Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, March 22, 2005 – 3:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI  48198-9112

Members Present:  Larry J. Doe, Philip W. Wagner, Mark Namatevs, and J. Ray Scott.

Members Absent:  Edward B. Koryzno, Jr.

1. CALL TO ORDER:  Doe called the meeting to order at 3:03 p.m.

2. MINUTES OF THE PREVIOUS MEETING:  Motion by Wagner to receive and file the minutes of the February 22, 2005 meeting.  Support by Scott.  In favor: All.  Opposed: None.  (Motion carried.)

3. NEW BUSINESS:

A. Presentation of Award of Appreciation to Brenda L. Stumbo and Resolutions 05-5 and 05-6 Recognizing YCUA Employees for Their Community Service - Larry R. Thomas

Larry R. Thomas presented to Brenda L. Stumbo a plaque of appreciation for her four years of service on the YCUA Board as Chair.  He thanked her for her devotion and leadership to the Authority at a time of major expansion to the wastewater treatment plant was a tremendous benefit to the community.  The assembly responded with resounding applause.

Larry J. Doe added that he wished to personally thank Ms. Stumbo for encouraging him to become a member of the YCUA Board and wished her luck on her future endeavors.

Larry R. Thomas then read into record and presented Resolution 05-5 to YCUA employee Don Nichols and Resolution 05-6 to YCUA employee Luther V. Blackburn.  He explained to the assembly that the resolutions were intended to commend the two employees for their bravery, heroism,
and community service beyond the call of duty relative to a recent potential child abduction emergency.

Mr. Thomas recommended the approval of Resolutions 05-5 and 05-6 recognizing Don Nichols and Luther V. Blackburn.

Motion by Wagner to approve Resolutions 05-5 and 05-6 recognizing Don Nichols and Luther V. Blackburn. Support by Scott. In favor: All. Opposed: None. (Motion carried)

T. Michael Jessee then formally introduced to the assembly Don Nichols and Luther V. Blackburn and allowed a moment for photographs. The assembly responded with resounding applause.

B. Request for Support – Textile Water Main Replacement Project - T. Michael Jessee

Mr. Jessee advised the Board that staff has been in contact with the developer of a project on Textile Road that is in the process of improvements to the storm sewers and Textile Road. He indicated that, as a part of this project, they will need to move a portion of our water main. Mr. Jessee also explained that YCUA has agreed with the developer that, rather than simply moving the existing main, the Authority will purchase a new main for them to install.

He pointed out that Washtenaw County is also doing a road project in the vicinity of the intersection of Tuttle Hill and Textile Roads. Mr. Jessee explained that staff is recommending that the Authority replace the entire length of water main on Textile Road from the Ponds at Lakewood development to the intersection at Tuttle Hill. He further advised that the Authority would be able to replace 5,100 feet of water main along Textile Road from South Mohawk to just west of the Lakeview Mobile Home Park entrance, at a reduced cost since the developer is installing a portion, for an estimated amount of $662,090. Mr. Jessee stated that the replacement of 5,100 feet in the amount of $662,090 is an extremely cost-effective project that will be done in conjunction with roadwork in the area. He acknowledged that this project has not been budgeted, however, sufficient funds exist in the Reserve for Construction Fund to finance this replacement.

Mr. Jessee recommended approval of the request to proceed with design, securing easements, and bidding on the Textile Water Main Replacement Project in the amount of $662,090 to be paid out of the Reserve for Construction Fund.

Motion by Namatevs to approve the request to proceed with design, securing easements, and bidding on the Textile Water Main Replacement
Project in the amount of $662,090 to be paid out of the Reserve for Construction Fund. Support by Scott. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Change Order No. 5 re: DWSD Second Connection - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 5 for the second connection to the DWSD water system. He indicated that staff and YCUA’s consulting engineers have met with the contractor and negotiated the items. Mr. Jessee also explained that staff is now satisfied with the change order amounts. He pointed out that changes in the field have resulted in an increase over the contract of $27,038.88. Mr. Jessee explained that this is a DWRF funded project and these changes should be eligible for loan funds.

Mr. Jessee recommended approval of Change Order No. 5 for the DWSD Second Connection in the amount of $27,038.88.

Motion by Wagner to approve Change Order No. 5 for the DWSD Second Connection in the amount of $27,038.88. Support by Scott. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – Final Change Order No. 2 re: Sherman Oaks Water Main Special Assessment District - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Final Change Order No. 2 re: Sherman Oaks Water Main Special Assessment District. He indicated that the final change order decreases the amount of the contract by $38,387. Mr. Jessee also explained that this project was completed on time and within budget. He pointed out that this change order balances actual quantities used versus quantities estimated in the original contract.

Mr. Jessee added that the original engineering costs budgeted for $182,704 actually came in at $166,738, resulting in approximately $15,000 in savings to the Authority.

Mr. Jessee recommended approval of Change Order No. 2 for the Sherman Oaks Water Main Special Assessment District in the amount of -$38,387.

