



Minutes

**YPSILANTI COMMUNITY UTILITIES AUTHORITY
BOARD OF COMMISSIONERS MEETING
Tuesday, May 22, 2007 – 4:00 p.m.
YCUA Administration Building
2777 State Road
Ypsilanti, MI 48198-9112**

Members Present: Larry J. Doe, Edward B. Koryzno, Jr., J. Ray Scott and Gregory A. Peoples.

Members Absent: Mark Namatevs

1. **CALL TO ORDER:** Doe called the meeting to order at 4:04 p.m.
2. **MINUTES OF THE PREVIOUS MEETING:** Motion by Peoples to receive and file the minutes of the April 24, 2007 meeting. Support by Scott. In favor: All. Opposed: None. (Motion carried.)

3. **NEW BUSINESS:**

A. **Presentation of Award of Appreciation to Edward B. Koryzno, Jr. -**
Larry R. Thomas

Mr. Thomas advised the Board that this will be the last meeting for Commissioner Edward B. Koryzno, Jr. as the longest serving member of the Board. He indicated that Mr. Koryzno has served the YCUA Board for 10 years but that he is stepping down to concentrate on his duties as Ypsilanti City Manager. Mr. Thomas also explained that the Authority is presenting Mr. Koryzno with a plaque of appreciation for his service on the YCUA Board. He pointed out that his devotion and leadership to the Authority at a time of major expansion to the wastewater treatment plant were a tremendous benefit to the community.

The announcement was met with applause from the audience.

Mr. Koryzno advised the Board that it has been his privilege to serve on the YCUA Board for the past 10 years. He indicated that he is grateful for the opportunity to work with so many talented, creative, and hard-working individuals and to be part of an organization that developed cutting-edge solutions to challenges, that works as a team, and is focused on providing the best service possible to its customers. Mr. Koryzno also explained that he has enjoyed working with YCUA staff and that he believes the

Authority is a better place than it was 10 years ago. He pointed out that YCUA is poised for even better things in the future and that he wishes everyone all the best.

Gregory A. Peoples commented that he has known Mr. Koryzno through his work with the Ypsilanti community for many years and that he is an outstanding individual whose contributions to the City of Ypsilanti have certainly been notable. Mr. Peoples indicated that he wished to have had a longer opportunity to serve with Mr. Koryzno on the YCUA Board.

J. Ray Scott stated that, by serving with Mr. Koryzno on the YCUA Board and the YCUA Personnel Committee, it has been a fabulous ride getting to know Mr. Koryzno. Mr. Scott indicated that he hopes to maintain the relationship after Mr. Koryzno retires from this part of his public life as he continues to lead the City of Ypsilanti. He commented that Mr. Koryzno's exemplary work as City Manager is duly noted and that his provision of leadership and guidance to the YCUA Board has set the standard for professional decorum in the face of challenging Board issues. Mr. Scott stated that Mr. Koryzno's example is one that everyone at YCUA can benefit from and should draw from in the future. He suggested that the Authority should continue to uphold not only the Robert's Rules of Order but also the Koryzno's Rules of Order.

Larry J. Doe commented that it has been his pleasure to work with Mr. Koryzno and that he will be missed. He added that he looks forward to being able to call upon him for assistance and direction in the future. Mr. Doe thanked him for his service to the YCUA Board.

Mr. Koryzno added that he looks forward to receiving the invitation to the dedication of the expanded wastewater treatment plant.

B. Request to Approve – YCUA Resolution No. 07-6 Adopting Act No. 88 (Municipal Employees Retirement System of Michigan) - Larry R. Thomas

Mr. Thomas directed the Board's attention to Resolution No. 07-6, which will adopt the provisions of Act 88, Public Acts of 1961 (as amended). He indicated that, upon approval of the resolution, the Authority will then become a reciprocal unit under the Reciprocal Retirement Act of Michigan. Mr. Thomas also explained that approval of this resolution allows for years of service credit to stay with a member of a reciprocal retirement system who leaves the employment of one reciprocal municipality for another. He pointed out that, in order to take advantage of this allowance, the employee must not withdraw his or her accumulated deposits from the preceding municipality's retirement program.

