

KALAMAZOO AREA BUILDING AUTHORITY (KABA)

BOARD MEETING

July 7, 2016

The KABA Board meeting was held at Oshtemo Township Hall. Board Chairperson Deb Everett called the meeting to order at 2:00 PM.

KABA Board Members Present:

**Deb Everett, Chairperson and Oshtemo Township Representative
George Cochran, Treasurer and Kalamazoo Township Representative
Carol DeHaan, Secretary and Cooper Township Representative
Ann Nieuwenhuis, Comstock Township Representative
Barney Martlew, At Large Board Member**

Also present: Tom King of Kreis Enderle Legal Firm; Cooper Township Supervisor Jeff Sorenson; Oshtemo Township Assessor Kristine Biddle; Comstock Township Assistant Assessor Claudia Stirton; KABA Building Official Mike Alwine; KABA Administrative Assistant Erin Feist; Aaron Stevens from Abraham & Gaffney, P.C.

Recording Secretary and Transcriptionist: Kerrie LeClercq.

What follows is a transcription of the Board meeting proceedings:

Ms. Everett – Good afternoon, everyone. It's 2:00, so [inaudible] the KABA Board of Directors Meeting for July 7th. First on the agenda is approval of the agenda. Does anyone have any additions, or...?

Mr. Martlew – I have two points I'd like to add. One is, actually maybe Tom, this would be contingent on information that you have regarding the FOIA Request that has been filed. Do you have information that you can comment on that?

Mr. King – Just that we've forwarded, I think Rob forwarded back some information in regard to cost and timing of receipt of the information. The costs seemed somewhat high to us, they are such that...

Ms. Nieuwenhuis – Should we just make it a topic? I don't know if you're asking...

Mr. Martlew – Yeah.

Mr. King – Yeah.

Mr. Martlew - Yeah, I did...

Ms. Nieuwenhuis – If he has something to share, I just...

Mr. Martlew – Yes. Yeah. Yeah.

Mr. King – We can make it a topic.

Mr. Martlew – Yeah. And then the other point is, we have an open position, the Executive Director position for KABA and we've not even talked about that essentially since Ed's departure, so I would like to have a discussion about that, as well.

Ms. Nieuwenhuis – And the other question we had was, and that would be if Carol had had a chance to look at the records that were restored?

Ms. DeHaan – I did.

Ms. Nieuwenhuis – If we could have just a report from her.

Ms. Everett – You want that as an agenda item?

Ms. Nieuwenhuis – Yeah.

Mr. Cochran – Where do you want to go with them? What...

Ms. Everett – You're welcome to sit up here if that makes your life easier.

Mr. King – No, I'm fine.

Ms. Everett – Ok.

Mr. King - Wherever you'd like me. If you want me to come up there...

Ms. Everett – I just [inaudible] take notes and stuff.

Mr. Cochran – Where do you want to put them in, Deb? These items?

Ms. Everett – I think we'll just add them at the end. Ten E, F, and G.

Mr. Cochran – Oh, right down here? Operations decisions, or...?

Ms. Everett – Ok, any other...? So we have three additions to the agenda.

Mr. Cochran – I would move we accept the agenda as amended.

Ms. Nieuwenhuis – Support.

Ms. Everett – We have a motion and support for approving the agenda. All in favor?

Multiple voices – Aye.

Ms. Everett – Any opposed? Motion carries. On the consent agenda, we have approval of the minutes from the June 23rd meeting, Building Report, Administrative Report, and the Financial Reports. Is there anyone that wishes to have anything removed from the consent agenda? Seeing none, look for a motion to approve?

Ms. DeHaan – So moved.

Ms. Nieuwenhuis – Support.

Ms. Everett – We have a motion and support to accept the consent agenda. All in favor?

Multiple voices – Aye.

Ms. Everett – Any opposed? Motion carries. Next is citizen comments on non-agenda items. Anyone wishing to comment on non-agenda items? Ok. Next is a report from BS&A.

Ms. DeHaan – I think this is somewhat updated as far as the dates are concerned because the Supervisors have made some changes from this. A telephone conference was held on June 27th, 2016, at 1:30 pm with Lori Merian from BS&A Software and software developers Mark Aikman and David Culham. The conference call included Township Supervisors from Kalamazoo, Cooper, Comstock and Oshtemo, Mike Alwine, KABA, Carol DeHaan and other miscellaneous staff invited by the Township Supervisors. Questions were asked and answered by BS&A concerning the separation of Cooper and Oshtemo from the Kalamazoo Area Building Authority. The majority of the discussion concerned the attachment files that would remain as a full file but shared by each authority. It was pointed out that the only way you could access information is by an appropriate address and/or parcel number. There were several specific questions asked of BS&A and they were asked to respond to the questions in writing. I won't read the program about when it will be down, because that's still under discussion. KABA will provide a complete list of all business transaction for the other units, and I don't know where that stands, either. Please note that I did not make formal notes of the telephone conference, this is simply my recollection of the telephone call.

Ms. Everett – Thank you. Any questions or comments?

Ms. LeClercq – Do you have an extra copy of the summary?

Ms. DeHaan – Sure.

Ms. Nieuwenhuis – In regards to that, when I do the Supervisors report, I can give you the new dates. I did [inaudible] the BS&A software, what it would cost. I don't know if we want to talk about that here, or...?

Ms. Everett – Did everyone get that email this morning?

Mr. Cochran – Yes.

Ms. DeHaan – I did not see it.

Ms. Nieuwenhuis – I don't know who sent it.

Mr. Sorenson – I sent it.

Ms. Nieuwenhuis – Anyway, it shows [inaudible], it shows that they're anticipating the cost to be \$4,000.00.

[Multiple inaudible comments]

Ms. DeHaan – That's not. Its two different things. Its two different things. The reason...that is why it was discussed to keep it in one file because they knew it was going to be much more expensive to do an extraction of the attachment file. Because of the amount of items that were in it. So it would be \$1,500.00 for Oshtemo and Cooper to extract per unit, and then it was going to be an additional to \$4,000.00 to separate the attachment directory. That's my understanding.

Ms. Nieuwenhuis – And that's what we wanted.

Mr. Sorenson – Yeah.

Ms. DeHaan – So, I did not know that decision had been made. They want them separated.

Ms. Nieuwenhuis – Jeff, is that...?

Ms. Everett – Who's making that decision?

Mr. Cochran – The Supervisors.

Mr. Sorenson – I thought it was going to stay together but you wouldn't be able to access...like we would not be able to access Kalamazoo Township or Comstock's, but it would be there but we would have no information or know what the parcel numbers to the addresses or anything would be. That's what I was thinking. So, I didn't realize we were going to spend the extra money on that. I'm not saying I'm against it, I'm just saying I didn't realize it.

Mr. Cochran – That should...

Ms. Nieuwenhuis – Well, and I don't think Supervisors have made a determination. That's why I was surprised to see the bill for \$4,000.00. That's why I wanted to be able to have some conversation about it.

Mr. Sorenson – When I talked to Lori yesterday to ask her about changing the dates, this is what she sent me back and that's what I forwarded to everybody, so...

Ms. DeHaan – So she's responding from what the request was, to get a price. That was quite explicit at the phone conference.

Ms. Nieuwenhuis – Right.

Ms. DeHaan – But I think with the discussion from some of the people that work in the different departments, they all acknowledge the fact that having a shared attachment file would not mean that each unit had access to everybody else's info. You only access to attachments by putting in the proper

address and/or parcel number. So it's really not...it's just one file. Each entity would access their own information.

Ms. Nieuwenhuis – I didn't get the sense that that was in addition to the quote that you had gotten. But that was the quote. I didn't know you had gotten another quote. So if you guys...I mean, I just saw it before I left, that's why I printed it.

Mr. Sorenson – Ok.

Ms. DeHaan – Its two separate quotes.

Ms. Nieuwenhuis – Ok.

Mr. Cochran – Have we seen the other one?

Ms. DeHaan – Yes, I shared that right away.

Ms. Everett – We had that one some time ago.

Ms. DeHaan – It's a cost that's going to be for Cooper and Oshtemo. It's \$1,500.00 for each entity to get their database.

Mr. Cochran – To get it removed from the joint or just to get their own database?

Ms. DeHaan – To get it removed from KABA's, from the four units. To extract the two unit's data.

Mr. Cochran – I don't know, I...

Mr. Alwine – So that's \$1,500.00 per unit.

Mr. Cochran – Each. Per unit.

Ms. DeHaan – No. Oh, \$1,500.00 per unit, correct, sorry.

Mr. Alwine – So that's \$3,000.00. But that's leaving all of the attachments in...

Ms. DeHaan – One file.

Mr. Alwine – But, and then, so what's this one?

Mr. Cochran – What's the \$4,000.00?

Mr. Alwine – What the \$4,000.00 one?

Ms. DeHaan – The \$4,000.00 which Ann requested that bid, was if each unit's attachments be extracted.

Mr. Alwine – As well.

Ms. DeHaan – As well.

Mr. Alwine – Ok.

Ms. Nieuwenhuis – And I think we were saying that we didn't want that, just because it was going to be so expensive.

Mr. Sorenson – Correct.

Ms. Nieuwenhuis – And it is.

Mr. Sorenson – That's the way, yes.

Ms. Nieuwenhuis - Ok. So...

Ms. Everett – Now we know how expensive it is.

Ms. DeHaan – Yes.

Mr. Sorenson – Yeah.

Ms. Nieuwenhuis – Right. But at least it showed how expensive it was.

Mr. Sorenson – Right. Correct.

Mr. King – Is KABA gonna end up with a copy of the files and records for the time period that it had all the Townships?

Mr. Cochran – It should be. It should. That record has to be kept.

Mr. King – 'Cause it's important for historical questions and things like that that they remain and the extraction is to take an image of that, if you will, and separate it out, but leave the original with KABA.

Mr. Cochran – I think that has to do with Jeff's last, yesterday's email, it came through. The fact that they will close down Thursday and Friday and extract everything, you know, extract the information.

Mr. Sorenson – And they'll [inaudible] on Saturday and Sunday, if they need it, and then it'll be operational on Monday.

Mr. Cochran – And then it'll be operational on Monday. I, I think...

Mr. King – I just wanted to be sure that extraction didn't mean that it's gone from KABA. It means that an image is being made to set up a separate database...

Mr. Cochran – For the two...

Mr. King – For those townships to use...

Mr. Cochran – Right.

Mr. King - On a going forward basis, which they'll need that information.

Mr. Cochran – Right. So they'll have that.

Mr. King – But so will KABA, in case there's some question about...

Mr. Cochran – KABA has to have the historical...

Ms. LeClercq – So we wouldn't just be limited to Comstock and Kalamazoo's information.

Mr. King – You should have the same database information that you had...

Mr. Cochran – The historical information.

Mr. King – When you started.

Ms. LeClercq – Ok.

Mr. King - And then the two townships would get a mirror image of their information, so that going forward, they would have that information to rely on.

Ms. LeClercq – Right. OK.

Mr. King – And that would...

Ms. Everett – It's in the Separation Agreement.

Mr. Cochran – It's just a backup.

