

**MINUTES  
BOARD OF COMMISSIONERS MEETING  
HURON-CLINTON METROPOLITAN AUTHORITY  
THURSDAY, OCTOBER 11, 2012**

The regular meeting of the Huron-Clinton Metropolitan Authority's Board of Commissioners was held at 10:30 a.m. on Thursday, October 11, 2012 at the at Wolcott Mill Metropark at Camp Rotary. The meeting was convened in pursuance to a call thereof by the Executive Secretary and due notice was given to the HCMA Board of Commissioners.

|          |   |  |
|----------|---|--|
| Present: | Commissioners:                                  | Anthony V. Marrocco<br>John E. La Belle<br>John C. Hertel<br>John P. McCulloch<br>Robert W. Marans (arrived at 10:38 a.m.)<br>Timothy J. McCarthy<br>Harry E. Lester |
|          | Staff Officers:                                 |  |
|          | Director  | Vacant   |
|          | Deputy Director                                 | Gregory J. Almas   |
|          | Controller                                      | Vacant   |
|          | Executive Secretary                             | George Phifer  |
| Absent:  | None  |  |
| Others:  | Legislative Consultant<br>Jordan Development VP | George Carr<br>Benjamin Bower  |

The meeting was called to order by Chairman Marrocco at 10:34 a.m.

**1. Chairman's Statement**

Chairman Marrocco welcomed everyone to Wolcott Mill Metropark in Macomb County.

**2. Public Comments**

There was no public participation

**3. Minutes – September 2012**

It was moved by Commissioner Lester, supported by Commissioner Hertel that the Board of Commissioners approve the Sept. 13, 2012 regular and Sept. 19, 2012 Special Meeting minutes as submitted by Executive Secretary Phifer and staff.

Motion carried unanimously.

**4. Approval of October 11, 2012 Agenda**

Commissioner Hertel requested the agenda be amended to include the director selection.

It was moved by Commissioner McCarthy, supported by Commissioner La Belle that the agenda for the October 11, 2012 Board of Commissioner meeting be approved as amended.

Motion carried unanimously.

**5. Financial Statements – September 2012**

It was moved by Commissioner Lester, supported by Commissioner McCulloch that the Board of Commissioners approve the September 2012 financial statements as submitted.

Motion carried unanimously.

**6. Vouchers – September 2012**

It was moved by Commissioner Lester, supported by Commissioner McCarthy that the vouchers for September (0225171 through 0225813) be approved as submitted.

Motion carried unanimously.

## 7. Purchases

Purchasing Buyer Maria van Rooijen requested the Board approve the following purchases:

### A. Mower - Kensington

- Award to the low responsive, responsible bidder, Spartan Distributors in the amount of \$68,459.00 as per state Of Michigan Contract 071B0200329 as recommended by Buyer Maria van Rooijen and staff.

### B. Pick-Up Truck – Lower Huron

- Award to the low responsive, responsible bidder, Red Holman in the amount of \$28,356.00 as recommended by Buyer Maria van Rooijen and staff.

It was moved by Commissioner Lester, supported by Commissioner McCarthy that the Board of Commissioners approve the purchases as recommended by Buyer Maria van Rooijen and staff.

Motion carried unanimously.

## 8. Reports

### A. Lake St. Clair

#### 1. Agreement – Metro Parkway Maintenance, Macomb County Department of Roads

Deputy Director Greg Almas reported that HCMA has several maintenance agreements that are renewed annually with Macomb County, Clinton Township and Harrison Township and requested the Board approve all of the agreements.

It was moved by Commissioner La Belle, supported by Commissioner McCarthy that the Board of Commissioners approve Maintenance Agreements as listed below with the Macomb County Department of Roads, Clinton Township and Harrison Township as recommended by Deputy Director Almas and staff.

- Metro Parkway Maintenance, Macomb County Department of Roads – for the period of Oct. 1, 2012 through Sept. 30, 2013.
- Pathway Maintenance, Harrison Township – for the period of Nov. 1, 2012 through Oct. 31, 2013.
- Path Maintenance, Clinton Township – for the period of Nov. 1, 2012 through Oct. 31, 2013.

