

**MINUTES
BOARD OF COMMISSIONERS MEETING
HURON-CLINTON METROPOLITAN AUTHORITY
THURSDAY, JULY 12, 2012**

The regular meeting of the Huron-Clinton Metropolitan Authority's Board of Commissioners was held at 10:30 a.m. on Thursday, July 12, 2012 at the Nature Center at Oakwoods Metropark. 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:	John E. La Belle John P. McCulloch Harry E. Lester Robert W. Marans Timothy J. McCarthy
	Staff Officers:	
	Director	Vacant
	Deputy Director	Gregory J. Almas
	Controller	David L. Wahl
	Executive Secretary	George Phifer
Absent:	Commissioners	Anthony V. Marrocco John C. Hertel
Others:	Legislative Consultant	George Carr
	Legal Counsel,	Richard Seryak
	Legal Counsel	Michael McGee
	Consultant, Plante & Moran	Les Pulver
	Public Sector Consultants	Melissa Gibson

The meeting was called to order by Vice Chairman La Belle at 10:34 a.m.

1. Vice Chairman's Statement

Vice Chairman La Belle welcomed everyone and said that Chairman Marrocco and Commissioner Hertel were unable to attend the meeting.

2. Public Comments

Toni Spears, HCMA volunteer, said that property taxes show a significant drop in revenues going from \$36 million in 2009, down to \$28 million in 2012. Spears said this is a substantial challenge to manage wisely this type of projected loss and that the state representatives should be contacted to make them aware of the fund reductions. Spears also said the potential loss of 35 full-time employees will be challenging. The Metroparks reserve went from approximately \$3.7 million, up to \$17.9 million in 2012; and that staff may want to look at additional fees for the pools, and place that income into an escrow account. Spears also said the Government Finance Officers Association (GFOA) recommends that organizations such as the Metroparks should have a reserve of around 5 – 15 percent. With an operating budget of around \$44.8 million that amounts to \$2.2 - \$6.7 million. Spears also said the \$17.9 million represents about 40 percent of the budget which is well above the recommended GFOA. Spears said if you spend down \$0.5 million annually from the reserve, five positions would be saved.

Harley Rider, HCMA Police Department retiree, thanked the Authority for his 31 years of service. The first 12 years as a part-time employee and the last 19 years as full-time. Rider said he met scores of wonderful people while working for the Metroparks; and that hundreds of lives have been touched.

Commissioner La Belle thanked Mr. Rider for his years of service.

Commissioner La Belle asked that the Board move forward with the interviews for the Controllers position and postpone the selection of the Controller to a date to be determined in the near future.

Commissioner McCulloch said he would support the motion as long as the Board proceeds with a special meeting for the selection of the Controller if it is determined that other commissioners are unable to attend.

It was moved by Commissioner Lester, supported by Commissioner McCulloch that the Board of Commissioners move forward with the interviews for the position of Controller regardless if all the commissioners are able to attend.

Motion carried unanimously.

Board members present at the July 12 meeting also agreed that the special meeting be held on either July 16 or July 18 at 3:30 p.m.

3. Minutes – June 2012

It was moved by Commissioner Marans, supported by Commissioner McCarthy that the Board of Commissioners approve the June 7, 2012 regular meeting minutes as submitted by Executive Secretary Phifer and staff.

Motion carried unanimously.

4. Financial Statements –

A. May 2012

B. June 2012

It was moved by Commissioner McCarthy, supported by Commissioner Marans that the Board of Commissioners approve the May and June 2012 financial statements as submitted.

Motion carried unanimously.

5. Vouchers – June 2012

It was moved by Commissioner Lester, supported by Commissioner Marans that the vouchers for June (0223547 through 0224100) be approved as submitted.

Motion carried unanimously.

6. Purchases

Purchasing Manager Scott Michael requested that the Board approve the following purchase:

A. 72-inch Zero Turn Mower – Lake St. Clair

- Award ITB-12-019 to the low responsive, responsible bidder, Midwest Power Equipment in the amount of \$12,000.00 as recommended by Buyer Ron Smith and staff.

It was moved by Commissioner Lester, supported by Commissioner McCarthy that the Board of Commissioners approve the purchase as recommended by Purchasing Manager Scott Michael and staff.

Motion carried unanimously.

B. Litter Vacuum – Lake St. Clair

- Award ITB-12-021 to the low responsive, responsible bidder, Weingartz, Inc. in the amount of \$22,948.00 as recommended by Buyer Ron Smith and staff.

