported the project will include reconstructing approximately 4,800 lineal feet of the hike-bike trail in Oakwoods Metropark; provide spot repairs at numerous hike-bike trail locations in Willow and Oakwoods Metroparks, and in the Lower Huron-Willow Trail Connector. Asphalt reconstruction and repairs will include pavement removal, crushing and shaping of existing asphalt pavement, culvert replacement, aggregate base repairs and resurfacing of 10 foot wide hike-bike trail, and related work.

Arens also reported pavement surfaces were damaged at three locations in Willow Metropark by a sewer maintenance contractor for the South Huron Valley Utility Authority (SHVUA), during their maintenance of the SHVUA interceptor which parallels the hike-bike trail. These repairs were unanticipated and not included in the 2011 Budget and reimbursement for repairs are being negotiated with SHVUA.

It was moved by Commissioner La Belle, supported by Commissioner McCulloch that the Board of Commissioners award Contract No. 700-11K to the lowest responsive, responsible bidder, Pro-Line Asphalt Paving Corporation, in the amount of \$203,855.53, and that a transfer of funds in the amount of \$42,000 from Reserves be made to cover the difference between low bid and Budget Amount, as recommended by Chief Engineer Arens and staff.

Motion carried unanimously.

7. Reports

E. Lake Erie

1. Bids – Underground Communication Cable Installation

Chief Engineer Arens reported the project includes installing new underground communication cabling to provide service between the Pool Activity Area, the Park Service Area and the Park Office, and from there connecting to the public telephone system. Work includes the furnishing and installation of approximately 3,500 lineal feet of underground cable.

It was moved by Commissioner Marans, supported by Commissioner Marrocco that the Board of Commissioners award Contract No. 512-11E to the lowest responsive, responsible bidder, Western Tel-Com, Inc., in the amount of \$30,208.70, and that \$11,000.00 of Capital Improvement funds be returned to the Reserve Account, as recommended by Chief Engineer Arens and staff.

Motion carried unanimously.

7. Reports

F. Administrative Office

1. Agreement – Fluency Media Contract Renewal

Chief of Communications Semion reported that the 2011 Metroparks budget includes the continuation of a one-year contract with Fluency Media for social media and e-mail marketing services, which expires this June. The budget also includes up to \$58,000 for email/social media or other marketing programs.

Semion reported one of the major challenges Fluency Media faced last year was to start up this new marketing campaign in June, at a time when the Metroparks are in the middle of our busy season. In order to maintain a consistent message, and not disrupt our current marketing strategy, Fluency Media has provided a proposed budget to extend their current contract for six months, through December 2011. Their proposal includes sending four e-mails per month during July, August and September, and two e-mails per month in October, November and December.

Semion said staff plans to develop a new RFP to post in the fall, which will enable us to review proposals and select e-mail marketing service provider without disrupting service during our busy summer season.

It was moved by Commissioner Evans, supported by Commissioner Marrocco that the Board of Commissioners authorize staff to extend, as amended, a six-month contract, not to exceed \$30,000, with Fluency Media LLC., to implement an e-mail marketing campaign for the Metroparks as recommended by Chief of Communications Semion and staff.

Motion carried unanimously.

7. Reports

F. Administrative Office

2. Medicare Part D Subsidy

Human Resources Manager Stone reported the Authority received a payment of \$29,772.61 as a reimbursement for the Medicare Part D prescription drug subsidy for the third quarter of 2010. This payment brings the total reimbursement for the first three quarters of 2010 to \$66,181.57

As part of the Authority's effort to pre-fund retiree health care benefits; any funds received under Medicare Part D subsidy are to be transferred to the Retiree Health Trust.

It was moved by Commissioner Marrocco, supported by Commissioner Marans that the Board of Commissioners approve the transfer of \$29,772.61 to the Retiree Health Care Trust Fund as recommended by Human Resources and staff.

Motion carried unanimously.

3. Donations

It was moved by Commissioner Marans, supported by Commissioner Marrocco that the following donations be accepted and a letter of appreciation sent to the donors as recommended by Deputy Director Almas and staff.