The motion carried unanimously.

#### 2. Agreement – Pathway Maintenance, Harrison Township

See motion for item 8-A-1.

#### 3. Agreement – Pathway Maintenance, Clinton Township

See motion for item 8-A-1.

### B. Wolcott Mill

#### 1. Update – Park Master Plan

Chief Planner Susan Nyquist reported that staff has drafted an update of the Master Development Plan (Plan) for Wolcott Mill Metropark. As trends in recreation have changed, the existing master plan approved in the early 1970s is potentially inconsistent with current and foreseeable future recreation. The proposed revisions reflect these trends by reducing the number of picnic areas and adding paved hike/bike trails, rustic hiking trails, and hike-in camping.

Nyquist said the Plan prioritizes the acquisition of significant parcels of land within the approved park boundaries that have yet to be acquired and evaluate potential land exchange(s) or sale(s) with Ray Township.

Nyquist said the Plan proposes the future replacement, removal, or reconstruction of aging and deteriorating facilities and infrastructure such as the Mill, the golf starter building, Camp Rotary, Kunstman Road, and Wolcott Road and Bridge.

Nyquist said subsequent to action taken at the November meeting; and, before final Board approval, staff proposes the Plan be presented to the public for review and comment at a forum such as a regular meeting of the Ray Township Planning Commission. This will provide an opportunity for the Board to consider public opinion prior to adopting a Plan. Subsequent to receiving public comments, a final Plan will be presented to the HCMA Board for approval.

Nyquist said the function of the Mill will change, and staff recommends preserving the wheel as is, and not place any funds toward restoration of the Mill; replacing the wheel would be costly.

Commissioner Marrocco said he believes that we should put money back into the Mill. A nice working Mill is a good asset to the park.

Commissioner McCulloch asked who would need to get involved to determine costs associated with restoring the Mill. Nyquist replied staff could provide the information; estimated cost for restoration is \$300,000.

Commissioner Hertel said there is a working, operating Mill in Fenton and that staff should contact them. Nyquist replied she would follow-up.

Commissioner Marrocco said that in the next Five-Year-Plan, the Board should make a commitment to spend money at Wolcott Mill.

It was moved by Commissioner La Belle, supported by Commissioner Marans that the Board of Commissioners receive for review the Preliminary Draft Wolcott Mill Metropark Master Plan as presented; and, direct staff to follow the process as presented and recommended by Chief Planner Nyquist and staff.

Motion carried unanimously.

## **8. Reports**

### **C. Stony Creek**

#### **1. Agreement – 26 Mile Road Maintenance, Macomb County Department of Roads**

Deputy Director Almas reported that HCMA has a maintenance agreement renewed annually with Macomb County and requested the Board approve all of the agreement.

It was moved by Commissioner La Belle, supported by Commissioner McCarthy that the Board of Commissioners approve Maintenance Agreement listed below with the Macomb County Department of Roads as recommended by Deputy Director Almas and staff.

- 26 Mile Road Maintenance, Macomb County Department of Roads – for the period of Nov. 1, 2012 – Oct. 31, 2013.

Motion carried unanimously

#### **2. Bids – Main Road Reconstruction Phase VI**

Supervising Design Engineer Laura Martin reported that work will include the reconstruction of approximately 4,100 lineal feet of the existing two-lane park entrance road, from the entrance to the Northdale/Southdale Picnic areas to approximately 500 feet south of the toll area. Work includes approximately 14,000 square yards of bituminous crushing and shaping, 3,180 tons of bitumen mixture, shoulder reconstruction, pavement markings, traffic control, and restoration. The existing roadway, originally constructed in 1961, is deteriorated, heaving and failing.

It was moved by Commissioner McCarthy, supported by Commissioner Marans that the Board of Commissioners award Contract No. 509-12M to the lowest responsive, responsible bidder, Ajax Paving Industries, Inc., in the amount of \$281,837.50, and that a funds transfer in the amount of \$30,000 be made from the Huron Meadows Major Maintenance Account (716.99-999) as recommended by Supervising Design Engineer Martin and staff.

