



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: April 1, 2019
Re: Agenda for April 4, 2019 Utility Service Board Meeting

Dear Board Member:

This is to inform you of our Board Meeting to be held Thursday, April 4, 2019 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. **CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS**
- IV. **APPROVAL OF MINUTES**
 - A. Regular meeting of March 21, 2019
- V. **OLD BUSINESS**
 - A. Update on Projects- C. Binkerd
 - B. 312 East 38th Street Leak Adjustment Request- C. Binkerd/Water Committee





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VI. NEW BUSINESS

- A. Transfers & Pay Requests – Senior Leadership Team
- B. Resolution 2-2019 Satisfaction of City Loans – Mayor Alumbaugh
- C. Roof Quotes- R. Shrader

VII. STAFF REPORTS

- A. Assistant Director for Operations & Maintenance- R. Shrader
- B. Utility Director- C. Binkerd

VII. BOARD MEMBERS' COMMENTS

IX. CHAIRMAN'S REMARKS

X. NEXT MEETING

Thursday, April 18, 2019

Robert Logan, Chairman
Marion Utility Service Board

cc: News Media
City Administration/Council
Department Heads





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Service Board

BOARD MINUTES OF THE APRIL 4, 2019 MEETING

The Marion Utility Service Board held their meeting on Thursday, April 4, at 5:30 p.m. in the board room of the Administration building at Marion Utilities, 1540 N. Washington Street, Marion, Indiana.

Roll was called and those board members present were: Bob Logan, Chairman; Mike Barney; Bill Dorsey; Al Green; Von Jackson; and Herschel Lewis. Mr. Carl was absent.

Also present at the meeting were: Chuck Binkerd, Director; Robin Shrader, Assistant Director for Operations & Maintenance; Mike Conner, Attorney; Alan Miller, Council Liaison; Misty Humphries, Board Secretary; The Honorable Jess Alumbaugh, Mayor City of Marion; Mr. Mike Flynn, Chief-of-Staff, City of Marion; Carolyn Muyskens, Chronicle-Tribune; and Mark Theel, Marion Utilities.

CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS

There were no additions or deletions.

APPROVAL OF MINUTES

Mr. Lewis moved, seconded by Mr. Dorsey, to approve the minutes of the regular meeting of March 21, 2019. All board members present vote aye. Motion carried unanimously.

UPDATE ON PROJECTS

Mr. Binkerd reported that some summer projects were getting ready to begin. Mr. Binkerd also reported that Mr. Pinkerton was out of the office due to an accident at home. He asked everyone to please keep Mr. Pinkerton in their prayers.

312 EAST 38TH STREET LEAK ADJUSTMENT REQUEST

Mr. Binkerd reported that the Water Committee had been contacted regarding the leak adjustment request. However, upon reviewing the most recent records, it seems there still may be a leak. Mr. Binkerd asked for the item to be tabled until the next meeting so that staff could check the residence for leaks again. Mr. Logan tabled the item.

TRANSFERS & PAY REQUESTS

There were no transfers or pay requests.



RESOLUTION 2-209 SATISFACTION OF CITY LOANS

Mayor Alumbaugh was present to discuss the debt the City owes to the Utility. The Mayor said that he and Mr. Binkerd meet on a regular basis. The Mayor and Mr. Binkerd both realize that each is trying to serve and do what is best for the Community. Mayor Alumbaugh said that his administration has been very frugal. Steps have been taken to reduce debt such as eliminating positions, subcontract labor has been reduced, and now revenues are exceeding expenses. The finances are better, but the debt is real. The City is still \$12 million in debt, and the debt is overwhelming. State Board of Accounts told the Mayor that the debt to the Marion Utility Service Board has to be addressed or there will be repercussions. State Board of Accounts now has teeth. The County and City Councils have adopted a LIT tax. This is an additional tax placed upon tax payers. There were a couple of options presented to the City in order to repay the outstanding loans. One of those is PILOT or Payment In Lieu of Taxes. However, this would put another burden on the tax payers. The Mayor asked that the loans be forgiven instead of asking for PILOT. Mr. Binkerd clarified that there are two loan agreements being addressed here. There was one loan for \$1 million and one transfer for \$700,000. Several years ago, the State Board of Accounts auditor advised that the Utilities should not book the interest that was attached to the loans. Mr. Logan explained that this was advised as it is a generally accepted accounting rule to do so when a period of time has passed when the loan has not been paid. Mr. Logan stated that the Resolution would take care of interest as well. Mr. Binkerd also advised that the Resolution also addresses PILOT, and PILOT would not be recovered until sometime after January 1, 2022. Mr. Binkerd recommended that the Board approve the Resolution as presented. Mr. Logan stated that in 2012 the Board had loaned the City \$1 million two or three times which was repaid when the tax draws were made. The \$700,000 transfer was made at the time when a bond payment was to be made and the City was experiencing financial hardship. Mr. Lewis asked if this was the first time the obligation had not been repaid. Mr. Logan stated yes and advised that each loan was repaid so at the end of the year there was not an outstanding loan on the books. However, these particular loans were not repaid and have remained outstanding. Mr. Barney clarified that more than the \$1.7 million was being forgiven due to the interest. Mr. Logan stated that Mr. Barney was correct as the interest in its entirety would also be forgiven. Mayor Alumbaugh added that three weeks ago they met with Baker Tilley, formerly Umbaugh. They, being Julie Flores, Mike Flynn, and himself, were frustrated. This problem was created some time ago by more than just the prior administration. It will take some time to get out of the debt. In the mid-2020s, the debt should be eliminated if the course is stayed. Mr. Green moved, seconded by Mr. Jackson, to approve Resolution 2-2019 forgiving the City loans and interest. All board members voted aye. Motion carried unanimously. Mr. Logan thanked everyone for their cooperation and working together on this item.

