

**EAST SHORE CONSERVANCY DISTRICT
ORGANIZATIONAL MEETING MINUTES**

**JULY 17, 2020 3:00 P.M.
CULVER PUBLIC LIBRARY
107 N. Main St. Culver**

The meeting was called to order at 3:00 p.m. by Mr. Alan Hux who announced the posting of the agenda in accordance with the Indiana Open Door Law and confirmed that there was a quorum present.

In attendance were Jim Bremner – Area 5, Fritz Steck – Area 3, Brian Welch – Area 4, Peter Cleveland – Area 1, and Whitney Johnson – Area 2. Also present were Alan Hux, Taft Law, and Kathy Clark, Lakeside Consulting LLC. Every District Board member signed their Oath of Office. The meeting began at 3:00 p.m. No members of the public were present.

Election of Officers: Brian Welch moved that Fritz Steck be elected as Chair and Jim Bremner be elected as Vice Chair. Welch explained to all present that Steck is by far the most educated on the system itself and that Bremner is knowledgeable of the financial area. The motion was seconded by Cleveland. The motion passed unanimously.

New Business: Steck immediately assumed the Chair and proposed that Bremner be appointed as the District's financial clerk and Welch be appointed to act as board secretary. Johnson seconded the motion. The motion passed unanimously.

Motions to Engage: Steck stated that the District first needs to produce a district plan and introduced **Alan Hux of Taft Law** to assist with drafting that plan. After a question from a board member Hux stated that the District now has a Board in place and that the purpose of the plan is to provide sewer service to all freeholders within the District. He went on to explain that the District Plan is meant to be a general description of the process. Hux also stated that decisions about that plan and how it is implemented will be made by the Board. Subject to an engagement letter from Hux, Welch made a motion to retain Hux as legal counsel for the District. Johnson seconded. The motion passed unanimously.

Steck then asked that the Board hire **Mark Sullivan of Midwestern Engineers** to act as the District's engineer. Bremner made a motion to hire Sullivan and said motion was seconded by Welch. The motion passed unanimously.

Clark, as principal of **Lakeside Consulting LLC**, called attention to a contract between Lakeside and the East Shore Conservancy District submitted via email. A motion was made by Johnson for consideration for Lakeside to conduct the business of the District under said contract. The motion was seconded by Cleveland. The motion passed unanimously. Clark was then asked to act as deputy financial clerk for all but submission of budgets and annual reports to the Department of Local Government's Gateway system by Bremner, and to also act as assistant secretary to the board with review done by Welch of draft minutes before formal presentation to the Board for a vote of approval.

Bremner gave a brief presentation to the Board on the professional standing of **Buzz Krohn of Krohn & Associates**, noting that he is considered an expert in this specific financial field. He then went on to make a motion to hire Krohn to act as financial accountant for the District and provide financial advice including rates and charges information and operational financial advice. This would be subject to an engagement letter and a presentation at the August 7th meeting. Johnson seconded this motion. The motion passed unanimously.

Financial Discussions: A discussion took place on options to arrange for the District to establish working capital to begin to conduct business. A motion was made by Bremner to authorize the District to **borrow an amount not to exceed \$100,000 from East Shore Corp** at the same rate of interest that ESC is paying now to STAR Financial Bank. This loan will be paid back to ESC by the District on or before the STAR loan to ESC is repaid. Bremner was given authorization to negotiate the terms between both entities and Steck was given the authority to sign any and all documents. This motion was seconded by Johnson. The motion passed unanimously. Bremner requested that Hux prepare a promissory note for a short-term loan from ESC to ESCD so that it can be signed by the District at the next district meeting.

A motion was made by Bremner giving authority to Clark to write checks up to and including \$5,000 without prior board approval. This motion was seconded by Steck. Motion passed unanimously.

A motion to approve renting office space from Lakeside Consulting LLC at 460 Forest Place, Culver for \$200* per month was made by Steck and seconded by Bremner. Motion passed unanimously.

A motion was made by Bremner to authorize Clark to open a checking account for ESCD and to be the signatory on the account. This motion was seconded by Welch. Motion passed unanimously.

A motion was made by Cleveland for Clark to issue a check for \$10,000 to Lakeside Consulting for the past four months of work performed on behalf of the District. The motion was seconded by Steck. Motion passed unanimously.

After some discussion, it was agreed that Clark would prepare a draft budget for 2021 so that a special benefit tax could be arranged through Marshall County to cover the year 2021. This budget draft will be sent to the Board prior to their next meeting. This is to be considered a draft budget and should be kept confidential until such time as the Board is able to discuss and accept said budget.

Clark was authorized by motion to attempt to get three appraisal firms to do an asset appraisal of ESC assets, two of which are needed for a final determination. This motion was made by Welch and seconded by Johnson. Motion passed unanimously.

A draft schedule of upcoming meetings and hearings was reviewed and August 7th was set for the next Board of Directors meeting. September 11th was set for a public hearing on the 2021 budget before it being presented to the Marshall County Auditor.

Submitted for Brian Welch, Secretary to the Board, by Kathy Clark, Deputy Secretary to the Board. 8/3/2020

**Minutes did not originally reflect the contract amount presented and signed at meeting.*