It was moved by Commissioner Lester, supported by Commissioner Marans that the Board of Commissioners approve the purchase as recommended by Purchasing Manager Scott Michael and staff.

Motion carried unanimously.

C. Tractor – Indian Springs

- Award ITB-12-016 to the low responsive, responsible bidder, Weingartz Supply in the amount of \$26,917.00 as recommended by Buyer Ron Smith and staff.

It was moved by Commissioner Marans, supported by Commissioner Lester that the Board of Commissioners approve the purchase as recommended by Purchasing Manager Scott Michael and staff.

Motion carried unanimously.

6. Purchases

D. Sand Trap Rake – Indian Springs

- Award ITB 12-017 to the low responsive, responsible bidder, Spartan Distributors in the amount of \$13,168.14 as recommended by Buyer Ron Smith and staff.

It was moved by Commissioner McCarthy, supported by Commissioner Lester that the Board of Commissioners approve the purchase as recommended by Purchasing Manager Scott Michael and staff.

Motion carried unanimously.

E. Core Processor – Indian Springs

- Award ITB-12-018 to the responsive, responsible bidder, Spartan Distributors in the amount of \$20,914.59 as recommended by Buyer Ron Smith and staff.

It was moved by Commissioner McCarthy, supported by Commissioner Marans that the Board of Commissioners approve the purchase as recommended by Purchasing Manager Scott Michael and staff.

Motion carried unanimously.

F. Equipment Trailer – Kensington / Natural Resources Crew

- Award ITB-12-020 to the low responsive, responsible bidder, Grand Equipment Company in the amount of \$18,658.00 as recommended by Buyer Ron Smith and staff.

It was moved by Commissioner McCarthy, supported by Commissioner Lester that the Board of Commissioners approve the purchase as recommended by Purchasing Manager Scott Michael and staff.

Motion carried unanimously.

7. Controller Replacement

A. Candidate Interviews

Interviews were held for the following candidates: Rebecca Franchock, Lisa Dolan, Mark Gerber and John Modzinski.

B. Candidate Selection

The Board of Commissioners agreed to postpone the selection of the new Controller and will schedule a special meeting on either July 16 or July 18 to make a decision on selecting a new Controller.

8. Closed Session

It was moved by Commissioner Marans, supported by Commissioner McCulloch that the Board of Commissioners immediately adjourn to a closed session to consult with attorneys regarding pending litigation and strategy and contract negotiations within attorney-client privilege.

ROLL CALL VOTE

Voting Yes: Commissioners La Belle, McCulloch, Lester, Marans, McCarthy

Voting No: None

Absent: Commissioners Marrocco and Hertel

Motion carried unanimously.

The regular meeting adjourned at 12:17 p.m.

In closed session, it was moved by Commissioner McCarthy, supported by Commissioner Lester that the Board of Commissioners adjourn the closed session and immediately reconvene the regular meeting.

The regular meeting reconvened at 12:47 p.m.

It was moved by Commissioner Lester, supported by Commissioner McCulloch that the Board of Commissioners approve the settlement as recommended by the Facilitator; authorize Deputy Director Almas to execute the agreement; and approve transfer of funds in the amount of the facilitation recommendation from the Reserve Account to the Stony Creek Police Department miscellaneous account.

Motion carried unanimously.

Commissioner La Belle recommended that the Board authorize staff to proceed with collective bargaining and to provide the Board with an update at the next Board meeting.

It was moved by Commissioner Lester, supported by Commissioner McCulloch that the Board of Commissioners authorize staff to proceed with collective bargaining and to provide the Board with an update at the next Board meeting.

Motion carried unanimously.

9. Director Selection Process

Commissioner Marans said he believes this is an important issue and should be discussed at the next meeting.

It was moved by Commissioner McCarthy, supported by Commissioner Lester that the Board of Commissioners discuss the issue of the Director selection process at the next Board meeting.

Motion carried unanimously.

10. Reports

A. Wolcott Mill

1. Approval Golf Course Request for Proposals (RFP)

Deputy Director Almas reported that at the regular June 2012 Board of Commissioners meeting, staff recommended that the Wolcott Mill Golf Course be retained in the recreation inventory. However, considering the Authority's reorganization efforts and concerns for legacy costs, staff suggested that it solicit potential interest from qualified bidders to operate and maintain the course.