Motion by Namatevs to approve Change Order No. 2 for the Sherman Oaks Water Main Special Assessment District in the amount of -$38,387. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve – Change Order No. 14 re: WWTP Expansion/Improvements Project - T. Michael Jessee
Mr. Jessee directed the Board’s attention to Change Order No. 14 re: WWTP Expansion/Improvements Project as well as his memo addressing several items within the change order. He indicated that this represents 26.84% of the contingency budgeted for the project. Mr. Jessee also explained that the change order covers items that differ from what was anticipated in the bidding documents. He pointed out that sufficient funds exist in the Contingency Fund for this change order.

Mr. Jessee added that the project is approximately 80% complete, ahead of schedule, and substantially under budget. He suggested that he expected to spend approximately 50% of the contingency upon completion of the project. Mr. Jessee indicated that the substantial completion date by contract is January but that it has been moved up to September or October.

Mr. Jessee recommended approval of Change Order No. 14 for the WWTP Expansion/Improvements Project in the amount of $221,305 to be paid out of the project’s Contingency Fund.

Motion by Scott to approve Change Order No. 14 for the WWTP Expansion/Improvements Project in the amount of $221,305 to be paid out of the project’s Contingency Fund. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve - Award of Bid re: DDA Parking Lot Water Main Replacement - T. Michael Jessee

Mr. Jessee advised the Board that the DDA is planning on repaving one or both of the parking lots in the City on Huron Street. He indicated that the lots are located immediately north and south of Michigan Avenue. Mr. Jessee also explained that the Authority is planning to replace the water mains that run in the alleys of the parking lots. He pointed out that the water mains in the parking lots are old and subject to breaks and replacement at the time of surface work being done complies with our policy. Mr. Jessee explained that YCUA has bid those replacements following our bidding procedures and has received three bids for the work. He further advised that the low bid is from AG Excavating in the amount of $143,995.

Mr. Jessee stated that this project is not budgeted, as the Authority was unaware of the DDA’s plan during last year’s budget preparations, however, sufficient funds are available.

Mr. Jessee recommended approval of the award of the contract to the low bidder, AG Excavating, in the amount of $143,995 contingent upon one of two scenarios: that the DDA will proceed with its project for resurfacing the lots or, if the DDA elects not to proceed at this time, that YCUA is
able to negotiate a less rigorous restoration for the disturbed area due to the water main work.

Philip W. Wagner inquired as to the plan of action in the event that the DDA does not want to negotiate on the restoration specifications. Mr. Jessee responded that the Authority will only proceed with the project if one of the contingencies is met.

J. Ray Scott inquired as to why there was a $16,000 variance between the high and low bids. Mr. Jessee responded that mobilization and maintaining traffic were large costs with the higher bidders.

Motion by Wagner to approve the award of the contract to the low bidder, AG Excavating, in the amount of $143,995 contingent upon one of two scenarios: that the DDA will proceed with its project for resurfacing the lots or, if the DDA elects not to proceed at this time, that YCUA is able to negotiate a less rigorous restoration for the disturbed area due to the water main work. Support by Scott. In favor: All. Opposed: None. (Motion carried)

G. Request to Approve – Award of Bid re: Michigan Avenue Force Main Replacement - T. Michael Jessee

Mr. Jessee advised the Board that YCUA’s sewage lift station at Michigan Avenue is experiencing capacity issues. He indicated that, as part of the Authority’s project for upgrading this station by adding bypass pumping, staff is recommending that YCUA replace the force main exiting this station to allow for increased pumping capacity.

Mr. Jessee also explained that the Authority has bid the project in compliance with its bidding procedures. He pointed out that staff requested bids by two methods: pipe bursting and directional drilling, however, after additional investigation concerning the location of existing utilities, a decision to utilize the pipe bursting method was agreed upon. Mr. Jessee explained that, although seven contractors obtained plans and specifications, the sole bidder for pipe bursting is Utilities Services Authority, LLC in the amount of $80,900. He further advised that the West Michigan Avenue pump station and force main need improvements to handle the wastewater flows in the area. Mr. Jessee stated that this project is budgeted for this fiscal year and that the recommended bid is within the estimated cost for the project.

Mr. Jessee recommended approval of the award of the contract for Michigan Avenue Force Main project to Utilities Services Authority, LLC in the amount of $80,900 with a contingency fund for the project of $9,100.
Mark Namatevs asked Mr. Jessee to provide more background information on the pipe bursting method. Mr. Jessee explained that directional drilling requires a new opening under the road, therefore it is possible to come into contact with other utilities that were installed after the force main. He stated that the pipe bursting method utilizing the conduit that is already there and that, while it does make the hole larger, it only compresses the dirt for 45 inches around the pipe which should not cause any conflict with other utilities.

Philip W. Wagner inquires as to the potential for cave in relative to soil conditions in that area. Mr. Jessee responded that the depth of the pipe is 9 feet deep and that, after discussions with the road commission, it was determined that there is no precedence for cave in at the depth. Larry R. Thomas added that the new pipe is drawn immediately behind the bursting tool; therefore, it is impossible for the soil to collapse in between.

