Minutes

YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, November 22, 2005 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI  48198-9112


Members Absent:  None.

1. CALL TO ORDER:  Doe called the meeting to order at 4:05 p.m.

2. MINUTES OF THE PREVIOUS MEETINGS:  Motion by Scott to receive and file the minutes of the October 17, 2005 and October 25, 2005 meetings.  Support by Wagner.  In favor: All.  Opposed: None.  (Motion carried.)

3. NEW BUSINESS:
   A. Request to Approve – Director Contract - Edward B. Koryzno, Jr.

   Mr. Koryzno advised the Board that the Personnel Committee is recommending that the Authority enter into an employment contract with the Director of the Authority for a four-year period.  He reminded them that, in 2001, the Authority discontinued the use of an employment contract with the director, having the employment covered by an employee handbook.  Mr. Koryzno also explained that John Hancock, YCUA’s labor attorney, has provided an opinion that the employee handbook provides that the term could be interpreted as indefinite and that it would be more prudent to use an employment agreement.  He pointed out that the Personnel Committee discussed this issue and proposes a contact that contains all of the language and provisions included in the handbook with the exception that the term is limited to four years to coincide with the labor agreements that were most recently negotiated and that it provides for a one-time salary adjustment.

   Mr. Koryzno reminded the Board that, several years ago when the Authority faced its financial challenges, Mr. Thomas’s salary was reduced by $10,000 and was the only YCUA employee to receive a pay cut.  He
further advised that, based on Mr. Thomas’s excellent performance over the past few years, the $10,000 pay cut was restored. Mr. Koryzno stated that there still exists an inequity between what Mr. Thomas would have earned if the pay cut had not occurred versus Mr. Thomas’s actual income and, therefore, the Personnel Committee is recommending a one-time reimbursement of $10,000, payable in four equal installments of $2,500 per quarter over the next year. He acknowledged that the director’s employment contract calls for a decrease in the pension contribution from 4% to 2%. Mr. Koryzno confirmed that AFSCME currently contributed 1% and Teamsters contributes 2%. He explained that this change will help to encourage union employees to move into management positions.

Mr. Koryzno pointed out that the Personnel Committee is also recommending that the vesting period for all non-union employees be reduced from 10 years to 6 years, which will only impact five of the 10 non-union employees. He also stated that this will attract more qualified applicants to any potential employment opportunities at the Authority. Mr. Koryzno advised that the total cost of reducing the vesting period is $1,328 annually and the change in pension contribution is $12,145 annually.

Mr. Koryzno recommended approval of an employment agreement with YCUA Director Larry R. Thomas for a term of four years that will include a salary increase commensurate with those recently ratified by the Teamster union, a one-time salary adjustment of $10,000 payable in four quarterly installments, reducing the pension contribution from 4% to 2%, and changing the vesting period.

Philip W. Wagner inquired as to the identity of the five non-union employees affected by the change in vesting period. Ms. Belcher responded that the five positions include the finance director, director of wastewater operations, human resources director, human resources administrative assistant, and the executive administrative assistant.

Motion by Koryzno to approve the employment agreement with YCUA Director Larry R. Thomas for a term of four years that will include a salary increase commensurate with those recently ratified by the Teamster union, a one-time salary adjustment of $10,000 payable in four quarterly installments, reducing the pension contribution from 4% to 2%, and changing the vesting period. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

B. Request to Approve – Employment Contracts - Edward B. Koryzno, Jr.

Mr. Koryzno advised the Board that the Personnel Committee met and is recommending that the Authority enter into contracts with the non-union staff of the Authority. He indicated that, at the present time, non-union staff members do not have contracts, but work under the guidance of a
non-union employee handbook. Mr. Koryzno also explained that approval of this item and master contract language will allow the director to enter into contractual employment relationships with the non-union staff of the Authority.

He pointed out that the provisions of the non-union employment contracts were described in detail in item A, including the same provisions regarding pension and vesting as well as a salary increase commensurate with the increases settled with the Teamsters union.

Mr. Koryzno recommended approval of the request to allow the director to enter into employment contracts with non-union staff as described in item A, including the same provisions regarding pension and vesting as well as a salary increase commensurate with the increases settled with the Teamsters employees.

