

**REGULAR MEETING OF THE SOUTH MACOMB DISPOSAL AUTHORITY  
HELD ON WEDNESDAY, SEPTEMBER 27, 2023**

Meeting called to order by Chairman Taylor at 4:00 p.m.

Board Member Present

Board Members Roll Call: Robert Taylor, John Caron, Monique Owens, Robert Binson.

Also Present:

Kip Walby, Pete Trombley, Marie Tighe, Kyle Seidel, Michael Way, Tim Tomlinson, Steve Wietecha, Ryan Clark (Woodhill Group) and Michael Rolka (Yeo & Yeo).

MOTION by Caron, supported by Owens to excuse Ghanam from the meeting.

AYES: All

MOTION CARRIED

Approval of Agenda

MOTION by Caron, supported by Binson to approve the agenda.

AYES: All

MOTION CARRIED

Review and Approval of Proposed Minutes

Minutes of the South Macomb Disposal Authority Regular Meeting held on Wednesday, September 13, 2023, were reviewed.

MOTION by Caron, supported by Owens to approve the Minutes of the South Macomb Disposal Authority Regular Meeting held on Wednesday, September 13, 2023 as presented.

AYES: All

MOTION CARRIED

Approval of Payroll and Bills

**Payroll:**

	<u>8/30/23</u>	<u>9/13/23</u>
John Baumgart	\$4,012.38	\$4,032.96
Darren Coleman	\$3,332.68	\$2,152.48
DeMall Goosby	\$3,532.78	\$3,331.12
Robert Shipley	\$2,892.40	\$3,161.46
Rayfield Williams	\$2,005.72	\$3,112.54

**Bills:**

General Fund	\$ 30,872.30
Site 11	\$ 20,731.57
Freedom Hill/Fostoria Landfills	\$ 0
15 & Hayes	\$ 559.50

**Chairman** Robert Taylor    **Vice-Chair** John Caron    **Secretary** Robert Binson

**Board Member** Monique Owens    **Treasurer** Gus Ghanam

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Transfer Station	\$219,354.66
Site 9/9a Buy Back Fund	<u>\$ 55,638.06</u>
TOTAL	<b>\$327,156.09</b>

MOTION by Caron, supported by Owens to approve the Payroll, General Fund, Site 11, Transfer Station, Freedom Hill/Fostoria, and Site 9/9a Buy Back Fund bills as presented.

AYES: All

MOTION CARRIED

**Financial Report**

The Financial Report was presented.

MOTION by Binson, supported by Owens to receive and file the Financial Report.

AYES: All

MOTION CARRIED.

**New Business**

**Director of Operations**

Operations and Administrator update was provided by Kip Walby. Mr. Walby introduced Ryan Clark from Woodhill Group (SMDA accounting firm) and Michael Rolka from Yeo & Yeo (Audit firm).

**Transfer Station Financial Report**

Mr. Walby presented the transfer station financial report through August 31, 2023. The net profits is \$125,751.29. The MSW was up in August at 14,247.87 tons, a difference of 127.91 from July. Compost up 2,072.43 a difference of 999.14 from July. Mr. Walby presented the outstanding customer payment summary. On a separate spreadsheet Campo shows the dates the money wired and applied to what invoice. On Fridays they continue to send \$5000 as agreed. Mr. Caron wanted to follow up from the last meeting when a customer is past due, and they submit a payment, that payment goes towards the oldest invoice and whatever interest is associated with that invoice and starts moving forward.

**FY23 Audit**

Michael Rolka, Senior Manager from Yeo & Yeo presented the FY23 SMDA Audit. He began with the Independent Auditor's report. Yeo & Yeo has issued unmodified opinions. The management responsibilities are to present fair financial statements, design, implement and maintain internal controls. To evaluate the SMDA ability to continue beyond the next 12 months. The Auditor responsibility to obtain reasonable assurance that is materially correct. Exercise professional judgment and maintain professional skepticism. Physically look for risks and create specific procedures to address those risks. Gain an understanding of internal controls, look at all the accounting policies and conclude whether the SMDA has the ability to continue for the next 12 months.

