

**329th MEETING OF THE  
STATE ENVIRONMENTAL IMPROVEMENT  
AND ENERGY RESOURCES AUTHORITY  
EIERA Office  
425 Madison Street, Second Floor  
Jefferson City, Missouri  
August 29, 2017  
1:00 p.m.**

1. Call to Order
2. Approval of Minutes  
  
Approval of Minutes from the 328<sup>th</sup> Meeting of the Authority held January 20, 2017, in Jefferson City, Missouri
3. State Revolving Program
  - A. Program Update
  - B. Other
4. Missouri Market Development Program
  - A. Program Update
  - B. Consideration of the Funding Recommendation for the Cedar Valley Components Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
  - C. Consideration of the Funding Recommendation for the Coon Manufacturing Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
  - D. Consideration of the Funding Recommendation for the Lumber Logs, LLC, Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority
  - E. Consideration of the St. Louis Building Material Reuse Project Request
  - F. Other
5. Brownfields Revolving Loan Fund
  - A. Program Update
  - B. Authorization to Increase the Award Amount to Boonslick Community Development Corporation and Authorizing the Director or Her Designee to Amend the Agreement on Behalf of the Authority
  - C. Consideration of the Funding Recommendation for the City of LaGrange Project and Authorizing the Director or Her Designee to Enter Into an Agreement on Behalf of the Authority

State Environmental Improvement and Energy Resources Authority  
329<sup>th</sup> Board Meeting  
August 29, 2017

**Agenda Item #4B**  
**MISSOURI MARKET DEVELOPMENT PROGRAM**  
**FUNDING RECOMMENDATION FOR CEDAR VALLEY COMPONENTS**

**Issue:**

Midco Electric and Plumbing, LLC/DBA Cedar Valley Components requested \$75,000 to purchase a second manufacturing line to expand their current production of "I-Blocks" (truss reinforcement) from reclaimed lumber.

**Action Needed:**

Consideration of the funding recommendation for the Cedar Valley Components project.

**Staff Recommendation:**

Staff recommends funding this project in the amount of \$50,000 not to exceed 50% of the cost of the equipment.

**Staff Contact:**

Kristin Tipton, Development Director

**Background:**

Midco Electric and Plumbing, LLC/DBA Cedar Valley Components (located in Rosebud) requested \$75,000 to purchase a second manufacturing line to expand their current production of "I-Blocks" (truss reinforcement) from reclaimed lumber.

Cedar Valley Components manufactures a variety of wood products, including the I-Block. The I-Block reinforces trusses, and has a strong market particularly in the south and east coast areas where hurricanes often affect homes. Since 2004, Cedar Valley Components has been the only Missouri company manufacturing the I-Block and the product is shipped nationwide and to Canada.

The I-Block is made from waste ends generated at mills that produce lumber for retail sale. The product is a ready-to-use component for trim-able floor truss markets. The 16" panel is inserted into any standard open wood or metal web floor truss and allows for on-site customization, which saves time and reduces errors while exceeding typical residential loading.

Cedar Valley Components anticipates diverting 431 tons annually and creating five new full time jobs with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$50,000 not to exceed 50% of the cost of the equipment, the largest amount for which the project is eligible. Since the project is eligible only for \$50,000, the Steering Committee is not recommending an award of the full amount requested. This funding recommendation was unanimous.

KT:ge

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**Agenda Item #4C**  
**MISSOURI MARKET DEVELOPMENT PROGRAM**  
**FUNDING RECOMMENDATION FOR COON MFG. INC.**

**Issue:**

Coon Mfg., Inc. requested \$60,075 to purchase a new pulverizing system to increase and more accurately produce material for use in rotational molding applications.

**Action Needed:**

Consideration of the funding recommendation for the Coon Mfg., Inc. project.

**Staff Recommendation:**

Staff recommends funding this project in the amount of \$60,075 not to exceed 50% of the cost of the equipment.

**Staff Contact:**

Kristin Tipton, Development Director

**Background:**

Coon Mfg., Inc. requested \$60,075 to purchase a new pulverizing system to increase and more accurately produce material for use in rotational molding applications.

Coon Mfg. (a successful past program participant) has been in operation since 1965, but started manufacturing products from recycled plastics in 1988, at first making only plastic sheets for the agricultural industry. With urging from the EIERA, Coon Mfg. expanded in 1992 to begin molding a variety of products from recovered #2 plastics (high density polyethylene). Today, the company typically runs three eight-hour shifts with fourteen employees and produces boat docks, septic tanks, hunting blinds and many custom products.

The company's current pulverizing system is experiencing frequent down time and is old enough that parts are difficult to locate. A new system will not only be able to run longer, but would allow for processing increased volume, necessary for the company to keep pace with new custom product orders. The new system will enable the company to process an additional 386 tons of plastics each year.

An applicant that has previously received financial assistance from the program can be eligible if the previously approved project is complete and all terms of the agreement are met.

Repeat applicants must demonstrate that a new product will be developed, different recovered materials will be used, or a significant increase in diversion will be realized with the new project.

Coon Mfg., Inc. anticipates diverting 386 tons annually and creating two new full time jobs with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$60,075 not to exceed 50% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

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**Agenda Item #4D**  
**MISSOURI MARKET DEVELOPMENT PROGRAM**  
**FUNDING RECOMMENDATION LUMBER LOGS, LLC**

**Issue:**

Lumber Logs, LLC requested \$27,746 to purchase a sawmill costing that will enable the company to mill lumber from logs recovered from tree removers and land clearing operations in the St. Louis area.

**Action Needed:**

Consideration of the funding recommendation for the Lumber Logs, LLC project.

**Staff Recommendation:**

Staff recommends funding this project in the amount of \$27,746 not to exceed 75% of the cost of the equipment.

**Staff Contact:**

Kristin Tipton, Development Director

**Background:**

Lumber Logs, LLC (located in St. Louis) requested \$27,746 to purchase a sawmill that will enable the company to mill lumber from logs recovered from tree removers and land clearing operations in the St. Louis area.

The business was founded in 2004 to divert local logs from the landfill and takes the majority of the logs it obtains to local mills where they are converted to low grade wood products such as pallets. Lumber Logs, LLC has also used local sawyers to mill some of the logs into lumber that the company retails. While the retail lumber side of the business is key to making the economics of picking up local logs work, sawing the lumber on site would allow the business to grow in the most efficient and effective manner.

Lumber Logs, LLC offers free log pickup in the St. Louis area. Trees are removed daily for land clearance, storm damage, homeowner decisions or other reasons, and the free pickup offered by Lumber Logs, LLC is a cost savings over landfilling to municipalities, golf course, cemeteries and home owners. The company currently retains one full-time employee and operates on a lot where they sort logs and retail lumber, most of which cannot be found at a typical lumber shop.

Lumber Logs, LLC anticipates diverting 4,800 tons annually and creating no new jobs with this project.

The Missouri Market Development Program Steering Committee, which includes staff from the Missouri Department of Natural Resources, Missouri Department of Economic Development, and the Authority, recommends funding this project in the amount of \$27,746 not to exceed 75% of the cost of the equipment. This funding recommendation was unanimous.

KT:ge

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**Agenda Item #4E**  
**MISSOURI MARKET DEVELOPMENT PROGRAM**  
**CONSIDERATION OF THE ST LOUIS BUILDING MATERIAL REUSE PROJECT REQUEST**

**Issue:**

The Missouri Market Development Program, MDNR's Solid Waste Management Program, EPA Region 7 and the St. Louis-Jefferson Solid Waste Management District are working together to develop a program to maximize the use of building materials from the demolition of 1,000 St. Louis buildings over the next five years as a result of consent decree between the St. Louis Metropolitan Sewer District (MSD) and the EPA.

**Action Needed:**

Consideration of the funding recommendation for the St. Louis Building Material Reuse initiative.

**Staff recommendation:**

Staff recommends that the Board agree to participate in this initiative up to \$25,000.

**Staff Contact:**

Kristin Tipton, Development Director

**Background:**

The Missouri Market Development Program, MDNR's Solid Waste Management Program, EPA Region 7 and the St. Louis-Jefferson Solid Waste Management District are working together to develop a program to maximize the use of building materials from the demolition of 1,000 St. Louis buildings over the next five years as a result of consent decree between the MSD and the EPA.

MSD's agreement with the EPA, signed in 2012, is the most expensive in the continental U.S. It commits the district to spending \$4.7 billion in engineering projects over 23 years to cut down on sewer overflow. As part of this agreement, MSD will provide \$13.5 million to take down unsound buildings in the city. Once vacant, the lots can be converted to rain gardens or simply open ground that will soak up rain before it can even get to the storm water systems and sewer. This will not only lighten the load on the sewer system, but will also improve the city's neighborhoods as blighted properties are cleaned up.



EPA has proposed that a consulting firm be hired to manage the development of an area materials reuse plan. This would include identifying the structures that are best candidates for deconstruction, researching existing markets and market opportunities for materials, providing contractor procurement assistance to the city, and also providing deconstruction training for contractors new to the process.