Mr. King – Ok. Ok.

Ms. Everett - It's covered in the Separation Agreement that KABA will, KABA shall also retain copies of the casefiles transferred to Oshtemo and Cooper...

Mr. King – Good. Good.

Ms. Everett - On or before...

Mr. King – I just wanted to...I heard extraction and it scared me a little bit.

Ms. Everett – So that's covered in that. [Inaudible comments] The Supervisors discussed and decided it was not necessary [inaudible]. Ok. So, we don't really need to do, we don't need to do anything further with that?

Ms. Nieuwenhuis – I didn't really know what the quote was that I was getting for, but...

[Inaudible comments]

Ms. Everett – Does anyone have any other questions or comments about the BS&A issues? Ok. Next on our agenda is the status report about the June 27th Supervisors meeting.

Ms. Nieuwenhuis – Well, my notes actually include the meeting that we had yesterday. So, in your packet is the email that I sent to everybody and I offered to make the changes to the Resolution and the Separation Agreement, which you have, and I have sent those documents on to the KABA Board Member and/or Township Representative. So, just so you know, as we went through this whole piece, we changed the separation date and the days that things were occurring. So, Mr. Alwine had indicated that it would be easier to have the separation date before the data was split apart. So, we did have quite a lengthy discussion and we came up with a new separation date of October 5th, 2016. And the actual data separation occurring on October 6th and 7th. The need for delineating the pending projects which the attorneys had in the contractual agreements is no longer necessary. I want to thank Mike for making that possible, 'cause the document's actually shorter and easier. So and the next one, I did send a thing to Carol, which she has done, but I did have the wrong dates in there. And my understanding is BS&A has said that going to October 6th and 7th, I wrote 5th and 6th, will work and...

Ms. DeHaan – Jeff called them.

Ms. Nieuwenhuis – Jeff called them...

Mr. Sorenson – Mmmmm-hmmm.

Ms. Nieuwenhuis – And we had a confirmation from them. Then, I did send this on and I knew that it was on a tight time frame, so I want to thank our attorney for getting back. And they did make one suggested change, which Deb Everett had emailed back to me, saying she was in agreement with that. And I just had to hear from the other two entities and I did forward that on to all of you so you could see it. So, and in the Separation Agreement, page 2, they were saying that the Agreement should say “which arise from or are related to actions taken or not taken rather than due against or incurred.” I'll give it to you so you have it. Just because that made it cleaner and easier to be able to understand. And I did not put that in here, because I had not heard back. Are you ok with that?

Mr. Sorenson – I have no problem.

Ms. Nieuwenhuis – Ok.

Mr. Sorenson – I did forward it on to our attorney and I don't think there's going to be an issue.

Mr. King – It simply makes it consistent with the sentence right following, and I think it's clearer language, because you can have things that are not due where yet they were incurred, but they can result both from events that happen before the transfer and as a result, the other language I thought was cleaner and clearer, that whatever happened before the transfer was everybody's responsibility, whatever happened after the withdrawal I'm speaking of, the transfer and withdrawal, then if the event giving rise to the claim, if you will, happened after the two townships withdrew, then it was simply the remaining two townships that are KABA's responsibility. If the event giving rise to whatever [inaudible] claim occurred prior to the withdrawal, then everybody's involved still, because it happened while you were all together.

Mr. Sorenson – Makes sense.

Mr. King – And I thought that language which was used in that sentence was much clearer than the do against or occurred language. I want to point out one thing [inaudible] was that the Agreement is silent on personal property and I think that that's probably something that should be added into the Agreement. I don't think there's a huge amount of personal property...

Ms. Nieuwenhuis – What do you mean by personal property?

Mr. King – KABA'S. It's not being split up. It's staying with KABA right now.

Mr. Martlew – Printer, computers...

Ms. Nieuwenhuis – Oh. It is.

Ms. DeHaan – I understand.

Ms. Nieuwenhuis - Yes.

Mr. Martlew – Furniture...

Ms. Everett – Yeah. Anything they own.

Mr. King – Yeah. Yeah. And I assume when I read it, but it does not explicitly say that and it probably is a good thing, that it should say that just so it's clear.

Mr. Cochran – Yeah, it's gotta be in there.

Ms. Nieuwenhuis – Would you be, can you just send us a sentence or two and we can put this in?

Mr. King – Sure. Sure.

Mr. Sorenson – Actually, what would be...I'm sorry.

Ms. Nieuwenhuis – Yes.

Mr. Sorenson – What would be really helpful is the stuff that you were taking about just before this and maybe any corrects and maybe italicize them or something so we can have it in there, 'cause I've already got my packets together for the Board meeting, but I'll have to make the changes.

Ms. Nieuwenhuis – And I didn't, and what we wanted to do is to be able...there is a place in the Separation Agreement on page 7, it does ask for approval of Deb Everett as Board Chair to be able to sign this. We don't have another meeting until the 21st and if, indeed, everyone was in agreement I was going to make a motion that would ask that Deb Everett be given permission to sign it once the KABA attorney could agree that it was ok for us to sign it.

Mr. Cochran – That would be the proper person.

Mr. King – Yes.

Ms. Nieuwenhuis – So, if you can just send me those two changes...?

Mr. King – Ok. I also noticed that you have two paragraph 6's and no paragraph 5. That's just...I...

Ms. Nieuwenhuis – Oh. Ok. By the way, if you ever get a chance to volunteer to make the changes, don't.

Mr. Sorenson – You did a good job.

Ms. Nieuwenhuis – Yeah. Yeah. Legalese is not easy.

Mr. King – I'm going to insert a new short little paragraph after 4 and before 5 then, on personal property and equipment. I think that should cover it, right? Anything other than personal property and equipment that, that KABA has that should be dealt with?

Mr. Sorenson – Seems like the only [inaudible].

Mr. King – Software.

Ms. Nieuwenhuis – So...

Mr. Cochran – Software's not ours, anyway. Software's BS&A's.

Mr. King – It's licensed. But, and you don't have any patents or copyrights or anything like that, that's gonna be the property of...?

Mr. Cochran – No.

Mr. Martlew – But even if...since we're being explicit, let's, the reason it's there is because KABA's copy of Word, KABA's copy of Excel, is KABA's.

Mr. King – That's why I said software.

Mr. Martlew – So let's be explicit about it.

Mr. King – Yeah. That's why I said software.

Ms. Nieuwenhuis – That's a good idea.

Mr. King – Software and personal property, I'll say.

Ms. Nieuwenhuis – So, the current time table is that Monday, July 11th Comstock has a special meeting and that is K Township and Cooper Township's meetings, correct?

Mr. Sorenson – Ours is on Monday, yes.

Ms. Nieuwenhuis – Monday, the 11th. And then Oshtemo has theirs on Tuesday. So by Wednesday morning the 13th, we should have all of the signatures available and the last person who does that in signing would be Oshtemo and at that point originals would go and Deb would put that date, because the official date doesn't take place until everyone has signed it. That was a big discussion and detail.

Mr. King – I'm assuming there are attachments of Word files? I didn't pull them...

Ms. Nieuwenhuis – Yes, there were Word files.

Mr. King – Ok. So I can pull them off and...

Ms. Nieuwenhuis – We'll need to have that as soon as we can tomorrow.

Mr. King – Yeah, I won't be able to get it done today. Sorry.

Ms. Nieuwenhuis – I don't...no, that's ok. 'Cause packets went out.

Mr. King – Yeah.

Ms. Everett – And Mike, could you explain for the Board members who weren't at the meeting yesterday...Can you just kind of give an overview of how you saw this process working and why we all needed the pending projects [inaudible]?

Mr. Alwine – Oh, sure. We're gonna...a clean separation is easier and simpler than KABA completing all open permits that they issued. First off, there's the data extraction, because we would have to maintain those files until they're brought to completion, and that would be a year to a year and a half. Plus the other issue is we have a separation date where KABA has issued open permits and we have contractors that pull multiple permits in the jurisdictions and after such and such a date they now go to Oshtemo and Cooper to obtain their permits. So then they've got to determine, ok, so for this permit we have to call KABA for the inspection and completion, for this one we have to do Oshtemo and Cooper. And it's just, it's a great source of confusion and frustration for everybody involved, particularly the permit holders.

Ms. DeHaan – So, let me understand. If somebody is halfway through building a new house, and they've got the rough-in inspections, and that's where you are to date, and anything after that date that has not been done will go over to Oshtemo or Cooper to be finished out. Paid for and finished out?

Mr. Alwine – Yep. Because the fees are paid in advance, so at whatever stage that permit is, those fees are being used to service that permit to that stage.

Ms. DeHaan – Ok.

Mr. Alwine – So, that clean break, then, and by separating the revenue the way it's set up, Oshtemo and Cooper will receive whatever the remaining fees are left to finish service. Plus you'll have the inspection history from the very beginning.

Ms. DeHaan – Very good.

Mr. Alwine – So they'll just pick up and move on.

Ms. DeHaan – Very good.

Ms. Everett – Does anyone have any questions about that?

Ms. Nieuwenhuis – I just want to say that it was a very meeting and I appreciated Mike being able to come in and sit through it [inaudible]. It was over two hours [inaudible].

Ms. Everett – Ok, next on our agenda is discussion of the deleted Share Point files. We're talking what Carol went to look at, right?

Mr. Cochran – Yeah.

Ms. DeHaan – Yeah.

Ms. Everett – So, actually we didn't need to add it to the agenda.

Ms. Nieuwenhuis – I didn't know she had...

Ms. Everett – Ok. Carol?

Ms. DeHaan – Yeah, I went over to Kreis Enderle yesterday at 2:00 and looked on the computer. I just reviewed the following items. This is what I saw: personal photos and correspondence; personal medical information; rotary files; and a small quantity of Ed's KABA documents. Nothing appeared to me to be taken maliciously toward KABA in the future. So, I saw nothing alarming.

Ms. Nieuwenhuis – Thank you.

Ms. DeHaan – Mmmmm-hmmm.

Mr. Sorenson – Mmmmm-hmmm.

Ms. Everett – Any further discussion on that item?

Mr. King – The documents are still there in case else wants to take a look at them.

Ms. Nieuwenhuis – Yeah, I was thinking I'd do that next week, so...

Mr. King – You can do that.

Ms. Everett – The personal information...Is that gonna be deleted at some point when whoever wants to look at it has looked at it, or...?

Mr. King – That would be up to the...

Ms. Everett – It's gonna stay with you?

Mr. King – That would be up to KABA’s Board because it, they’re on KABA’s computers and technically they’re KABA’s property. But, you know, it’s up to the Board. I don’t think KABA would have a whole lot of reason to keep personal photos and correspondence and things like that.

Ms. DeHaan – Well, the computer that they were on...I will say, when I made the appointment to go to your office, I asked if they were gonna be hard copy, because to me it’s very difficult to look at things on the computer.

Mr. Cochran – Yeah.

Ms. DeHaan – They were not. They were on the computer.

Mr. King – That’s right.

Ms. DeHaan – There was a, there was a stick. Nothing can be saved to that computer, so in my mind if you look, that stick could be destroyed or returned to KABA. There’s absolutely nothing...