Motion by Namatevs to approve the award of the contract for Michigan Avenue Force Main project to Utilities Services Authority, LLC in the amount of $80,900 with a contingency fund for the project of $9,100. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

H. Informational Item – Vehicle Purchase Information - T. Michael Jessee

Mr. Jessee reminded the Board that the vehicle purchase was approved at the February Board meeting in order to capitalize upon a $10,000 from Ford Motor Company. He indicated that the vehicles have been purchased for $140,000 and are in the process of being delivered.

He added that the bids for the trailer were examined and the low bidder was Overbuilt Trailer Company in an amount of $17,511. He stated that this purchase included a $397 option in order to receive the trailer within two to three weeks since the existing trailer was already sold at auction.

Philip W. Wagner interjected that rejecting the first set of bids and going out a second time resulted in about $2,000 in savings as well.

Informational only; no motion from the Board required.

I. Request to Approve – Corrected Financial Statement - Larry R. Thomas

Mr. Thomas advised the Board that, upon detailed examination of the financial statements, an error was recently found in the division of depreciation between the water and the wastewater divisions of the Authority and certain allocations between water and wastewater. He
directed their attention to a letter from Mark Kettner, our auditor, as well as corrected pages for the financial statement.

He indicated that the corrections are all contained within the supplemental information contained in the financial statement. Mr. Thomas also explained that, although the corrections do not affect the total columns for any of the issues nor do they effect the division between the City and Township divisions, the split between water and wastewater does affect the rates that YCUA charges its contract customers. Therefore, he pointed out, the correction should be made so that they will be charged equitable rates.

Mr. Thomas recommended acceptance of the corrected financial statement.

Motion by Wagner to approve the corrected financial statement. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

J. Request to Approve – Paint Creek SSES Foundation Drain/Sump Pump Monitoring - T. Michael Jessee

Mr. Jessee advised the Board that, as part of the requirements of YCUA’s District Compliance Agreement with MDEQ, it is required to do a series of inflow and infiltration analyses on different collection areas within its system. He indicated that if these analyses determine that there are insufficient capacities for transport in the Authority’s collection system and improvements need to be made, YCUA must do a sanitary sewer evaluation survey (SSES) prior to any improvements.

Mr. Jessee also explained that the I & I analysis for the Paint Creek interceptor was completed last year and the results forwarded to MDEQ. He pointed out that staff requested from Tetra Tech an SSES work plan and the draft of the plan has been forwarded to MDEQ. Mr. Jessee explained that, although YCUA’s work plan has not been approved by MDEQ, staff believes it is prudent to begin the foundation drain/sump pump monitoring portion of the SSES quickly to capitalize on the wet weather conditions normally experienced in the spring.

He further advised that staff is requesting $14,000 to allow Tetra Tech to initiate the foundation drain/sump pump portion of the project. Mr. Jessee stated that staff will bring the remainder of the work plan to the Board following comments and approval from MDEQ. He acknowledged that this project is budgeted.

Mr. Jessee recommended approval of the request for $14,000 to proceed with the Paint Creek SSES Foundation Drain/Sump Pump Monitoring program.
Motion by Scott to approve the request for $14,000 to proceed with the Paint Creek SSES Foundation Drain/Sump Pump Monitoring program. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

K. **Request to Approve – CEMS Purchase** - Perry M. Thomas

Mr. Thomas advised the Board that, as part of the requirements for the operation of the Authority’s replacement incinerator, the EPA requires that staff must continuously monitor either total hydrocarbon emissions or carbon monoxide emissions. He indicated that the original plan was to continue using the total hydrocarbon analyzer with the replacement incinerator but recently, staff decided to change to a carbon monoxide unit.

Mr. Thomas also explained that wastewater treatment plant staff and consulting engineers requested proposals and onsite presentations from three suppliers. He pointed out that, as staff felt that performance and reliability issues would be more important than cost, the normal bidding procedure was not followed.

Mr. Thomas explained that the three suppliers of this equipment were requested to come in and do presentations for a selection committee. He further advised that the preferred and recommended unit is from Horiba – Honeywell at a cost of $138,953. Mr. Thomas acknowledged that this item was not budgeted in either the capital acquisition budget or the plant expansion/improvements budget. He stated that staff considered adding this piece of equipment to the plant expansion/improvement project; however, it was decided to finance the purchase from the wastewater treatment plant improvement fund. Mr. Thomas confirmed that WTUA agrees with this approach.

Mr. Thomas recommended approval of the purchase of a CEMS from Horiba – Honeywell at a cost of $138,953 to be financed from the WWTP Improvement Fund.

J. Ray Scott and Mark Namatevs asked for clarification on the requirements for compliance with the state. Mr. Thomas responded that YCUA’s permit requires that carbon monoxide remain below 100 parts per million and that compliance is demonstrated once a year by measuring the carbon monoxide in the stack.