Motion by Koryzno to approve the request to allow the director to enter into employment contracts with non-union staff as described in item A, including the same provisions regarding pension and vesting as well as a salary increase commensurate with the increases settled with the Teamsters employees. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – YCUA Resolution No. 05-19 To Adopt 2% Employee Contribution by Teamsters Group - Larry R. Thomas

Mr. Thomas reminded the Board that, as part of the recently approved contract between the Teamsters union and the Authority, the Teamsters agreed to contribute an additional 1% of their salary to the MERS pension fund. He indicated that approval of this resolution is required by MERS to change any aspect of the pension plan. Mr. Thomas also explained that this will decrease the Authority’s required contribution to the pension fund by an estimated $12,808.35 this year.

Mr. Thomas recommended approval of Resolution No. 05-19 To Adopt 2% Employee Contribution by Teamsters Group.

Motion by Koryzno to approve Resolution No. 05-19 To Adopt 2% Employee Contribution by Teamsters Group. Support by Scott. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – YCUA Resolution No. 05-20 To Adopt 2% Employee Contribution and Change the Vesting Period for Management Group – Edward B. Koryzno, Jr.

Mr. Koryzno reminded the Board that, as part of the contracts with the non-union staff of the Authority, the Personnel Committee is recommending the management group contribution to the MERS pension fund be reduced to match the contribution level of the Teamsters group. He indicated that, currently, the management group contributes 4% of its
salary and Teamsters will be contributing 2% upon approval of item C above. Mr. Koryzno also explained that this resolution also changes the vesting time requirement for the non-union group to six years from the current ten. He pointed out that approval of this resolution is required by MERS to change any aspect of the pension plan. Mr. Koryzno explained that this will increase the Authority’s required contribution to the pension fund by an estimated $13,473 this year.

Mr. Koryzno recommended approval of Resolution No. 05-20 To Adopt 2% Employee Contribution and Change the Vesting Period for Management Group.

Motion by Scott to approve Resolution No. 05-20 To Adopt 2% Employee Contribution and Change the Vesting Period for Management Group. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve – Change Order No. 22 re: Wastewater Treatment Plant Expansion/Improvements Project - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 22 for the WWTP expansion/improvements project as well as a memo from Mike Jessee regarding the change order. The change order covers several items addressed in Mike Jessee’s memo and represents an increase in the project cost in the amount of $27,221. This change order brings total changes to $3,414,851. The change order addresses items that were discovered during the project as well as changes that staff requested. There are sufficient funds in the contingency fund to cover this increase.

Mr. Jessee recommended approval of Change Order No. 22 re: Wastewater Treatment Plant Expansion/Improvements Project in the amount of $27,221.

Motion by Wagner to approve Change Order No. 22 re: Wastewater Treatment Plant Expansion/Improvements Project in the amount of $27,221. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Service Center Roof and Gutter Replacement - T. Michael Jessee

Mr. Jessee advised the Board that, as part of YCUA’s capital program for this year, staff is recommending the inclusion of a roof replacement for the Service Center building. He indicated that the roof has had numerous problems over the years. Mr. Jessee also explained that an RFP was prepared and advertised in accordance with our purchasing policy. He pointed out that five responses were received. Mr. Jessee directed the Board’s attention to the bid tabulation and his memo explaining the same. He further advised that the low bid was from McDonald Roofing and Sheet Metal in the amount of $143,957.
Mr. Jessee recommended approval of the request for authorization to enter into a contract with McDonald Roofing and Sheet Metal to replace the roof and gutters at the Service Center building for a total of $143,957.

Philip W. Wagner inquired as to whether the low bid will meet specifications and whether a performance bond was included in the bid process. Mr. Jessee responded affirmatively on both questions.

Larry J. Doe inquired as to the type of roofing that will be installed. Mr. Jessee responded that the existing metal sheeting will be left intact, over which will be installed a layer of insulation as well as a rubber lubricant, allowing the insulation to be removed without causing a safety hazard. He added that the installation will include a 20-year warranty.

Motion by Namatevs to approve the request for authorization to enter into a contract with McDonald Roofing and Sheet Metal to replace the roof and gutters at the Service Center building for a total of $143,957. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

G. **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.

Informational only; no motion from the Board required.


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

J. Ray Scott inquired as to whether YCUA has begun to examine any impact from the Visteon plant closing announced the previous day. Mr. Thomas responded that the current City Division budget included a reduction in flow from Visteon for this year of 50% and added that he anticipates the remaining 50% will be phased out next year.