Mr. King – Right.

Ms. DeHaan – I mean, that would be the easiest way to handle it, and I do understand the personal issue and the medical stuff. I would be more comfortable after whoever wants to look at it looks at it, if that flash is destroyed.

Mr. Martlew – The trouble with destroying stuff is once it’s gone, it’s gone. And if KABA is ever confronted with something down the road and we don’t have the files available for someone else to view, then we can’t say what was in there. We can show them your report, which any attorney would shred...

Ms. DeHaan – Mmmmm-hmmm.

Mr. Martlew – In its first sentence. So, Ed’s a big boy. Ed put his information on a KABA computer...

Ms. DeHaan – Mmmmm-hmmm.

Mr. Martlew – That does not need to be readily accessible, but it should never be deleted.

Ms. DeHaan – Well, there’s an easy way to do it. The things that are personal are on, in separate files, and the things that are related to KABA are out there. I mean...

Mr. King – Well, but, it should probably be maintained until after the statute of limitations on any issues has...

Ms. DeHaan – And how long is that?

Mr. King – Well, it can be up to six years.

Ms. DeHaan – Ok.

Mr. King – So, but if you just maintain it on the stick drive and then nobody's got access to it, and then, put it in a file and lock it up, and it's there.

Ms. DeHaan – I don't know. The history of dealing with things for KABA prior has not been very good in that regard, so I'm not, feel confident with that, myself, so...

Mr. Martlew – At this point, he knew what he was doing.

Ms. DeHaan – I'm saying, storing things confidentially and making sure that they're kept that way.

Ms. Nieuwenhuis – Well, one of the questions I have was does KABA have its own safe?

Ms. LeClercq – Mmmmm-hmmm.

Ms. Nieuwenhuis – Ok, so. I think that as long as it's in there...we follow everything else as a municipality with 6 – 7 years' time frame. We put it on that calendar and 7 years from now bring it up and the KABA Board can decide what they want to do with it. I want to be able to keep all of it. And more, I want to be able to if I have to go back and prove if that was done on work time, it's got time stamps on there.

Ms. DeHaan – Mmmmm-hmmm.

Mr. King – And as to the fact that it wasn't printed out, we didn't want to bill you for the large amount of copies that would require. We just elected to be able to review it that way, because it saved KABA money.

Mr. Cochran – Yep, but...my only question is the personal medical information. HIPPA, you know, how much HIPPA violation is there in retaining that?

Mr. King – I don't think so. He put it on the computer system.

Mr. Cochran – Ok. I, because it's a very touchy...

Mr. King – It's not stuff that we collected.

Mr. Cochran – It's not something we went after...

Mr. King – No.

Mr. Cochran – He voluntarily put it on the...

Mr. King – Yup.

Mr. Cochran - Ok. I don't have a problem with it. I like the idea of pulling it off, putting it on a drive.

Mr. King – It's already on a drive.

Ms. Nieuwenhuis – It's on there.

Mr. King - That's how it's stored right now.

Mr. Cochran - Oh, ok.

Mr. King - On a thumb drive.

Mr. Cochran - Then it needs to be off of the rest of server.

Mr. King - It's not on there, 'cause it was deleted off the rest of the server and then subsequently recovered through those things that the techy guys do that...

Mr. Cochran - That hide everything.

Mr. Sorenson - That none of the rest of us knows how to.

Mr. Cochran - That hide everything, and it only takes a techy guy to go in and uncover it.

Ms. Feist - There is personal medical information still in the Share Drive. There's also several documents with people's social security numbers, past and present employees that cannot be encrypted right now. I have talked to IT Right over five days and they cannot be encrypted with the way they were put on there at the time.

Ms. LeClercq - They're not part of Ed's deleted files, they were put in other places. I just happen to know, 'cause it's my information that's out there.

Ms. Feist - There's bank account...

Ms. LeClercq - Yeah.

Ms. Feist - Bank account and social security numbers.

Ms. LeClercq - So, anyone who wants to steal my identity, it's all right there.

Ms. Everett - Can they be deleted? Put on a flash drive and deleted?

Ms. Feist - I have to get access to the computer that he used, along with his passwords for Share Point and all of that in order to even begin to get in and check back in documents that were checked out by him, and then go through, remove them from Share Point somehow, and then I can password protect them and then it would be up to you guys to decide whether or not they can be put into hardcopy and deleted or not.

Ms. Nieuwenhuis - Well, I guess the question comes up. Do we have Mr. Hellwege's passwords?

Ms. Feist - I do now, yes.

Ms. Nieuwenhuis - And we have access to the computer.

Ms. Feist - Yes. Now I do. It'll take probably a good two to three weeks to go through all of it, but yes.

Ms. Everett – You can't look at them currently.

Ms. Feist – Anybody can.

Ms. LeClercq – Anybody can. It's open.

Ms. Feist – Its wide open. Anyone can look at them, you just can't password protect them right now. Well, I can now, now that I have his information I'm able to, but they've been, for years, wide open for anybody to see.

Ms. Nieuwenhuis – I'd like to make a motion that we ask Mr. Alwine to direct KABA staff to secure confidential information by appropriate means within the next thirty days and that the current stick that was created for the deleted files would be up for review and discussion of keeping or destructing in January, 2023. That gives us time to make sure that makes us six years. And somehow if that motion, in particular, Erin, can be recorded with whatever computer documents that you have, I think, I mean, six years is a long time and staff can come and go, but I want to make sure that they're aware of that.

Mr. Cochran – I'll support the motion.

Ms. Everett – Ok, we have a motion and support. Any further discussion? All those in favor?

Multiple voices – Aye.

Ms. Everett – Any opposed? Motion carries. Next is an audit presentation from Mr. Aaron Stevens of Abraham & Gaffney.

Mr. Stevens – Thank you. I passed out a handout and what I've done is I've taken excerpts out of the bound report and put them into the handout. That allows me to highlight some things and write some notes on it, and help facilitate the presentation. It's brief. First thing we have is the independent auditor's report, it's on pages one and two of the presentation. Some of these pages will have two page numbers, I'm gonna refer to the one off to the right. It's printed in red. The page number in the center is from the bound report, that's why that's there, too. But our thanks to the KABA staff, their courtesy, cooperation and assistance. I feel it went very well. I plan to highlight what I think are the key areas. If you have any questions, feel free to stop me at any time, we can go through those. On the independent auditor's report, I've highlighted a few sentences here. The financial statements are management's responsibility and that includes the preparation and fair representation and interim controls over the preparation and fair representation. They're yours. Our job, or our responsibility as your auditors is to express an opinion on the financial statements, and that's highlighted in the next paragraph down. And that expression of the opinion is based on our audit. Our opinion is expressed in the last paragraph on page one of the presentation, we've expressed what we refer to as an unmodified opinion. It states that in our opinion the financial statements referred to above represent fairly, in all material respects. So that is an unmodified opinion. We used to call it unqualified, nobody knew what that meant, so now we call it unmodified. That is the highest level of assurance you can receive for a set of financial statements. That is what you're looking for as a Board. Page two of the presentation is the remainder of the independent auditor's report. This refers to the required supplementary information. As an Enterprise Fund, the only RSI that you have is the Management Discussion and Analysis, or the MD&A. But we don't audit the MD&A. It's just supplementary information and the financial information that's in the MD&A is consistent with the financial statements themselves and that's what we look for. On

page three of the presentation, this is the Statement of Net Position. Pages three and four of the presentation make up the financial statements. As an Enterprise Fund, these financial statements are presented on the full approved basis of accounting, so they have a long term perspective, primarily. The Statement of Net Position is a snapshot as of December 31 2015 and 2014, because you have comparative financial statements this year. These financial statements were prepared by Siegfried Crandall, Steve Bryer and his group. There are a couple of financial performance indicators that I like to look at, you know, as accountants we all, we're kind of geeky in our own way, we have our favorite ratios that we like to look at. One of those being the current ratio, current assets divided by current liabilities. As of 12/31/15, you could cover your obligations almost twenty times over with your current financial resources. That's excellent, it's up from four, so you made quite a bit of progress in terms of the current ratio between 2014 and 2015. I also like to compare the unrestricted portion of your net position to your expenses for the year. So that your unrestricted net position was \$775,000 at 12/31/15. That represented 114% of your annual expenses. So, theoretically speaking, if you didn't generate one more dollar of revenue, you could operate for more than a year on your existing unrestricted net position. On page four, the statement of activities, this is your operating statement that covers the year ending 12/31/15 and 12/31/14. Total operating revenues of \$944,724. That was an increase of 7 ½% over the 2014 revenue. The expenses also increased. Expenses for the year \$681,124. That was an increase of approximately 13% over the 2014 expenses. So, the results, third number from the bottom, you added to your net position, or improved net position by \$266,000, and you improved net position the previous year by \$284,000. On the next page, I've got a couple graphs. Everybody likes the pictures, or seems to like the pictures, so I've got a couple of visual perspectives here for you. The bar graph on the top, the last four years, you started in 2012, this is your last four years of revenues, expenses, and total net position. And as you can see, you've added to that net position or improved that net position in each of the last four years. The pie chart on the bottom is the composition of your expenses. The largest use of funds is, of course, the contractual inspections at 42%, that's followed by personnel costs at 24%. As a service-oriented organization, a lot of your budget is spent on people and personnel costs. We did issue a report on internal control, pages six and seven of the presentation. This is our letter of comments and recommendations. We did note that there was some petty cash that could not be accounted for. It was \$300. We think it was used to buy gift cards, we're not exactly sure who got them. It's not a material amount to the financial statements, but our recommendation is to keep tighter internal controls on petty cash funds. And that, as I said, I'd be brief. If you have any questions, I'd be happy to try to answer them for you.

Ms. Everett – Any questions for Mr. Stevens?

Ms. DeHaan – I have a question. Was any of the petty cash accounted for with receipts?

Mr. Stevens – Not that I'm aware of, no.

Ms. DeHaan – Ok, so the petty cash that was for the whole year was \$300?

Mr. Stevens – Right, that...yes.

Ms. DeHaan – 'Cause, you know, we have a petty cash fund at Cooper and we have \$50 in a bank envelope and when that's gone, receipts are stapled, it's given to Bonnie and we get another \$50.

Mr. Stevens – Yeah.

Mr. Martlew – And we have no receipts.

Mr. Stevens – Not that I...

Mr. Martlew - And we don't have \$300.

Mr. Stevens – Right. That's correct.

Mr. Martlew – Ok.

Mr. Cochran – Yeah, and I run my petty cash a little heavier than that, but every entry, withdraw, thing, I keep a running balance on my...and have for, you know, ever since I...well, it was running before I got there and it continued as a process over the last 7 ½ years.

Ms. Nieuwenhuis – I did speak to Michelle Mahoney, who did work for KABA and is now with our office. She said the petty cash in the past has always been \$200 and there had always been receipts. So I don't know when the petty cash amount went to \$300 and not getting receipts.

Ms. LeClercq – I can tell you that in, going back through our accounts, the starting balance that's listed for the petty cash account is \$300. And then there was one withdrawal in like 2014 for like \$40 - \$45 and then it shows that it was reimbursed and that's it. There was one in and out two years ago and the petty cash is not...I did not ever know that there was petty cash existing in the office. No one knows where it would have been, it's just not there.