Motion carried unanimously.

## 8. Reports

### D. Indian Springs

#### 1. Proposal – Oil and Gas Lease

Supervising Design Engineer Martin reported that on Sept. 8, 2011, the Board of Commissioners approved a Seismic Contract with Jordan Development Co. of Traverse City to explore the potential for oil and gas development within Indian Springs Metropark. The Seismic Contract authorized Jordan to perform geophysical testing within the park. It also included an exclusive option for Jordan to enter into an oil and gas lease, exercisable within a 12-month period, until Sept. 8, 2012. This option period was extended by two months, to Nov. 8, 2012, by action of the Board of Commissioners on July 12, 2012. The option was exercised by Jordan for an initial 316-acre lease, which the Board approved on June 7, 2012. At this time, Jordan wishes to exercise its option to lease the remaining acreage within the park.

Martin reported that Jordan's area of interest, as stipulated in the Seismic Contract, covers the entire 2,510-acre park. The oil/ gas-bearing formation covers several township sections, within and beyond the park's boundary. Due to the potentially large area of the formation, Jordan expects the development process be phased over time.

Martin reported by their letter dated April 23, 2012; Jordan stated their intent to exercise their option to enter into a lease for an initial area of approximately 316 acres of land within the southern portion of the park. Based on their seismic data and the results of the initial well development, Jordan has determined there is good potential for oil and gas development in the remaining acreage within Indian Springs Metropark. Therefore, Jordan wishes to exercise their lease option for the remaining 2,134 acres.

Martin said Ben Bower, vice president of Jordan Development was here to answer questions.

Commissioner Lester asked if there was any fracking under this lease agreement. Bower replied no, hydraulic fracturing is not permitted under this lease.

Commissioner Marans asked if Jordan Development has ever done hydraulic fracking. Mr. Bower replied Jordan has not done this in the past, and is not on any current project, but they may consider it in future projects.

It was moved by Commissioner Lester, supported by Commissioner La Belle that the Board of Commissioners approve the attached Oil and Gas Lease with Jordan Development Co. and receive in payment thereof an up-front bonus payment in the amount of \$320,199.60 as recommended by Supervising Design Engineer Martin and staff.

Motion carried unanimously.

### E. Huron Meadows

#### 1. Bids – Decommissioning Underground Storage Tank (UST)

Supervising Engineer Martin reported the work will include the decommissioning, cleaning and in-place abandonment of the existing underground storage tank (UST) at the Golf Starter area, including the removal and disposal of associated piping and appurtenances; removal of dispensing equipment; removal and proper disposal of up to 100 cubic yards of assumed contaminated soil removal; removal and replacement of pavements; and restoration. In-place abandonment of the UST is possible because the tank and its immediate site have been tested and found to be free from leaks and contamination; however, some contamination may be expected in the area of the dispensing system.

It was moved by Commissioner La Belle, supported by Commissioner Lester that the Board of Commissioners award Contract No. 716-12N to the lowest responsive, responsible bidder, Matzak, Inc., in the amount of \$23,840.00 as recommended by Supervising Design Engineer Martin and staff.

Motion carried unanimously.

## 8. Reports

### F. Willow

#### 1. ITC Settlement Agreement

Chief of Natural Resources Paul Muelle reported that as previously reported to the Board, International Transmission Corporation (ITC) performed tree clearing along their high voltage electric transmission lines at Willow Metropark, a portion of which occurred outside of their easement on Metropark property without the consent of the Metroparks. Staff and ITC developed a tentative Tree Removal Settlement Agreement which outlined compensation to HCMA for the unauthorized clearing work.

Muelle said the agreement states that, in consideration for the tree removal at Willow Metropark, ITC agrees to provide the HCMA a lump sum payment of \$60,000 to be used for tree plantings, habitat improvement other stewardship activities throughout the park system and an additional \$30,000 over a three-year period in the form of services provided by ITC and their contractors for improvements and programs targeting ITC transmission line corridors that run through the Metroparks. This work would include shrub planting, invasive species control, educational signage and other projects or programs as mutually agreed upon by both parties.

