

**Official Proceedings of the
Northeast Michigan Materials Management Authority (NMMMA)
September 28, 2023- 9:30 a.m.**

The Northeast Michigan Materials Management Authority (NMMMA) met in Regular session on Thursday, September 28, 2023 at 9:30 a.m. at the Charter Township of Alpena, 4385 US-23 N., Alpena, MI 49707.

Members Present:	Ken Lobert Rachel Smolinski Laura Ellery-Somers Russ Rhynard Mary Catherine Hannah Eric Smith Mary Sue Thomson Lenore Kasubowski Gary Stephan Ron Lucas Dan Hibner	Ossineke Township City of Alpena Charter Township of Alpena Charter Township of Alpena County of Alpena Green Township Long Rapids Township Maple Ridge Township Sanborn Township Wellington Township Wilson Township
Members Absent:	Burt Francisco	County of Alpena
Others Present:	Stan Mischley Brad Mousseau	ARRF ARRF
Others(s) via Zoom:	Cindy Johnson J D Lindeberg Annie White Elisa Stelzer	City of Alpena RRS RRS RRS

Chair Lobert called the meeting to order at 9:30 a.m. followed by the Pledge of Allegiance.

ROLL CALL

Roll call was taken; the following Board members were present: Chair Lobert, Treasurer Smolinski, Secretary Ellery-Somers, Member Rhynard, Member Hannah, Member Smith, Member Thomson, Member Kasubowski, Member Stephan, Member Lucas and Member Hibner. Absent: Vice-Chair Johnson and Member Francisco.

ADOPTION OF AGENDA

Moved by Treasurer Smolinski and supported by Member Hannah to approve the agenda and move the Financial Status and Operations to the RRS update as presented. Motion carried by unanimous voice vote.

PUBLIC COMMENT

None.

MINUTES

Moved by Member Smith and supported by Member Kasubowski to approve the August 24, 2023 minutes as presented. Motion carried by unanimous voice vote.

RRS-RESOURCE RECYCLING SYSTEMS UPDATE

RRS President J D Lindeberg and RRS Senior Consultant Annie White provided a cash flow analysis along with recommendations.

The current Alpena Recycling System (drop-off collection and MRF operations) is a critical part of the regional recycling and waste management infrastructure. The memo and the underlying cash flow analysis for the facility explores how its operations can remain viable until completion of the new NMMMA facility, projected to open in mid-2025. NMMMA leadership has expressed specific interest in evaluating whether sufficient funds exist to keep the operation running through the end of 2023 and for another 18-months thereafter. At the request of NMMMA, RRS evaluated current operations and financials and modeled a business as usual and three alternative cashflow scenarios to illustrate ongoing funding options and to inform operational and financial planning through June 2025.

CONCLUSIONS

1. **Operational Viability** - It appears that there are a number of viable means for keeping the current facility operational and cash positive through June 2025 that will not require dramatic changes (e.g., transfer to Emmet, or system shut down),
2. **Alpena County Household Fee** - The \$25 per household fee appears to yield a total annual cash flow of \$375,000 or approximately \$31,250 per month. The monthly accrued household fee funding is only slightly less than the deficit (\$34,000) experienced by the current recycling system operation.
3. **Labor Force Reduction** - A reduction in payroll of 2.0 or 3.5 FTE can eliminate the facility deficit and lead to eventual partial or full repayment of borrowed funds. In a circumstance where higher than usual transportation costs were encountered, real time decisions to reduce labor as a means of staying solvent could be made.

NEXT STEPS

Commercial Line of Credit - The Authority could continue to work on acquiring a commercial Line of credit, secured by the 2024 household fee payment to enable continued operations in 2023 and ongoing flexibility in 2024 and beyond.

Transportation Costs - The need for outsourced transportation of hooklift containers from their sites to the MRF is a significant variable in this model. Continued focus on maintaining the ability for MRF personnel to perform these tasks requires both a continued focus on training drivers and keeping the Authority hooklift truck operational.

Cashflow Fluctuations - Projected monthly costs and revenues are most likely based on accrual accounting, which means that cash will not necessarily be either available (revenues in accounts receivable) or required (payment of expenses) in the months shown on the projection. However, once the January and February payments of 70% of the County household fee is in hand it will provide the Authority with significant "float".

Discussion followed by the board.

Moved by Member Hannah and supported by Member Smith to authorize Treasurer Smolinski to apply for a \$75,000.00 line of credit with AAACU and to sign any documents as necessary. Roll call vote was taken: AYES: Member Hannah, Member Smith, Member Thomson, Member Kasubowski, Member Stephan, Treasurer Smolinski, Secretary Ellery-Somers, Member Rhynard, Member Lucas and Member Hibner. NAYS: Chair Lobert Absent: Vice-Chair Johnson and Member Francisco. Motion carried.

Moved by Member Hannah and supported by Treasurer Smolinski to postpone a decision on a cash flow scenerio that was presented by RRS until the next meeting. Voice vote. Motion carried.

HOLCIM UPDATE

Treasurer Smolinski provided an update on HOLCIM. HOLCIM can send a tire trailer out to the facility whenever we are ready. They will come and pick up the trailer when it is full. HOLCIM offered to train our staff on how to lace tires.

HOLCIM is willing to order bins for glass recycling once the specs have been decided. They will haul the glass away as well.

Treasurer Smolinski inquired about a corporate sponsor in their next years budget and will follow up with HOLCIM this quarter. We need to develop a value proposition for various stages of sponsor contributions.

FACILITY UPDATE

Facility Manager Stan Mischley provided a managers report. Weinkauf Plumbing & Heating will start taking the freon out of air conditioners, freezers, refrigerators, etc. and the items will be recycled at A & L Iron.