Ms. Nieuwenhuis – I'd ask the auditor in the \$300 amount and then the possibility of how it was spent, are you able to indicate how you learned that?

Mr. Stevens – They told us when we were here. And there's petty cash listed on the prior balance.

Ms. Nieuwenhuis – Right.

Mr. Stevens – And nobody seems to know where it went and that there's speculation that it was used on gift cards.

Ms. Nieuwenhuis – Speculation by whom?

Mr. Stevens – Staff, I mean, it was an inquiry. Yeah, we didn't uncover anything. We asked about it and that's what we were told.

Mr. Cochran – And there was no history of a check or anything to cover the \$300 worth of gift cards, correct?

Ms. LeClercq – Correct. There were six gift cards for \$50 a piece purchased for Christmas this last year that Ed gave out, including one of the six was for himself and I never received any kind of invoices or anything.

Mr. Cochran – Or nothing on the credit card?

Ms. LeClercq – Nothing on the credit card to reflect the purchase of the gift cards. And so the only thing we could figure was that the \$300 would cover the six \$50...

Ms. Nieuwenhuis – Well, we can address that under number nine. We're getting ahead of ourselves.

Ms. LeClercq – Yeah. Sorry.

Ms. Everett – Does anyone else have any questions for Mr. Stevens?

Mr. King – You've done the audit before for how many years?

Mr. Stevens – Last year and this year.

Mr. King – And last year when you looked at the petty cash, did it balance out?

Mr. Stevens – As far as...I don't have the work papers with me, but as far as I remember, yeah, we didn't have any issues with it.

Mr. Cochran – Yeah, there wasn't any question or challenge last year, I know that.

Mr. Stevens – Right. And I'll be honest, it's petty cash. We're not gonna spend a lot of time on it, you know, as an auditor. Of significant risk, it's \$300.

Mr. King – Right. In a multi-hundred thousand dollar a year group, \$300 is pretty small.

Mr. Stevens – Right. It's all relative.

Mr. Cochran – Yeah. I would move acceptance of the audit as it's been presented.

Mr. Martlew – I second.

Ms. Everett – Ok. We have a motion and support to accept the audit. Any other discussion? All in favor say aye.

Multiple voices – Aye.

Ms. Everett – Any opposed? Motion carries. Thank you for coming.

Mr. Stevens – Thank you.

Ms. DeHaan – Thank you.

Ms. Everett – Next on our agenda is discussion of KABA petty cash fund.

Mr. Martlew – I just passed out a copy of this for the Board: *I present a motion for the Board's consideration that the KABA attorneys be authorized to draft and send a letter to Ed Hellwege notifying him that \$300 of designated petty cash that was entrusted to him is missing. The letter should state that by the obligations entrusted to him during his tenure as Executive Director, he is personally liable to*

either produce receipts that document the authorized use of the funds, or to reimburse KABA accordingly for the missing funds. The letter needs to further state that time is of the essence in resolving this matter; that Mr. Hellwege have five business days from receipt of the letter to resolve the matter to the Board's satisfaction; that all reply correspondence be directed to KABA's attorneys, and that failure to comply will prompt legal action to recover both the missing funds and expenses incurred through the cost of recovery. The letter should be sent certified mail, return receipt requested. If Mr. Hellwege fails to comply, then this motion also authorizes KABA's attorneys to proceed with the appropriate legal action required to recover the funds. And I would like a roll call vote on this motion.

Ms. Everett – Well, I think first we need to have some discussion.

Ms. Nieuwenhuis – Well, he's got a motion he wants supported.

Ms. Everett – Does anyone want to support that motion?

Ms. Nieuwenhuis – I'll support it.

Ms. Everett – I have some questions. Where was the petty cash kept?

Ms. LeClercq – We have no idea, because no one who's currently there is aware that there was a petty cash fund.

Mr. Alwine – Yeah, I wasn't aware that there was a petty cash fund until I was told that it was missing.

Ms. Everett – Would Tracy know that?

Ms. LeClercq – She didn't. We asked her and she knew nothing of the petty cash fund. We had a sunshine account that was kept for, like, cards, but that would have like \$5 or \$10 in it, that's not the same...that's the only thing she knew of, outside of the till that we make change from, which is listed separately, so that's a separate item.

Mr. Cochran – So Michelle would have been the only other person to have knowledge.

Ms. Nieuwenhuis – Michelle knew that it existed. She indicated that Mr. Hellwege kept it.

Mr. Cochran – Ok. So, there you are.

Ms. DeHaan – Just one comment, and I find this a lot in government. You know, Ed was from private business and I think, actually, when Jeff first came into office, we had some similar discussions. Because a lot of people want to reward their employees at holiday time, and in government, unless you want to do it personally, you cannot do it. So it's a very different type of...And I know, I will say, I've heard Ed say it many times, how hard he felt his employees worked for him and he wanted to, I'm sure, give them something at Christmas time. But within government, that's not the way you should do it.

Mr. King – It's not permitted.

Ms. DeHaan – It's not a permitted use. So, I'm guess I'm just saying that it's my experience over the years that if it was Ed that did it, I'm sure that's where it was coming from.

Mr. Cochran – Oh, I know.

Ms. LeClercq – Mmmmm-hmmm.

Ms. DeHaan - But it doesn't, it's not allowed in government.

Mr. King – I have an article that was directed a number of years ago by the State [inaudible], listing all of the things that you cannot spend money on, and a very interesting list of things that, in private industry, you would not think twice about, but of course with the public's money, you have to be much more careful. While I sympathize with the desire to be good stewards and get the \$300 back, I question whether you're going to, by directing us to become involved in this, get any positive return for KABA. I think, frankly, you'll be getting a negative return for KABA.

Mr. Cochran – Right.

Mr. King – So, I would simply say that, you know, while you may want to send the letter, having us do it, and then follow it up with a lawsuit for \$300. You do not have a right to your attorney's fees in that lawsuit back, 'cause there's no statute providing for them. We operate in the State of Michigan and in most of the United States under what we call the American Rule. And the American Rule is that each party to a lawsuit bears their own costs, absent a specific provision in a State that's a statute or a statute that allows the attorney's fees to be recovered. So, and Michigan does have provisions that allow attorney's fees to be recovered, and costs, but they were drafted back when, you know, it was two mules and a chicken, and so, they are woefully inadequate to recover anything close to the costs. So you might as well just figure that you're gonna cover your own costs if you go forward with this. And so, it's up to you whether you want to do it or not, but it's very easy to be penny wise and pound foolish...

Mr. Cochran – Thank you.

Mr. King – About going after \$300 that may or may not have been given as employee gift cards.

Mr. Martlew – I appreciate your comments, Tom, and I understand them fully. And having been in court enough times and having paid my own legal fees, I understand how quickly they can accumulate. As a member of the KABA Board, in this matter, I think there's a requirement for absolute integrity and a demand for absolute integrity. Now, I have just sat hear and heard, and I have heard this before, that it was speculated that Ed bought six gift cards and that Ed kept one for himself. You don't even get to do that in the private sector. And so the mere fact that this will be, that we'll run up some attorney fees is not reason to violate a demand for absolute integrity. And so I stand by my motion.

Ms. Nieuwenhuis – And I continue to support it, and the reason is, is that this is not an isolated incident. Mr. Hellwege brought up numerous times to the Board other ways that he wanted to compensate staff, like bonuses and other kinds of things, and I remember going toe to toe with him on a couple of different times and even questioning whether or not another building official had been given a bonus. So, whether you're from a business or not, we hired somebody to be able to understand the rules and regulations and if he didn't learn it when he was soon on, he should have, because we had discussions about this. I am more than willing to be able to ask to have the attorneys send the letter to Mr. Hellwege, and I would ask that Barney, perhaps, if he's willing, amend the motion that if, indeed, Mr. Hellwege fails to comply, it would come back to the Board as to whether or not we want to take additional legal action. I'm more than willing to be able to spend the money to have a letter sent to the

former Executive Director on our attorney letterhead indicating that we...I don't care if it says in there how we think that it was spent, that we expect it to be paid back or that we have receipts. The reason is that, if somebody ever comes back and questions us, and this is KABA's integrity, Oshtemo and Cooper leaving no longer have to be worried about KABA's integrity, so I hope you really think about those of us who are staying with this organization. It's our integrity that is on the line, and I don't care if it's \$300, or \$300,000, I am telling you I dealt with a \$1.75 million Ponzi scheme fall-out from the previous administration and I have people coming in and do not leave until they have a receipt that they can make sure they have proof that their tax dollars are not being taken. We had tens of thousands of dollars of embezzlement that was occurring at the transfer station, and I'm sure it started in small amounts. So it's an integrity issue and I would ask that you would...I would ask Mr. Martlew if he would amend your motion that we would send a letter to Mr. Hellwege from the attorney, requesting this, and in the letter it state that if it is not paid in full or there is not reimbursement, that the KABA Board will further discuss with the attorney additional court action.

Mr. Sorenson – Reimbursement or receipts.

Ms. Nieuwenhuis – Reimbursement or receipts.

Mr. Martlew – I will amend my motion accordingly with the understanding that the demand is made for reimbursement or receipts with a comment of further legal action will be undertaken.

Ms. DeHaan – Further legal action will be considered or undertaken?

Mr. Martlew – Considered.

Mr. Cochran – Considered.

Mr. Martlew – Considered is a weak word, though. Give me a better word than considered.

Ms. DeHaan – Will be discussed.

Mr. Cochran – Taken under, under, whatever. That's the only way you're gonna get a yes vote from me, 'cause I'm not gonna spend \$300 or \$400 or \$500 or \$600 or \$5000 or \$6000 to collect a damned \$300 bill. I don't care about...the integrity thing only goes so far.

Ms. Nieuwenhuis – Agreed.

Mr. Cochran – And in my mind to chase \$300 and spend \$1000 to get it, is not...it doesn't make any sense to anybody.

Ms. DeHaan – And it's possible that he didn't have anything to do with it.

Mr. Cochran – It's possible that he did exactly what everybody else suspects that he did...and I'm gonna guarantee you that he doesn't have the receipts...but my problem is when we talk about taxpayers and what we can do, we don't spend taxpayer money willy-nilly on things that we know are gonna cost us more than what we can recover out of it. We have to be careful where our money comes from and where it goes. Here, yeah, we're getting money from contractors, but you know who's paying all that? Our citizens are paying all that, 'cause they're paying the contractors. They're paying for everything we

get. The citizens and the people who make our townships, our communities better in every way. And so, I'll go with the amended one, but don't bring the other one back to me, because you'll get a no, flat.

Ms. Nieuwenhuis – Well, all I was suggesting is that we would bring it back, at least for deliberation. Do you like that word better?

Mr. Martlew – That's fine.

Ms. Nieuwenhuis – We bring it back for deliberation and whether or not it would move further or not would be the discussion here, but at least at the point we're at now, I would appreciate the support that we, at least, acknowledge that this has been found, we believe this is where it's at, and ask him to correct it.

