

MINUTES OF THE ELM RIVER TOWNSHIP BOARD MEETING
FEBRUARY 18, 2016

The regular Elm River Township monthly meeting was called to order at 6:30 pm by Supervisor Reynolds. Members present: Supervisor Reynolds, Treasurer Reynolds, Trustee Trudgeon, and Clerk Brandt. Trustee Kelly absent.

AGENDA: Approval of the agenda with correction of adding correspondence about Liquor Control. Trudgeon/C Reynolds, all vote aye.

APPROVAL OF MINUTES OF THE JANUARY 21, 2016 REGULAR MEETING: Motion to approve J Reynolds/C Reynolds, all vote aye.

TREASURERS REPORT: Balances are off the statements dated January 29, 2016, Superior National Bank General Account \$145,462.93, Superior National Bank Tax Account \$90,070.74. River Valley Bank Account balance as of December 31, 2015 \$3.88 which is interest and that account is closed. Motion to approve Trudgeon/Brandt, all voted aye.

ASSESSOR REPORT: John Botto attended the MTA Board of Review training and also the Upper Peninsula Assessors Association meeting. Jack and Richard also attended. The MTA was the better one to attend. The property tax increase notices will be printed by Houghton County Equalization, probably the 27th; they have to be 14 days before our first meeting which is the March 14th. I did get your address changes. C Reynolds: I held them and did a spreadsheet and shipped it to all of you.

CORRESPONDENCE: *We received a letter from the US Census Bureau and in a couple of weeks they are going to send us a survey.*From the state we got a Certificate of compliance of the Liquor Control Code, enforcing the provisions and rules as required by law section 543, Act 58, P.A. Cheryl took care of it, and sent it back.

OLD BUSINESS: We sent a email to Rukkila's office stating we are not going to pay the balance of \$2,100 from the last statement, after the meeting the board had with them. C Reynolds: We just paid the balance to them for the last payroll, which was \$115.00. J Reynolds: It is \$2,300, they did not provide those services and we are not paying the bill. C Reynolds: Did you hear back from him? J Reynolds: I told him if it was problem email me back and have not heard back from Peter Negro.

NEW BUSINESS: *We have to do a resolution for Poverty Property Guidelines with the 2016-2017 updated numbers, this is a yearly thing. J Reynolds offers it, C Reynolds 2nd did a roll call vote and it was passed. This is something that hasn't been done since 2008.

*Budget Hearing in March. Board of Review is Tuesday and Friday so this would be Wednesday. J Reynolds made the motion to have Budget Hearing Wednesday, March 16th, 2016 at 6:30 pm-seconded by Brandt all in favor aye. A notice needs to be in the paper six days prior.

*Garbage: So how is the new garbage service so far? Any problems? January 11th pickup we had 74 pick ups for \$444. and January 25th we had 63 pick ups for \$378 the total of \$822.00 for the

month of January which is \$3,000 less than before. Audience: How are we billed on that per bag? J Reynolds: the township is billed \$6 per stop. C Reynolds: Our bill with Waste Management was \$3,800 a month. J Reynolds: We know it will go up come summertime; Waste Management was 6 months winter and 6 months summer. Like Greg said come May 1st you are not going to have 250 people here, this way we are being charged for what services are being provided. It is a huge savings now and it is going to be higher bill in the summer months when it is weekly. Audience: Did Waste Management get back with their proposal? J Reynolds: The new proposal for this year was \$4,040 a month and they decided to take \$40 off and make it \$4,000 a month. J. Reynolds: I am glad it is working out.

*Coleman Engineering: I have follow up questions for him and might try to get him to come to a meeting to give a better description, if there is a re-occurring cost maintenance fee. J Botto:

They have to get the BS&A data base from us. *Audit Update: Cheryl did send Brenda an email before our last meeting for an update; we don't have the audit back yet. Brenda had other audits to work on so she will be jumping back into ours next week. She will be sending emails for updates and required. So soon we will have our final numbers and be able to move forward.

*USDA Fire Truck Payment: Joe had asked about the USDA fire truck payment, we do have information on that. The current balance is \$24,000 and March 1st we owe an interest payment of \$501.61. September 1st will be a \$9,000 principle payment. The numbers are directly from the USDA. Joe: So we have a fund balance, thank you.