Further discussion was held.

It was moved by Commissioner Lester, supported by Commissioner McCarthy that the Board of Commissioners approve the ITC Tree Removal Settlement Agreement as recommended by Chief of Natural Resources Paul Muelle and staff.

Motion carried.

Commissioner Hertel voted no.

### G. Administrative Office

#### 1. Approval – Administrative Office Organization Plan

Deputy Director Almas reported the Administrative Office Organization Plan was presented at the Sept. 13 Board meeting. However, employee counts have been updated to include known retirements through Dec. 31, 2012; and that a Table of Organization by function has also been provided.

Further discussion was held.

It was moved by Commissioner Lester, supported by Commissioner Hertel that the Board of Commissioners postpone the item titled Approval – Administrative Office Organization Plan until the next regular Board of Commissioners meeting; and that staff provide new flow chart with financial implications per the document presented to Commissioner McCulloch.

Motion carried.

Commissioner La Belle voted no.

#### 2. 2012 Pension Plan Contribution

Deputy Director Almas reported that the 2012 actuarial valuation of the Authority's Pension Plan was performed by Gabriel, Roeder, Smith & Company.

Almas reported the actuarial valuation process calculates the required contribution to adequately fund the Authority's pension costs for the 189 participants for the Pension Plan Year Oct. 1, 2011 to Sept. 30, 2012. Based on an update of employee census data for 2012 wage/service levels, Plan benefits and asset values, G.R.S. is recommending a contribution of \$2,579,654. This represents an increase of \$254,182 (11.4 percent) from 2011's contribution of \$2,315,742. The Pension Committee approved an early retirement window in May 2012, which contributed to the increased contribution.

Almas said the 2012 Budget contains \$2,488,200 for the 2012 contribution, and; therefore, a supplemental appropriation adjustment of \$94,000 from the Authority's Reserve account.

It was moved by Commissioner La Belle, supported by Commissioner Lester that the Board of Commissioners approve: (1) a transfer of \$2,579,654 to the Huron-Clinton Metropolitan Authority Pension Trust, and (2) \$94,000 supplemental appropriation from the Reserve account as recommended by the Huron-Clinton Metropolitan Authority Pension Committee and Chief Accountant Franchock.

Motion carried unanimously.

## **8. Reports**

### **G. Administrative Office**

#### **3. 2012 Retiree Health Care Trust Contribution**

Deputy Director Almas reported that The Retiree Health Care Board of Trustees retained Gabriel, Roeder, Smith & Company (GRS) in 2011 to perform an actuarial valuation of Authority OPEB's. The GRS actuarial valuation report calculated benefit values, liabilities and the Annual Required Contribution (ARC). This valuation was necessary for complying with the accounting requirements of the Governmental Accounting Standards Board Statement #45.

Almas reported that GRS calculated the ARC for both 2011 and 2012. Based on 10/1/2011 data, GRS calculated the Authority's total actuarial accrued liability for OPEB's at \$35.8 million. Almas also reported that HCMA has transferred \$60,103 from Medicare Part D subsidy payments, \$101,175 from the Early Retirement Reinsurance Program and \$2,042 from forfeitures from the HCMA Employee FSA program to the Retiree Health Care Trust Fund during 2012.

It was moved by Commissioner Lester, supported by Commissioner La Belle that the Board of Commissioners approve: (1) a transfer of \$2,461,036 to the Huron-Clinton Metropolitan Authority Retiree Health Care Trust Fund as recommended by the Retiree Health Care Trust Board of Trustees and to approve the attached appropriation transfers.

Motion carried unanimously.

#### **4. 2012 Investment Reports**

##### **a. Pension Plan**

Deputy Director Almas reported that the 2012 Investment Report for the Pension Plan was postponed until the December 2012 meeting by the Pension Committee in order to hold a special Pension Committee meeting.

It was moved by Commissioner McCulloch, supported by Commissioner Marans that the Board of Commissioners postpone the 2012 Investment Report for the Pension Plan until the December Board of Commissioners regular meeting.

Motion carried unanimously.