Mark Namatevs voiced concern about the system becoming obsolete in the near future and inquired as to its flexibility, taking into consideration that the state and federal governments’ clean air standards are likely to be tightened up over time. Mr. Thomas responded that the monitoring is done by an infrared spectrometer that can be adjusted at any time.
T. Michael Jessee added that YCUA will always be required to have a CEMS and that the State of Michigan is very clear on what it expects the Authority to monitor and what the range of acceptable operations is. He added that these two factors will not change. He indicated that the only issue for negotiation with the state is their current requirement that there must be a CEMS in operation 90% of the time that the incinerator is running. He stated that YCUA’s only concern is that the state may raise that requirement in the future, since there are no standards in the state regulations addressing that issue. Mr. Jessee clarified that the standards of what the Authority can emit into the air are final and will not change. He also clarified that the Authority has the option of monitoring either carbon monoxide or total hydrocarbons and that staff prefers to monitor carbon monoxide because it is easy, more cost effective in terms of operations and maintenance, and is more acceptable by state and Federal governments.

Dr. S. Joh Kang then addressed the Board, indicating that he participated in all the negotiations with the state agency on the Authority’s current air permit and offered historical information on emission monitoring. He agreed that the Authority needs to clarify with MDEQ what there requirements are for carbon monoxide so that YCUA can offer long-term compliance and added that the preference of YCUA staff to switch from hydrocarbon to carbon monoxide monitoring, a proven technology that is more accurate and easier to maintain, is a no-brainer. Dr. Kang concurred with Mr. Thomas’s recommendation, contingent upon satisfactory definition of MDEQ’s carbon monoxide monitoring requirements.

Philip W. Wagner inquired as to whether the installation of the new CEMS will result in another change order. Mr. Thomas responded that the contract documents require the contractor to reinstall the existing CEMS and that the only add-ons will be installing a new sample line from the stack to the analyzer and a new thermal coupler.

Motion by Scott to approve the purchase of a CEMS from Horiba – Honeywell at a cost of $138,953, to be financed from the WWTP Improvement Fund, contingent upon satisfactory definition of MDEQ’s carbon monoxide monitoring requirements. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

L. Fund Balance Report - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Fund Balance Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.
M. **Financial Report – Authority Net Assets** - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Financial Report – Authority Net Assets Reports from September, October, November, and December, and January. He then proceeded to give a detailed report of the information contained in the reports and answered questions from the Board.

Informational only; no motion from the Board required.

N. **Usage Report – Consumption Report** - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Usage Report – Consumption Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

O. **Director’s Report** - Larry R. Thomas

Mr. Thomas advised the Board that DWSD has officially notified the Authority that its water rate will be increasing 4.6% on July 1, 2005. He indicated that this increase was substantially less than anticipated.

4. **OLD BUSINESS:**

P. **Request to Approve – Agreement to Provide Sanitary Sewer Service to Rawsonville Road Property** - Larry R. Thomas

Larry J. Doe called for a motion to remove this item from table.

Motion by Wagner to remove the item from table. Support by Scott. In favor: All. Opposed: None. (Motion carried)

Mr. Thomas reminded the Board that there has been an issue between Mr. Skaf, the owner of the Rawsonville Road property, and Ypsilanti Township over traffic issues related to the development in that area. He further reminded them that Van Buren Township has no sewer available for this customer and that YCUA’s sewer is immediately across the street. He indicated that Mr. Skaf and Ypsilanti Township have agreed to resolve their differences.

Mr. Thomas recommended approval of the agreement to provide sewer service to Mr. Skaf’s property in Van Buren Township, contingent upon satisfactory conclusion of the agreement between Mr. Skaf and Ypsilanti Township.
Motion by Wagner to approve the agreement to provide sewer service to Mr. Skaf’s property in Van Buren Township, contingent upon satisfactory conclusion of the agreement between Mr. Skaf and Ypsilanti Township. Support by Scott. In favor: All. Opposed: None. (Motion carried)

5. OTHER BUSINESS:

Philip W. Wagner addressed the assembly, reading from his previously prepared letter, which stated:

“In 2003, the Ypsilanti Community Utilities Authority discovered serious financial issues within the operation of the Authority, which ultimately resulted in staff layoffs, general cost cutting, and reorganization of the Authority structure.

I became an appointed member of the YCUA Board of Commissioners in February 2004 representing the Charter Township of Ypsilanti. In the February meeting of the Board, we received informational correspondence from the employees of YCUA relating their concerns regarding the direction that the Authority was going and the impact that it was having on the employees, particularly relating to morale and job security. The correspondence was signed by a substantial majority of the individuals employed by YCUA at that time.

The background information I received from administrators and fellow board members at that time led me to believe that the situation in the previous months had created many adversarial situations between management and employees primarily due to the reorganization of the Authority. I fully understand the impact that change can make, particularly in situations like the ones that were taking place at YCUA. I know that in most instances where major change or reorganization affects the lives of so many employees, the potential for conflict and dissent is real and probable. As human beings, the resistance to change is not an unusual occurrence. Additionally, I recognize that it is rare that any organization has total and complete employee satisfaction within its ranks.

I felt reasonably comfortable that this letter was the culmination of several months of frustration and difficult times at the Authority, and that based on the background information I was given, conditions were not really as bad as presented. The Board of Commissioners took no action on the letter, as it was presented as an informational item and not placed on the agenda.