Almas said that following discussion and recommendations from the meeting, the Board directed staff to prepare a Request for Proposal (RFP) for Board review and approval, and subsequently solicit proposals from operators qualified to operate and maintain the golf course at Wolcott Mill Metropark beginning in 2013.

Almas said the proposal requests that bidders propose a Guaranteed Annual Return, a percent (%) of Gross Revenue, or a combination of both. The contract period is eight (8) years with an option to renew for two (2) additional four year periods.

Almas said the Metroparks reserves the right to award to the Bidder providing the best value proposal, in whatever manner is deemed to be in the Metroparks best interest; to award the proposal to the most effective total package which matches the Metroparks needs; to reject a proposal which contains major deviations from specifications; to accept a proposal which has only minor deviations from specifications. In addition, the Metroparks reserves the right to continue the operation, and management of the golf course with Metroparks forces and not award a contract, if determined to be in the Metroparks best interest. If approved, staff will proceed to solicit interest in the proposal and return to the regular September meeting of the Board with a recommendation to award a contract.

Almas also said Chairman Marrocco called before the Board meeting and asked that the following items be added to the RFP: (1) that the golf course is in a flood plain, and (2) that the Authority receives a minimum guaranteed bid of \$30,000.

It was moved by Commissioner McCarthy, supported by Commissioner McCulloch that the Board of Commissioners approve the Request for Proposal for the Wolcott Mill Golf Course as presented by staff.

Motion carried unanimously.

Board discussion was held.

It was moved by Commissioner McCarthy, supported by Commissioner McCulloch to amend the original motion to include full disclosure that the that the golf course is in a flood plain; but not to include adding a \$30,000 minimum bid.

Motion as amended carried unanimously.

10. Reports

A. Wolcott Mill

2. Bids – Roof Replacements, Camp Rotary Buildings and Farm Center Horse Barn

It was moved by Commissioner McCarthy, supported by Commissioner McCulloch to remove the bids for roof replacements from the agenda.

Motion carried unanimously.

B. Stony Creek

1. Bids – Resurface Gladeview Parking Lot

Supervising Engineer Laura Martin reported that the project includes reconstruction of the south Gladeview parking lot and access drive, including crushing and shaping of existing asphalt pavement, grading, repaving and related work.

Martin said bids received for the project were significantly over budget and that staff recommended that all bids be rejected so the project scope can be modified and the project re-bid.

It was moved by Commissioner Marans, supported by Commissioner Lester that the Board of Commissioners reject all bids as recommended by Supervising Engineer Laura Martin and staff.

Motion carried unanimously.

C. Indian Springs

1. Proposed Amendment to Seismic Contract

Supervising Engineer Martin reported that on Sept. 8, 2011, the Board approved a Seismic Contract with Jordan Development Co., LLC of Traverse City to explore the potential for oil and gas development within Indian Springs Metropark. The Seismic Contract includes an exclusive option for Jordan to enter into an oil and gas lease during the 12-month period commencing on Sept. 8, 2011 and ending on Sept. 8, 2012.

Martin said in April 2012, Jordan Development stated their intent to exercise the option for a 316-acre portion of land within Indian Springs. Accordingly, on June 7, 2012 the Board approved an Oil and Gas Lease for this portion of land.

Martin said due to several delays, commencement of drilling operations will take place later than expected. A drilling permit was received last week and Jordan Development has mobilized on site. Drilling is planned to commence in August, and results of drilling and testing will not be available until late September 2012, after the expiration of the lease option under the Seismic Contract.

Martin said Jordan Development has requested a two-month time extension for the Seismic contract from Sept. 8 to Nov. 8, 2012, during which Jordan may exercise its option to lease additional lands within Indian Springs Metropark.

It was moved by Commissioner McCarthy, supported by Commissioner Marans that the Board of Commissioners approve the Extension of the Seismic Contract and authorize staff to execute said Extension, as recommended by Supervising Engineer Martin and staff.

Motion carried unanimously.

10. Reports

D. Lower Huron

1. Bids – Roof Replacement, Park Office

Supervising Engineer Martin reported that work includes the removal of the existing deteriorated shingle roof system to the roof deck and replacement with new shingle roof system and all related work.

It was moved by Commissioner Marans, supported by Commissioner Lester that the Board of Commissioners award Contract No. 706-12U to the lowest responsive, responsible bidder, Usztan LLC, in the amount of \$17,532.00 as recommended by Supervising Engineer Martin and Staff.

