

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

**April 19, 2016**

**Members Present:**

Angela Waits  
Ray Schuchard  
Wayne Getz  
Wes Bussell  
Matt Elder

**Staff:**

Paul Ihrke  
John Brogan

**Guest:**

John Wolter, Hawkins Ash CPA's

**Absent:**

Bill Spitzer  
Tony Nelson

**1. Call to Order:**

Vice-Chairman Wayne Getz called the meeting to order at 7:00 p.m.

**2. Set Agenda:**

Add item #10, Adopt Resolutions set forth in the "Governmental Certificate" as related to the line of credit. Motion made by Ray Schuchard to set agenda with the addition of item #10. Seconded by Wes Bussell. All voted in favor. Motion carried.

**3. Approve Minutes of the March 15, 2016 Regular Meeting:**

Motion made by Matt Elder, seconded by Ray Schuchard to approve the regular meeting minutes of March 15, 2016. Four voted in favor. Wes Bussell abstained. Motion carried.

**4. Approval of Receipts and Disbursement/Summary of Assets:**

Motion by Ray Schuchard to approve the Receipts & Disbursements/Summary of Assets as presented. Seconded by Angela Waits. All voted in favor. Motion carried. There was no discussion on the 2016 budget.

**5. John Wolter, Hawkins Ash CPA's, to present 2015 audit report:**

John Wolter has not yet arrived for the meeting. Will come back to this item.

**6. Plant Update:**

- a) No word yet from the MPCA regarding the permit renewal.
- b) The sidewalk up to the front door needs replacing. Operators would like to do this work themselves as John has experience working with cement. Motion made by Wes Bussell to allow them to go ahead and do cement work. Seconded by Ray Schuchard. All voted in favor. Motion carried.
- c) Will be doing tree trimming in the next couple of days.
- d) Flows are down low enough to shut down half of the plant.
- e) They are getting bids for driveway repair.
- f) The landscaping has been fixed from the damage done by Merit. Payment to Merit for the roof should now be made.

g) Russ Stammer stopped by and he is now with V & K, Inc. out of Rochester. He would like to be considered for future work done at the plant.

**7. Request to lease a newer copier from Metro Sales:**

Request to lease a refurbished Ricoh copier from Metro Sales, currently leasing a Minolta copier from Metro. Comparison sheet between the two copier shows that the monthly lease for the Ricoh is \$20 higher but the service agreement costs are lower than the Minolta resulting in an increase in monthly costs of \$8.77. The current copier lease agreement does not expire for another year. However, since we are leasing a different copier from Metro there are no penalties for cancellation of the old lease. Motion made by Matt Elder to lease the Ricoh copier from Metro Sales. Seconded by Angela Waits. All voted in favor. Motion carried.

**8. Performance Enhancement Plan Update:**

Wes Bussell's plan is ready to present to the personnel committee but the personnel committee has not yet had a meeting. Tabled until May 17<sup>th</sup> board meeting.

**9. Other Business:**

Regarding May's employee time off calendar Wayne Getz asked how John and Paul could be off at same time for that many days and if that will work. John said that he will be at the 6<sup>th</sup> grade camp at Whitewater park. Paul said that he was going to be out of town but John will be around to do testing.

**10. Adopt Resolutions set forth in the "Governmental Certificate" as related to the line of credit:**

The government certificate authorizes the three check signers (Bill Spitzer, Angela Waits, Wayne Getz), to take such actions as borrow money, execute notes, grant security, execute security documents, negotiate items as related to the line of credit on the Raymond James Investment account. Motion made by Wes Bussell to adopt Resolution 16-02, Governmental Certificate, relating to the line of credit. Seconded by Angela Waits. All voted in favor. Motion carried.

**5. John Wolter, Hawkins Ash CPA's, to present 2015 audit report:**

John Wolter has arrived for the meeting, will now continue with item #5 on the agenda. There are a couple of changes to the audit report due to pension changes. The District's portion of PERA needs to be recorded in the financial statements. On pages 4 and 5, of the audit report, the deferred inflows and outflows are calculated by the PERA auditor. On page 6, in reference to the employment retirement fund and payroll taxes, the difference in the \$47,000 amount for 2015 and the \$21,000 for 2014 represents this years portion of unfunded liability. In referring to page 24, the District does not budget for this amount because the budget only represents operating expenses. Pages 1-23 of this report are basically accounting theory and page 24 is the actual financial activity. Mr. Wolter stated that if it weren't for these pension reporting changes the change in net position, on page 6, would have actually been a tad higher than 2014 so you are doing alright financially. The additional letters, included with the audit report, contain the

same information as past years with the addition of the item “unfunded pension liability”. The year end adjusting journal entries included entries to record pension changes and an accrued interest entry. In future years it makes more sense for the auditors to calculate and provide the pension entries than to try and do it in house. Motion made by Wes Bussell to adopt the 2015 audit report as presented. Seconded by Matt Elder. All voted in favor. Motion carried.

There being no further business a motion was made by Wes Bussell, seconded by Angela Waits, to adjourn the meeting at 7:43 pm. All voted in favor. Motion carried.

Respectfully Submitted,

*Cathy Kennedy*

Cathy Kennedy