

**REGULAR MEETING OF THE BOARD OF
COMMISSIONERS OF THE METRO EAST
SANITARY DISTRICT, ST. CLAIR AND
MADISON COUNTIES, ILLINOIS HELD ON
WEDNESDAY, JUNE 22, 2016 AT 1800 EDISON
AVENUE, GRANITE CITY, ILLINOIS AT 9:00
A.M.**

President Pennekamp called the meeting to order and the Clerk recorded the attendance.

The following was the attendance:

Present: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.
Absent: None.

Also, attending the meeting were Executive Director Bob Shipley, Attorney George Filcoff, Attorney Larry Calvo, Director of Operations Walter Greathouse, Acting as Deputy Clerk Cindy Worthen, Treasurer Ken Davis, Superintendent John Maeras, Superintendent Randy Presswood and Superintendent Rick Fancher.

Michael Brokering with Scheffel Boyle, Certified Public Accountants was also in attendance.

ANNUAL FINANCIAL REPORT FOR YEAR ENDED DECEMBER 31, 2015:

Mr. Brokering presented and explained the Annual Financial Report for Year Ended December 31, 2015:

Management is responsible for the preparation and fair presentation of the financial statements. Scheffel Boyle is responsible for expressing an opinion on these financial statements based on our audit.

In our opinion, the information was fairly stated and the financial statements were correct.

Ms. Heath prepares the Management's Discussion and Analysis report which is listed on pages 4 through 11. I would recommend reading it, if you have not.

Page 12 Statement of Net Position, states the total Cash and Cash Equivalents as \$3,219,701 and Investments – Certificates of Deposit as \$5,967,097. The Total Assets, which includes Cash, Investments, Restricted Cash, Receivables, Prepaid Expenses, Accrued Interest and Capital Assets total \$31,906,137.

Of the \$31,906,137 total assets, the Government side holds \$24,237,171 of the assets, while the Lansdowne Sewage Treatment Department (Business-Type) account has \$8,363,160 of the total assets.

The Total Liabilities for the Government side of the District is \$753,783, included in this amount is \$164,118 owed to the State of Illinois for an overpayment of replacement taxes. The total Liabilities for the Lansdowne Department is \$2,389,189, which includes an Illinois EPA Loan totaling \$1,795,746. Total Liabilities for both Departments is \$3,142,972.

Statement of Activities is listed on Page 13 and shows the Change in Net Position. The Government side decreased by \$652,214, and the Lansdowne Department decreased by \$439,025. The total Change in Net Position for both Departments decreased by \$1,091,239.

The Lansdowne Department Statement of Revenues, Expenses and Changes in Fund Net Position is listed on Page 19. The Total Operating Revenues for the Year Ended March 31, 2015 were \$2,667,134; Total Operating Expenses were \$3,109,005 for a Total Operating Loss of \$441,871.

A discussion followed, and it was agreed that the audit revealed some financial challenges that need to be addressed.

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Motion Commissioner Laub; seconded Commissioner Hanfelder to accept the Annual Financial Report for Year Ended December 31, 2015 and place it on file.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

REPORT OF EXECUTIVE DIRECTOR:

A report from the Executive Director was presented:

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Executive Director Shipley reported that the District received good news from Kyle Shell a Risk Management Consultant for the Insurance Program Managers Group. The workers compensation claims have gone down.

President Pennekamp asked if management is reporting back to the employees. And are the safety trainings helping to keep the claims down?

Superintendent Greathouse replied, "Yes, the Superintendents let the employees know that the workers compensation claims are down. I think the safety trainings help."

Executive Director Shipley, "The Granite City Regional Sewage Treatment Board meeting is today at noon. The new rates will be addressed at the meeting. We plan to question why the District is responsible for such a large percentage of the Treatment Plant. I was not happy that I received an email with additional changes to the packet this morning. This does not give us time to review the changes before the noon meeting."

Treasurer Ken Davis commented that several years ago, the District hired George Salwasser with Horner and Shifrin Engineering Firm to do a study for Metro East Sanitary District on wastewater flow, BOD's and TSS charges. His report showed a different means of measurement than the Granite City Regional Treatment used at that time. His report saved the District a significant amount of money.

President Pennekamp, "We need to get a handle on this issue. I propose that the attendees ask questions and learn more about the methods used to determine the rates."

Treasurer Ken Davis said that the District hired Terry Kelahan in the past to help with the Granite City Regional flow charges. We can also ask Phil Boyer who formerly worked at the Granite City Treatment plant for assistance.

REPORT OF LANSDOWNE OFFICE MANAGER: None

MINUTES:

The minutes for the June 8, 2016 meeting were presented for approval:

Motion Commissioner Laub; seconded Commissioner Hanfelder to dispense with the reading of the minutes, approve them as submitted and place them on file.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

GENERAL FUND CLAIMS:

The General Fund Claims and Specific Claims were submitted for approval:

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Motion Commissioner McCall; seconded Commissioner Laub to approve the General Fund Claims and Specific Claims as submitted and order them paid.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

LANSDOWNE CLAIMS & SPECIFIC CLAIMS:

The Lansdowne Claims and Specific Claims were submitted for approval:

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Motion Commissioner Hanfelder; seconded Commissioner Laub to approve the Lansdowne Treatment Plant Claims and Specific Claims as submitted and order them paid.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

LANSDOWNE REPORT:

The Lansdowne Adjustment Reports were presented for approval:

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Motion Commissioner Darwin; seconded Commissioner Laub to approve the Lansdowne Adjustment Reports as submitted.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

PAYROLL:

The Payroll for the period of May 22, 2016 through June 4, 2016 was submitted for approval:

Motion Commissioner Laub; seconded Commissioner McCall to approve the Payroll as submitted.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

REPORT OF ATTORNEYS:

Attorney Filcoff reported:

I mailed the requested letters to the Cities and Townships to arrange a date to discuss the stormwater entering the Lansdowne System.

I am also working on four (4) Ordinances with Ameren. Superintendent Greathouse is reviewing Ordinance #146.

Superintendent Greathouse, "Attorney Calvo is reviewing Ordinance #146.

This ordinance is from 1913 and there has never been a fee associated with the Ordinance. We also need a permit from the Corps of Engineers to proceed with the proposed renewal of the ordinance."

CORRESPONDENCE: None.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

The 2015 Annual Treasurer's Report for the Metro East Sanitary District period covering January 1, 2015 through December 31, 2015 was presented:

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Motion Commissioner Laub; seconded Commissioner Darwin to accept the 2015 Annual Treasurer's Report as submitted and place it on file.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

EXECUTIVE SESSION: None.

There being no further business, Motion Commissioner Hanfelder; seconded Commissioner McCall to adjourn.

Upon roll call, the motion carried by the following vote:

Ayes: Commissioners Hanfelder, Laub, McCall, Darwin and Pennekamp.

Nays: None.

Absent: None.

So adjourned at 10:04 A.M.

Deputy Clerk