Mr. Cochran – Yeah. And for the record, I still think that KABA has, once this whole thing is done and once we've gotten everything figured out, that KABA actually has a claim about, for mismanagement. Whether it'll work or not, and it might be a situation like the email thing and the FBI said don't prosecute, but I still feel that we were misrepresented from Mr. Hellwege as to what his...the job he was supposed to be doing and what he actually did. And I feel strongly about that one, and that one I'd chase with some money, if we thought we could make it work.

Ms. Everett – That's a different topic and a different discussion. I guess one of the problems I have with this is we're making accusations that we can't prove...

Mr. Cochran – Mmmmm-hmmm.

Ms. Everett – And I think we need to be careful about that. You know, what sort of investigation was done? What...?

Mr. Martlew – Someone has to be responsible for the money entrusted to KABA, and that someone always goes right to the top. Always goes right to the top. And Ed knew his obligations. So, I don't think it's an accusation without basis. It's a responsibility that was not met and integrity matters and this is a matter of integrity.

Ms. DeHaan – Just let me say this, Barney. I understand where you're coming from and I agree with [inaudible], but when the auditors found this and started asking questions, if there was a theft within the organization not involving Ed, would any of the employees say that they knew about petty cash? They knew where it was? They knew...I mean, no one is gonna admit [inaudible] any information, if it was a theft by an employee. They're gonna say they didn't know anything about it.

Mr. Martlew – Someone had to write a check for \$300, or several checks. Someone had to put their name on the bottom of that check in order for it to get cashed. Who put their name on the bottom of that check, who was responsible for maintaining those accounts? Now, if Ed threw it in his desk drawer and it came up missing and he didn't bother to report it to anyone, then he was still responsible for the \$300.

Ms. DeHaan – And that's where I'm confused. I don't know how their petty cash works, but our petty cash, I get \$50 or like \$49.87, I put it in an envelope and when that cash is gone and I have receipts for it, that's when another check is written to petty cash and cashed.

Mr. Martlew – Mmmmm-hmmm.

Ms. DeHaan – This may have been done differently.

Mr. Martlew – So, if there's receipts, fine and dandy. Where are they?

Ms. Nieuwenhuis – Mr. Hellwege can always send a letter back that says that he didn't know anything about petty...all we're, you know...please respond to this. I mean, I believe that's what we're looking for and what is it, and from Michelle Mahoney, I know that petty cash had been used in the past and that Mr. Hellwege was the person who had used it.

Mr. Martlew – You know, I would like to remind the Board of the terrible fight that we went through two years ago, trying to get the State of Michigan to give Oshtemo's plumbing supervisor the right to inspect the other jurisdictions and we finally prevailed in that, but it was a long drawn out fight. Now whenever we start to compromise, that gives someone a reason to challenge everything else. And so that's why I'm such a stickler on not compromising, because when I get challenged on anything, I want to be able to say, yes, we're aware of that, and this is how we dealt with it. Not say, oh, it was just a small amount of money and so we didn't think it was worth anyone's time. It's worth us making the hard decisions even on minor sums of money.

Ms. Everett – I'm wondering, why does the letter...if a letter is sent, why does it have to be an accusatory letter and saying that you either come up with the receipts or give us \$300? Why can't, if you want to send a letter, why can't it just be a letter of inquiry? At the audit, it was revealed that there was \$300 in petty cash that no one seems to know where it is or how it was spent and we're asking for your...ask him if he knows. I mean, I have a problem...I mean, would you want to be accused of something without an opportunity to answer an inquiry instead of an accusation?

Mr. Martlew – If you want to soften the letter, that's fine. But that does not negate the fact that Ed Hellwege, as Executive Director, was still responsible for the fiduciary integrity of the organization. And right now, there's a small sum of money that's easily lost and we need to know about it. So, if we want to write a letter of inquiry, and I know our attorneys know how to write appropriate letters that say we are missing this money, you are responsible, please respond, whatever you want to put in there, the fact of the matter is that this issue needs to be addressed.

Ms. Everett – Are you insistent upon it being a letter from the attorney? Could it be an inquiry from...?

Ms. Nieuwenhuis – I think it needs to be a letter from the attorney.

Mr. Martlew – I think it's appropriate.

Mr. Cochran – I would have to think that that's appropriate, from the attorney.

Ms. Nieuwenhuis – Yeah, it's serious, and it makes a difference when it's on attorney letterhead and they're saying that, you know...and I think you could attach the audit report to it. You know, we just had an audit presentation. You know, Mr. Hellwege, we just had an audit presentation for the 2015 thing and it shows that petty cash is missing. We have this, this, and this. This was under your authority and management as Executive Director and please inform the KABA Board by our July 21st meeting as to if the money was spent, what was it spent on and do you have receipts, and if it was not spent on a

reimbursable amount, that you personally are going to send \$300 to be able to take care of it. I mean, Mr. King can write something that's written in that manner if that need is...what you wanted, a softer tone.

Mr. Cochran – Yeah. And that's gotta suit what you were asking for.

Mr. Martlew – Mmmmm-hmmm. Yup. Deb, I admit that I come across hard and I don't mind coming across hard. Is that always the best way to do stuff? Probably not. Is anyone gonna get me to change?

Mr. Cochran – No.

Mr. Martlew – Definitely not. And so if you think there's a better way to write it, I understand. I leave that to the discretion of the attorneys and that's part of why I don't want me writing the letter, because it will be even less eloquent than what I just wrote out here.

Ms. Everett – I was thinking I'd send him an email, but I guess that's not gonna...

Mr. Martlew – No. That's not appropriate.

Ms. Everett – That's not my...ok.

Mr. Cochran – I would call the question, please.

Ms. Everett – I just have one more comment. I would like to see the date move out a little further than that, because I believe that, because of his wife's health, I believe they're gonna be making another trip to Mayo.

Mr. Cochran – This says five days from the time he gets the letter, so...

Ms. Nieuwenhuis – Well, I moved it out two weeks to July 21st, is two weeks. That's sufficient.

Mr. Cochran – Yeah. Have a response back by July 21st, please.

Ms. Nieuwenhuis – For our next KABA Board meeting.

Mr. Cochran – And that's not unreasonable.

Ms. Everett – When would the letter go out?

Mr. King – It can be done tomorrow.

Ms. Everett – And just for the heck of it, can you tell us, how much is it gonna cost?

Mr. King – It's probably half an hour of my time to get the letter drafted, revised and sent out. And I can't remember what...

Mr. Cochran - \$9.

Mr. King – Rob quoted you on our hourly rate, to be honest.

Mr. Cochran – No, I meant postage is gonna be \$9.00 return receipt.

Mr. King – So, I can tell you the time, I probably can't tell you right off my...I don't know what the hourly rate is.

Ms. Everett – I was just curious, because I agree with your comments about...

Mr. King – And I'm not minimalizing the fiduciary responsibility that the Board has, the employees have, and this is public money. You know, I've occasionally had to advise employees...I mean, some of the rules that you see are just [inaudible]. You know, the attorneys in town used to drop off goodies at Christmas time to the courthouse staff and everything...

Mr. Cochran – They still do.

Mr. King – They still do, but they have a policy now about how you do that. It has to be open to the employees and the general public, or if you drop it off to a particular office, you can't...it gets to where you can't be nice even, anymore. And it's not, you know, expect you're gonna win favor by popping up some popcorn, you know, or something like that, you're just not. But, it's important that the integrity of the office be maintained and so we end up with...because of people going overboard the other way, we end up with these rules that sometimes are picky and almost humorous. But, I see both sides of this question. I see the side that says, you know, we have to defend the integrity of KABA, we have to defend the fact that there's money missing and that just doesn't sound right. That's not the right sound bite that you want. You know, its \$300. But, spending a lot more than that to recover it is also an issue that you wonder if that's good stewardship, as well.

Mr. Martlew – So there's a balance between integrity and prudence. Without negating one over the other, you still have to be prudent.

Mr. King – Just look at Congress, especially. Sometimes they spend, you know, millions and millions of dollars to find out where the bunt cake went and, you know, you wonder, well, maybe I should have just gone to Washington and delivered replacement bunt cakes. It would have been cheaper for all of us. You know, that kind of thing. So, but, you know, it's up to you what you want to do. And I, quite frankly, I think the letter is a good compromise and will show stewardship at the same time as not being penny wise and pound foolish.

Ms. Everett – Ok.

Mr. Cochran – Especially based on, as you put it, based on the audit.

Ms. Nieuwenhuis – Mmmmm-hmmm.

Mr. Cochran - It was in there, we're just inquiring...

Mr. King – Yeah, that was the way it was gonna be, that was the way I was gonna approach it in the first...I already had that written down, that the audit revealed that there was a \$300 petty cash fund that is now gone, blah, blah, blah, blah...that kind of thing.

Mr. Alwine – Well, and I think there's a responsibility to at least make an effort to recover it. From an outsider's point of view, KABA is missing \$300, well, it's not worth it, it's no big deal.

Mr. King – Yeah.

Mr. Alwine – What type of attitude is that to portray? Now, we spend \$300 in attempting to recover it, we don't get it, that's it. Then...

Mr. Cochran – The attempt was made.

Mr. Alwine – But the attempt was made.

Ms. LeClercq – Can I make a comment? In response to...I understand your point about if an employee was involved, obviously they wouldn't tell the truth. The only thing that I can tell you is, I've done the accounting, so if there had been receipts or if it had been used in any way, I would know about it. And it hasn't. And it hasn't been in the safe, where it would have been kept, which, again, an employee could have gotten in there and taken it out of the safe, but if that was the case, then every employee in KABA would have to be lying for them, too, because everyone would have known it was in there. We all know what's in the safe. So, it's unlikely in that regard, that an employee would have just taken it out of the safe and been able to get away with it.

Mr. King – One of the things that the auditor who was here probably could tell you is one of the ways that you protect against this it to [inaudible] internal controls so that if anything is taken out of petty cash, it probably has to be signed out by a couple different people. I mean, they can help you set up a system that going forward it becomes much harder for...

Ms. LeClercq – And we've actually started to implement that kind of stuff.

Mr. King – With smaller organizations, they'll tell you, and I've run across that it's very hard to do that because sometimes you don't have enough people to separate out the functions, but...

Mr. Stevens – The easiest way is just not have it. Just don't have petty cash. What do you need a petty cash fund for?

Ms. LeClercq – Well, as far as we knew, we didn't.

Mr. Stevens – Right. See, there you go.

Mr. Cochran – This has gone on and on.

Ms. DeHaan – Just give everybody a charge card, and then you open yourselves up to all that problem. We need a small...I bet ours is peanuts compared to yours.

Ms. Nieuwenhuis – Well, I'm not sure we need one, but Madam Chairman, I believe that...

Ms. Everett – Yes, I heard him. I'll just say that I'm not gonna vote for this motion because I don't think the letter should include a demand for repayment. I think a letter of inquiry, did you know, do you

know, is one thing but to demand that he repay it, I think that's...that's not the same thing. So we have a motion. All in favor, aye?

Ms. Nieuwenhuis – No...he asked for a roll call.

Mr. Martlew – I asked for a roll call.