Mr. Thomas explained that the end effect of this is that an employee who starts at the Authority from another municipality could be vested in YCUA's retirement in less than 10 years. He further advised that the

reciprocal is also true in that one of our current employees, if he or she were to take a position at another municipality, would be vested in a minimum of 30 months. Mr. Thomas stated that adoption of this resolution would be advantageous to the Authority when recruiting candidates with experience for open positions and advantageous to its employees who wish to leave the Authority and work in another municipality.

Mr. Thomas recommended approval of YCUA Resolution No. 07-6 Adopting Act No. 88 (Municipal Employees Retirement System of Michigan).

Larry J. Doe inquired as to whether this translates into any cost to the Authority. Gwyn Belcher responded that the only cost, if any, is that YCUA could potentially be paying out of the MERS fund a pension before 10 years. She added the likelihood of this happening is very small and that it does not increase the employer's contribution requirement.

Motion by Scott to approve YCUA Resolution No. 07-6 Adopting Act No. 88 (Municipal Employees Retirement System of Michigan). Support by Koryzno. In favor: All. Opposed: None. (Motion carried.)

C. 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.

D. Financial Report – Authority Net Assets - Larry R. Thomas

Mr. Thomas directed the Board's attention to the Financial Report – Authority Net Assets Report for April. 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.

E. Usage Report – Consumption Report - Larry R. Thomas

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 report and answered questions from the Board.

J. Ray Scott inquired as to whether the flattening out in the consumption figures is a result of so many factories leaving the area. Mr. Thomas responded that the figures are a result of last summer's wet weather as well as the general conservation efforts of many customers in response to economic factors. Gregory A. Peoples inquired as to whether the figures could also be contributed to the high number of foreclosures and vacant

homes. Mr. Thomas responded that that is a minor contributing factor.

Informational only; no motion from the Board required.

F. Attorney's Report – Thomas E. Daniels

Mr. Daniels advised the Board that IDI, the contractor installing YCUA's replacement incinerator, remains substantially behind on punch list items. He indicated that the most recent significant event was a conference call last Friday with Mr. Thomas, T. Michael Jessee, the consulting engineers, and Christman Company. Mr. Daniels also explained that he is waiting for a plan from IDI as to when they intend to have the project completed. He pointed out that one option would be to put them in default under the contract and notify their bond company but that YCUA is getting enough work out of them now that it is not prudent to give them a notice of default. Mr. Daniels explained that IDI is making progress on the punch list but that it has been slow and difficult.

Mr. Daniels advised the Board that ABC Paving is a company that sued YCUA last year for \$33,000 arising out of their claim on a project that involved the installation of infrastructure along with some repair work by the road commission. He indicated that the case was dismissed in the trial court on a motion for summary disposition filed and that, at this time, ABC has filed a claim in the Court of Appeals but that their brief has not yet been received. Mr. Daniels also explained that things go so slow in the Court of Appeals that the matter is not likely to be resolved for another 12 to 18 months.

Mr. Daniels also explained that his final item is a situation involving damage to a sanitary main that occurred when C.A. Hull and MDOT were putting in the I-94 sound wall near Harris Road and the I-94 service drive. He pointed out that YCUA had prepared a complaint but that the State of Michigan Attorney General's office and representatives from C.A. Hull and MDOT recently requested a meeting and asked YCUA not to proceed with a suit so that they can negotiate a settlement. Mr. Daniels explained that the Authority is in agreement with this and that the meeting will not include lawyers.