In the past year, particularly in the last couple of months, I have increasingly begun to question the validity and accuracy of my opinion. Two different things have begun to influence my thoughts.

First of all, since our last board meeting I (and several other individuals including board members and local elected officials) have received anonymous letters from three apparently different sources with allegations of mismanagement, undue pressure and stress created by management, unjustified
or unqualified promotions, and general lack of concern for the employment conditions at YCUA. Although I do not typically put a lot of stock in unsigned/anonymous letters, they do give me some reason to question whether or not the Board of Commissioners and the YCUA administration are doing everything we can to address the concerns, whether they are real or perceived.

Secondly, several employees have contacted me during my tenure (particularly in the past two months) expressing their concerns and feelings relating to the employment conditions at YCUA. As I was employed at the Township Fire Department for over twenty-five years, I have been acquainted with a substantial number of YCUA employees during that time. In many instances, I have advised the employees that they need to address their issues through their union representatives and that the board does not typically get involved in day-to-day operational issues.

I also have made a point of meeting and talking to individual employees I have encountered in public since my appointment to the Board, just to say hello and gather their informal opinions as to the operation of the Authority. Over time, it seems to be coming more apparent that the general feelings of many of the employees (both current and former, union and non-union) are ones of discontent, fear, and mistrust.

Employees have related concerns that they feel threatened in their jobs, fear retaliation if they question or challenge management, and in some instances feel that they have been intimidated or coerced by management. The following are concerns (in no particular order) that have been related to me verbally by at least one employee, and in many instances by several employees:

A. General morale and feelings of job security are at very low levels;
B. Employees have a fear of retaliation if they challenge or question certain members of management;
C. Employees do not feel confident that they can go to their immediate supervisors with concerns without fear of reprisal;
D. More than one employee has been subject to conditions which have created stress in the form of intimidation to the point of creating serious health problems, and in some instances cessation of employment at YCUA;
E. Employees have been coerced into accepting retirement or termination packages under the threat of losing their retirement and/or health benefits;
F. Employees are being promoted into positions they are not qualified for and/or receive little or no training commensurate with their responsibilities;

G. Employees receive conflicting assignments from superiors, being given tasks that impede or are outside of their normal job responsibilities;

H. Employees are not fully aware of their responsibilities and/or feel that they are being set up for failure;

I. Hostile conditions have been created during “investigations” of employee disciplinary situations;

J. Employees have received letters relating to discipline or termination issues via FedEx overnight delivery that were dated several days before receipt of letter;

K. Administrators have led employees on medical/disability leave to believe that things were “OK,” only to have letters of disciplinary action or termination delivered within a few days;

L. Employee health benefits have been terminated without notice;

M. Employee disabilities and workers compensation situations have increased;

N. Employees have been terminated for specific reasons and been told that additional infractions from their past can be brought up if necessary. If this is the case, are employees not being properly disciplined at the time of occurrence? Their concern is that a history is being created for leverage at a later date; and

O. Up to five current or former employees are considering lawsuits relating to employment issues, including hostile work environment or harassment.

Although I am hesitant to believe that 100% of the above issues and statements are completely factual, I have enough concern simply from the volume and frequency of what I have been told or seen in writing that something needs to be done. I am fully aware that the YCUA Board of Commissioners adopted a policy regarding their involvement in disciplinary and grievance procedures, however I feel that it would be prudent for the Board to look at the overall employment conditions at YCUA and strive to insure that we maintain a position of being a well-respected employer and continue to provide the high quality of service our customers deserve and expect. I feel very strongly that if the current feelings and conditions are allowed to continue without review and/or correction, the effect on overall employee performance will be detrimental to the goals of YCUA. I would hope that Board involvement or action would at least allay or dispel the fears and concerns that many of our employees have.”
Mr. Wagner continued by stating that it is his recommendation to take the matter to an outside firm for a “survey” of employees from top to bottom and ask for their input regarding job security and employee morale at the Authority. He indicated that the City of Ypsilanti did a similar survey of their employees a year or so ago when they had some morale issues.

Larry J. Doe suggested the Board take Mr. Wagner’s letter under advisement and schedule a special meeting to discuss the matter further. Mark Namatevs concurred with a special meeting and commented that bringing in outside individuals, at this point, is premature. He added that, when he first joined the Board, there were some issues with Board involvement in employee personnel situations and that resolutions were passed involving those matters, but he indicated that he didn’t feel an open meeting would violate those resolutions.

Larry J. Doe then entertained the possibility of taking the matter to the YCUA Personnel Committee in order for them to present a recommendation to the Board. Mr. Wagner responded that his concern is that these suggestions would defeat the purpose of bringing the issue forward, since taking the matter to the Personnel Committee and even an open meeting setting would not give the employees the opportunity to openly express their views. He suggested that the most viable solution is to bring in an independent party.

J. Ray Scott stated that it is crucial that the YCUA Board not overstep its bounds in this matter and added that it is not appropriate to address or give any credence to letters that are sent unsigned. He indicated that his position is to disregard any information provided in unsigned letters however, any real concerns should be voiced and those with valid opinions will not hesitate to come forward in a public forum. Mr. Scott added that the Board promises that any action taken will be equitable to all parties.