Discussion was held on truck drivers hours and schedule. We have a contract worker and we also contract with Silver Streak.

Stan reported that the cardboard baler is back up and running. Residents can start bringing their cardboard again.

Assistant Manager Brad Mousseau is still working with MI Works on financing the truck driving school class in Gaylord.

FINANCIAL REPORTS

Treasurer Smolinski presented the August 2023 Financial Reports and payment of bills. The financial process is working well with the bookkeeper. Treasurer Smolinski reported that all of the vendors have been transitioned from NEMCOG to NMMMA, except for Wells Fargo. She reported that NMMMA received another invoice from NEMCOG for August. Treasurer Smolinski will review the line items and bring back what is fair in her opinion on what NMMMA owes.

Moved by Secretary Ellery-Somers and supported by Member Hannah to receive and file the 2023 August financial reports and to approve the payment of bills that include the RRS invoice in the amount of \$10,851.35 and the Silver Streak Trucking invoice in the amount of \$9,990.00 as presented. Roll call vote was taken: AYES: Member Rhynard, Member Lucas, Member Hibner, Member Hannah, Member Smith, Member Thomson, Member Kasubowski, Member Stephan, Chair Lobert, Treasurer Smolinski, Secretary Ellery-Somers. NAYS: None Absent: Vice-Chair Johnson and Member Francisco. Motion carried unanimously.

Treasurer Smolinski reported that she processed the first reimbursement request and quarterly report for the EGLE Infrastructure Grant that was for the RRS invoice that we are using for the new MRF. NMMMA gets an 80% reimbursement with a 20% match. The first check should be coming next month.

HOOK LIFT TRUCK Request for Proposals

Treasurer Smolinski presented the Request for Proposals for a Hook Lift Truck. There is a 12-18 month window between ordering a truck to delivery. There is a required 15% down which will come out of the EGLE Infrastructure Grant. The money is in the MRF account. The bids will be reviewed at a future board meeting. The deadline for proposals may be tweaked depending on when Treasurer Smolinski can get the RFP's sent out.

Moved by Member Hannah and supported by Secretary Ellery-Somers to approve the Request for Proposals for a Hook Lift Truck as presented. Roll call vote was taken: AYES: Member Smith, Member Thomson, Member Kasubowski, Member Stephan, Chair

Lobert, Treasurer Smolinski, Secretary Ellery-Somers, Member Rhynard, Member Lucas, Member Hibner and Member Hannah. NAYS: None Absent: Vice-Chair Johnson and Member Francisco. Motion carried unanimously.

WELLS FARGO SKID STEER LEASE

Treasurer Smolinski provided an update on the Skid Steer Lease with Wells Fargo. Wells Fargo will not agree to put the lease in NMMMA's name because we are a new organization. It is currently in NEMCOG's name. NEMCOG is requesting a written sub-lease agreement. NMMMA pays the lease payment and the insurance through the end of the term, which is in 2025. NMMMA has NEMCOG listed as an additional insured. If NMMMA purchased the skid steer out right, the pay off is approximately \$25,000.00. We currently pay around \$354.00 per month for the lease.

Moved by Member Rhynard and supported by Member Kasubowski to decline signing a sub-lease agreement with NEMCOG in regards to the Skid Steer lease through Wells Fargo. Voice vote. Motion carried.

PROCUREMENT POLICY AND PROCEDURE

Member Hannah presented the Procurement Policy and Procedure. Moved by Member Hannah and supported by Member Smith to adopt the Procurement Policy and Procedures to be effective September 28, 2023 as presented. Roll call vote: Member Thomson, Member Kasubowski, Member Stephan, Member Lucas, Member Hibner, Chair Lobert, Treasurer Smolinski, Secretary Ellery-Somers, Member Rhynard, Member Hannah and Member Smith. Absent: Vice-Chair Johnson and Member Francisco. Motion carried unanimously.

EMPLOYEE POLICY HANDBOOK

Member Stephan presented the Employee Policy Handbook. He stated that it is a living document and recommends that it is reviewed annually. Treasurer Smolinski explained the changes she made. Further discussion was held by the board.

Moved by Member Stephan and supported by Member Smolinski to adopt the Employee Policy Handbook with recommended changes to be effective September 28, 2023 and that PTO and VACATION be effective January 1, 2024 as presented. Roll call vote: Member Kasubowski, Member Stephan, Member Lucas, Member Hibner, Chair Lobert, Treasurer Smolinski, Secretary Ellery-Somers, Member Rhynard, Member Hannah, Member Smith and Member Thomson. Absent: Vice-Chair Johnson and Member Francisco. Motion carried unanimously.

FUNDRAISING UPDATE

- a) General Operations
- b) Events
- c) MRF
- d) Sponsorships

*Treasurer Smolinski informed the board that she is working on a sponsorship with DTE for next year. NMMMA needs to come up with sponsorship incentives.

*Secretary Ellery-Somers stated that Member Skibbe is working with ITC on a sponsorship.

*Member Hannah is working with MOA Landfill on the potential of becoming a fiscal partner.

TASK LIST AND ASSIGNMENTS

None.

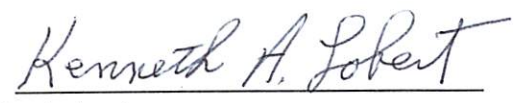
MEMBER UPDATES

None.

ADJOURNMENT

Moved by Member Hannah and supported by Member Hibner to adjourn. Voice Vote, Motion carried unanimously. Meeting adjourned at 11:44 a.m.


Secretary Laura Ellery-Somers


Chair Ken Lobert