Informational only; no motion from the Board required.


Mr. Thomas directed the Board’s attention to the Consumption Report. 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.

J. **Director’s Report** - Larry R. Thomas
Mr. Thomas advised the Board that the Organization Analysis proposals were received last week. He indicated that 13 proposals were received and that, presently, the selection committee is awaiting confirmation of the appointees from the unions. Mr. Thomas added that it is anticipated that the committee will meet between next week and the holidays to review and evaluate the proposals in order to recommend up to three vendors to the Personnel Committee. He stated that it is anticipated that the Personnel Committee will then meet in January in the hopes of presenting a recommendation to the Board at the January meeting. Mr. Thomas stated that, at quick glance, the costs range from $100,000 to $500,000.

Informational only; no motion from the Board required.

4. OLD BUSINESS:

There was no old business for the month.

5. OTHER BUSINESS:

Mr. Thomas directed the Board’s attention to YCUA Resolution No. 05-21, which adds Jeff Williams as an authorized signatory at the Bank of Ann Arbor.

Mr. Thomas recommended approval of Resolution No. 05-21 adding Jeff Williams as an authorized signatory at the Bank of Ann Arbor.

Motion by Wagner to approve Resolution No. 05-21 adding Jeff Williams as an authorized signatory at the Bank of Ann Arbor. Support by Scott. In favor: All. Opposed: None. (Motion carried)

6. STATEMENTS AND CHECKS: Motion by Namatevs to pay the bills in the amount of $2,071,791.66 plus an addendum in the amount of $1,148,547.20. Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)

7. PUBLIC COMMENTS:

Lynne Dean Taylor, a resident at the corner of Huron River Drive and Superior Road, addressed the Board regarding the Superior Pumping Station and the property there adjacent to it that is currently being sold by the City of Ypsilanti to a development firm. She gave a lengthy report regarding her concerns relative to the same.

8. ADJOURNMENT: Motion by Wagner to adjourn the meeting at 5:00 p.m. Support by Scott. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

MARK NAMATEVS, Secretary/Treasurer
**YCUA RESOLUTION NO. 05-19**

MUNICIPAL EMPLOYEES’ RETIREMENT SYSTEM OF MICHIGAN

RESOLUTION FOR CHANGING MERS BENEFITS

In accordance with the MERS Plan Document of 1996, the Ypsilanti Community Utilities Authority (Participating Municipality)

8106 adopts the following benefits for: DIV12 - TEAMSTERS (Municipality Number) Reporting Unit Number, MERS Division Number and Name

A “division” is defined as an employee or group of employees covered by the same benefit programs and the same employee contribution program. Each division has a specific MERS number and name, such as “Div. 10, General-Admin.,” and is part of a Reporting Unit, such as: “01.”

Supporting Supplemental Valuation is dated N/A

**BENEFIT MULTIPLIER**

From (Current Benefit Multiplier) To (New Benefit Multiplier) Effective Date

**Provisions for Earlier Normal Retirement**

- [ ] F50/25
- [ ] F50/30
- [ ] F(N)-Years and Out (Specify number of years)
- [ ] F55/15
- [ ] F55/20
- [ ] F55/25
- [ ] F55/30

Effective Date

**EMPLOYEE CONTRIBUTION RATE**

New Rate 2%

Effective Date January 1, 2006

**ADDITIONAL BENEFITS AFFECTING FUTURE RETIREES**

- [ ] FAC 3
- [ ] FAC 5
- [ ] V-6
- [ ] V-8
- [ ] V-10
- [ ] RS - 50%
- [ ] D-2
- [ ] E-2

Effective Date

**RETIREE COST-OF-LIVING BENEFIT PROGRAMS FOR CURRENT RETIREES**

- [ ] E Standard
- [ ] E-1
- [ ] E - Other (Specify Factor Adjustment Years)

Effective Date

**WINDOW PERIOD (If applicable)**

From (Date) To (Date)

**I CERTIFY THAT THE ABOVE WAS ADOPTED BY**

YCUA Board of Commissioners Governing Body

November 22, 2005 Date of Meeting

Mark Namatevs Secretary - Treasurer

**NOTE:** Standard/Nonstandard Benefit Provisions—Attach page fully describing provision(s), and (1) a complete copy of the fully executed collective bargaining agreement and a certified copy of official minutes where the collective bargaining agreement or this Resolution was adopted, or (2) a copy of the arbitration or mediation decision. If further information is needed, please contact MERS Employer Services Division at 1 (800) 767-6377.