##### **b. Retiree Health Care Trust**

It was moved by Commissioner McCulloch, supported by Commissioner Hertel that the Board of Commissioners approve a deviate from the investment policy range by 1 percent; and the Retiree Health Care Trust Board of Trustees will review this item in February and then provide an update for the full Board of Commissioners.

Motion carried unanimously.

#### **5. Third Quarter 2102 Appropriation Adjustments**

It was moved by Commissioner Lester, supported by Commissioner Hertel that the Board of Commissioners approve the Third Quarter Appropriation adjustments as recommended by Deputy Director Almas and Chief Accountant Franchock.

#### **6. Report – Fall Auction**

Deputy Director Almas reported that the Authority had its fall Surplus Equipment Auction at the Wolcott Mill Farm Learning Center on Sept. 29. Almas said the auction was well attended with more than 300 registered bidders and 234 lots sold; and that net proceeds to

the Authority were \$125,512.50; and the Wayne County Airport Authority received \$110,950.00 for a net total \$236,462.50.

It was moved by Commissioner Marans, supported by Commissioner McCarthy that the Board of Commissioners receive and file the fall Surplus Equipment Report as recommended by Buyer, Maria van Rooijen and staff.

Motion carried unanimously.

## **8. Reports**

### **G. Administrative Office**

#### **7. Donations**

Deputy Director Almas requested the Board accept the September donations:

- The Dexter Soccer Club made a \$2,500 cash donation to purchase fertilizer and insecticide for the soccer fields located at Hudson Mills Metropark.
- David Wahl made a \$1,200 cash donation to purchase four Tulip trees to be planted at the Golf Course at Kensington Metropark in memory of Wendy Wahl-Denno and in honor of all Metropark employees.
- Carol Cwiek, Kathy Weingarden and Stanley Cwiek made a \$1,000 cash donation to purchase three Autumn Blaze Maple trees to be planted at Lake St. Clair Metropark in memory of their parents.
- Joan Hines made a \$900 cash donation to purchase three white pines to be planted at Lake St. Clair Metropark.
- Robert Teschendorf made a \$350 cash donation to purchase a tree to be planted at Lake St. Clair Metropark.
- Kathy Dymecki made a \$300 cash donation to purchase a picnic table to be used at Kensington Metopark in memory of Mark A. Miller.
- Melissa Harrison donated a pot-bellied pig to the Kensington Farm Center; itemizing a value of \$300.
- Jay Miller donated a snow goose mount to the Oakwoods Nature Center; itemizing a value of \$300.

It was moved by Commissioner McCarthy, supported by Commissioner Lester that the Board of Commissioners accept the donations and a letter of appreciation be sent to the donors as recommended by Deputy Director Almas and staff.

Motion carried unanimously.

## **8. Legislative Report**

Legislative Consultant Carr reported that the Legislature returned for a total of six session days in September and did little more than gear up for the lame duck session in December. Carr said hundreds of bills have been advanced by leadership and are eligible for passage this year; and that all bills not acted upon by the end of 2012 will end with the final session adjournment. Carr said much of the potential list of active issues hinge upon six ballot initiatives. Carr also reported the Legislature will return for one day of session on Oct. 17 prior to the Nov. 6 general election.

Commissioner Marans asked what the consensus is between the state and the city of Detroit regarding Belle Isle. Carr replied it's strained and that making Belle Isle a state park has governmental and infrastructure issues.

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

Motion carried unanimously.

**8. Reports**

**G. Administrative Office**

**9. Director Selection**

Commissioner Hertel requested the Director Selection item be moved to the November regular meeting.

**9. Deputy Director's Comments**

Deputy Director Almas reported that Lisa Dolan accepted the Controller's position and is scheduled to start Oct. 15.

Commissioner Marrocco asked how attendance at the parks has been this year. Almas replied the parks have had a very good year.

**10. Commissioner Comments**

Commissioner La Belle said he wanted to express his grief for the loss of Commissioner Marrocco's brother.

**11. 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 11:37 a.m.

Respectfully submitted,



George Phifer  
Executive Secretary