Mr. Namatevs agreed with respect to anonymous letters, stating that unsigned letters seem somewhat suspicious. He indicated that he is unsure as to the proper venue in which to discuss this matter, and suggested that a private setting might offset any fears of retribution relative to speaking out in public. Mr. Namatevs added that the Board should consider the matter carefully and a decision should be made quickly, but that to make a rushed decision today would not be prudent.

Mr. Wagner responded that he did not intend to pressure the Board into making a decision today, but that he simply wanted to get the issue out in the open. He reminded the Board that a letter was received from AFSCME on February 16, 2004, to which the Board did not respond, and he indicated that he did not want a similar situation to occur with his letter. Mr. Wagner concurred that he, too, puts little stock in letters that are sent anonymously but that he is concerned that so many letters were “shot-gunned out” to so many local officials and the local newspapers. He stated that the YCUA Board owes the elected officials some
explanation as to why they are receiving such correspondence as well as assurance that YCUA is a fair employer.

J. Ray Scott stated that anonymous letters sent en masse reflect genuine frustration but suggested that what is real and truthful and what is simply perceived or even falsified must be investigated and identified through a public hearing. He added that he was not born with a silver spoon in his mouth and he fully understands the concern when someone loses his or her job. He recommended a motion that the YCUA Board meet privately within 10 days to address the concerns of Mr. Wagner.

YCUA attorney Thomas E. Daniels interjected that the YCUA Board cannot convene in a closed session for these purposes. Larry J. Doe added that this is why he wonders if it would be appropriate to take the matter to the Personnel Committee. J. Ray Scott responded that it would better serve the Board to consider the fact that the employees are not represented on the Personnel Committee, which is comprised entirely of Board members and YCUA executive staff.

Mark Namatevs asked Philip W. Wagner for his preference of a public meeting of the YCUA Board or referring the matter over to the YCUA Personnel Committee. Mr. Wagner responded that he is of the opinion that the confidentiality of personnel issues may constitute an exception to the Open Meetings Act but that a public meeting of the Board would be preferable due to the fact that he would not want to create the impression that the three YCUA administrators are steering the Board members sitting on the Personnel Committee. Larry J. Doe responded that he has faith in both Board members to not be swayed by the YCUA administrators. Mr. Wagner added that he stands on the opinion that an independent examination by a firm such as Plante Moran is the best plan of action. Mr. Namatevs recommended a motion to take the issue to the Personnel Committee to present a recommendation to the Board at the April meeting. He added that he is not entirely happy with that recommendation but he left the recommendation on the floor.

J. Ray Scott asked for counsel’s opinion on the appropriateness of each Board member preparing an individual response for the Personnel Committee to Mr. Wagner’s letter. Mr. Daniels responded that that suggestion did not violate the Open Meetings Act. Larry R. Thomas interjected that such letters would not remain private, as they would be subject to FOIA.

Mr. Scott went on to indicate that he has formulated the opinion that the best plan of action is for the Board to do their own individual investigations of the situations and present the results at a special meeting of the Board. Mr. Namatevs concurred and indicated that Edward B. Koryzno, Jr., an absent YCUA Board member, should be present as well in order to share his experiences with any
similar situations in the City administration. Mr. Scott added that 10 days is a good time to digest the information in Mr. Wagner’s letter, present the issues at a public meeting, and then pass those results on to the Personnel Committee for examination at their regularly-scheduled April meeting for the purpose of formulating a substantive and fair response and recommendation for the April Board meeting. Philip W. Wagner concurred, and indicated that a special meeting would also give the AFSCME and Teamsters representatives an opportunity to present their concerns.

Larry J. Doe interjected that he does not know how to respond since he doesn’t know the source of the allegations and whether there is a hidden agenda attached. J. Ray Scott stated that “something is rotten in Denmark” and that the Board must be responsive even if there is a single valid complaint. Mark Namatevs indicated that he likes the idea of responding in 10 days but added that he thinks the Board is starting to complicate things a bit by writing a letter and taking it to the Personnel Committee who will, in turn prepare a recommendation. Mr. Namatevs stated that this suggestion would create a 45-day delay in any significant action. He suggested a motion for a public meeting of the Board to be held at the end of March or early April to discuss personnel issues and morale at YCUA and also to invite anyone with concerns that they are willing to accept ownership of to contact any Board member individually between now and then. Mr. Wagner concurred with the recommendation, but asked for an amendment that the meeting be held after normal work hours.

Motion by Namatevs for a public meeting of the Board to be held after regular work hours at the end of March or early April to discuss personnel issues and morale at YCUA and to invite anyone with concerns that they are willing to accept ownership of to contact any Board member individually between now and then. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

A tentative date of Wednesday, April 6, 2005 at 6:00 p.m. was set for the Special Board meeting, contingent upon the availability of Edward B. Koryzno, Jr.