Staff believes that this type of work is very much in line with the technical assistance the program offered in previous years and also believes that an established process in St. Louis could be used as a model for other areas of the state. Construction and Demolition waste has been a program target for the past several years and we have awarded few projects that operate in this area. If this initiative occurs, it is likely that existing and new companies in the area will apply to our program to expand or acquire equipment needed to handle the new material.

MSD has already demolished eleven homes this year and hopes to take down at least 200 in this first year. Staff is asking for a commitment of funds up to an amount to support the initiative at this time, so that we can be ready to go once bids for the work are obtained. It is anticipated that the project cost will be split between the four groups involved.

Funding for this initiative would be drawn from the Business Initiatives budget category which was \$50,000 for FY2017. To date, we have not used any funds from this budget category.

KT:ge

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**Agenda Item #5B**

**MISSOURI BROWNFIELDS REVOLVING LOAN FUND**  
**CONSIDERATION OF THE BOONSLICK COMMUNITY DEVELOPMENT CORPORATION REQUEST**

**Issue:**

Estimated cleanup costs for the project with the Boonslick Community Development Corporation to remediate asbestos in the K Barracks building on the former Kemper Military School campus are more than three times the project award amount.

**Action Needed:**

Consideration of the funding recommendation for the Boonslick Community Development Corporation project and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

**Staff recommendation:**

Staff recommends that the Board increase the subgrant award from up to \$100,000 to up to \$200,000 for this project.

**Staff Contact:**

Kristin Tipton, Development Director

**Background:**

At the January meeting of the Authority, the Boonslick Community Development Corporation was awarded a subgrant up to \$100,000 to remediate asbestos-containing materials in the "K Barracks" building located on the former Kemper Military School campus in Boonville.

At the time the project was considered, the award amount seemed reasonable to cover the cleanup costs based on program experience with similar projects in similar sized structures.

The Analysis of Brownfield Cleanup Alternatives subsequently prepared by the Authority's environmental consultant conservatively estimates actual cleanup costs to be \$348,125. The primary reason the cost is projected to be significantly more than original believed is because of the presence of asbestos containing textured ceiling material throughout the building. Additional testing was done on this material to make certain that it did indeed meet the threshold for requiring treatment as a hazardous material.

Boonville is a small community with a population of just over 8,000. The City has invested a significant amount of funds to redevelop the former military school campus in the center of town and this effort is slowly succeeding, with a regional YMCA and the State Fair Community College occupying buildings. If the Authority increases the subgrant award to the maximum amount (\$200,000) allowed by EPA, the community will be better able to move forward with continued redevelopment plans.

The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program and the Authority, unanimously recommends that the Board increase the subgrant up to \$200,000 for this project.

KT:ge

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**Agenda Item #5C**  
**MISSOURI BROWNFIELDS REVOLVING LOAN FUND**  
**CONSIDERATION OF THE CITY OF LAGRANGE PROJECT**

**Issue:**

The City of LaGrange, a Missouri political subdivision, has submitted a hazardous substance application to the MBRLF, requesting a \$207,450 subgrant to complete remediation of the former LaGrange school.

**Action Needed:**

Consideration of the funding recommendation for the City of LaGrange project and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

**Staff recommendation:**

Staff recommends that the Board approve a subgrant of up to \$200,000 for this project.

**Staff Contact:**

Kristin Tipton, Development Director

**Background:**

The City of LaGrange, a Missouri political subdivision, has submitted a hazardous substance application to the MBRLF, requesting a \$207,450 subgrant to complete remediation of the former LaGrange school.

LaGrange, a small community with a population of 932, recently acquired the former LaGrange school, a seriously dilapidated building in the city center.

The building operated as the LaGrange school from its construction prior to the 1950's until the early 1990's, at which point it was used as a warehouse. The twelve acre property includes a two-story school building of approximately 32,000 square feet and a large outbuilding. The property is contaminated with lead-based paint and asbestos containing materials.

Because the condition of the building is so poor, the City intends to demolish it, and is still considering uses for the site. Any redevelopment is likely to include some green space, along with a walking trail that would enable children to access the City ballfield without walking along the highway. Part of the property is plotted for residential lots and the City is in

discussions with area contractors to explore this option. Removing the unsafe structure would, in any case, improve the appearances of this small town.

An Analysis of Brownfield Cleanup Alternatives (ABCA) has already been performed on the site, through MDNR, and this study estimates asbestos remediation costs to be \$207,450. Materials containing lead-based paint can be disposed of along with demolition materials.

Staff reviewed the application and found the applicant and site to meet all eligibility criteria for the program. Site and applicant eligibility have been confirmed by EPA.

The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program and the Authority, reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$200,000 for this project. The Review Team's recommendation was contingent upon receiving a resolution from the City's council that the balance of funds would be committed to complete the demolition of the building following remediation. A resolution from the City was received ahead of the board meeting.

KT:ge

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**Agenda Item #5D**  
**MISSOURI BROWNFIELDS REVOLVING LOAN FUND**  
**CONSIDERATION OF THE MAYVIEW MO FOUNDATION PROJECT**

**Issue:**

The Mayview MO Foundation, a Missouri non-profit corporation has submitted a hazardous substance application to the MBRLF, requesting a \$100,000 subgrant to complete remediation of the former Mayview school.

**Action Needed:**

Consideration of the funding recommendation for the Mayview MO Foundation project and authorization for the director or her designee to enter into an agreement on behalf of the Authority.

**Staff recommendation:**

Staff recommends that the Board approve a subgrant of up to \$150,000 for this project.

**Staff Contact:**

Kristin Tipton, Development Director

**Background:**

The Mayview MO Foundation, a Missouri non-profit corporation has submitted a hazardous substance application to the MBRLF, requesting a \$100,000 subgrant to complete remediation of the former Mayview school.

The Mayview MO Foundation was formed in 2015 with the purpose of revitalizing the small (population 212) community. The organization believes the school property is a valuable resource and is supported by an active alumni group. Since acquiring the building in 2015, the Mayview MO Foundation has already converted the athletic field into an RV park and the old shop building into a mini-storage facility.

The property is a 1.63 acre site that contains two buildings that were used as a school for the City of Mayview from 1918 through 1996. The original school was built in 1918 and two additions, both attached to the original building, were constructed in 1948 and 1966. The building is primarily brick and block with some wood-framed interior portions and an asphalt roof. The second building is a wood framed structure on a concrete pad. The property is contaminated with lead-based paint and asbestos containing materials.

The Mayview MO Foundation intends to demolish the 1918 portion of the building, renovate the newer additions and convert it to space that can be used by the community and rented to entrepreneurs to grow their businesses.

An Analysis of Brownfield Cleanup Alternatives (ABCA) has already been performed on the site through MDNR and this document estimates cleanup cost to be \$141,346.

Staff reviewed the application and found the applicant and site to meet all eligibility criteria for the program. Site and applicant eligibility have been confirmed by EPA.

The MBRLF Review Team, consisting of staff from MoDNR's Brownfield Voluntary Cleanup Program, the Department of Economic Development's Business and Community Services Program and the Authority, reviewed the application and unanimously recommends that the Board approve a subgrant of up to \$150,000 for this project. The Review Team recommendation was contingent on receipt of documentation that the foundation had sufficient finances to replace the building roof following remediation or an affidavit from a roofing contractor that the recently completed roof repairs are sufficient enough to protect the interior of the building for at least one year following remediation. A notarized statement from the roofing contractor that indicated the repaired roof should last for two or three years was received ahead of the board meeting.

KT:ge

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**Agenda Item #8A**  
**PAYROLL SERVICES PROVIDER**

**Issue:**

As described in the memo for Agenda Item 8B, our CPA firm (Winfrey) has proposed a significant fee increase for payroll services. Staff has researched alternatives and obtained bids from other payroll service providers.

**Action Needed:**

Consideration and selection of a payroll services provider for the Authority and authorization for the Director, or her designee, to enter into an agreement therewith.

**Staff Recommendation:**

Staff recommends that the Board select Columbia EDP to provide payroll services for the Authority, if necessary, beginning with October payroll. Additionally, staff recommends that the Winfrey continue to provide payroll services under their initial proposed fee until the new provider is in place.

**Staff Contact:**

Karen Massey or Mary Vaughan

**Background:**

As described in detail in the memo for agenda item 8B, the Authority's CPA is seeking to significantly increase fees for payroll services. In discussions with the firm, it was determined that certain payroll activities could be handled by Authority staff which would result in a smaller increase than originally proposed. Given the change in services and fee increase, staff felt that other bids for these services should be obtained to determine whether the fees were reasonable and whether lower costs could be obtained elsewhere.

A variety of options were researched including accounting firms, online payroll platforms and local businesses that specialize in payroll services. It appeared that without moving all of our accounting business, traditional accounting firms were less than enthusiastic to take on payroll. Online providers had reasonable costs, but the Authority tries to follow the preference for Missouri service providers when possible and staff prefers to have local, dedicated people to work with in case of problems. Two local payroll service providers were found, their references checked and their services researched. Bids were solicited for comparable services being offered by Winfrey in the lower cost increase scenario. Each of these, as well as the bid from Winfrey, is discussed below.



