



Marion Utilities

1540 N Washington St.
Marion, IN 46952
www.marionutilities.com

Service Board

Memo To: All Utility Board Members
From: Bob Logan, Chairman
Date: July 18, 2017
Re: Agenda for July 20, 2017 Utility Board Meeting

Dear Board Member:

This is to inform you of our Board Meeting to be held Thursday, July 20, 2017 at 5:30 p.m. in the conference room of the Marion Utilities Administration Building at 1540 North Washington Street, Marion, Indiana.

The following will be the agenda:

I. **ROLL CALL**

II. **INTRODUCTION OF GUESTS**

III. **APPROVAL OF MINUTES**

A. Regular meeting of June 29, 2017

IV. **FINANCIALS**

V. **OLD BUSINESS**

A. Update on Projects – Pinkerton

B. Solid Waste Truck Replacement- Pinkerton/Binkerd





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VII. NEW BUSINESS

- A. Transfers & Pay Requests - Department Managers
- B. Administration Parking Lot Bid Approval- Shrader
- C. Year to Date Budget Reconciliation- Pinkerton & Shrader
- D. Resolution 4-2017 Wastewater Loan to Solid Waste- Binkerd

VIII. MANAGER'S REPORTS

- A. Assistant Director for Engineering & Solid Waste- P. Pinkerton
- B. Assistant Director for Operations- R. Shrader
- C. Utility Director- C. Binkerd

IX. BOARD MEMBERS' COMMENTS

X. CHAIRMAN'S REMARKS

XI. NEXT MEETING

Thursday, August 3, 2017

Robert Logan, Chairman
Marion Utility Service Board

cc: News Media
City Administration/Council
Department Heads





SERVICE BOARD

BOARD MINUTES OF THE JULY 20, 2017 MEETING

The Marion Utility Service Board held their a meeting on Thursday, July 20, 2017, at 5:30 p.m. in the conference room of the Marion Utilities Administration Building at 1540 North Washington Street, Marion, Indiana.

Those board members present were: Bob Logan, Chairman; Kristy Barney; Adam Binkerd; and Herschel Lewis. Doug Carl, Bill Dorsey and Von Jackson were absent.

Also present at the meeting were: Chuck Binkerd, Director; Pat Pinkerton, Assistant Director for Engineering and Solid Waste; Robin Shrader, Assistant Director for Operations; Mike Conner, Attorney; Alan Miller, Council Liaison; Shana Martin, Accounting Specialist; Misty Humphries, Secretary; and Navar Watson, Chronicle-Tribune.

APPROVAL OF MINUTES

Mr. Logan stated that a clarification is needed on the minutes. He called the board's attention to the top of page three where there was discussion about new loan limits with Star Financial. Mr. Logan said that the word additional should be inserted. Mr. Chuck Binkerd said he didn't want it to seem as though the lease was not to exceed \$175,000 as the total lease is \$590,000. Mr. Lewis moved, seconded by Mr. Adam Binkerd, to approve the minutes of the June 29, 2017 meeting subject to the correction being made. All board members present voted aye. Motion carried unanimously.

FINANCIALS

Ms. Martin explained that the financials are for June. It looks like there was a large loss, but it is not so. In June, there were three payrolls and the first claim run for July was moved to June. Ms. Martin explained that a lot of payments were made in the same month that would not normally have been made. There were also a lot of transfers due to the minimum balances being adjusted. Ms. Martin said the last item she wanted to draw attention to was the large bond payment for the current payment due as well as the final payment. Mr. Chuck Binkerd said that July should look good though. Mr. Lewis moved, seconded by Ms. Barney, to approve the financials as presented. All board members present voted aye. Motion carried unanimously.

UPDATE ON PROJECTS

Mr. Pinkerton reported that projects were a little slow right now. He reported that Insituform Technologies would be in next week to finish the 9th Street cured-in-place project. United Surveying is scheduled to be in during August to complete their cured-in-place project. Mr. Pinkerton said Dave's Excavating is starting the 4th Street storm extension project next week. The Stonecrest lift station rehabilitation and the 28th Street cured-in-place projects are also scheduled to begin soon.