Motion carried unanimously.

E. Willow

1. Change Order – Removal of Contaminated Soil, UST Site

Supervising Engineer Martin reported that on Oct. 13, 2011 the Board awarded Contract No. 510-11H to Matzak, Inc. in the amount of \$147,900.00 for the removal and disposal of three (3) existing underground fuel storage tanks (USTs) and associated appurtenances at the Willow Metropark Service Area and replace the tanks with an above ground storage tank.

Martin said when the USTs were removed and inspected, it was discovered to be intact, with no damage and no evidence of leakage.

Martin said contaminated soils were encountered in the excavation area immediately adjacent to the UST, containing relatively low levels of contamination. Staff's initial inspection confirmed that it would be possible to remove the contaminated material within the UST cavity and obtain clean closure in accordance with Part 213 of Act 451, Michigan's Leaking Underground Storage Tank act.

Martin said staff then authorized the contractor to remove an additional 72 cubic yards of contaminated material, which was in excess of the 100 cubic yards included in the contract.

Martin said the removal of extra contaminated soil dictated that additional asphalt and base material had to be removed; and large quantities of groundwater were removed and disposed of, also in excess of contract amounts. Martin said excess earth excavation and pavement removal resulted in additional replacement costs of these items.

Martin said contamination was discovered beyond the tank excavation area. The contamination did not come from the USTs, but rather from spillage on the ground over time. Because the extent of this contamination is unknown and cannot be determined without more detailed investigation, staff concluded that its remediation must be addressed in a separate project, as may prove to be necessary.

It was moved by Commissioner Marans, supported by Commissioner Lester that the Board of Commissioners (1) authorize a Change Order to Contract No. 510-11H in the amount of \$25,509.08, and (2) that a transfer in the amount of \$32,000 be made from the Reserves for Future Contingencies Account to cover the Change Order (plus additional contract administration costs) as recommended by Chief Engineer Arens and staff.

Motion carried unanimously.

10. Reports

F. Administrative Office

1. 2012 Second Quarter Appropriation Adjustments

Controller Wahl reported that in order to maintain compliance with 2012 Budget line item appropriation limits, monthly reviews have been made of Capital and Operation General Fund expenditure accounts. As a result of these reviews, appropriation adjustments have been recorded to include the following: (1) \$37,700 (6 percent) of the \$644,100 in General Fund appropriation adjustments made represent appropriations transferred between accounts within the same cost center; (2) \$236,500 (37 percent) of the \$644,100 in General Fund appropriation adjustments made represent appropriations transferred between accounts, between different cost centers; (3) Appropriations totaling \$369,900 (57 percent) were made from the General Fund Reserve for Future Contingencies, and (4) 2012 Budget appropriations totaling \$1,261,400 were returned to the General Fund Reserve for Future Contingencies Account for the following items. In total during the second quarter there was a net increase in the Reserve account of \$891,500.

It was moved by Commissioner Lester, supported by Commissioner Marans that the Board of Commissioners approve the 2012 Second Quarter Appropriation Adjustments as recommended by Deputy Director Almas and Controller Wahl.

Motion carried unanimously.

2. Approval – Appropriation Adjustment for Insurance Deductible

Human Resources Manager Carol Stone reported that in consultation with Scottsdale Insurance, a settlement agreement was reached on the matter and within parameters as presented to the Board of Commission on May 10, 2012. The Authority has received an invoice from Scottsdale in the amount of \$55,000 which covers the Authority's deductible expenses under the settlement. Stone said it is now being requested that funds be transferred from the Authority's Reserve for Loss Contingencies and that payment be issued to Scottsdale in the amount of \$55,000.

It was moved by Commissioner Marans, supported by Commissioner Lester that the Board of Commissioners approve (1) the transfer of funds from the Reserve for Loss Contingencies Account to the Indian Springs Police Department Miscellaneous Account in the amount of \$55,000 and (2) that payment be made to Scottsdale for the Authority's deductible expenses.

Motion carried unanimously.

10. Reports

F. Administrative Office

3. Report – Recreation Needs Survey

Chief Planner Susan Nyquist reported that as part of its Master Plan and ongoing recreation planning activities, the Board approved a contract with Public Sector Consultants (PSC) to complete a random and representative survey of adult residents of the five Michigan counties encompassed by the HCMA.

