

**REGULAR MEETING OF THE BOARD OF
COMMISSIONERS OF THE METRO EAST
SANITARY DISTRICT, ST. CLAIR AND
MADISON COUNTIES, ILLINOIS HELD ON
WEDNESDAY, OCTOBER 7, 2015 AT 1800 EDISON
AVENUE, GRANITE CITY, ILLINOIS AT 9:00
A.M.**

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

The following was the attendance:

Present: Commissioners Economy, Hanfelder, Laub and Darwin.
Absent: Commissioner McCall.

Also, attending the meeting were Attorney George Filcoff, Attorney Larry Calvo, Director of Operations & Maintenance Walter Greathouse and Treasurer Ken Davis.

The Clerk reported that Executive Director Shipley is ill and Lansdowne Office Manager Cindy Worthen had a death in the family. They both called and asked to be excused from the meeting.

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

LANSDOWNE ANNUAL FINANCIAL REPORT:

The Metro East Sanitary District, Lansdowne Annual Financial Report for Year Ended March 31, 2015 was presented:

Mr. Brokering explained the Annual Financial Report:

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

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

Ms. Heath prepares the Management's Discussion and Analysis report which is listed on pages 3 through 7. I would recommend reading it, if you have not.

Page 10 states the Lansdowne Department cash assets are \$2,323,311 and the capital assets are \$5,839,737 for a total of \$8,163,048 in total assets.

The current long-term debt totals \$128,716, of this amount \$119,716 is owed to the Illinois EPA for a loan and \$9,000 is due to unpaid vacation and sick pay.

The long term liability equals \$1,904,354, which includes \$1,795,746 for the Illinois EPA Loan and \$108,608 for accumulated unpaid vacation and sick pay.

Operating Revenues and Expenses are listed on page 11. \$2,656,139 was received in sewer fees. The largest expenses: salaries, depreciation, insurance, group insurance and secondary treatment expenses total \$2,527,220.

The total operating expenses exceeded total revenue by \$425,777. After including interest income, the District experienced an operating loss of \$422,931.

The Statement of Cash Flows is listed on page 13. The purchase of capital assets totaled \$321,665, which was major factor in why the cash balance went down.

As stated on page 18, the cash held in banks were 100% insured by the FDIC or covered by pledged collateral as of March 31, 2015.

The Illinois EPA loan is a 20 year loan with an annual fixed rate of 0% interest. Long-term debt is explained on page 20 of the audit.

Page 23 shows the last five years of revenues, expenses and changes in net position. As you can see from the chart, the Lansdowne Department has operated at a loss the last two fiscal years.

A budget comparison is shown on page 24. The budget is shown next to the actual revenues and expenses for fiscal year ended March 31, 2015.

We did not identify any deficiencies in internal control while performing the audit. The staff was very helpful and we did not experience any problems.

Mr. Brokering asked if there were any questions concerning the audit. Hearing none, Mr. Brokering left the meeting at 9:17 A.M.

ENGINEERING REPORT: None.

REPORT OF EXECUTIVE DIRECTOR:

A report from the Executive Director Shipley was presented:

REPORT OF LANSDOWNE OFFICE MANAGER: None.

MINUTES:

The minutes for the September 23, 2015 meeting were presented for approval:

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

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

Ayes: Commissioners Economy, Hanfelder, Laub and Darwin.

Nays: None.

Absent: Commissioner McCall.

GENERAL FUND CLAIMS:

The General Fund Claims and Specific Claims for the month of September 2015 were submitted for approval:

Motion Commissioner Laub; seconded Commissioner Darwin to approve the General Fund Claims and Specific Claims for the month of September 2015 as submitted and order them paid.

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

Ayes: Commissioners Economy, Hanfelder, Laub and Darwin.

Nays: None.

Absent: Commissioner McCall.

SPECIFIC CLAIMS:

The Various Specific Claims for the month of September 2015 were submitted for review:

Motion Commissioner Laub; seconded Commissioner Darwin to accept the
Various Specific Claims for the month of September 2015 as submitted:

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

Ayes: Commissioners Economy, Hanfelder, Laub and Darwin.
Nays: None.
Absent: Commissioner McCall.

LANSDOWNE CLAIMS & SPECIFIC CLAIMS:

The Lansdowne Claims and Specific Claims for the month of September 2015
were submitted for approval:

Motion Commissioner Laub; seconded Commissioner Darwin to approve the Lansdowne Treatment Plant Claims and Specific Claims for the month of September 2015 as submitted and order them paid.

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

Ayes: Commissioners Economy, Hanfelder, Laub and Darwin.

Nays: None.

Absent: Commissioner McCall.

FINANCIAL REPORTS:

The General Fund, Specific Funds & Lansdowne Financial Reports for the month of September 2015 were submitted for approval:

Motion Commissioner Hanfelder; seconded Commissioner Laub to approve the General Fund, Specific Funds & Lansdowne Financial Reports for the month of September 2015 as submitted and place them on file for audit.

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

Ayes: Commissioners Economy, Hanfelder, Laub and Darwin.

Nays: None.

Absent: Commissioner McCall.

LANSDOWNE FINANCIAL REPORT:

The Lansdowne Adjustment Reports were submitted for approval:

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

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

Ayes: Commissioners Economy, Hanfelder, Laub and Darwin.
Nays: None.
Absent: Commissioner McCall.

PAYROLL:

The Payroll for the period of September 13, 2015 through September 26, 2015 was submitted for approval:

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

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

Ayes: Commissioners Economy, Hanfelder, Laub and Darwin.
Nays: None.
Absent: Commissioner McCall.

REPORT OF ATTORNEY:

Attorney Filcoff reported, "Meetings are scheduled for tomorrow morning to explain the employee handbook. Kyle Shell a risk management consultant will be explaining the handbook. I understand the Teamsters Local Union Business Agents will be in attendance."

Commissioner Laub, "I have had several telephone calls regarding the employee handbook. I do not like it and I do not think we should sign the papers acknowledging receipt of the handbooks."

Attorney Calvo, "The employee handbook applies to all MESD employees including the Commissioners, Treasurer, Executive Director and Attorneys. Everyone should sign that they have received and read a copy of the handbook."

CORRESPONDENCE: None.

UNFINISHED BUSINESS: None.

NEW BUSINESS: None.

EXECUTIVE SESSION: None.

There being no further business, Motion Commissioner Laub; seconded
Commissioner Darwin to adjourn.

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

Ayes: Commissioners Economy, Hanfelder, Laub and Darwin.
Nays: None.
Absent: Commissioner McCall.

So adjourned at 9:21 A.M.

Clerk