J. Ray Scott asked that Public Comments be waived in lieu of the forthcoming special Board meeting. Larry J. Doe responded that Public Comments could not be waived.

6. **STATEMENTS AND CHECKS:** Motion by Namatevs to pay the bills in the amount of $3,123,247.86 plus an addendum in the amount of $1,356,088.69. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

7. **PUBLIC COMMENTS:**

Karen Lovejoy-Roe, former YCUA Board member and former Supervisor of Ypsilanti Township, thanked the Board for their service during the trying times at the Authority. She indicated that she is of the belief that the bargaining units involved in the issues
previously discussed can submit a letter to the Board requesting a private session with the Board regarding ongoing contract negotiation or labor issues. She stated that she is of the opinion that current employees will not speak out in a public forum because they fear for their jobs and that the only input that will be gleaned will come from retirees.

Ms. Roe reminded the Board that when the new policies regarding Board involvement in personnel issues were established, it was also provided that those policies can be waived if it is deemed necessary. She added that YCUA labor attorney John Hancock had previously advised that the Board reserves the right to alter or waive any policy it so desires.

Ms. Roe went on to comment and provide information on specific individuals and their situations relative to Mr. Wagner’s letter. She advised the Board that it will cost $18,000 - $35,000 to train replacements for the employees that have been let go and that the current situation is causing a great deal of stress and anxiety among the employees, which leads to illness and loss of job performance. Ms. Roe stated that her background is in labor relations and that her 16 years of experience with YCUA taught her that the YCUA Board has the ability to respond with compassion and mercy and that is what YCUA is all about. She added that YCUA employees have so much pride in their work and that she has never seen so many employees so upset about the direction that their employer is taking. Ms. Roe asked that the Board consider arbitration.

She also reminded the Board that, when the Authority’s financial problems began, the unions agreed to a one-year contract extension with no raise and that management made a promise to make that sacrifice whole during the new contract negotiations.

Esther Williams, retired UAW representative, addressed the Board, and stated that fairness was mentioned a couple of times. She indicated that decisions should not be made arbitrarily but it appears that that is what has happened. Ms. Williams advised that Mr. Wagner’s letter did not ask that the Board handle employee grievances but, rather, that it look at its management team and ask why these things are happening.

Bobbie Kay, YCUA employee of 30 years and recent retiree, addressed the Board and stated that she has never experienced so much dissent at the Authority. She reviewed a list of employees who have recently been fired, laid off, or forced into retirement and stated that she can make these comments now because she cannot be fired, only her health insurance can be taken away. Ms. Kay referred to witnesses overhearing Gwyn Belcher and Henry Gerst chanting, “We’ve got Jimmy now, we’ve got Jimmy now.” She stated that there are serious problems at YCUA and that they stem from T. Michael Jessee and Gwyn Belcher.

Ms. Kay indicated that it is not comfortable working in an environment where you are fired after one mistake. She cited this as her reason for retiring when she did. Ms. Kay stated that the Board would have heard more complaints from employees in the past if the Board meetings were not held during their work hours. She added that there are many
good people at YCUA and that, if the spirit at the Authority was one of helping instead of getting one another, YCUA would be back to the way it was years ago. Ms. Kay reflected back to years ago when the Authority was being built, Eldon Ahles would go on vacation and Bruce Jones would fire someone. She indicated that it is far worse than that now. Ms. Kay again cited a list of employees who are no longer employed at the Authority and commented that she doesn’t know how they are surviving without their employment. She added that the heart is gone from the Authority.

Ms. Kay advised the Board that the retirees are in the process of forming an association and will be at the upcoming Board meetings and will be speaking out. She added that she is aware that, after thirty years of working hard and growing up at the Authority, she is not allowed on YCUA grounds after hours without a current employee as an escort and is treated like a criminal.

Ralph Walls, YCUA employee of 31 years and recent retiree, addressed the Board and stated that things suddenly turned hostile at YCUA during his last year. He indicated that he retired before he wanted to but he did so because of the hostility and because he felt pressured. Mr. Walls advised that he was angry for a while but that he is glad now that he did so. He stated that he concurs with the other speakers and related that he can now speak without feeling threatened. Mr. Walls stated that he runs into employees frequently and they have all told him that they feel threatened. He reminded the Board that they should be aware of these things because YCUA is not a private company; it is a publicly-owned organization.

Lynn Meyers, recent retiree from YCUA, addressed the Board and stated that she appreciates Mr. Wagner’s letter and indicated that she, too, has seen how the problems at YCUA have affected her family members who still work here. She indicated that YCUA has placed tremendous hardship on her extended family and that, when she sees YCUA employees on the street, they tell her, “you are so lucky that you got out of there when you did.”