Mr. Cochran – Roll call.

Ms. Everett – Roll call. Ok. Mr. Cochran?

Mr. Cochran – Yes.

Ms. Everett – Mr. Martlew?

Mr. Martlew – Yes.

Ms. Everett – I vote no. Ms. DeHaan?

Ms. DeHaan – Yes.

Ms. Everett – Ms. Nieuwenhuis?

Ms. Nieuwenhuis – Yes.

Ms. Everett – Motion carries. Next we have operational decisions. First item is status of lease agreement and draft lease agreement under attorney review.

Mr. Alwine – Yes, I spoke to Jeff Swenarton, from our attorney's firm, who specializes in real estate law. He is reviewing it. He said it looks pretty good. There are a few things that he's going to, a few modifications that he's going to make that clarify and for lack of a better term, impact, KABA. One that was not mentioned in specific was who's responsible for paying taxes. One of the other things that he noticed was the maintenance and repair, the landlords will keep the foundation, outer walls, windows, roof and structural components of the building within the lease premises or apartment in good repair. Landlord shall also be responsible for maintenance and repair of the mechanical systems, plumbing, HVAC and electrical. Tenant shall be responsible for maintenance and repair and decorating of the interior walls, floors, and ceiling. What was not mentioned was any exterior property maintenance. Now, Jannette did include that in our forecasted budget in the even that we do have to, but he said let's see if the landlord will pay for it the exterior upkeep and maintenance. Maybe that's something that they do, but we're not aware of. I don't think it's likely, but what we can do is he'll amend it and then we'll send it to them for approval.

Mr. Cochran – Is there some way to clarify that as property maintenance?

Mr. Alwine – That's what he's gonna do. He's gonna...

Mr. Cochran – Ok, but listing specifically the responsibilities...

Mr. Alwine – Snowplowing, lawn care. Yeah.

Ms. Nieuwenhuis – Well, and I guess the question is because, number five under lease agreement it says...I did highlight, that was one of my questions. Tenant shall be responsible for the refuse removal and payment of same. Tenant shall be responsible for interior decorating and maintenance and janitorial services within the lease premises. I believe that's where that falls. To me, the maintenance and janitorial services. So, I think it's good that we get clarification. So, it's mowing, snow removal, all those kinds of things. When I read this, I was thinking we were gonna be responsible for it.

Mr. Sorenson – And the parking lot maintenance, too, like maybe sealings. I think that is a natural parking lot. Sealings and then restripings.

Mr. Cochran – Yeah.

Ms. Nieuwenhuis – One of the questions that I did have is, do they have....I saw here \$2,215 a month, but on top of that we have to pay for water, sewer, air. Do they have...or the air conditioner and the heat. Do they have any estimates that they gave you as to what those amounts might be?

Mr. Cochran – The old history bills should be there. The history.

Mr. Alwine – Yeah, I don't know...I'm not aware of them.

Ms. Everett – Yeah, plus it's the landlord should supply them.

Ms. Nieuwenhuis – Well, that's why I'm saying. No...

Ms. Everett – Landlord shall supply facilities for heat, air conditioning, water...

Ms. Nieuwenhuis – Yeah, but the tenant shall be responsible for payment and what I was trying to find out is how much money are we looking at as far as what those costs will be.

Mr. Alwine – I believe...

Mr. Cochran – Those are recoverable.

Mr. Alwine – I believe that they did, she did include that in our [inaudible].

Mr. Cochran – Ok, yeah. 'Cause it would be a normal request.

Ms. Nieuwenhuis – And then, under fire and casualty insurance, is that what they're asking us, is to have what I would call renter's insurance?

Mr. Cochran – I believe so.

Ms. Nieuwenhuis – Ok.

Mr. Cochran - They're gonna have to guarantee, they're gonna have to insure their structure, 'cause they own the structure.

Ms. Nieuwenhuis – Right, but everything else...

Mr. Cochran – Everything inside of it's gonna be ours.

Ms. Nieuwenhuis – Ok. And then, C said, too, the tenant's obligated to carry public liability insurance. Do we currently have public liability insurance coverage?

Mr. Cochran – We do now.

Mr. Alwine – I think it is. I will ask. I'm meeting with Jeff Lansky next week, though I'm sure we do.

Ms. Nieuwenhuis – I figured we probably already did, so I didn't think that was...and then the only other question I had was twenty five, personal guarantee. Person's name will personally guarantee payment of tenant's obligation under this lease agreement. What is that?

Mr. King – That's...my copy has that crossed out for some reason.

Mr. Martlew – As it should be.

Mr. King – No, Jeff Swenarton crossed that out, that guarantee.

Ms. Nieuwenhuis – Oh.

Mr. Cochran – That can't be...that's...

Mr. King – Jeff is one of our real estate experts.

Ms. Nieuwenhuis – Well, I was gonna put George's name down, you know...

Mr. Cochran – I'm in Texas. Don't be talkin' to me.

Mr. King – So, I'll touch base with Jeff on this.

Mr. Alwine – Yeah, he did mention this morning, you're right, in our conversation, that he was going to eliminate that, as well.

Mr. King – Yeah, that's typically if you're leasing to an LLC or something, you want to make sure that the owner of the LLC is on the hook, as well, because the LLC may have nothing...

Mr. Cochran – We don't have one of them.

Mr. King – Yeah, but for a public entity, you don't have to guarantee.

Ms. Everett – So, can you explain what this buy and sell agreement...?

Mr. King – This is a lease with an option.

Ms. Everett – Ok.

Mr. King – So there's an option for KABA to purchase the...

Mr. Cochran – Property.

Ms. Nieuwenhuis – Up to two years. Twenty four months.

Mr. King – Yeah. And it's based on the price and the terms and conditions set forth in the purchase agreement, which is attached. So, the purchase price is \$180,000 and the terms and conditions are those contained in what I'll call the standard buy sell agreement with the tax [inaudible] and the seller paying special assessments and this, that, and the other thing that you would find in the sales agreement. So, it was easier, rather than setting forth all the terms, just to attach a draft sales agreement.

Ms. Everett – Ok.

Ms. Nieuwenhuis – And I do know their attorney, Gary Tibbles.

Mr. King – Yeah. He's a real estate attorney.

Ms. Nieuwenhuis – He's our attorney. I know where he lives. He lives in Comstock.

Mr. King – And I know Jeff knows him, too. Jeff does a lot of our real estate work, everything from...

Ms. Nieuwenhuis – And I don't think [inaudible].

Mr. King – Condominium development to public to everything else.

Ms. Nieuwenhuis – Are you asking for a motion from the Board to be able to give you authority to move forward and execute this lease agreement?

Mr. Alwine – Yes.

Ms. Nieuwenhuis – I make that motion.

Mr. King – After the review...

Mr. Alwine – After the review and approval of the attorney, yes.

Mr. Cochran – I'll support.

Ms. Everett – We have a motion and support. All in favor?

Multiple voices – Aye.

Ms. Everett – Opposed? Motion carries. Next on the agenda is personnel policy, return to work.

Mr. Alwine – I have some notes here. Jannette has drafted up a policy and she gave it to me with some notes. In light of the recent non-occupational injury that Tracy incurred, we should have a return to

work policy. This policy can be revised upon the complete revision of the KABA handbook. Currently KABA's handbook does not reflect the proper return to work policy. All the policies were drafted around FMLA guidelines. FMLA is not applicable to KABA. KABA's handbook defines its current short-term disability, long term disability policies. If the handbook is going to be written with specific dates...which right now, it's giving specific dates for short term and long term...if the handbook is going to be written with specific dates and hour intervals, then it will need to be revised and updated annually to mirror the insurance coverage. So, Jannette is suggesting that the handbook remain generic in its description of coverage and refer employees to the actual policy to define coverage details. The KABA handbook should also remove the content of FMLA to state something to the effect that since its enactment in 1993, the Family and Medical Leave Act has served to promote work life balance in support of the principal that no worker should have to choose between the job they need and the family they love. While KABA does not meet the FMLA minimum guidelines of 50 employees, it intends to maintain comparable programs to ensure KABA employees have a balance work life. Then it's see benefits sections of the KABA handbook. And then identify the various benefits, including paid time off, short term and long term disability, life, medical, holiday pay, etc.

Mr. King – I don't like the word comparable in that sense. But, that should be reviewed by an attorney.

Mr. Alwine – Ok.

Mr. King – Comparable means that you're gonna do the same thing and you may not do exactly the same thing. I mean, you can say that you're gonna make programs that are designed to have somewhat the same goal or something like that, so that you've got the language in there that...you like it, but you may not do exactly the same thing and so, but, I think that those kinds of changes before you adopt anything [inaudible].

Mr. Alwine – Which is the...brings us to [inaudible].

Ms. Nieuwenhuis – So, I guess the piece would be is that I'd like to be able to make a motion to direct KABA staff to be able to continue developing a return to work policy for Board consideration at the July 21st meeting and that what we would want is to see something that's written and reviewed by attorneys and ready for Board review.

Mr. Martlew – I'll second.

Ms. Everett – Any discussion or questions about that? We have a motion and support. All in favor?

Multiple voices – Aye.

Ms. Everett – Any opposed? Motion carries. Next item is Attorney review of the KABA handbook.

Mr. Alwine – That's pretty self-explanatory. One of the...we just, there's been several...there's several inaccuracies where the KABA handbook policies and the actual polices don't match, don't sync up. So, we're just asking for permission to have the attorneys review our handbook and KABA policies.

Mr. Everett – [Inaudible] policies, other than in the handbook?

Mr. King – It's the employee handbook. It sounds like in practice, you're not following it.

Mr. Alwine – Right. There's been things in the past that were not being followed.

Ms. Everett – In the handbook.

Mr. Alwine – Correct.

Ms. Nieuwenhuis – Such as?

Mr. Alwine – Well, one was with the company vehicle, that was, according the handbook, is for the Building Official use only, not for other inspectors. And it's not that it was a big deal. Jerry got the benefits of it when he was the Building Official and he, it was just carried on after he stepped down as Building Official.

Ms. Nieuwenhuis – Actually, I read this whole thing, and if you go back to page 13, 6.2, receipt of gifts and gratuities, no employee of KABA should have accepted the gift cards.

Mr. Cochran – Page 13? 14?

Ms. Nieuwenhuis – Page 13, 6.2, KABA employees must be beyond suspicion and reproach in rendering service to the public. Which, by the way, the handbook was written by Ed. Therefore, no employees may accept any gift or gratuity which in any manner is related to the provision of public services or the award of any public contracts or could be interpreted to relate to the provision of such services. Any gift in excess of \$50.00 in value should be reported to the Executive Director and returned immediately. All other gifts should be reported to the Executive Director and if any employee has any questions regarding the propriety of any gift or gratuity, discuss the matter with the Executive Director for review and advice. Possibly that might be something you might want to take out of the handbook and put in the letter.

Mr. King – Well, it's interesting, because if you read this very closely...

Mr. Cochran - \$50.00 is the limit.

Mr. King – They don't have to return the gift cards under this policy, they just have to report to the Executive Director that they got them. Right? Isn't that what this says? Because they were exactly \$50.00.