Nyquist said the purpose of the survey was to garner public opinion about and satisfaction with HCMA programs, services, and facilities; patterns of use among Metroparks and other competing parks; general demographic profiles of current and potential customers; barriers to participation; perceptions of how the Metroparks impact quality of life; and relative value among residents of the five counties. The survey builds on a body of survey and focus group research completed over the past decade by the Authority as part of the mandated Recreation Plan activities.

Nyquist said Melissa Gibson with Public Sector Consultants would give a brief overview.

Melissa Gibson presented information to the Board regarding the Recreation Needs Survey.

Further discussion was held.

Commissioner Marans said he would like the questionnaire added to this report.

It was moved by Commissioner Marans, supported by Commissioner McCulloch that the Board of Commissioners receive and file the report entitled "Huron-Clinton Metropolitan Authority Telephone and Online Survey Results" as recommended by Chief Planner Susan Nyquist and staff.

Motion carried unanimously.

4. Five-Year-Plan Approval

It was moved by Commissioner McCulloch, supported by Commissioner Marans to postpone discussion of the Five-Year-Plan until the August 2012 Board meeting.

Motion carried unanimously.

5. Legislative Report

Legislative Consultant George Carr reported that the Legislature has begun their summer recess and will return July 18 for one day to clean-up a number of bills. There is only one session day scheduled in next month on Aug. 16. Carr said for the remainder of the year there are only 12 solid and six tentative days of sessions currently scheduled.

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

Motion carried unanimously.

6. Engineering Consulting Contract

Deputy Director Almas reported that Michael Arens, former chief engineer for the Metroparks, has taken advantage of the early retirement window and has retired as of June 29, 2012.

Almas said there are specific projects and initiatives that Mr. Arens was solely responsible for and in order to ensure a smooth transition and maintain design integrity and continuity with these projects, it is recommended that the Authority contract with Mr. Arens as an engineering consultant. Almas said Mr. Arens will be compensated at the rate of \$32 per hour with a contract maximum expenditure of \$55,000. Mr. Arens will coordinate with Laura Martin, Supervising Engineer, to ensure a smooth transition and completion of the projects specified.

It was moved by Commissioner McCulloch, supported by Commissioner Marans that the Board of Commissioners approve an agreement with Michael Arens to serve as an Engineering Consultant for a period not to exceed one year or a maximum contract cost of \$55,000, whichever occurs first as recommended by Deputy Director Almas and staff.

Motion carried unanimously.

11. Deputy Director's Comments

Deputy Director Almas let everyone know the Blues, Brews and BBQ event held at Lake St. Clair was very successful with more than 4,000 people attending. Almas said that unfortunately the Navy military tribute concerts had to be cancelled due to the 100 degree weather.

Almas said the Authority received three general liability lawsuits – two involving hot coal incidents at Lower Huron and one involving a drowning at the Milford dam. Almas also report that the Feiger Law firm was appealing to the Michigan Supreme Court regarding the Lisa Cox incident that occurred at Lake Erie Metropark.

Almas said the next Board meeting would be held at Stony Creek on Aug. 9 and that the dedication of the new playground would follow the meeting.

Almas reported that last year the Board approved the donation of a plaque from Thomas Welsh, Jr. for the renaming of the Stony Creek Golf Course, to the Gary C. Bartsch Golf Course. Mr. Welsh has now

received the plaque and for anyone that wished to attend, there would be a small ceremony at the golf course on Aug. 9.

It was moved by Commissioner Lester, supported by Commissioner McCulloch to receive and file the Deputy Director's report.

Motion carried unanimously.

12. Commissioner Comments

Commissioner McCulloch requested that future agendas include 'approval of the agenda' before the meeting.

Commissioner McCulloch inquired why Marketing Manager Kassie Kretzchmar's contract has not yet been executed. Deputy Director Almas replied that Chairman Marrocco wanted to have legal counsel review her contract.

Commissioner McCulloch requested a motion that if the contract was not executed by the special meeting, that any two officers be able to execute and sign-off on Ms. Kretzchmar's contract.

It was moved by Commissioner McCarthy, supported by Commissioner Lester that if the contract for Kassie Kretzschmar was not executed and by the special meeting, that any two officers be able to execute and sign-off on the contract.

Motion carried unanimously.

Commissioner Lester said the fireworks at Lake Erie were wonderful.

13. Motion to Adjourn

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

Motion carried unanimously.

The meeting adjourned at 1:49 p.m.

Respectfully submitted,



George Phifer
Executive Secretary