Quotes included monthly payroll processing, direct deposit of employee pay, standard payroll reports, tax deposits, federal and state quarterly and annual tax returns as well as preparation and transmission of W-2s. Each firm has additional services which may be added on as needed. Authority staff would be responsible for providing information regarding payroll changes, reviewing payroll, transferring funds for direct deposits and tax transfers, uploading benefit reports to providers, transferring funds to benefit providers and posting payroll entries into our accounting system. The timeframes and processes involved in each payroll are very similar for each firm. All firms agreed that the transition should take place during the first month of a quarter.

#### Columbia EDP

This firm, located in Columbia, MO, has been in business for 50 years and is locally owned and operated. Their bid was well organized and easily understood as were their demo payroll reports. The company was highly responsive to our inquiries and document requests. Another state issuing authority uses Columbia EDP for these same services. They are satisfied with their performance and have no complaints. Other small employers are similarly satisfied. It appears that some larger employers are not satisfied with certain payroll reports dealing with the Affordable Care Act. These are not reports which the Authority would be using.

#### AccuPay

Located in St. Louis and Jefferson City, AccuPay has been in business for 25 years and is affiliated with a local accounting firm. Their bid was difficult to follow in key areas. Demo payroll reports were clear and well organized. They have a large number of standard reports, but offered no information as to what they were or what might serve the Authority's needs. The firm was initially very responsive, but follow-up and responses to inquiries took longer than promised. An entity using the same services as would the Authority is generally satisfied, but does have issues from time to time. AccuPay would provide a full review of the year's previous tax withholdings, payments and returns to determine if any adjustments needed to be made during the fourth quarter or previous filings amended.

#### Winfrey

Located in Columbia, they are a well-established and respected firm. They have been providing our payroll and accounting services for the past two years. We are satisfied with the services provided, particularly those by our primary contact. From time to time, there have been payroll service issues; however, all have been resolved. Most of the issues were related to establishing a new relationship and state benefit programs. Their payroll system is not state of the art and while reports contain all necessary information, they are not particularly easy to follow. The firm is responsive to our needs and, as we've grown accustomed to each other, have become easy to work with. Based on their system needs, Winfrey would set up our benefit provider transfers for us for no additional charge. The other firms would not do this.

First Year Fee Comparison

	Columbia EDP	AccuPay	Winfrey
Monthly Payroll Processing	\$59.50	\$ 93.65	\$175.00
Initial Employee Set Up (5 employees)	\$ 7.50	\$ 6.35	\$ 0
Training	\$ 0	\$150.00	\$ 0
Custom Reports	\$ 10.00	Unknown	Not Available
Total Annual W-2 Costs (5 employees)	<u>\$ 18.75</u>	<u>\$ 65.50</u>	<u>\$ 0</u>
Total Annual Costs:	\$740.25	\$1,345.64	\$2,100.00

Based on the cost differential, staff is recommending that the Board select Columbia EDP to provide payroll services commencing with the October payroll should the General Assembly not override the Governor's veto of the Authority's budget item. If the veto is overridden, these services will not be needed.

Additionally, staff requests that Winfrey be allowed to continue providing payroll services, at the increased fee initially proposed until the new payroll system provider (Columbia EDP or the State) is in place.

KM:ge

State Environmental Improvement and Energy Resources Authority  
329<sup>th</sup> Board Meeting  
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**Agenda Item #8B**  
**ACCOUNTING SERVICES AGREEMENT**

**Issue:**

When staff approached our CPA to extend their agreement, the firm expressed its desire to increase the price for certain services beyond the inflationary factor contained in the contract. Subsequently, certain cost-saving measures have been identified. Staff feels these changes go beyond the authorization to extend the agreement given at the last Board meeting and therefore brings it to you again.

**Action Needed:**

Consideration and approval of extending and modifying the EIERA's agreement with Winfrey, Certified Public Accountants, P.C. and/or authorization to solicit bids for CPA services.

**Staff Recommendation:**

Staff recommends that the Authority extend and modify the accounting services agreement as outlined below.

**Staff Contact:**

Karen Massey or Mary Vaughan

**Background:**

At the December 7, 2016 EIERA Board meeting, you authorized staff to extend the agreement for accounting services for a period of two years commencing upon the expiration of the agreement in August, 2017. Authorization was sought well in advance to allow time for transition should the Board not wish to extend the agreement.

Given the uncertainties involved with the legislature and state budget process, as well as possibility that service issues could arise in the remaining eight months of the agreement, staff waited until closer to the agreement expiration to offer the extension to the firm. The firm agreed to an extension if an increase in certain fees was included. The agreement allows a price increase of five percent per year; however, as shown below, certain of the fees proposed were well beyond that amount. The CPA firm has told us that the compilation reports and payroll services are taking significantly more time than anticipated and the increased fees are reflective of the actual time involved.

Discussions ensued to determine if the services being provided could be altered to provide cost savings. In the area of payroll services, the unanticipated time involved dealing with and reporting to state benefit providers and entering payroll into the accounting system. Both of these functions can be done by Authority Staff. After talking to other state issuing authorities

who perform these activities in house, we believe that we have the capacity to perform these duties and, once systems are set up, it will be cost effective for us to do so.

The CPA also pointed out that, with our new accounting software, staff has the ability to generate the quarterly compilation reports in house as well. These reports are the financial statements that you are provided after the first three quarters of each fiscal year (the audit takes the place of the fourth quarter compilation reports). Compilation reports are simply an extraction of data from the system. They are needed to show trends and look for discrepancies on a periodic basis, but contain no assurances by the CPA as to the validity of the information therein. Staff designed these reports in our accounting system shortly after the its purchase and uses them to check figures from time to time and to provide year end information to the auditors. Work will be needed to clean them up a bit for these purposes, but we are confident that we can generate them. Initially, this may take some staff time to clean up the reports and possibly some technical support by our software provider; however, once the reports are finalized, report generation should be a relatively simple process.

The fees involved are shown below. The proposed fee column is the initial quote and the revised fee column shows the new proposal for payroll services and without compilation reports.

Service	Previous Fee	Proposed Fee	Revised Fee
Monthly GL Maintenance	\$630	\$660	
Monthly Payroll Services	\$158	\$300	\$175
Quarterly Compilation Reports	\$352	\$512	NA
Hourly Rate	\$168	\$168	
1099 Prep	\$100	\$100	

We have discussed the revised fee scenario with our lead auditor and she is comfortable with these services being taken in-house as long as adequate controls are in place. She also suggested that for the first couple of quarters, the CPA be retained to look over the compilation reports to make sure they are functioning as anticipated.

Staff recommends that payroll services be handled as determined under agenda item 8A, whether that be with Winfrey or another payroll provider.

Additionally, staff recommends that the agreement be further modified to remove compilation reports from the service provided, but extended for a period of two years in all other respects. If the Board chooses not to modify and extend the agreement, that staff be authorized to proceed with an RFP for accounting services.

KM:ge

State Environmental Improvement and Energy Resources Authority  
329<sup>th</sup> Board Meeting  
August 29, 2017

**Agenda Item #9A**  
**UPDATE ON EXECUTIVE ORDER 17-03 RELATING TO RULEMAKING**

**Issue:**

Staff will provide an update on activities related to the Executive Order 10-03 Rulemaking Review discussed at the last EIERA Meeting.

**Action Needed:**

None.

**Staff Recommendation:**

None.

**Staff Contact:**

Karen Massey

**Background:**

At the last EIERA Meeting, staff updated you on Governor Greiten's Executive Order 17-03 relating state regulations.

The review of existing rules is to be completed and a report submitted to the Governor's Office by May 31, 2018. The review is to include a 60 day public comment period and at least two public hearings. Six criteria must be affirmed in the report. Those criteria include:

1. That the regulation is essential to the health, safety, or welfare of Missouri residents;
2. the costs do not outweigh the benefits;
3. a process exists to measure effectiveness;
4. that less restrictive alternatives were considered and found to be less desirable;
5. the regulation is based upon sound scientific, technical, economic and other relevant information; and
6. the rule does not unduly and adversely affect Missouri citizens or customers of the State, or the competitive environment in Missouri.

At that time DNR was considering running the statutorily required five year review (due in June, 2017) simultaneously with the Executive Order review which is due in May, 2018. Given the compressed time frame, the Board authorized the Director to hold all necessary hearings required under the Executive Order. Shortly after the meeting, DNR decided against running the reviews together.

Additional guidance has since been provided and each agency has developed an action plan preliminarily identifying stakeholders to be engaged, staff assigned to the reviews and setting forth timetables for public meetings and hearings. DNR and the Authority have agreed to coordinate activities, to the extent possible, to avoid duplication of work and confusion by our mutual stakeholders. The Authority will also be reaching out to our unique stakeholders and partners asking for comments on our rules.

The Authority's web site has been updated to solicit and accept comments on our rules. Authority staff has attended multiple DNR stakeholder meetings in which comments were solicited for this regulatory review. No comments on the EIERA rules have been received to date. Additionally, we have begun the task of reviewing our rules to identify unnecessary mandates. Given the small number of Authority rules, the number of mandatory items was surprising. Public meetings and hearings on the EIERA rules will be scheduled this fall to be completed by December.

We will keep you advised of scheduled meetings or hearings on our rules as we move forward. Once the review is completed, staff will prepare a report for your approval prior to submission.