SOLID WASTE TRUCK REPLACEMENT

Mr. Chuck Binkerd said that there was a lot of discussion at the last board meeting regarding the solid waste truck replacement. The final numbers on the solid waste replacement are in. The two trucks are still \$595,000; but the trade in value is \$440,000 which left a difference of \$150,000 instead of the \$170,000 reported a few weeks ago. Mr. Chuck Binkerd presented Resolution 5-2017 to the board members. The resolution gave the director the authority to enter into the lease agreement which would not exceed \$590,000. Mr. Chuck Binkerd said the interest rate is a little different as the rate today is 4.71 and 4.55 was previously approved. Mr. Chuck Binkerd said other terms included that the lease of the equipment would be approximately August 15th and the lease would begin upon delivery, the Utility board may purchase the equipment for \$1.00 at the end of the lease, there are 10 annual payments, the board can choose to pay off the lease early, and the board is considered to be the owner for taxes and insurance purposes. Mr. Lewis asked if the 4.55 rate was a soft rate. Mr. Chuck Binkerd said it was the term at the time of discussion three weeks ago. The terms as of today are 4.71 and will be locked in once approved. Mr. Logan reiterated that the lease will also begin at the time of delivery. Mr. Logan also noted that the Utilities are a tax exempt organization so taxes would not be of concern. Mr. Lewis moved, seconded by Mr. Adam Binkerd, to adopt Resolution 5-2017. All board members present voted aye. Motion carried unanimously.

TRANSFERS & PAY REQUESTS

Mrs. Shrader presented the fourth pay request to Classic Protective Coatings for the work done on the high school water tank in the amount of \$222,167. Mrs. Shrader said there is still retainage in the amount of \$44,017.25. The last of the crew left today, and the tank should be filled next week. Mr. Logan asked if there will be a boil order once filled. Mrs. Shrader said they would chlorinate and run bacterial tests before going online. Mr. Adam Binkerd moved, seconded by Mr. Lewis, to approve the pay request as presented. All board members present voted aye. Motion carried unanimously.

ADMINISTRATION PARKING LOT BID APPROVAL

Mrs. Shrader reminded the board that bids had been accepted for a project that would restructure the parking lot at the Administration building. The project would also move the fence

and the entrance to the administration building. There were two bidders. Bragg Excavating bid \$297,720.60 and Brook's Construction bid \$361,109.20. The project was budgeted at \$275,000. Mrs. Shrader said Bragg Excavating, the low bidder, is \$22,720.60 over the budgeted amount. She ran some calculations on projects that were completed under budget and found a surplus in the project entitled CHP Biogas Endeavors was found. The CHP Biogas Endeavors was budgeted at \$250,000. The items taken out of that line have included the F.O.G. Receiving Station, the F.O.G. Receiving Station change order, the work on the sidewalk, and some additional piping for the blow project. The grand for the F.O.G. Receiving Station was added to the line item. The result is a surplus in the amount of \$115,409.27 after those aforementioned projects were taken out. Mrs. Shrader said that should the project be approved the vendor would have 90 days for substantial completion and 120 for total completion so hopefully the project would be completed by Thanksgiving. Mr. Logan asked if all of the trees along Washington Street would remain intact. Mr. Chuck Binkerd said one tree may be lost. There are a lot of security issues in being able to secure part of the plant and ensure there is adequate customer safety provided. Right now the drop box is in a hazardous location. There will be several improvements made that needed to take place. Ms. Barney said that right now customers only have access to the plant during the day. Mr. Chuck Binkerd said that is correct but there are some security issues because often people will drive down the plant drive. Employees then have to go and assist them. Mr. Chuck Binkerd said that the curve is also dangerous because there is not a clear line of sight. The redesign will provide a customer service element because customers will be able to access a 24 hour kiosk to make payments, check balances, and other items. Mr. Chuck Binkerd said that there would be a lot of improvements for a lot of reasons. Mr. Adam Binkerd clarified that none of the surplus was taken from the account involved in the solid waste transfer transaction. Mr. Chuck Binkerd said that a budgeted amount does not necessarily equate to a cash amount. The cash is there to support the project. Mr. Lewis moved, seconded by Ms. Barney, to approve the bid submitted by Bragg Excavating. All board members present voted aye. Motion carried unanimously.

YEAR TO DATE BUDGET RECONCILIATION

Mrs. Shrader presented the Water budget reconciliation. She explained that for every increase on the left there is a decrease on the right side. The first item on the list is Other Benefits. It needs to be increased by \$9,000. Line 105 Employee Insurance had a surplus to cover the needed increase and will still be okay. Line 110 Retiree Insurance has a need for an increase of \$6,500. The FICA budget line had money to give for that. Line 502 is Chlorine. Chemical bids are always just an estimate. Chlorine needed \$2,000 and lime had \$2,000 to give. The last water transaction was between Fleet Liability that needed \$5,000 and General Liability which was decreased by \$5,000.

Mrs. Shrader explained that the same process occurred for the Wastewater budget transfers. Temporary Salaries and Other Benefits both needed an increase of \$5,000 each. Employee Health Benefits was reduced by \$10,000 and the money was split amongst the two accounts. Fleet Liability was increased by \$6,000 and Property/Inland Marine was decreased by

\$6,000. Mrs. Shrader then explained that there was a need to use more Natural Gas as the methane scrubber was down while the F.O.G. station was being completed. Electric was able to cover the needed \$20,000. Mrs. Shrader said that there was an unexpected equipment failure in the lab. A still had to be replaced. The needed \$4,000 was taken from the Program Support Equipment.