Mr. Daniels advised the Board that he spoke with Larry R. Thomas about this agenda item and indicated that there will be months where there will be no significant legal issues to bring to the Board. He indicated that there is not a day that goes by that he doesn't have contact with some member of the YCUA staff and that he works on YCUA legal business on a daily basis, some days for several hours. Mr. Daniels also explained that there are four significant sources of legal issues at YCUA: customers, vendors and contractors, contract communities and municipalities, and industrial pretreatment entities.

J. Ray Scott agreed but added that he would still like to hold this item open even if it is only as an opportunity for the Board to ask questions.

Informational only; no motion from the Board required.

G. Director's Report - Larry R. Thomas

Mr. Thomas advised the Board that, last month, YCUA made the final payment for the bonds taken out by the county for the original construction of the wastewater treatment plant. He indicated that the county no longer has a claim on the original plant. Mr. Thomas also explained that the original amount was \$14 million and that 80% of the original cost was paid out of grant money.

Mr. Thomas explained that YCUA received a national ACEC award and that he attended the banquet in Washington, DC with Joh Kang and Donald Lund. He further advised that the award was hanging in the Boardroom for their enjoyment. Mr. Thomas congratulated the Board for this award.

Informational only; no motion from the Board required.

4. OLD BUSINESS:

H. Lack of Vendors – T. Michael Jessee

Mr. Jessee reminded the Board that, at the previous month's meeting, Board members inquired as to why the Authority has been receiving so few responses to its Requests for Proposals. He indicated that YCUA staff contacted some known prospective vendors and asked why they have not been bidding. Mr. Jessee also explained that, in the case of the roof replacement project, Roofcon Incorporated indicated that they did not have time to bid the job, that Duke Roofing advised that their subcontractor did not respond in a timely fashion, that Crane Roofing responded that a clerical error prevented them from submitting their bid on time, and that McDonald Roofing indicated that they did not receive a direct invitation to bid.

He pointed out that, in the case of the sanitary relining project, there was a second bid on the project that he was not aware of but that the bid was not considered because it came in 30 minutes late. Mr. Jessee explained that bidding protocol states that late bids are not opened and are returned to the vendor. He further advised that Engineering Manager Scott Westover did some investigating and discovered that there are only three companies in the area that now do sewer relining and that many of those suppliers have moved on. Mr. Jessee stated that, in another conversation with Triangle Excavating, a company that worked for YCUA two years ago, Mr. Westover learned that they are now operating out of Oklahoma. He acknowledged that Triangle's representative advised him that many companies have left southeastern Michigan due to the lack of work.

Mr. Jessee confirmed that this issue was discussed internally and that staff has decided that an electronic notification service for prospective bidders is in order. He explained that all subscribing vendors will be notified via email each time a project is being bid out. Mr. Jessee pointed out that the YCUA webmaster will be in charge of placing a sign up link on the Authority website and also maintaining the email list and distributing the communications. Mr. Jessee then turned the podium over to Finance Director Jeffrey L. Williams, who addressed the Board.

Mr. Williams advised the Board that he did some online investigation to see if there were other communities that have experienced a similar situation related to reduced numbers in response to bid requests. He indicated that Northampton, Pennsylvania has found itself with similar findings and that it was determined to be a communication issue. Mr. Williams also explained that he contacted the Washtenaw County purchasing department to determine if they had experienced anything comparable. He pointed out that the county uses the Mitten process for RFPs, which is an acronym for the Michigan Intergovernmental Trade Network and allows for simultaneous notifications of those vendors who subscribe via email to their electronic notification list. Mr. Williams explained that staff has discussed setting up something similar at YCUA and it has been determined that it can be very easily done at no additional cost to the Authority or its vendors. He further advised that vendor participation is voluntary and that vendors can unsubscribe at any time. Mr. Williams stated that this will be in addition to the traditional means of advertising bid requests via the YCUA website, newspapers, and magazines. He acknowledged that the notification will occur simultaneously to all subscribing vendors usually the last workday prior to the normal weekend newspaper notifications. Mr. Williams confirmed that staff hopes this will improve the timeliness of the communication between YCUA and potential vendors, consequently leading to an increased vendor bidding response rate.