KM:ge

Attachment

RECEIVED & FILED

EXECUTIVE ORDER  
17-03

JAN 10 2017

SECRETARY OF STATE  
COMMISSIONS DIVISION

WHEREAS, Missouri's state government has proposed and codified an excessive amount of regulations; and

WHEREAS, the Missouri Register, a publication that includes proposed and final regulations, has published more than 40,000 pages since 2000; and

WHEREAS, Missourians and Missouri businesses deserve efficient, effective, and necessary regulations; and

WHEREAS, regulations should not reduce jobs, stifle entrepreneurship, limit innovation, or impose costs far in excess of their benefits; and

WHEREAS, regulations that are ineffective, unnecessary, or unduly burdensome must be repealed; and

WHEREAS, removing needless and burdensome regulations will make Missouri more attractive to businesses and encourage job growth.

NOW THEREFORE, I, ERIC R. GREITENS, GOVERNOR OF THE STATE OF MISSOURI, by virtue of the authority vested in me by the Constitution and laws of the State of Missouri, do hereby order:

1. Every State Agency shall immediately suspend all rulemaking.
  - a. This suspension shall remain in effect until February 28, 2017.
  - b. Any proposed regulation that affects health, safety, or welfare, or is otherwise time sensitive or required by law, should be submitted to the Office of the Governor prior to February 28, 2017.
2. No State Agency shall release proposed regulations for notice and comment, amend existing regulations, or adopt new regulations at any time until approved by the Office of the Governor.
3. Every State Agency shall undertake a review of every regulation under its jurisdiction within the Code of State Regulations.
  - a. As part of its review, every State Agency shall (i) accept written public comments for at least a 60-day period; (ii) hold at least two public hearings to allow citizens and businesses to identify regulations that are ineffective, unnecessary, or unduly burdensome; (iii) solicit and incorporate comments and advice from private citizens, stakeholders, regulated entities, and other interested parties; and (iv) complete the review by May 31, 2018.
  - b. Every State Agency shall designate an individual to oversee the review.
  - c. For each existing regulation, and any future proposed regulation, every State Agency shall affirm in a report submitted to the Office of the Governor by May 31, 2018:
    - i. The regulation is essential to the health, safety, or welfare of Missouri residents;
    - ii. The costs of the regulation do not outweigh their benefits, based on a cost-benefit analysis;
    - iii. A process and schedule exist to measure the effectiveness of the regulation;

- iv. Less restrictive alternatives have been considered and found less desirable than the regulation;
  - v. The regulation is based on sound, reasonably available scientific, technical, economic, and other relevant information; and
  - vi. The regulation does not unduly and adversely affect Missouri citizens or customers of the State, or the competitive environment in Missouri.
- d. By June 30, 2018, every State Agency shall take any action necessary to repeal or to cease rulemaking for any regulation that does not meet any criteria in Section 3(c) of this Order.
4. This Order does not modify any State Agency's obligations under Section 536.175, RSMo. Any State Agency that has already completed the review required by Section 536.175, RSMo. may include any applicable results of that review when responding to this Order. Any State Agency that has not already completed the review required by Section 536.175, RSMo. shall do so in the manner and on the schedule required by statute.
5. "State Agency" shall have the definition provided in Section 536.010(8), RSMo.
6. This Order shall supersede any previous executive order that is inconsistent with the terms contained herein.



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Missouri, in the City of Jefferson, on this 10th day of January, 2017.

A handwritten signature in dark ink, appearing to read "Eric R. Greitens", written over a horizontal line.

Eric R. Greitens  
Governor

A handwritten signature in dark ink, appearing to read "John R. Ashcroft", written over a horizontal line.

John R. Ashcroft  
Secretary of State



State Environmental Improvement and Energy Resources Authority  
329<sup>th</sup> Board Meeting  
August 29, 2017

**Agenda Item #9C**

**CONSIDERATION AND RATIFICATION OF ENGAGEMENT OF LEGAL SERVICES PROVIDER FOR THE  
PACE RULEMAKING PETITION**

**Issue:**

Due to the appearance of a conflict with our General Counsel's firm, the Director has engaged another law firm to provide legal services in relation to a Property Assessment Clean Energy Act (PACE) Rulemaking Petition. Given the short period of time allowed by law to respond to the Petition, the firm was retained without prior approval by the Board. The Board now needs to consider whether to ratify the engagement of the legal services provider for these purposes.

**Action Needed:**

Consideration and ratification of the engagement of Neale & Newman, L.L.P. to provide services in relation to the PACE Rulemaking Petition.

**Staff recommendation:**

Staff recommends that the attached Engagement Letter be ratified.

**Staff Contact:**

Karen Massey

**Background:**

On July 12, a Petition for Rulemaking relating to the PACE Act was received. The Petition asked the Authority to promulgate rules in four areas. Statute requires that a Response be filed to such petitions within 60 days which expires on Sunday, September 10. The PACE Act authorizes the EIERA to promulgate rules in specific, limited areas. Upon review, staff asked Lewis Rice, our General Counsel, to determine whether the Authority was authorized to promulgate the rules being requested.

During a meeting with the Petitioner on Friday, July 28, staff learned of a potential conflict of interest involving Lewis Rice and the Petitioner. The following week, a conflict check run by Lewis Rice did not identify any legal conflicts of interest which would prohibit them from representing the Authority in this matter; however, the potential conflict does create an appearance issue that might lead one to question the advice being offered. Lewis Rice themselves raised this possibility and suggested that the Authority retain other counsel in this matter to avoid any appearance of impropriety.

Considering the limited scope of the representation and the short response time allowed on the Petition, staff concluded that procuring a law firm through an RFP process was not legally required, cost effective or achievable under the deadline. In discussions with the Chair it was decided to look at other firms that understand the Authority, with which we have relationships

and that have the type of practice which deal in matters similar to this issue (all of which would help control costs).

Unfortunately, all firms considered or contacted either had conflicts, the attorneys familiar with the Authority were unavailable or had other issues. This process took several days, drawing us closer to our filing deadline. It appeared that the St. Louis and Kansas City firms meeting our criteria would have similar conflict issues due to the nature of their businesses. After further discussions with the Chair, it was decided to approach a top-rated Springfield firm with experience applicable, although not directly tied to, the Authority. It was our hope that in Springfield, the conflicts we were finding elsewhere would not exist.

The firm of Neale & Newman, L.L.P., was contacted. They are a top-rated firm with an excellent reputation and a well-rounded practice including handling matters related to municipal and administrative actions. Both the Chair and the Director have had dealings with the firm and its attorneys and feel they could represent the Authority competently and effectively. As hoped, they did not identify any legal conflicts or appearance issues relating to our representation and could meet our deadlines.

After determining that the fees proposed were reasonable, the Director retained the services of Neale & Newman to provide a legal opinion related to the statutory authority of the EIERA to promulgate the rules requested in the Petition. Attached you will find the signed engagement letter setting forth the terms of the agreement to provide legal services.

Staff is asking that you ratify the Director's engagement of Neale & Newman.

KM:ge

Attachment

THE LAW FIRM OF

**NEALE & NEWMAN<sup>®</sup>** L.L.P.

*Legal Services Since 1903*

J. RICHARD DWENSBY  
PAUL G. WHITE  
RICHARD L. SCHNAKE  
KEVIN MARY DUNAWAY  
BRIAN K. ASBERRY  
MICHAEL J. DEARMON  
DANIEL K. WOOTEN  
MARK L. McQUEARY  
PATRICK J. FLATTER  
JUDSON B. POPPEN  
BRITTON D. JOBE  
W. BRADLEY RUSBY  
MELISSA C. BADE  
BRYAN D. FISHER  
C. NATHAN DUNVILLE  
RYAN D. FRAZIER

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WEB SITE: WWW.NEALEANDNEWMAN.COM

WRITER'S EMAIL ADDRESS: BASBERRY@NNLAW.COM  
WRITER'S AFTER-HOURS TELEPHONE EXTENSION: 133

BEN M. NEALE (1876-1966)  
CHARLES F. NEWMAN (1880-1988)  
JEAN PAUL BRADSHAW (1898-1970)  
FLAVIUS B. FREEMAN (1891-1988)  
PAUL L. BRADSHAW (1930-1988)

RETIRED  
THOMAS FIELD

OF COUNSEL  
JERRY L. MODERN  
ANNE SALLEE MASON

\*ALSO ADMITTED IN OKLAHOMA  
\*ALSO ADMITTED IN ARKANSAS  
\*ALSO ADMITTED IN KANSAS

August 21, 2017

Environmental Improvement and  
Energy Resources Authority  
c/o Karen Massey, Esq.  
P.O. Box 744  
Jefferson City, MO 65102

Re: *Legal Representation by Neale & Newman, L.L.P.*

Dear Ms. Massey:

We are pleased that you have chosen to retain Neale & Newman, L.L.P. to represent you. This cover letter, together with the attached Neale & Newman Engagement Terms, set forth the terms and conditions upon which we are undertaking the engagement, confirming and supplementing our earlier discussions.