Ms. DeHaan – And returned immediately.

Mr. Cochran – In excess of \$50.00.

Mr. King – In excess of \$50.00. The gift cards were \$50.00. I wonder if that's what dictated the amount.

Ms. Nieuwenhuis – I just find it interesting that the Executive Director wrote the handbook. But, anyway...

Mr. Martlew – There's...are you done, Ann?

Ms. Nieuwenhuis – Yes.

Mr. Martlew – Ok, I've got three comments. Throughout the handbook, it makes reference to the position of Executive Direction, and I merely bring that up because we have to decide whether we will continue to have an Executive Director position. If not, then all reference to that need to be eliminated or changed accordingly. A second point that I would like to see included was, we have had in the past discussions that the handbook should include something in regards to carrying a concealed weapon, CPL, CCW. We don't address that and we probably should have something in there. Jim Porter had actually made a comment that Oshtemo adopted a policy and the policy that Oshtemo adopted, from what I remember, made sense. And so we should have that included in our handbook, as well. And then the third point is section 10.8.2 that talks about internal security, references Oshtemo. Since Oshtemo is soon to no longer be a part of KABA that needs to be changed.

Mr. Cochran – Right. I'd like...

Mr. Martlew – It was section 10.8 and then .2.

Mr. Cochran – Very clear. On page 49. The open carry or whatever you want to call it. What are you talking...can you tell me...?

Mr. Martlew – Well, from what I remember Jim Porter saying, the way Oshtemo had their policy written, it merely...it didn't say you can or you can't, it merely said you cannot carry illegal weapons. So, if you have a CPL license, you do have the right to carry.

Ms. Everett – I think our handbook says...Employees may not possess any illegal weapons, I think is how it reads.

Mr. Martlew – Yeah. The way it was worded was very practical.

Mr. Cochran – Your employees at home may have 5 or 6 of them. What you're saying is on the premises, on the campus.

Ms. Everett – You cannot be in possession of an illegal weapon.

Mr. Cochran – On campus. Ok.

Mr. King – You shouldn't be in possession of an illegal weapon off campus, either.

Mr. Cochran – It's illegal everywhere. This is where the State law gives us guidance in all cases. The State laws give us guidance in all cases. Open carry, I see people walking in my office, I don't know, a dozen, 15, 18, 20 times a year, open carry, guns on their belt. I'm reasonably certain that there have been handbags in there with weapons in them, and I'm sure there's a CCW. My opinion is just leave it out. Don't even address it. Let the State law address it.

Ms. Nieuwenhuis – We actually have...it's in the handbook.

Mr. Martlew – Is it?

Ms. Nieuwenhuis – Yeah. I thought I had read it.

Mr. Cochran – Page?

Ms. Nieuwenhuis – Page 63X, it says carrying illegal weapons as defined under Michigan Law during normal working hours. Did you say that the attorney, your HR attorney HAS reviewed this?

Mr. King – No.

Ms. Nieuwenhuis – Ok, so they do need to.

Mr. King – Yeah, we need to review it and staff needs to provide us with the things that are not consistent with how you operate.

Ms. Nieuwenhuis – Ok, well, one of the things I don't think we legally can do is page 62 (L), doing any kind of work for personal monetary gain while on paid time off. I don't think we can dictate that.

Mr. King – I don't know the answer to that question.

Ms. Nieuwenhuis – Just because someone takes vacation and does something...I mean, someone can take a vacation day and work for an election and get paid. I mean, what's to care?

Mr. Cochran – It happens all the time.

Ms. Nieuwenhuis – So, those are the only ones that I had. I went through and highlighted my copy.

Mr. King – Page 63, you said?

Mr. Cochran – I would have a comment on that L...

Ms. Nieuwenhuis – I look forward to hearing what the attorney has to say [inaudible].

Mr. Cochran – Doing any kind of personal work that would be the same as KABA's work...sometimes you can restrict competition, working for the competition, but again, if you work an election, if you're working for your grandfather, you know, doing odd jobs or whatever.

Mr. King – There may be issues with taking sick time to go work at your other job. But I will leave that to Jeff.

Ms. Everett – Any other discussion on that? That doesn't need to be a motion, does it?

Ms. Nieuwenhuis – What?

Ms. Everett – To have the attorney review the handbook.

Ms. Nieuwenhuis – No.

Mr. King – No.

Ms. Everett – Next is presentation of Office Manager Responsibilities.

Mr. Alwine – I was asked at the last Board meeting to gather an outline of Jannette’s office, the responsibility of the Office Manager plus what she did above and beyond the Office Manager position. And I think everybody did get a copy of it, so I won’t go into detail. But Jannette has done the jobs of the Office Manager position that she was hired in at and the position of Executive Director and she’s done things above and beyond after the Executive Director resigned. She grabbed the reins and she took care of it. And she’s in the process of fixing things that she discovered. With this recent accident that Tracy had, was our short term and long term disability policies, we were paying for three former employees. We were paying monthly premiums for three former employees for up to a year. We were paying for Michelle Mohny, Jenny Miller and Roger Iveson. They were on the policy until recently. Who was not on the short term disability and long term disability policy was Kerrie and myself, until recently. So, we were paying for...you know, how much money was wasted in paying those premiums and we weren’t properly covered. Thank goodness that it wasn’t an accident that Kerrie had or that I had, because that would have opened up some serious legal issues for KABA. And there’s been many things since she’s been here. Accounting, many accounting mistakes getting straightened out. Payroll issues, getting them taken care of. Benefit issues, getting them straightened out. There was no, there were no controls in place for keeping track of PTO hours. So, I support the...I’m in support of the Board making a decision to promote Jannette to whatever position you choose to call it, be it Executive Director, Operations Manager, HR Director. We couldn’t function without her. I can’t do it.

Mr. Cochran – Madam Chair?

Ms. Everett – Yes, sir.

Mr. Cochran – Of course, at the present time, with the change in the structure, we know there’s going to be some changes. I am in favor of doing away with the Executive Director position. Perhaps creating what we would call an Operating Manger’s position and appointing the Building Official as the Chief Operating Officer for KABA, being totally in charge. And adjusting wages, and so forth. I believe that there’s some forecasted budget work being done to look at staffing that’s going to be needed, how we’re going to need to do that and so forth and expenses because we’re losing, obviously, half of our revenues. And while I’ve been reluctant to make any position moves until October, when this thing is finalized, I’m gonna back down on that and suggest to the Board that maybe we need to...first of all, we need to change our bylaws and eliminate the Executive Director position and then recreate the other positions and maybe realign the salary structure in those positions. And that’s going to, obviously, take some discussion and some work for Rob, too.

Mr. King – I have a copy of the bylaws and you’ll be interested to note that nowhere in the bylaws does it mention an Executive Director.

Mr. Cochran – Is it in the Agreement, then?

Mr. King – There is nothing...it says officers, ok. It says “the officers of the Authority shall be appointed by the Board. The officers shall be the Chairman, Secretary, and Treasurer. There may be such other officers as the Board deems appropriate.” So that’s, I mean...

Mr. Cochran – Ok, then we would go back to employees or...

Mr. King – Yeah or Board members. Let's see...it does not...and it talks about terms of office of the Chairman, Secretary and the Treasurer. There is nothing about an Executive Director anywhere in these bylaws.

Mr. Cochran – Ok, is there in the original Agreement?

Ms. Nieuwenhuis – The Intergovernmental Agreement?

Mr. King – I don't see it there either.

Mr. Cochran – The Intergovernmental Agreement? 'Cause I didn't think there was one there.

Mr. King – No.

Mr. Cochran – If there's not...

Ms. DeHaan – It's just a position that was assigned.

Mr. King – Yeah, I think it's just an employee position that you created.

Mr. Cochran – I'd have to agree probably that's what happened, then. It's been long enough now that I don't remember all the details. But we could go back to October of 2012 or September or August and figure out...

Mr. King – These bylaws were July 9th of 2015. That's what it says on mine.

Mr. Cochran – That's when those were brought up, yeah. But we created it in October, it went live October '12, so sometimes between July and the first of October, we decided what we were gonna have as far as staffing.

Mr. King – The best way to do this would be...if you want to do something now, is to create an interim position with a sunset clause on it that says "from now until October, we're creating the position of such and such and it's gonna be staffed by so and so at such and such a salary", or whatever. That position will terminate on that basis and she'll return to...if we don't do anything else, she'll return to her prior position. And in the interim, then, the first thing you need to do is create a flowchart of who you have working for you, what positions are there for restructuring...

Mr. Cochran – And that's what I was talking about, budget and staffing and stuff.

Mr. King – And then go from there to change your documentation, whatever documentation change you want. But until you decide exactly what you're going to do, creating new permanent positions, I don't think is a good idea.

Mr. Cochran – Ok.

Mr. King – But that doesn't mean, that does not mean that people who have stepped up and their really doing far more than their position shouldn't be, if it's over a period of time, it's not just a month or two, that they are deserving of having some...

Mr. Cochran - Recognition.

Mr. King – Recognition. Not only the “atta boys”, but financial recognition for the extra work that they do. But you can do that by creating a temporary position until...only if you’re anticipating that, you know, by January 1, you’ll have this all figured out, you can do it from now until January 1. You can do it from now until October.

Ms. Nieuwenhuis – I was gonna suggest...

Mr. Cochran – Can we do it by...

Ms. Nieuwenhuis – The end of the year. So I was gonna suggest that we create an Interim Operations/HR, ‘cause I know Barney had indicated an HR Manager, until December 31st, at a salary of \$60,000.00.

Mr. Cochran – I would like you to amend that to October 31st.

Mr. Nieuwenhuis – Why is that?

Mr. Cochran - Because you and I are gonna be out of here twenty days later.

Ms. Nieuwenhuis – Well, the reason that I went to December, and the reason is that...

Mr. Cochran – For the new members?

Ms. Nieuwenhuis – Well, it gives them a little bit of carry over time. But what I’m saying is, that gives some time...we have to move, we get into the building, we can figure out what new structure or whatever we want. We can always undo an interim position. I would hate to have to extend that.

Mr. Cochran – By putting the sundown on it, then that solves...

Mr. King – It automatically goes away at that period of time and then you would say what happens to that person, if you want her to go back to her prior position. Because in the event you don’t do something.

Mr. Cochran – Alright. I withdraw my argument.

Ms. Everett – Can we see that flowchart, and do we need to establish position descriptions?

Mr. King – You’ll eventually want to do that for each of the positions. But you gotta figure out what your positions are gonna be. It sounds like that’s in flux right now.

Ms. Nieuwenhuis – Yeah. The piece that I’m suggesting is, we do have a staff person who’s been doing a lot of work. A lot of additional responsibilities. We can’t back-fill that position. And so every time we wait for another Board meeting to get to, we’ve gone another two or three weeks without being able to financially someone who’s really doing a lot of work. So, if we created an Interim Operation/HR Manager to December 31st, that gives us the time a period of time to be able to figure out the flux and whether or not we’re gonna have anyone else join, or where we’re gonna be. And that a salary of

\$60,000 with not having the Executive Director, because according to the audit, that was 10% of our money, we should be able to be ok with that. And then, we can come back and create other positions or whatever. But it gives some continuity until the end of the year.