Resolution ChgMERSBene-5/5/04
YCUA RESOLUTION NO. 05-20
MUNICIPAL EMPLOYEES’ RETIREMENT SYSTEM OF MICHIGAN

RESOLUTION FOR CHANGING MERS BENEFITS

In accordance with the MERS Plan Document of 1996, the Ypsilanti Community Utilities Authority (Participating Municipality) adopts the following benefits for: DIV 11 - MANAGEMENT (Reporting Unit Number, MERS Division Number and Name)

(Municipality Number)

A “division” is defined as an employee or group of employees covered by the same benefit programs and the same employee contribution program. Each division has a specific MERS number and name, such as “Div. 10, General-Admin.,” and is part of a Reporting Unit, such as: “01.”

Supporting Supplemental Valuation is dated December 14, 2004

BENEFIT MULTIPLIER

From (Current Benefit Multiplier) To (New Benefit Multiplier) Effective Date

Provisions for Earlier Normal Retirement

☐ F50/25 ☐ F50/30 ☐ F(N)-Years and Out (Specify number of years)
☐ F55/15 ☐ F55/20 ☐ F55/25 ☐ F55/30

Effective Date

EMPLOYEE CONTRIBUTION RATE

New Rate 2%

ADDITIONAL BENEFITS AFFECTING FUTURE RETIREES

☐ FAC 3 ☐ FAC 5 ☒ V-6 ☐ V-8 ☐ V-10 ☐ RS - 50%

Effective Date December 1, 2005 ☐ D-2 ☐ E-2 Effective Date December 1, 2005

RETIREE COST-OF-LIVING BENEFIT PROGRAMS FOR CURRENT RETIREES

☐ F. Standard ☐ E-1

☐ E - Other (Specify Factor Adjustment Years)

Effective Date

WINDOW PERIOD (If applicable)

From (Date) To (Date)

I CERTIFY THAT THE ABOVE WAS ADOPTED BY YCUA Board of Commissioners November 22, 2005

Mark Namatevs Secretary - Treasurer

Date

NOTE: Standard/Nonstandard Benefit Provisions—Attach page fully describing provision(s), and (1) a complete copy of the fully executed collective bargaining agreement and a certified copy of official minutes where the collective bargaining agreement or this Resolution was adopted, or (2) a copy of the arbitration or mediation decision. If further information is needed, please contact MERS Employer Services Division at 1 (800) 767-6377.

Resolution ChgMERSBene-5/5/04
YCUA RESOLUTION NO. 05-21

RESOLUTION OF LODGE, ASSOCIATION OR OTHER SIMILAR ORGANIZATION

By: YPSILANTI COM UTILITIES AUTH
    YCUA
    CITY DIVISION LEASE FUND
    2777 STATE RD
    YPSILANTI MI 48198-9112

Referred to in this document as "Financial Institution"

Mark Namatevs, Secretary - Treasurer

Referred to in this document as "Association"

I, Mark Namatevs, certify that I am Secretary (clerk) of the above named association organized under the laws of Michigan, Federal Employer I.D. Number 38-2052446, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Association duly and properly called and held on November 22, 2005 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any Agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)

A. Larry R. Thomas - Director	X	
B. Jeffrey L. Williams - Director of Finance	X
C. Venita Terry - Finance	X
D. 	X
E. 	X
F. 	X

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F Description of Power
indicate number of signatures required

A. S. C. (1) Exercise all of the powers listed in this resolution.
(2) Open any deposit or share account(s) in the name of the Association.
(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.
(4) Borrow money on behalf and in the name of the Association, sign, execute and deliver promissory notes or other evidences of indebtedness.
(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Association as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.
(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.
(7) Other

LIMITATIONS ON POWERS The following are the Association's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated . If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY

I further certify that the Association has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the resolutions or page 2 and to confer the powers granted above to the persons named who have full power and lawful authority to exercise the same. (Apply seal if appropriate.)

☐ If checked, the Association is a non-profit lodge, association or similar organization.

X	Mark Namatevs, Secretary - Treasurer

X

(Attest by Other Officer)

X

(Attest by Other Officer)