Ms. Meyers added that another reason for her attendance at the day’s meeting is a comment by Mr. Koryzno during the February Board meeting regarding the concern over retiree health care. She stated that she was given the impression when she retired that she did so under contract with YCUA, assuring her that her health insurance benefits will not change. Ms. Meyers asked for reassurance of that fact and asked for clarification of what is being considered. Larry J. Doe responded that he hopes those benefits will always stay the same but that no one can promise that. Larry R. Thomas interjected that YCUA’s auditor has recommended an examination of the projected costs of providing health care for our retirees in the future, knowing that those costs are increasing dramatically. He stated that the auditor has recommended establishing a fund that will hold monies that will be used exclusively for health care purposes. Mr. Thomas added that he is of the opinion that accounting laws will change soon and that the Authority will then be required to have that fund. He stated that this plan is actually YCUA’s attempt to get a
jump-start on legislation that is forthcoming. Philip W. Wagner advised that the Personnel Committee discussed establishing a VIBA account, similar to the one recently established at the Township to fund their retirement system long into the future.

Dana Epps, YCUA employee and Secretary/Treasurer of Local 3451, addressed the Board and requested a copy of Mr. Wagner’s letter. She commented that there are issues at the Authority that can and should be resolved by the Board and staff working together with fairness.

Pauline Roach, UAW member for 30 years, addressed the Board and stated that she has been getting calls from the community regarding sick people getting fired by YCUA. Ms. Roach referred to specific employees who have been let go and indicated that it is a terrible situation. Ms. Roach asked that it be a matter of record that “only God can help us put this thing together and that some of the people who have been abused and are afraid to come to the meetings should now step forward and be men and women again.”

8. **ADJOURNMENT**: Motion by Namatevs to adjourn the meeting at 5:14 p.m. Support by Scott. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

MARK NAMATEVS, Secretary/Treasurer
YCUA RESOLUTION NO. 05-5 RECOGNIZING
DON NICHOLS AND
COMMENDING HIM FOR HIS COMMUNITY SERVICE

Minutes of a regular meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 22nd day of March 2005 at 3:00 o’clock p.m., Eastern Standard Time.

PRESENT: Commissioners Larry J. Doe, Mark Namatevs, Philip W. Wagner, and J. Ray Scott

ABSENT: Commissioners Edward B. Koryzno, Jr.

The following preamble and resolution were offered by Commissioner Wagner and supported by Commissioner Scott:

WHEREAS, Don Nichols, an employee of the Ypsilanti Community Utilities Authority, recently exhibited service to his community above and beyond the call of duty relative to an emergency that occurred on Tuesday, March 15, 2005; and

WHEREAS, Don Nichols was instrumental in the rescue of a potential abduction victim during said emergency situation; and

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends Don Nichols for his exemplary community service and courage during the events of a possible child abduction.

BE IT FURTHER RESOLVED THAT a suitably inscribed copy of this Resolution of Commendation be presented to Don Nichols as an expression of the Board’s sincere appreciation for his bravery and heroism in the rescue of a possible abduction victim as well as his ongoing meritorious service to YCUA and the Ypsilanti area community.
AYES: Commissioners

Larry J. Doe, Mark Namatevs, Philip W. Wagner, and J. Ray Scott

NAYS: Commissioners

None.

RESOLUTION DECLARED ADOPTED.

MARK NAMATEVS, Secretary/Treasurer
I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, State of Michigan, at a regular meeting held on the 22nd day of March 2005 and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.

MARK NAMATEVS, Secretary/Treasurer
YCUA RESOLUTION NO. 05-6 RECOGNIZING
LUTHER V. BLACKBURN AND
COMMENDING HIM FOR HIS COMMUNITY SERVICE

Minutes of a regular meeting of the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, Michigan, held in the Authority, on the 22nd day of March 2005 at 3:00 o’clock p.m., Eastern Standard Time.

PRESENT: Commissioners Larry J. Doe, Mark Namatevs, Philip W. Wagner, and J. Ray Scott

ABSENT: Commissioners Edward B. Koryzno, Jr.

The following preamble and resolution were offered by Commissioner Wagner and supported by Commissioner Scott:

WHEREAS, Luther V. Blackburn, an employee of the Ypsilanti Community Utilities Authority, recently exhibited service to his community above and beyond the call of duty relative to an emergency that occurred on Tuesday, March 15, 2005; and

WHEREAS, Luther V. Blackburn was instrumental in the rescue of a potential abduction victim during said emergency situation; and

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners of the Ypsilanti Community Utilities Authority commends Luther V. Blackburn for his exemplary community service and courage during the events of a possible child abduction.

BE IT FURTHER RESOLVED THAT a suitably inscribed copy of this Resolution of Commendation be presented to Luther V. Blackburn as an expression of the Board’s sincere appreciation for his bravery and heroism in the rescue of a possible abduction victim as well as his ongoing meritorious service to YCUA and the Ypsilanti area community.
AYES: Commissioners
Larry J. Doe, Mark Namatevs, Philip W. Wagner, and J. Ray Scott

NAYS: Commissioners
None.

RESOLUTION DECLARED ADOPTED.

MARK NAMATEVS, Secretary/Treasurer
I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Commissioners of the Ypsilanti Community Utilities Authority, County of Washtenaw, State of Michigan, at a regular meeting held on the 22\textsuperscript{nd} day of March 2005 and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976 and that minutes of the meeting were kept and will be or have been made available as required by said Act.

MARK NAMATEVS, Secretary/Treasurer