Mr. Pinkerton presented the Solid Waste budget transfers. The Retiree Insurance line needed an increase of \$5,000 as nothing was budgeted for 201. Temporary Salaries was decrease in the same amount. Contractual Repairs needed an increase of \$600 and Contractual Services was decreased by \$600. Mr. Pinkerton said that Permit Fees also needed an increase of \$1,000 which would also come from a decrease in Contractual Services for that amount. Mr. Pinkerton explained that the 402 account is the replacement toters. He said at this point, an increase to the budget was needed. There is enough cash in operations cash account to make up for that. Mr. Pinkerton said there wasn't an account that he would feel comfortable pulling \$12,000 out of. There is also a need for two new trash trucks. Mr. Pinkerton said he needed to increase the Motor Equipment account by \$150,000. The loan from Wastewater will go into the Depreciation account so the increase will need to come from the same.

Mr. Pinkerton then presented the transfers in the Stormwater budget. Line 803 needs an increase of \$384,382 for the extra bond payment that was made to pay off the SRF loan. This will come out of the Stormwater bond and interest account. To clean up the bond and interests reserve account, a transfer is needed. Upon reviewing the financials, there was a total \$2,064.10 left in the bond and interest account. Mr. Pinkerton said it is just setting there and won't be used. He asked to transfer that amount to the Stormwater Depreciation Equipment Reserve account which accumulates for the purchase of large equipment. This will zero out the account. Mr. Logan reminded the board this was standard procedure. Mr. Lewis moved, seconded by Ms. Barney, to approve the transactions presented. All board members present voted aye. Motion carried unanimously.

RESOLUTION 4-2017 WASTEWATER LOAN TO SOLID WASTE UTILITY

Mr. Chuck Binkerd apologized for having Resolution 5-2017 presented before Resolution 4-2017. He explained that this will create a loan from Wastewater to Solid Waste in the amount of \$150,000. This will be made without interest and will be paid off within a year. Mr. Lewis moved, seconded by Mr. Adam Binkerd, to adopt Resolution 4-2017. A roll call vote was taken and voted as follows Ms. Barney, aye; Mr. Adam Binkerd, aye; Mr. Lewis, aye; and Mr. Logan, aye. Motion carried unanimously.

MANAGERS' REPORTS

P. Pinkerton, Assistant Director for Engineering & Solid Waste

Mr. Pinkerton said the Stormwater is sweeping the City for the second time. He also reported that the Solid Waste group is averaging 5-7 tons more per day than last year. There are some very busy days in the transfer station. Mr. Pinkerton also said the new trucks will be delivered within 30 days as an update.

R. Shrader, Assistant Director for Operations

Mrs. Shrader reported that the Distribution crew has been painting hydrants. The goal was to paint about 1/3 of the City this year and the remainder over the coming years. The F.O.G. Receiving Station just needs pumps hooked up internally and some external work will also be completed. The blowers are having wire pulled. Everything seems to be moving along well. Mrs. Shrader said that crews were also hauling sludge and staying busy.

C. Binkerd, Utility Director

Mr. Chuck Binkerd reported that billing software that has been worked on for so long is online. It is live. Bills were processed in the software. It is going well. There are some new issues that are expected with the start-up of new software. Mr. Binkerd said he couldn't be more happy with the Customer Service Representatives for the way they have responded to this significant challenge. One of the big things changes is that people are taking advantage of the new online portal. The previous page was very difficult and archaic. With the new software, the process is much easier. It is much like doing business with banks. Mr. Binkerd explained that an IVR component where someone can access their account via phone and not have to speak with a customer service representative has also been added. Mr. Binkerd summarized that the experience with the new software is going well. Ms. Barney asked if the Utilities had an app. Mr. Binkerd said no but the customer web portal will configure itself to fit your phone, tablet, or desktop.

BOARD MEMBER COMMENTS

Mr. Miller asked if the hydrants would be white. Mrs. Shrader said that is the primer. The hydrant will be yellow. Mr. Miller asked how much money do we have invested in the General Cable project. Mr. Chuck Binkerd said that the Utilities does not have anything in the project for General Cable. The Fourth Street Storm Sewer Extension Project would have benefited from it along with fitting in our Long Term Control Plan. Mr. Chuck Binkerd said that project would move forward.

CHAIRMAN'S REMARKS

Mr. Logan thanked everyone for their attendance especially since this would not have happened without everyone present.

The next meeting is scheduled for August 3, 2017 at 5:30 p.m. in the conference room at the Administration Building.

There being no further business before the board, Mr. Adam Binkerd moved, seconded by Mr. Herschel Lewis, that the meeting be adjourned. All board members present voted aye. Motion carried unanimously.

Meeting adjourned at 6:09 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST

Misty Humphries
Its Secretary