Our services in relation to this matter shall include legal representation in matters involving Environmental Improvement and Energy Resources Authority in drafting a counsel opinion letter. Although not included in the services described above, we can assist you with litigation, corporate matters, collections, real estate, and estate planning services.

As we discussed, our firm will be providing the above services on an hourly basis, plus costs. If you ask us to do work in addition to that described above, you will be charged on an hourly basis for the work completed. My current standard hourly rate is \$275.00 per hour, although that is subject to change.

Neale & Newman ordinarily obtains an advance deposit for fees and expenses from clients. We may request on occasion that the deposit be replenished, such as in the case of taking on a new specific matter or expanding the scope of existing representation, or we may determine that based upon our continuing relationship, the fee/expense deposit is no longer necessary or appropriate. As we discussed, our firm is waiving the requirement for a retainer in this matter. As a matter of clarification to paragraph number 6 of the Neale & Newman, L.L.P. Engagement Terms, these funds will be held in the Neale & Newman, L.L.P. trust account and will be applied, at the discretion of Neale & Newman, L.L.P. to outstanding fees, costs and expenses incurred by Neale & Newman, L.L.P.

THE LAW FIRM OF  
**NEALE & NEWMAN<sup>®</sup> LLP**

August 21, 2017

Page 2

Please review the enclosed Neale & Newman Engagement Terms. Our services are rendered on this basis, which we believe is customary and appropriate. If you have any objections to any of the foregoing or any questions, please call me. We highly regard your business and feel all aspects of our representation are appropriate subjects for discussion.

Please execute and return to us the enclosed copy of this letter. Upon receipt of a signed copy of this letter, we will proceed with the services we have discussed. Thanking you for your attention to this matter, I remain:

Very truly yours,

NEALE & NEWMAN, L.L.P.

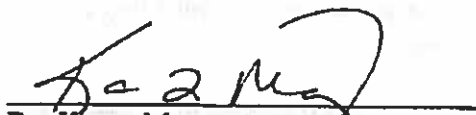


By: Brian K. Asberry

BKA/adt  
Enclosure

**ACCEPTED AND AGREED TO:**

**ENVIRONMENTAL IMPROVEMENT AND  
ENERGY RESOURCES AUTHORITY**

  
By: Karen Massey  
Its: Director and Staff Counsel

Date: 8/24/17

## **Neale & Newman, L.L.P. Engagement Terms**

**Effective January 2017**

**1. Introduction.** This document, along with the accompanying cover letter, are the terms and conditions upon which the client agrees to engage the law firm of Neale & Newman, L.L.P. to provide the legal services described in the cover letter. In the event of a conflict between the cover letter and this sheet, the cover letter shall control.

**2. Definitions.** "Agreement" means this Standard Term Sheet and the accompanying cover letter. In this agreement, the terms "we", "our" or "us" mean Neale & Newman, L.L.P. and/or its principals, employees or agents. The terms "you", "your" or "client" mean the addressee(s) on the cover letter accompanying this document.

**3. Hourly Rates.** We establish hourly rates for attorneys and other members of our professional staff based on years of experience, specialization, training and practice and level of professional attainment. When appropriate, we attempt to use the lowest billing rate person who possesses the skills necessary to accomplish specific tasks, consistent with the needs of your case or project. Our current hourly rates range from \$120.00 per hour to \$300.00 per hour. Unless other billing arrangements have been specified in the accompanying cover letter, you will be billed on the basis of the hourly rates of the person(s) who perform legal services for you. All quoted rates are subject to annual customary adjustments without notice.

**4. Costs and Expenses.** Our hourly rates and any rate quoted in the accompanying letter do not include items such as travel, lodging, meals, telephone calls (long distance and specific cellular charges), facsimile transmissions, courier or messenger service, postage, photocopying, computerized legal research, and court reporting. These services will be itemized on your statements for clarification. Unless otherwise agreed, we do not advance filing fees on behalf of a client.

**5. Statements.** We prepare and mail statements for fees and expenses monthly. The statements are payable within 30 days of presentation. We may charge an interest rate of one and one-half percent (1-1/2%) per month (18% Annual Percentage Rate) on accounts that are more than 30 days past due. You agree to notify us of any change of address in a timely manner. In the event you have a question about your statement, please contact the attorney handling your matter for more information. If you cannot pay your bill in full when it is due, you agree to contact us to arrange a reasonable payment plan. In the event it becomes necessary for us to enforce the terms of this agreement in court, you agree that we shall be entitled to the fees, costs and expenses of enforcing this agreement, including reasonable attorneys' fees. In addition, for any unpaid amount, you hereby grant us an attorney's lien on the contents of your client file, effective until such time as your account is paid in full.

**6. Your Obligation to Maintain Contact with Us.** It is important that we have current contact information for you. You therefore agree to inform us of your current mailing address, telephone number, cell phone number, and email address and to give us updated information when any of those changes. You also agree to let us know how we can contact you otherwise if you plan to be away for an extended period of time, such as vacation or business travel. You understand that your failure to do so could limit or compromise our ability to represent you.

The failure to keep us informed of current contact information will be grounds, at our option, to withdraw from representation of you, with effective notice of withdrawal being sent to your last known address of record you have provided us, and upon withdrawal, we will have no further obligation to inform you of any notices or further events effecting your proceedings involving the matter upon which you retained us.

**7. Advance Fees/Expense Deposit.** We ordinarily obtain an advance fees/expense deposit from new clients. If the accompanying letter specifies an advance fees/expense deposit, the advance fees/expense deposit will be held in our trust account and applied against any unpaid fees, costs and expenses at our discretion. Any portion of the advance fees/expense deposit that is not utilized in the course of our representation will be refunded to you, upon final payment of all amounts due and termination of our services. We may request that the advance fees/expense deposit be replenished, or we may determine that based upon our continuing relationship, the advance fees/expense deposit is no longer necessary or appropriate.

**8. Termination.** Either party is free to terminate this agreement at any time and nonpayment of fees and expenses may result in suspension or termination of services. If this agreement is terminated, you agree to pay for all fees, expenses and disbursements incurred through the date of termination. We will work with you to effect an orderly transition of your matter. Any termination on our part will be consistent with the applicable Code of Professional Responsibility.

**9. File Retention.** Unless otherwise specified in the accompanying cover letter, our current standard file retention policy on general files is to retain a file for five (5) years after it is closed. You hereby give us permission to destroy your file after this time has expired. If you notify us prior to the time your file is destroyed, we will transfer the contents of the file to you.

**10. Applicable Law.** This agreement shall be governed by and interpreted in accordance with the laws of the state of Missouri, excluding its conflict of laws provisions. You agree that venue for any action to enforce this agreement shall be in the state courts of Greene

County, Missouri and you hereby submit to the personal and subject matter of the state courts of Greene County.

**11. Use of Electronic Transmissions.** E-mails, cellular telephones and facsimile transmissions are susceptible to unauthorized interception. Unless you notify us in writing otherwise, you agree that we may use, if available, e-mail, cellular telephones and facsimile transmissions to communicate privileged information.

**12. Privacy Policy Notice.** We have been and continue to be bound by professional standards of confidentiality that are more stringent than those imposed by recent federal legislation. We have always protected your right to privacy. In the course of providing you with income tax, estate tax and gift tax advice, we may receive significant personal information from you. The information we receive from you is held in confidence and is not released to people outside the firm, except as agreed to by you or as required under applicable law. We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic and procedural safeguards that comply with our professional standards.

**13. Tax Consequences.** We have not made, and will not make, any representations nor have we given, nor will we give, any advice with respect to the tax consequences of any aspect of the subject matter of our representation of you. Any questions relative to any such tax consequences should be directed to your tax advisor and not to us.

State Environmental Improvement and Energy Resources Authority  
329<sup>th</sup> Board Meeting  
August 29, 2017

**Agenda Item #10**  
**ADOPTION OF FISCAL YEAR 2018 BUDGETS**

**Issue:**

The Authority needs a budget for Fiscal Year 2018 which began on July 1, 2017.

**Action Needed:**

Consideration and adoption of FY18 Budgets for the Authority, Market Development Program and Brownfields Revolving Loan Fund.

**Staff recommendation:**

Staff recommends that the attached budgets be adopted.

**Staff Contact:**

Karen Massey, Kristin Tipton and Mary Vaughan

**Background:**

Attached you will find information pertaining to the FY16 adopted budgets, the anticipated final FY17 expenditures and FY18 proposed budgets.

It should be noted that until the State Budget matter involving the EIERA is resolved, the fiscal needs for the Authority will be unknown. The budgets before you are based upon the FY17 expenses and are being presented for approval so we have an operating budget for the fiscal year. Staff anticipates returning to the Board at a later date with a revised budget proposal.

The Authority Budget is similar to that of FY17. We do not anticipate significant Issuance Fee Revenue from the SRF or Private Activity Bonds during the upcoming year. We are unclear about the possibility of NRD activity and have removed both the revenue and expense items. On the expense side, with the exception of NRD, costs are in line with FY17 amounts. With this budget, an additional \$28,949 is being committed for matching funds for the Brownfields Revolving Loan Fund, bringing the total commitment to \$254,436.