J. Ray Scott thanked staff for being proactive and for sharing an exchange of information, which is excellent in today's market. He also commended staff for their involvement and teamwork.

5. OTHER BUSINESS:

There was no other business for the month.

- 6. STATEMENTS AND CHECKS:** Motion by Koryzno to pay the bills in the amount of \$2,514,576.44 plus an addendum in the amount of \$358.75. Support by Scott. In favor: All. Opposed: None. (Motion carried.)

7. PUBLIC COMMENTS:

There were no public comments for the month.

8. **ADJOURNMENT:** Motion by Koryzno to adjourn the meeting at 4:34 p.m. Support by Scott. In favor: All. Opposed: None. (Motion carried)



Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Mark Namatevs', written over a horizontal line.

MARK NAMATEVS, Secretary/Treasurer

YCUA RESOLUTION No. 07-6 ADOPTING
ACT No. 88
(MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN)

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 May 2007 at 4:00 o'clock p.m., Eastern Daylight Time.

PRESENT: Commissioners Larry J. Doe, Edward B. Koryzno, Jr., J. Ray Scott, and
Gregory A. Peoples

ABSENT: Commissioners Mark Namatevs

The following resolution was offered by Commissioner Peoples and supported by Commissioner Scott:

BE IT RESOLVED, that the Board of Commissioners of Ypsilanti Community Utilities Authority elects to adopt the provisions of Act 88, Public Acts of 1961, as amended, and become a reciprocal unit under the Reciprocal Retirement Act; and

BE IT FURTHER RESOLVED, that a certified copy of this Resolution shall be filed within ten (10) days from the date of this election with:

Michigan Department of State
Office of the Great Seal
7063 Crowner Boulevard
Lansing, MI 48918

and

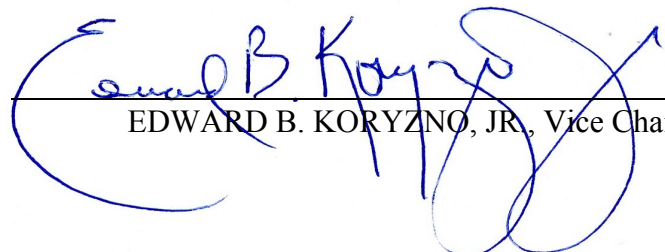
Municipal Employees'
Retirement System of Michigan
1134 Municipal Way
Lansing, MI 48917

AYES: Commissioners Larry J. Doe, Edward B. Koryzno, Jr., J. Ray Scott, and
Gregory A. Peoples

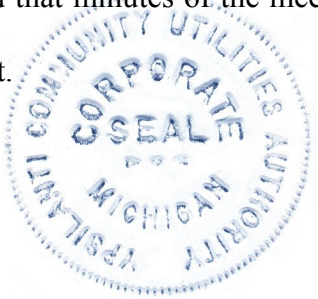
NAYS: Commissioners None.

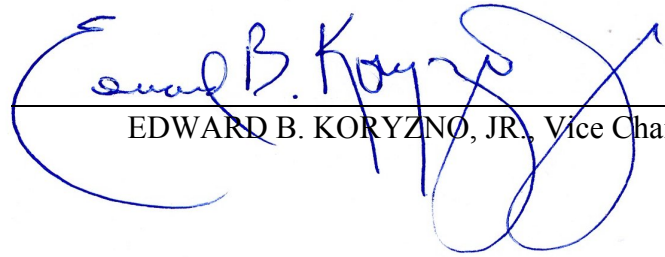
RESOLUTION DECLARED ADOPTED.




EDWARD B. KORYZNO, JR., Vice Chair

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 May 2007 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.




EDWARD B. KORYZNO, JR., Vice Chair