Mr. Martlew – I would like to add that that position be subordinate to the supervision of the Building Official.

Ms. Nieuwenhuis – Good point.

Mr. Cochran – Can, can...you said HR. Can we made that HR-Operations? Hyphenated or whatever?

Mr. Martlew – Yes. HR...Operations and HR Manager.

Ms. Everett – I guess my question is, do we need to approve a position description? I mean, we don't...I'm just speaking from what we do at Oshtemo. If a position is gonna be created, then the Board has to approve a position description and then that authorizes the Supervisor to fill that position.

Mr. King – Yeah, it's nice if you have that, on an interim basis, you're probably going to spend less time on that then on a permanent position.

Ms. DeHaan – Couldn't we just say "using the position responsibility summary" as a beginning?

Mr. King – Do you have a position description for your Executive Director, what the Executive Director did?

Mr. Cochran – No.

Ms. Everett – There's things written on...

Ms. LeClercq – There's things that he wrote.

Mr. Cochran – Yeah, there's some stuff.

Ms. Everett – Yeah, there's things that he wrote.

Mr. Alwine – Yeah, there are.

Mr. Cochran – There are.

Mr. King – Then maybe that person takes on those position description. I'm guessing that might [inaudible] HR.

Mr. Cochran – Or some of them. Some of them, I don't think the position will include all of those positions, because part of them will pass on to the Building Official.

Ms. Nieuwenhuis – I understand what the Chair is recommending, and if it was a permanent position, I certainly wouldn't put the cart before the horse, but we're where we are, these are all the things that she has done and continues to do things and I feel that she should be financially rewarded for that. And

creating, you know, this interim position allows us to be able to do that and really talk about how many positions, where are we at, or if it will have to depend on whether or not we have other entities that are going to join the Authority, or whatever.

Mr. Alwine – And the interim position would be to fulfill the duties of the Executive Director as they're prescribed until a restructuring has occurred.

Mr. Martlew – Under your authority and supervision.

Mr. Cochran – We already qualified that one. Do you have any other suggestions?

Mr. Alwine – No, I think that's it.

Mr. Cochran – Any of the rest of the staff...anything?

Mr. Alwine – Do what now?

Mr. Cochran – With any of the rest of the staff... 'cause you're restructuring some of the staff. I know you are. So my question was do you have any other suggestions to go with this while you're...while we're doing this as far as staff restructuring?

Mr. Alwine – There will be, yeah, there will be in the future after the separation. One of the things is, and I'm not to that point yet, but our...we've talked about it in passing, I don't think I've brought it up to the Board yet, but after the separation I'd like to maintain all of the contracts with all of the contract inspectors, but most of them will be on an as-needed basis and then once we see where we're at with the demand for them. And I have extended to them that if they contract for work with other entities in the area, that we will accommodate their schedule so that we can still maintain them. One of the other things is that when we do this is taking Steve Roy, who is an employee Building Inspector at this point, and I have already discussed the possibility with him, but making him a contract inspector and bringing him down to two or three days a week, as needed. Because my position is going to change. I'm going to be out in the field, I'll have to be out in the field more. Is that what you were alluding to?

Mr. Cochran – Well, somewhat.

Ms. Nieuwenhuis – But those things we can start to be able to look at...

Mr. King – Yeah, those are permanent changes. What I think the question over here is there anything else that you think needs to be done on an interim basis?

Mr. Cochran – At least on an interim basis until, you know, this...that's all.

Mr. Alwine – As of right now, no. The staff is doing excellent keeping up with the day to day operations, you know, with Tracy being gone. So, they've stepped up very well, so things are going ok.

Ms. Everett – I think we have a motion. Did I hear support? I can't remember.

Mr. Martlew – Support. Effective today.

Ms. Nieuwenhuis – Oh, good point. Effective today.

Mr. Martlew – I support.

Ms. Everett – Ok. Any other discussion on that?

Mr. King – Is today a pay period ending day?

Ms. Everett – I do payroll, I was thinking the same thing.

Ms. LeClercq – No.

Mr. Cochran – Wait a minute, when is payroll...start and stop?

Ms. Everett – It would be easier to start at the beginning of a pay period.

Mr. Cochran – She said no, today's not a payroll day.

Mr. Alwine – Next...well, this will be the end of a pay period, tomorrow.

Mr. King – Tomorrow.

Mr. Cochran – So it will be effective Monday.

Mr. Martlew – Effective Monday.

Mr. King – It would be easier to start it Monday.

Ms. Nieuwenhuis – Well, why don't we just say effective the next payroll period.

Mr. Cochran – Starting with the next payroll period.

Ms. Everett – Alright, all those in favor? Any opposed? Motion carries. Next is item 10E that was added, regarding the FOIA.

Mr. King – Ok, we received a letter back from Cooper, I believe.

Ms. DeHaan – Mike Homier.

Mr. King – Yes, from his office, indicating the cost involved and I cannot remember what they were, to be honest with you...

Ms. DeHaan – Sixteen...

Mr. King – Yes, \$1600 for the...which we thought was a little higher. They were including Mr. Homier's fees and while the statute says that you can include the fees of the lowest paid clerical worker that can perform the duties, they must be arguing that the segregation of exempt vs. non-exempt can't be done by anybody but their attorney, which I've not seen done a lot. But the bottom line is, \$1600 again for

what we're gonna fight about paying Mr. Homier or be paying my office to fight about it, so to be honest with you...so, I guess I'd have to...after swallowing hard, our office was of the opinion that we should just go ahead and do it. And just go ahead and pay those fees and get the documents. I believe that was the recommendation, was it not?

Ms. Nieuwenhuis – Yes.

Mr. Martlew – I agree with that position.

Mr. King – Yeah, I mean, you can pay one attorney vs another attorney, and it just...

Ms. Nieuwenhuis – Well, I guess I would made the request to Cooper that they re-evaluate that and see if that, indeed, is the cost that they want to send, because when Oshtemo FOIA'd us, we kept it...I don't think we were even over \$100.00.

Ms. Everett – It was \$410.00.

Ms. Nieuwenhuis – Well, it was for the amount of time.

Ms. DeHaan – What was requested was a tremendous amount of documents, though.

Mr. King – It was simply emails. It was easily cullible, though.

Ms. Everett – Well, it said any and all...

Mr. King – Emails.

Ms. Everett – No, it said documents or communication.

Mr. Cochran – Which is emails.

Ms. Nieuwenhuis – Ok, well, that's fine.

Mr. King – Ok.

Ms. Nieuwenhuis - Its KABA assets and we'll just go ahead and spend it.

Mr. Cochran – Ok.

Ms. Nieuwenhuis - I want the documents.

Mr. Martlew – There's a matter that needs to be resolved, so let's get it resolved.

Ms. Everett – And I believe you received a letter from Mr. Fahey on our behalf.

Mr. King – I did not. Maybe Rob did, I haven't talked to him.

Ms. Everett – Asking for the extension, because of the volume of documents involved, we needed the extension to handle it.

Mr. King – He may have. He may have. He didn't communicate that to me.

Ms. Nieuwenhuis – So the extension would take it out to what date?

Ms. Everett – I think the 18th.

Mr. King – Ten business days.

Ms. Everett – Yeah, we're working...I mean, there's a lot of stuff.

Mr. King – Yeah, I can understand that.

Ms. Nieuwenhuis – So, I would just ask that the Thursday, July 21st Board meeting, that one of the agenda topics be a presentation by the KABA attorneys on the FOIA request, because we should have it by then.

Ms. Everett – Ok...

Ms. LeClercq – I'm sorry, could...

Mr. King – I think here was a...Mr. Homier had some sort of an extension because, I think, went beyond what he could ask for. Yeah, it was a month he was suggesting, and I think if you look at the statute, there's a limitation on the statute, so...

Ms. DeHaan – They're gonna get the documents, I believe, Tuesday, from us.

Mr. King – Ok. Ok.

Ms. LeClercq – Ann, could you, I'm sorry, repeat what you wanted added to the agenda on the 21st?

Ms. Nieuwenhuis – An update on the KABA FOIA Request to Cooper and Oshtemo.

Ms. LeClercq – Thank you.

Ms. Nieuwenhuis – And we also, just as long as we're talking about that, should have an update on the letter sent to Mr. Hellwege in regards to missing petty cash, added to the agenda.

Ms. Everett – Alright, do we still need to have that discussion about the Executive Director?

Mr. Martlew – No, I think we've already discussed that.

Mr. Cochran – I was gonna say, I think that got taken care of.

Ms. Everett – I think that, too. Let's go on to Board member comments. George?

Mr. Cochran – At this point, I have no comment.

Mr. Martlew – No comment.

Ms. Everett – Carol?

Ms. DeHaan – No.

Ms. Nieuwenhuis – I'll just say I do appreciate the [inaudible] the agreement. I would ask the KABA staff now to start making a list of furniture and some of these kinds of things we're gonna need so that we can be looking at it. I know you're gonna work with Interstate Interiors at to what that would be, but we should, if there's a way to be able to have that for the July 21st meeting. We should be able to do that, because if we're gonna order it and you want to be moving, there's a lag time of a good six to eight weeks in order to be able to get what you're [inaudible]. I would ask that that be a third topic on the agenda. The status of the lease agreement and a request for equipment and furniture for the new space.

Mr. Alwine – [inaudible]

Ms. Nieuwenhuis – [inaudible]

Mr. King – Ok, but I'm trying to figure out for the personal property, there's no more vehicles...

Mr. Alwine – No, we actually just took it the auction.

Mr. King – There's no titled vehicles of any kind?

Mr. Alwine – No.

Mr. King – Ok.

Mr. Alwine – No, we took it to auction last week and it sold for \$1735.00. And I spoke to our insurance agent yesterday and so they took it off the liability policy and, kind of in conjunction with that, I'm meeting with him next week to discuss altering the policy and he just, obviously we're not doing it yet, but he wants to give me a general idea of what our premiums will be after the separation. So, I'm gonna gather some information that they will need in order to establish the premiums and meet with him and discuss that. Its employee number of inspections, anticipated general population of the jurisdictions served. And also, we met with an architect for interior alterations at the Nazareth location, and I've got some, I don't know if you got my email or not, but we've got to find a contractor, and we're on a very tight deadline. And, do we have to put this out for public bid?

Mr. Cochran – No.

Mr. King – No.

Ms. Nieuwenhuis – We don't have a bidding policy that requires it.

Mr. King – No.

Mr. Alwine – Because I've been in contact with one. I'm trying to find three, where once we get the design cinched up for the...it's basically building two offices and a breakroom area. I'll have more detail for you at the next meeting on it, but we are going to have to move quickly on it. Because October 5th is just around the corner.

Mr. Cochran – Well, end of July is not achievable. Hopefully, the end of August is achievable.

Mr. Alwine – Right.

Mr. Cochran – To be moved.

Ms. Everett – Any other staff comments? We have exhausted our agenda and we're adjourned.

The KABA Board Meeting was adjourned at 3:58 PM.

Minutes approved on: August 11, 2016