- A \$475 bench donation made by Sherry Roberts to be used at Hudson Mills Metropark.
- A \$400 bench donation made by Samuel Geller and Kathleen Vielhaber to be used at Kensington Metropark.
- A \$350 bench donation made by Diane Pawlowski for use at Lake Erie Metropark.
- A \$300 bench donation made by Rob and Annette Lerner in memory of their grandson to be used at the Farm Center at Kensington Metropark.
- A \$250 cash donation made by David Mendus for an additional bench memorial plaque to be used at Lake Erie Metropark.

Motion carried unanimously.

7. Reports

F. Administrative Office

4. Legislative Report

Legislative Consultant Carr reported that Lansing is almost wholly consumed with the state budget and business tax debate leading up to the governor's Memorial Day completion deadline for both. The legislative debate on Emergency Financial Manager legislation highlighted the magnitude of financial distress of school districts and local government across the state.

Carr said the House passed the major provisions of the governor's Business Tax Plan and that the Senate has yet to find a committee that will afford swift passage. The Senate has passed a series of budget bills and prompt House action is expected.

Carr also said while the tax and budget proceed, he is monitoring for any provisions that will impact the Authority.

It was moved by Commissioner Marrocco, supported by Commissioner McCulloch that the Board of Commissioners receive and file the legislative report as submitted by Legislative Consultant Carr.

Motion carried unanimously.

5. Commissioner Meeting Revisions

Director Moilanen reported that the proposed 2011 Board of Commissioners' meeting schedule included the following amendments:

- The June meeting be changed from June 16 to June 9 and will be held at the Stony Creek Metropark Nature Center.

- The July 14 meeting and playground dedication be held at Lake Erie Metropark.
- The August 11 meeting be changed from Lower Huron Metropark to the Oakwoods Metropark Nature Center.

It was moved by Commissioner Marrocco, supported by Commissioner Hertel that the Board of Commissioners approve the amended 2011 Commission meeting schedule as recommended by Director Moilanen and staff.

Motion carried unanimously.

8. Park/Department Presentations

a. Wolcott Mill

Park Manager Mike Lyons provided the Board information on the history of Wolcott Mill and the many activities held at the park including cross country races, annual actions, quilt shows, antique car shows and a Civil War skirmish.

Lyons said Wolcott Mill encompasses 2,625 acres and includes a working farm and a 6,352 yard Par 72 regulation 18-hole golf course. Lyons said Wolcott's Grist Mill is listed on the National Register of Historic Places through the National Park Service and was purchased by HCMA in 1979 and opened to the public in 1989.

Lyons also said that Wolcott is home to Camp Rotary which was purchased in 1996 and has 4-H events and is home to the Romeo Area Radio Control Model Airplane Club.

9. Director's Comments

Director Moilanen reported that staff is currently looking at bringing a large inflatable water slide to Stony Creek Metropark.

It was moved by Commissioner Marrocco, supported by Commissioner La Belle to allow Director Moilanen to continue negotiations with the company regarding the lease of an inflatable water slide on a trial basis at Stony Creek Metropark.

Motion carried unanimously.

Director Moilanen also reported that Commissioners are welcome to attend the State of the Lake St. Clair event at Metro Beach on June 30.

10. Commissioner Comments

Commissioner Hertel welcomed new Commissioner John McCulloch to the Board and said he will be a tremendous addition to the Board.

Commissioner Evans welcomed Commissioner McCulloch to the Board.

Commissioner La Belle commented that he had hoped the Strategic Plan would have been presented to the Board by now. La Belle also remarked that he was impressed with employee involvement and hopes the plan will be used. La Belle commented that the Metroparks get 9.2 million visitors and there needs to be a way to evaluate the economic impact of our efforts, and whether or not we are accomplishing our goals. La Belle also commented that perhaps our efforts to increase attendance are better than we thought because attendance went up, while the population went down.

Commissioner Marans welcomed Commissioner McCulloch and inquired about the status of the Strategic Plan as well as the contract with Hammond and Associates.

Director Moilanen said staff will bring the Strategic Plan to the Board in June and that the contract with Hammond and Associates has ended.

Commissioner Marrocco congratulated Commissioner McCulloch.

11. Motion to Adjourn

It was moved by Commissioner Marans, supported by Commissioner Evans that the Board of Commissioners adjourn the regular meeting.

Motion carried unanimously.

The meeting adjourned at 12:19 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "George Phifer".

George Phifer
Executive Secretary