The Market Development Budget revenues reflect the FY18 allocation of the Solid Waste Management Fund as well as those monies not expended in previous years. Some expenses have been adjusted, but overall they are not significantly different from FY17.

The Brownfields Budget, as in past years, reflects funds available under the remaining term of the grant rather than what we expect to expend in FY18.

KM:ge

Attachment



**FY18 Proposed Budget  
Authority**

Attachment "A"

		<b>FY17 Budget</b>	<b>FY17 Year End Final 6/30/17</b>	<b>Variance</b>	<b>FY18 Proposed Budget</b>
<b>Revenues/Reimbursements:</b>					
MMDP Reimbursement	\$	45,000	\$ 45,000	\$ -	\$ 45,000
SRF Reimbursement	\$	140,000	\$ 185,743	\$ (45,743)	\$ 140,000
NRD Reimbursement	\$	20,000	\$ 39,755	\$ (19,755)	\$ -
Application Fees	\$	2,500	\$ -	\$ 2,500	\$ 2,500
Issuance fees	\$	40,000	\$ -	\$ 40,000	\$ 40,000
Investment Income	\$	10,000	\$ 19,887	\$ (9,887)	\$ 13,000
Misc. Income	\$	200	\$ -	\$ 200	\$ 200
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>257,700</b>	<b>\$ 290,385</b>	<b>\$ (32,685)</b>	<b>\$ 240,700</b>
<b>Expenses:</b>					
<b>Personal Services</b>					
Per Diem	\$	500	\$ -	\$ 500	\$ 500
Office Salaries	\$	350,000	\$ 293,827	\$ 56,173	\$ 350,000
Payroll Taxes & Fringe	\$	150,000	\$ 123,704	\$ 26,296	\$ 150,000
Travel Expense Staff	\$	12,000	\$ 4,485	\$ 7,515	\$ 10,000
Travel Expense Board	\$	800	\$ 24	\$ 776	\$ 800
<b>Total Personal Services</b>	<b>\$</b>	<b>513,300</b>	<b>\$ 422,040</b>	<b>\$ 91,260</b>	<b>\$ 511,300</b>
<b>Professional Services</b>					
Legal Fees & Exps (General)	\$	10,000	\$ 13,180	\$ (3,180)	\$ 14,000
Legal Fees & Exps (SRF Misc.)	\$	5,000	\$ 3,860	\$ 1,140	\$ 5,000
Legal Fees & Exps (Other Projects)	\$	12,000	\$ 1,083	\$ 10,917	\$ 10,000
Accounting Fees	\$	6,600	\$ 3,073	\$ 3,527	\$ 10,900
Audit Fees	\$	18,500	\$ 18,500	\$ -	\$ 19,500
Misc. Professional Fees	\$	50,000	\$ 24,777	\$ 25,223	\$ 50,000
<b>Total Professional Services</b>	<b>\$</b>	<b>102,100</b>	<b>\$ 64,473</b>	<b>\$ 37,627</b>	<b>\$ 109,400</b>
<b>Operating Expenses</b>					
Equipment Maintenance	\$	500	\$ -	\$ 500	\$ 500
Telephone & Ethernet	\$	8,800	\$ 6,494	\$ 2,306	\$ 8,800
Office Supplies & Printing	\$	5,500	\$ 1,909	\$ 3,591	\$ 3,500
Postage & Shipping	\$	1,200	\$ 735	\$ 465	\$ 1,200
Membership Dues	\$	4,000	\$ 3,360	\$ 640	\$ 4,000
Conference Registration	\$	2,000	\$ 1,025	\$ 975	\$ 2,000
Subscriptions	\$	200	\$ -	\$ 200	\$ 200
Training	\$	3,000	\$ 936	\$ 2,064	\$ 3,000
Board Meeting Expense	\$	500	\$ 253	\$ 247	\$ 500
Misc & Administrative	\$	300	\$ 173	\$ 127	\$ 300
Advertising	\$	2,500	\$ -	\$ 2,500	\$ 2,500
Office Maintenance	\$	200	\$ -	\$ 200	\$ 200
Rent	\$	32,000	\$ 30,400	\$ 1,600	\$ 32,000
Insurance	\$	700	\$ 585	\$ 115	\$ 700
Equipment Purchases	\$	5,800	\$ 5,096	\$ 704	\$ 1,000
Computer Purchases	\$	2,000	\$ 986	\$ 1,014	\$ 2,000
Computer Software	\$	2,000	\$ 2,426	\$ (426)	\$ 2,500
Workers Comp Contingency	\$	4,500	\$ -	\$ 4,500	\$ 4,500
NRD Direct Costs	\$	10,000	\$ 2,306	\$ 7,694	\$ 1,000
<b>Total Operating Expense</b>	<b>\$</b>	<b>85,700</b>	<b>\$ 56,685</b>	<b>\$ 29,015</b>	<b>\$ 70,400</b>
<b>Project Assistance</b>					
BRLF Match (Transfer Out)	\$	269,261	\$ 43,774	\$ 225,487	\$ 254,436
<b>Total Project Assistance</b>	<b>\$</b>	<b>269,261</b>	<b>\$ 43,774</b>	<b>\$ 225,487</b>	<b>\$ 254,436</b>
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>970,361</b>	<b>\$ 586,972</b>	<b>\$ 383,389</b>	<b>\$ 945,536</b>
<b>Net Increase (Decrease) in Funds</b>		<b>(\$712,661)</b>	<b>(\$296,586)</b>		<b>(\$704,836)</b>

**FY 18 Proposed Budget**  
**Missouri Market Development Program**

<b>Revenues:</b>	<b>FY17 Budget</b>	<b>FY17 Year End Final 6/30/17</b>	<b>Variance</b>	<b>FY18 Proposed Budget</b>
Solid Waste Management Fund	\$ 1,627,977	\$ 783,913	\$ 844,064	\$ 1,611,353
Investment Income	\$ -	\$ 153	\$ (153)	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 1,627,977</b>	<b>\$ 784,066</b>	<b>\$ 843,911</b>	<b>\$ 1,611,353</b>

**Expenses:**

**Administrative**

Program Salary/Fringe	\$ 80,000	\$ 95,490	\$ (15,490)	\$ 80,000
Travel	\$ 1,000	\$ 1,693	\$ (693)	\$ 1,000
Legal Expenses & Fees	\$ 2,500	\$ 428	\$ 2,073	\$ 1,000
Accounting Fees	\$ 2,500	\$ 1,721	\$ 779	\$ 2,500
Membership Fees	\$ 1,500	\$ 312	\$ 1,188	\$ 1,500
Conference/Registration Fees	\$ 3,500	\$ 655	\$ 2,845	\$ 1,500
Sponsorships	\$ -	\$ -	\$ -	\$ 10,000
EIERA Costs	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
Direct Costs	\$ 1,000	\$ 2,852	\$ (1,852)	\$ 2,500
Training	\$ 400	\$ -	\$ 400	\$ -
<b>Total Administrative</b>	<b>\$ 137,400</b>	<b>\$ 148,150</b>	<b>\$ (10,750)</b>	<b>\$ 145,000</b>

**Business Assistance**

Travel	\$ 2,500	\$ 739	\$ 1,761	\$ 1,500
Legal Expenses & Fees	\$ 20,000	\$ 11,343	\$ 8,657	\$ 15,000
Promos/Publication Design & Production	\$ 500	\$ -	\$ 500	\$ -
Miscellaneous Expense	\$ -	\$ -	\$ -	\$ -
Direct Financial Assistance	\$ 869,577	\$ 525,319	\$ 344,258	\$ 845,203
Direct Financial Assistance-Encumbered	\$ 548,000	\$ 127,073	\$ 420,927	\$ 554,650
Business Initiatives	\$ 50,000	\$ -	\$ 50,000	\$ 50,000
<b>Total Business Assistance</b>	<b>\$ 1,488,077</b>	<b>\$ 663,735</b>	<b>\$ 824,342</b>	<b>\$ 1,466,353</b>

<b>TOTAL EXPENSES</b>	<b>\$ 1,625,477</b>	<b>\$ 811,885</b>	<b>\$ 813,592</b>	<b>\$ 1,611,353</b>
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## FY18 Proposed Budget Brownfields Revolving Loan Fund

<b>FY18</b>	<b>Estimated</b>	<b>Anticipated</b>	<b>FY18</b>
<b>Revenues:</b>	<b>Grant Balance</b>	<b>Loan Repayments</b>	<b>Proposed Budget</b>
Federal Reimbursement	\$ 1,272,280	\$ -	\$ 1,272,280
EIERA Match	\$ 254,436	\$ -	\$ 254,436
Loan Repayments	\$ -	\$ 48,675	\$ 48,675
<b>TOTAL REVENUES</b>	<b>\$ 1,526,716</b>	<b>\$ 48,675</b>	<b>\$ 1,575,391</b>
<b>Expenses:</b>			
Office Salaries, Payroll Taxes & Fringe	\$ 291,277	\$ 48,675	\$ 339,952
Travel	\$ 17,513	\$ -	\$ 17,513
Supplies	\$ 1,100	\$ -	\$ 1,100
Contractual	\$ 146,150	\$ -	\$ 146,150
Grant/Loans	\$ 1,070,677	\$ -	\$ 1,070,677
<b>TOTAL EXPENSES</b>	<b>\$ 1,526,717</b>	<b>\$ 48,675</b>	<b>\$ 1,575,392</b>