ROOF QUOTES

Mrs. Shrader stated that two buildings had been repurposed. Those were the Wastewater Lab and Building 105. They were changed from process buildings and garage space to offices. In the process, the roofs were damaged. The roofs are now in need of repair. Mrs. Shrader recommending replacing the roofs with a Duraplast liner. There were two companies that submitted quotes. Jackson Contracting quoted \$23,516 for the lab and \$22,937.50 for Building 105. Royalty Roofing quoted \$17,954 for the lab and \$19,631 for Building 105. Mrs. Shrader recommended Royalty Roofing as the low quote. She also added that these items were not budgeted. There is some surplus in the Wastewater 901 account which was going to purchase dewatering equipment. Mrs. Shrader said the dewatering equipment will not be purchased this year, and she would like to repurpose that money for the roof replacements. Mr. Lewis moved, seconded

by Mr. Jackson, to approve the low quote of Royalty Roofing. All board members present voted aye. Motion carried unanimously.

STAFF REPORTS

R. Shrader, Assistant Director for Operations & Maintenance

Mrs. Shrader said that Mark Theel and Brian Bishir are two of the new employees who earned their CDL certificates right away. They then took it upon themselves to help train others. There are a couple more employees that have just passed their CDLs and a couple more for testing in the coming weeks. The new training area will be called LEAD Room or Center which stands for Leadership, Education, And, Development. The area is being worked on and progress can definitely be seen. There has been a minor pause in work due to the change order. Mrs. Shrader also said main break season had hopefully passed. Crews were about to being foundation work on the Butler overhead tank area. There will be some digging around the foundation and shoring up of the area in preparation for the foundation work.

C. Binkerd, Executive Director

Mr. Binkerd mentioned that he and Mrs. Humphries volunteered with workgroups. Mrs. Shrader and Mr. Pinkerton had worked with groups a couple of weeks ago as well. Mrs. Humphries was on the back of a Solid Waste Collection Truck, and Mr. Binkerd had the privilege of working with biosolids and dewatering sludge. He also reported that there was an employee appreciation breakfast earlier in the week. Mr. Binkerd also reported that he met with the Personnel Committee, and they are working on the Performance Management Program which includes incentives for certifications and continuing education.

BOARD MEMBERS' COMMENTS

Mr. Miller thanked the Board for the forgiveness of the loan. He said that been hanging over the City's head for quite some time. Mr. Miller added that the \$700,000 was not an agreement. It was a transfer made by the then Mayor. Mr. Miller stated that one of his favorite quotes was from Everett Dirksen, a Senator from Illinois, who said, "A million here, a million there, the next thing you know, you're talking real money." Mr. Miller said \$1.7 million is real money and thanked the board again. Mr. Miller said it was also worth noting that it was another gift when the Utilities took over the Solid Waste Collection. The City was running more than \$100,000 deficit when they ran the Solid Waste Collection. Mr. Miller thanked Mayor Alumbaugh and his team for working through the paperwork as well. Mr. Logan said it is and attitude of "we and not them and us". Mr. Logan recalled the \$700,000 transfer was made without conversation as well. Without the transfer a bond payment would have been missed. Mr. Dorsey stated that the City and Utility Service Board are joined at the hips meaning that if the bond payment would have been missed, it would have been detrimental to the Utilities as well.

CHAIRMAN'S REMARKS

Mr. Logan thanked everyone for their attendance and wished Mr. Carl and Mr. Pinkerton a speedy recovery. He welcomed everyone back. Mr. Dorsey thanked Mr. Theel for sharing his knowledge and skills with his fellow employees.

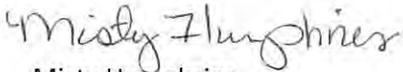
The next meeting is scheduled for April 18, 2019 at 5:30 p.m. in the Board Room of the Administration Building at Marion Utilities, 1540 N. Washington Street.

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

Meeting adjourned at 6:03 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST


Misty Humphries

Its Secretary