

**DOVER EYOTA ST. CHARLES AREA SANITARY DISTRICT**  
**Minutes of Board of Directors Regular Meeting**

**December 15, 2015**

**Members Present:**

Wayne Getz  
Ray Schuchard  
Bill Spitzer  
Angela Waits  
Wes Bussell  
Matt Elder

**Staff:**

Paul Ihrke  
John Brogan

**Guests:**

Timothy Ernste, Bremer Investment  
Services

**Absent:**

Tyrel Clark

**1. Call to Order:**

Vice-Chairman Wayne Getz called the meeting to order at 7:05 p.m.

**2. Set Agenda:**

Motion made by Wes Bussell to set agenda as presented. Seconded by Matt Elder.  
All voted in favor. Motion carried.

**3. Approve Minutes of the November 17, 2015 Regular Meeting:**

Motion made by Ray Schuchard, seconded by Angela Waits to approve the regular meeting minutes of November 17, 2015. Five voted in favor. Matt Elder abstained. Motion carried.

**4. Approve Receipts & Disbursements and Summary of Assets:**

Motion made by Wes Bussell to approve the Receipts and Disbursements/Summary of Assets as presented. Seconded by Matt Elder. All voted in favor. Motion carried.  
There was no discussion on the 2015 budget.

**5. Timothy Ernste, Bremer Investment Services, to discuss reinvesting CD's:**

Mr. Ernste is a financial advisor with Bremer Bank and brokers through Raymond James Financial Services, Inc. In light of the low interest rates that banks offer he has a couple of different investment options. These options do not involve the stock market only bond funds. The first option is a short duration income fund. It is all short term bonds. It is the safest one and has only lost money once in the last 10 years with the market crash in 2008. Right now it has a 2.67% dividend yield. Only get hurt with this one when the interest rates go up really fast but they are anticipating interest rates to go up a ¼% at a time. This is a very low cost fund and several options are (with a \$200,000 minimum investment):

- a) A Share – there is a 2.25% fee up front
- b) C Share – pay as you go, no upfront fee, 1% backend fee for the first year and a 1.6% embedded fee
- c) F Share – (which Mr. Ernste recommends), the fee is .49%. It would be set up as an advisory account with an additional 1% fee however, there is never a fee in or out. This account would be tied to the checking account so you can get in or out at any time.

The second option is a floating rate fund. This is loans to big corporations. There are

more risks with this fund but the yield is over 4% right now. Mr. Ernste feels that we should start with a 60-40 mix, 60% in the short duration fund and 40% in the floating rate fund.

In further discussion Wes Bussell stated that someone at the plant would have to be on top of this all the time, understanding what is going on. Matt Elder said that the reason for paying a fee is that it is Mr. Ernste's job to stay on top of this for us. Matt agrees with the 60-40 mix and commented that it is a safe route, bonds are a safe bet.

Mr. Ernste was asked how often he would be available for reviewing these investments. Mr. Ernste stated that he's always available, could start by coming back to the Board every 3 months to review. Wes Bussell would like to hear an opinion from our auditor on investing in these funds. Motion made by Wes Bussell to table investment decisions until an opinion has been obtained from the auditor.

Seconded by Matt Elder. All voted in favor. Motion carried.

Mr. Ernste suggested that the auditor be asked if a fidelity bond should be obtained for the group.

**6. Plant Update:**

a) Still have flashing to do on the roof. They did a good job.

b) Cameras are installed. System can be expanded to add more cameras. Paul should get a cost on more cameras. Could install one at the front door, gate, shop and ditches. HBC also has some ideas for the meters.

c) Permit renewal has been sent in.

d) Electrical problem is fixed.

e) Air conditioning units were unhooked to complete roofing project. Will be hooked back up in the spring unless they are replaced. Paul will get estimates from HiMec and Southeast Mechanical.

f) Had one bearing out on a rotor and it has been replaced.

**7. Adopt Resolution 15-03, 2016 Budget in the amount of \$790,959.94:**

Motion made by Matt Elder to adopt Resolution 15-03, establishing the 2016 budget in the amount of \$790,959.94. Seconded by Angela Waits. All voted in favor. Motion carried.

**8. Other Business:**

a) Wes Bussell stated that he would like to continue as a board member for 2016.

Motion made by Ray Schuchard to appoint Wes Bussell as the Director at Large for 2016. Seconded by Matt Elder. All voted in favor. Motion carried.

b) At the November board meeting the board approved a \$10.00 per meeting increase in the payments made to board members. Clarification needs to be made as to the effective date of this increase. Motion made by Ray Schuchard to make this increase effective January 1, 2016. Seconded by Angela Waits. All voted in favor. Motion carried.

There being no further business a motion was made by Wes Bussell, seconded by Ray Schuchard, to adjourn the regular meeting at 8:08 pm. All voted in favor. Motion carried.

Respectfully Submitted,

*Cathy Kennedy*

Cathy Kennedy