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**Chairman Robert Taylor   Vice Chairman John Caron   Secretary Robert Binson**

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Mr. Rolka presented the highlights of the Governance letter. They look at the accounting policies and see if they are appropriate. They look at the significant estimates that they are unbiased. Mr. Rolka explained the most significant estimates are the useful lives of capitol assets and the post closure care liabilities. They look at all the footnotes' disclosures and identify certain risks like management override of controls and revenue recognition. No difficulties dealing with management or Woodhill Group. No material audit adjustments.

Yeo & Yeo has one recommendation that pay the SMDA Trustees should flow through the payroll system so the appropriate IRS documentation is taken out. Mr. Walby explained that will begin at the beginning of the new year.

Mr. Rolka provided brief financial highlights as of June 30, 2023. He explained the operating revenue at 9,064,112 and operating expenses at (9,142,462) the operating loss is at a negative of (78,350) and the nonoperating revenue 119,421 brings the change in net position to 41,071. The net investment in capital assets is \$1,150,252, unrestricted is 75,001 total net position 1,225,253. Unbilled receivables members for 2023 is 33,804,485 and landfill obligations is 39,272,367. Accounts customer receivable 886,387, applied against that is (85,000) which represents 100% of interest charges outstanding and 2% of transfer charges of the Campo bill. Mr. Rolka pointed out the cash was negative on the books at year end and cash flows were tight. A suggestion is to move some amount of the investments into cash. The upcoming accounting and reporting changes were address and Mr. Rolka explained the SMDA will have no significant impact.

MOTION by Caron, supported by Owens to receive and file the FY23 SMDA Audit.

AYES: All

MOTION CARRIED

**General Update**

Mr. Walby reported that Dianne Schelosky has returned to work after surgery working half days. At the transfer station cameras have been installed. Dirt was moved from the SEMSD facility to Freedom Hill/Fostoria Landfill for cap repair. At Site 11 there is an exceedance of gas. The gas probes installed in 2018 show the gas is going offsite. EGLE request we submit a plan by October 27, 2023. Mr. Siedel will request an extension to hopefully in December 2023. In regard to Site 9/9a, CTI has submitted a proposal for \$9,960.00 this morning to review the information that has been provided by Stonecraft engineers. Mr. Walby reported he will meet with CTI and bring the proposal to the next meeting.

**Attorney Update**

None

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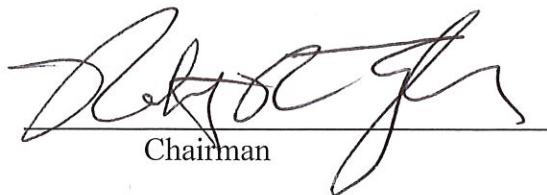
**Public Participation**

There being no public participation, Chairman Taylor called for a motion to adjourn.

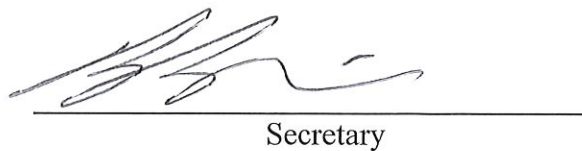
MOTION by Caron, supported by Binson to adjourn the meeting at 4:34 p.m.

AYES: All

MOTION CARRIED.



Chairman



Secretary

**FINANCIAL REPORT**

General Fund - cash on hand- 9/27/23 (Includes Site 11 Leachate, Closure expenses, Transfer Station and misc.)	\$ 256,301.53
Titan Wealth Advisors-9/13/23	
Unrestricted Fund-3016	\$4,929,957.79
Site 9/9a-0956	\$ 461,974.28
AIG Freedom Hill/Fostoria (as of 6/30/22)	\$2,169,907.00
General Fund - accounts payable	(\$327,156.09)
TOTAL	\$7,490,984.51

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