### FY17 ACTUALS

<b>FY17 ACTUALS</b>	<b>FY17</b>	<b>FY17 Year End</b>
<b>Revenues:</b>	<b>Budget</b>	<b>Final 6/30/17</b>
Federal Reimbursement	\$ 1,338,902	\$ 218,990
EIERA Match	\$ 269,261	\$ 43,774
Loan Repayments	\$ 43,570	\$ 65,014
<b>TOTAL REVENUES</b>	<b>\$ 1,651,733</b>	<b>\$ 327,777</b>
<b>Expenses:</b>		
Office Salaries, Payroll Taxes & Fringe	\$ 330,855	\$ 52,781
Travel	\$ 17,623	\$ 286
Supplies	\$ 1,100	\$ -
Contractual	\$ 167,983	\$ 22,869
Grant/Loans	\$ 1,134,173	\$ 186,874
<b>TOTAL EXPENSES</b>	<b>\$ 1,651,734</b>	<b>\$ 262,809</b>

State Environmental Improvement and Energy Resources Authority  
329<sup>th</sup> Board Meeting  
August 29, 2017

**Agenda Item #12**  
**ELECTION OF OFFICERS**

**Issue:**

The Authority By-laws require elections of Officers at first meeting of the Authority held after June 1<sup>st</sup> each year.

**Action Needed:**

Election of Officers.

**Staff Recommendation:**

None.

**Staff Contact:**

Karen Massey

**Background:**

The By-Laws of the Authority state that the election of Officers take place at the first meeting of the Authority held after June 1<sup>st</sup> of each year. Article II, Section 1 states that the officers of the Authority shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. Other than the Chair and Vice Chair, any two or more offices may be held by the same person. In past years we have found it advantageous to also elect an Assistant Secretary.

If you wish to review the By-laws, Article III contains the duties of each office.

KM:ge

Attachment

**BYLAWS OF THE  
STATE ENVIRONMENTAL IMPROVEMENT AND  
ENERGY RESOURCES AUTHORITY**

**ARTICLE I**

**Section 1**

**Name of the Authority:** The name of the Authority shall be "State Environmental Improvement and Energy Resources Authority."

**Section 2**

**Seal of the Authority:** The seal of the Authority shall consist of two concentric circles and shall bear the inscription "State Environmental Improvement and Energy Resources Authority, Missouri, Corporate Seal, 1973."

**Section 3**

**Office of the Authority:** The principal office of the Authority shall be located in the State of Missouri at such place as the Authority may from time to time designate by resolution. In the absence of establishment of a permanent principal office, the Authority may, by resolution, establish a temporary principal office at such place as it shall designate. The Authority may also have office at such other place or places within the State of Missouri as it may from time to time designate by resolution.

**ARTICLE II**

**Section 1**

**Officers:** The officers of the Authority shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. Such assistant officers as may be deemed necessary may be elected or appointed by the Authority. The powers and duties of such assistant officers shall be as provided herein and as provided from time to time by resolutions of the Authority. Any two or more offices (except the offices of Chair and Vice Chair) may be held by the same person.

## Section 2

Chair: The Chair shall be elected by the Authority, be a member of the Authority and shall serve until a successor is duly elected and qualified.

## Section 3

Vice-Chair: The Vice-Chair shall be elected by the Authority, be a member of the Authority and shall serve until a successor is duly elected and qualified.

## Section 4

Secretary: The Secretary shall be elected by the Authority. The Secretary need not be a member of the Authority and shall serve at the pleasure of the Authority. The office of Secretary may be combined with that of Treasurer.

## Section 5

Treasurer: The Treasurer shall be elected by the Authority. The Treasurer need not be a member of the Authority and shall serve at the pleasure of the Authority. The office of Treasurer may be combined with that of Secretary.

## Section 6

Election and Term of Office: The officers of the Authority shall be elected by the members of the Authority at the first meeting of the Authority held after June 1<sup>st</sup> of each year. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his/her successor has been duly elected and qualified or death or until resignation or removal in the manner hereinafter provided. Each officer shall be eligible for re-election to such office.

## Section 7

Removal: Any officer, employee or agent elected or appointed by the Authority may be removed by the Authority whenever in its judgment the best interest of the Authority would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

## Section 8

Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by election by the members of the Authority for the unexpired portion of the term.

## **ARTICLE III**

The respective officers of the Authority shall have the following authority, powers and duties.

### Section 1

The Chair: The Chair shall be chief executive officer of the Authority and shall preside at all meetings of the Authority and shall perform all duties commonly incident to the position of presiding officer of a board, commission, or corporation and shall have authority without impairment of any authority specifically granted by the Authority to other persons, to sign all contracts, instruments, documents and official orders of the Authority. The Chair shall have general supervision over the business and affairs of the Authority, subject to the direction of the Authority, and shall perform such other and further duties as the Authority, by formal resolution, may from time to time provide.

### Section 2

Vice-Chair: The Vice-Chair shall perform duties and have the authority of the Chair during the absence or disability of the Chair, and shall preside at the meetings of the Authority when and while the Chair shall vacate the chair. The Vice-Chair shall perform such other and further duties and have such other and further authority as the Authority may, by formal resolution or motion, from time to time provide.

### Section 3

Secretary: The Secretary shall keep the official records and seal of the State Environmental Improvement and Energy Resources Authority and shall certify, when required, to copies of records. The Secretary shall attend all meetings of the Authority and keep a full and true record of its proceedings, which shall include the date, time, place, members present, members absent, and a record of votes taken indicating the

vote as cast by each member present, all as required by Section 610.020.6 of the Revised Statutes of Missouri and such other information as the Secretary deems appropriate. The Secretary shall issue all official notices and prepare all papers and reports for the meetings of the Authority. The Secretary shall perform such other duties as the Authority may assign from time to time. If the Secretary is absent or unable to act, then the Assistant Secretary, if one has been appointed, shall perform all duties of the Secretary including but not limited to the execution and delivery of any instruments, documents, or papers of the Authority. The Assistant Secretary shall perform such other and further duties and have such other and further authority as the Authority may, by formal resolution or motion, from time to time provide.

#### Section 4

Treasurer: The Treasurer shall have supervision of the funds, securities, receipts and disbursements of the Authority, cause all monies and other valuable effects of the Authority to be deposited in its name and to its credit in such depositories as shall be selected by the Authority or pursuant to authority conferred by the Authority, cause to be kept at the office of the Authority correct books of account, proper vouchers and other papers pertaining to the corporation's business, render to the Chair of the Authority, whenever requested, an account of the financial condition of the Authority and of his/her transactions as Treasurer, and, in general, perform all duties and have all powers incident to the office of Treasurer and perform such other duties and have such other powers as from time to time may be assigned by the By-laws, the Chair, or the Authority.

#### Section 5

Assistant Officers: The powers and duties of such assistant officers as shall be elected or appointed by the Authority shall be as provided from time to time by resolutions of the Authority.



## **ARTICLE IV**

### **Section 1**

**Director:** The Director, under the direction of the Chair, or the Authority, shall have general supervision over and be in administrative charge of all the activities of the Authority, and, in addition, shall perform all the duties incident to this position and office. Except as otherwise provided by resolution of the Authority, the Director shall make final certification for payment of all duly authenticated and authorized items of expenditure for payment from any Authority funds from whatever source derived, and whenever the Chair is required to sign vouchers, requisitions and other instruments made by the Authority, the Director shall approve the same for submission to the Chair for signature. The Director shall assist the Secretary or Treasurer in the performance of their duties and shall have the full power to act in the place and instead of the Secretary at any time as may be directed by the Chair, the Secretary or the Authority. The Director shall act as or appoint an employee of the Authority to act as custodian who will be responsible for the maintenance of the Authority's records and said Custodian will make said records available for inspection and copying by the public, all pursuant to the requirements of Section 610.023, 610.024 and 610.026 of the Revised Statutes of Missouri and the Director shall be responsible for seeing that the Authority complies with the other requirements of the Missouri open meetings and records law as set out in Chapter 610 of the Revised Statutes of Missouri.

### **Section 2**

**General Counsel:** The General Counsel shall, as directed by the Director or Authority, recommend legal directives with respect to Authority activities, advise the Director, officers and members of the Authority as to all legal matters relating to the administration, operations and financing of the Authority and as to the laws governing the acquiring and constructing of projects, and the issuing of bonds and notes as provided to pay the cost of projects. General Counsel shall draft, examine, or approve as to legal compliance all forms, contracts, or other documents necessary for all phases of the Authority's work or purposes and shall coordinate with and assist Bond Counsel in the preparation of all documents related to the sale of Authority obligations and the

investment of the proceeds; shall render regular opinions on such matters relating to the Authority as may be requested by the Director, Chair, members, or officers of the Authority. In addition, General Counsel shall perform such other services incident thereto and shall undertake such other duties as from time to time may be assigned by the Director or Chair or the Authority.