FIRE DEPARTMENT: We had one snowmobile rescue call with our new snowmobile. *We picked up the Cascade System that was given to us from the Otter Lake Fire Dept. We also received a pump, they gave us almost \$20,000 in equipment. Audience: Why did they do that? J Reynolds: They had equipment they were not using. C Reynolds: Did you contact the insurance company? We will need the information for the next audit. J Reynolds: Not yet because it is not in service yet, once in service Hannula's will be notified.

PAYMENT OF BILLS: Paying bills in the amount of \$4,492.63 and payroll in the amount of \$2,739.90. Brandt/Trudgeon to pay the bills, all in favor aye.

CITIZENS COMMENT: *Cindy H.-Is there a notary on the township board? J Reynolds: No, not sure if it is required but I will find out. Cindy also stated could only see the first page on the minutes on our website. *Joe S.-When the audit is done, are we going to be able to have fund balances for everything? J Reynolds: yes. *Jack R.-The township is very fortunate to have two first responders that are excellent and quick to respond for the snowmobile accident. Like to say good job to the Reynolds. *Richard K.-I got a call from Steven Wright the engineer that did the study on the lake levels, they wouldn't listen to me back then when we were doing anything. They want me to go to a meeting with him and John Pekkala to discuss the construction of the new dam that they are going to put in. Next Tuesday is when I have to go to the meeting; they asked if I would be there. J Reynolds: Is this to get the project started? Richard: No it is to approve the construction, or if I have any input on it. I am not an engineer but I will go and find out.

BOARD COMMENTS: *J Reynolds: Sherri can you make sure the BOR members are aware of the upcoming meetings by e-mail or whatever. I am currently working on the budget; there has never been a budget officially active, or done correctly in our computer system per the State of

Michigan. There were some weird budgets that were approved by the board, nothing was done with them for several years. Making this budget is going to be huge for the township. The problems are: I am thinking we are going to owe \$30,000 for the audit, we have CFR money that wasn't paid, they didn't pay it. \$11,000 for the IRS, which is payroll tax that hasn't been paid since 2011. We have had some very large bills, and we are coming up on more very large bills. There are going to be a lot of changes as far as the budget, hopefully we can gather some money from the garbage savings, I can say that there will not be dust control for \$9,000 this year. There is a lot that has to change because we can't afford to do it; we are trying to correct the problems that were here when we were appointed. We are doing things right and we are doing them on time; we don't want negative balances and twenty pages of problems to fix when we get the audit. We are doing what the State is asking us to do, we cannot continue to do things the way they have been done in the past. There are major problems, we are not out of the woods yet. The road millage is put as capital outlay, it is going to be a savings account. The liquor control overspent each year, for many years. I had my cousin Jody Reynolds that is really good with the BS&A software came up last Saturday, she was absolutely floored on what has been going on. Overspending, all the red flags were there, everybody just pushed them to the side. There will be several budget amendments during the course of the year, I am going to try and get it as close as I can. Audience: Are you required to have a balanced budget? J Reynolds: The approved budget has to be balanced. The hard part is we are not going to have the actual numbers back before I do the budget. There could be balances carried over but we don't know what they are yet. It truthfully is a mess, way worse than I thought. I could not find anything of an approved budget in the files and you are welcome to see the ones that were passed with all the lines and arrows with numbers crossed out. We are on the road to repairing this mess. C Reynolds: Now you know how bad it was. J Reynolds: Yes it is a disaster, it really is. Audience: Is there a profit/loss statement that is carried over month to month? J Reynolds: There will be soon. J Reynolds: using Rukkila the board took a cut in pay and they sent their work to them to do it. The problem we had with that was we use the same BS&A software as Houghton County. Rukkila's did it on a different version. Everything that was reconciled, everything that was done was brought up to us on a flash drive that we paid thousands and thousands of dollars for and it was not compatible with our system. So all the work that Rukkila's did was not entered into our computer, Cheryl and Sherri are recreating the whole system. Peter Negro said this wasn't done and asked what can we do to help? At that time Sherri and Cheryl were recreating the system and they only wanted their hands on the system. C Reynolds: We just need starting numbers. Fiscal runs from April 1 to March 31, so the audit they are working on now is the previous fiscal year. J Reynolds: I will be meeting with the county to resolve some more problems. J Reynolds: It is a learning experience, a very difficult one to understand when so much was not done, many things were not done on time or not done correctly. C Reynolds: The last day to collect taxes is February 29th from 5:00 pm to 7:00 pm here at the building. Joe S: I want to thank you guys for working on this project; it was messed up since 2004.

Next meeting is March 17, 2016 at 6:30 pm, motion to adjourn J Reynolds/Brandt at 7:20 pm all in favor aye.