### Section 3

Appointment: The Director and General Counsel shall be appointed and/or retained by the Authority on such terms as the Authority shall specify and shall serve at the pleasure of the Authority.

### Section 4

Additional Personnel: The Director with approval from the Authority may from time to time employ such other personnel as may be necessary to exercise the Authority's powers, duties and functions as prescribed by law. Persons so appointed shall serve at the pleasure of the Director and Authority. The selection and compensation of such personnel shall be determined by the Authority based on the Authority personnel and compensation policies subject to the laws of the State of Missouri. The Authority may also from time to time retain or contract for the services of architects, engineers, accountants, attorneys, bond counsel, financial consultants, and such other persons, firms or corporations necessary to carry out its duties and to fix the compensation thereof.

## **ARTICLE V**

### Section 1

Regular Meetings: A regular meeting of the Authority for the transaction of all business as may properly come before the meeting shall be held not less frequently than once each quarter of the calendar year at the principal office of the Authority or legal counsel or at such other place within or without the State of Missouri, which is reasonably accessible by the public, as is designated in the notice of the regular meeting. The Chair in consultation with the Authority members may fix the regular meeting date, hour and place, and, each member shall be notified at least one (1) week

prior to the date fixed for the regular meeting by telephone call or in writing by letter, e-mail or other means of electronic communication (if by mail, notice shall be deemed adequate if deposited in the United States mail one (1) week prior to the meeting date).

## Section 2

Special Meetings: In addition to the regular meetings of the Authority held pursuant to Section 1 of this Article V, the Chair may when necessary call a special meeting for the transaction of all business as may properly come before the meeting, or the Chair shall call a special meeting when requested to do so by any two members. Notice of special meetings shall be given at least five (5) days before the date set for the meeting by telephone call or in writing by letter, e-mail or other means of electronic communication (if by mail, notice shall be deemed adequate if deposited in the United States mail five (5) days prior to the meeting date). The special meeting shall be held at the principal office of the Authority or legal counsel or at such other place within or without the State of Missouri, which is reasonably accessible to the public and at such time as is reasonably convenient to the public, which shall be designated in the notice of the special meeting. At any special meeting any business shall be in order, whether or not stated in the notice of the meeting.

## Section 3

Public Notice of Meetings: In addition to the notice of meetings sent to members of the Authority as provided above, at least 24 hours prior to an Authority meeting, a notice of the meeting shall be prominently posted in the office of the Authority in a part of the office accessible by the public and designated for posting such notices and such notice shall also be made available to the press and the public as requested and shall be published in such publications of the state as are normally utilized by state agencies to publish notice of agency meetings. The notice shall include the time, date and place of the meeting and shall state whether or not the meeting is to be an open or closed meeting and shall state the tentative agenda for the open meeting, all as required by Section 610.020 of the Revised Statutes of Missouri.

#### Section 4

Quorum: Three (3) members of the Authority shall constitute a quorum and the affirmative vote of three (3) members shall be necessary and sufficient for any action by the Authority. The Chair shall have a vote on all issues.

#### Section 5

Proxies: Proxies to vote with respect to any matter shall not be allowed or accepted.

#### Section 6

Register: The Secretary shall maintain a register of the address of each member. Notice by mail, e-mail or other means of electronic communication sent to the address as shown by the Secretary's records shall be effective. Any member who desires to receive notice at a different temporary or permanent address shall notify the Secretary who shall modify the records accordingly.

#### Section 7

Meeting by Telephone or Other Electronic Means: Members may participate in a meeting of the Authority by means of conference telephone or other electronic means whereby all individuals participating in the meeting, including the public attending the meeting, can hear each other, and any member participating in a meeting of the Authority in such manner shall be considered present at such meeting for all purposes including for quorum purposes.

### **ARTICLE VI**

#### Section 1

Contracts: The Authority may authorize the Director, any officer or officers, assistant officer or assistant officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

## Section 2

Loans: No loan shall be contracted on behalf of the Authority and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Authority. Such authority may be general or confined to specific instances.

## Section 3

Checks, Drafts, or Orders: All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority or Director and in such manner as shall from time to time be determined by resolution of the Authority.

## Section 4

Deposits: All funds of the Authority not otherwise invested or employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the Authority may select.

# **ARTICLE VII**

The Authority, its officers and members shall have such additional and further rights, powers and duties as by law may or hereafter be permitted.

# **ARTICLE VIII**

## Section 1

Power to Indemnify in Action, Suits or Proceedings other Than Those by or in the Right of the Authority: To the extent not otherwise covered by Sec. 105.711 – Sec. 105.726 R.S.Mo. 1986, as amended or supplemented or any other statute, agreement or otherwise, and subject to Section 3 of this Article VIII, the Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Authority, by reason of the fact that the person is or was a member, officer, director or employee of the Authority

against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Authority, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

## Section 2

Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Authority: To the extent not otherwise covered by Sec. 105.711 – Sec. 105.726 R.S.Mo. 1986, as amended or supplemented or any other statute, agreement, or otherwise and subject to Section 3 of this Article VIII, the Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Authority to procure a judgment in its favor by reason of the fact that the person is or was a member, officer, director or employee of the Authority, or is or was serving at the request of the Authority against expenses, including attorney's fees, and amounts paid in settlement actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the person's duty to the Authority unless and only to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person

is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

### Section 3

Authorization of Indemnification: Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Authority as authorized in the specific case upon a determination that indemnification of the member, officer, director or employee is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII. Such determination shall be made (i) by the members by a majority vote of a quorum consisting of members who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested members so directs by independent legal counsel in a written opinion. To the extent, however, that a member, officer, director or employee of the Authority has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, that person shall be indemnified against expenses, including attorney's fees, actually and reasonably incurred by that person in connection therewith.

### Section 4

Further Indemnification: To the extent determined by the members, the Authority shall have the power to give any further indemnity, to the fullest extent permitted by law, in addition to the indemnity authorized or contemplated by Sections 1, 2 and 3 of this Article VIII to any person who is or was a member, officer, director, employee or agent, or to any person who is or was serving at the request of the Authority as a member, officer, director or employee of the Authority.

### Section 5

Good Faith Defined: For purposes of any determination under Section 3 of this Article VIII, a person shall be deemed to have acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interest of the Authority, or, with respect to any criminal action or proceeding, to have had no reasonable cause

to believe the person's conduct was unlawful, if the person's action is based on the records or books of account of the Authority, or on information supplied to the person by the Director or employees or agents of the Authority in the course of their duties, or on the advice of legal counsel for the Authority or on information or records given or reports made to the Authority by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Authority. The provisions of this Section 5 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 and 2 of this Article VIII.

#### Section 6

Indemnification by Order of Court: Notwithstanding any contrary determination in the specific case under Section 3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any member, officer, director or employee may apply to any court of competent jurisdiction in the State of Missouri for an order requiring the indemnification of such member, officer, director or employee, to the extent otherwise permissible under Sections 1 and 2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the member, officer, director or employee is proper in the circumstances because the person has met the applicable standards of conduct set forth in Sections 1 and 2 of this Article VIII. Notice of any application for indemnification pursuant to this Section 6 shall be given to the Authority promptly upon the filing of such application.

#### Section 7

Expenses Payable in Advance: Expenses incurred by a member, officer, director or employee in defending a civil or criminal action, suit or proceeding may be paid by the Authority in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the member, officer, director or employee to repay such amount if it shall ultimately be determined that the person is not entitled to be indemnified by the Authority as authorized in this Article VIII.



## Section 8

Non-Exclusivity and Survival of Indemnification: The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any statute, Bylaw, agreement, vote of disinterested members or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office, it being the policy of the Authority that indemnification of the persons specified in Section 1 and 2 of this Article VIII shall be made to the fullest extent permitted by law. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Sections 1 or 2 of this Article VIII but whom the Authority has the power or obligation to indemnify. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to the person who has ceased to be a member, officer, director or employee and shall inure to the benefit of the heirs, executors and administrators of such person.

## Section 9

Insurance: The Authority may purchase and maintain insurance on behalf of any person who is or was a member, officer, director or employee of the Authority, or is or was serving at the request of the Authority as a member, officer, director or employee of the Authority against any liability asserted against the person and incurred by the person in any such capacity, or arising out of the person's status as such, whether or not the Authority would have the power to indemnify the person against such liability under the provisions of this Article VIII.

## Section 10

Right to Hire Counsel: Notwithstanding anything to the contrary in this Article VIII, statute or otherwise, a member, officer, director or employee of the Authority shall retain the right to hire counsel of said person's choosing.

## Section 11

Meaning of "Authority" for Purposes of Article VIII: For purposes of this Article VIII, references to "the Authority" shall include, in addition to the resulting Authority, any constituent Authority (including any constituent of a constituent) absorbed in consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its members, officers, directors and employees, so that any person who is or was a member, officer, director or employee of such constituent Authority, or is or was serving at the request of such constituent Authority as a member, officer, director or employee shall stand in the same position to the resulting or surviving Authority as such person would have with respect to such constituent Authority if its separate existence had continued.

## **ARTICLE IX**

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted by the Authority at any regular meeting or at any special meeting, after a public hearing has been held on such proposed altered, amended or repealed Bylaws.