



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: February 13, 2017
Re: Agenda for February 16, 2017 Utility Board Meeting

Dear Board Member:

This is to inform you of our Board Meeting to be held Thursday, February 16, 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 February 2, 2017
- IV. **FINANCIALS**
- V. **OLD BUSINESS**
 - A. Update on Projects – Pinkerton





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VII. NEW BUSINESS

- A. Transfers & Pay Requests - Department Managers
- B. Approval of Year End Budget Transfers- Managers
- C. Storm Sewer Extension 4th & Shunk Street- Pinkerton

VIII. MANAGER'S REPORTS

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

IX. BOARD MEMBERS' COMMENTS

X. CHAIRMAN'S REMARKS

XI. NEXT MEETING

Thursday, March 2, 2017

Robert Logan, Chairman
Marion Utility Service Board

cc: News Media
City Administration/Council
Department Heads





Marion Utilities

SERVICE BOARD

BOARD MINUTES OF THE FEBRUARY 16, 2017 MEETING

The Marion Utility Service Board held their a meeting on Thursday, February 16, 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; Doug Carl; Bill Dorsey; Von Jackson; and Herschel Lewis.

Also present at the meeting were: Chuck Binkerd, Director; Pat Pinkerton, Assistant Director for Engineering and Solid Waste; Mike Conner, Attorney; Misty Humphries, Secretary; and Tyler Juranovich, Chronicle-Tribune.

APPROVAL OF MINUTES

Mr. Dorsey moved, seconded by Mr. Lewis, to approve the minutes of the February 2, 2016 meeting. All board members present voted aye. Motion carried unanimously.

FINANCIALS

Mr. Binkerd presented the 2016 year end financials. He explained that the January financials were being finished and would be presented at the next meeting because the reconciliation for year-end and year-end reports due to the City had to be completed. In reviewing the financials, he noted that the operating accounts had higher expenditures than normal as everyone was trying to get things paid before the close of the 2016 budget. There was also some activity with closing out projects for the end of the year that contributed to the higher expenditures. Mr. Logan noted that there should be an expected deficit with projects because the money has already been brought in for those and is now being spent. Mr. Chuck Binkerd stated that the January financials will be presented at next meeting. Mr. Carl moved, seconded by Mr. Lewis, to approve the year end financials as presented. Mr. Logan thanked the staff for working on those financials as a lot of work goes into the preparation.

UPDATE ON PROJECTS

Mr. Pinkerton reported that there was not much project activity at the moment. Mr. Pinkerton said that hopefully in next 2-4 weeks there will be a couple of major projects going out to bid. There will be some projects in the south east that are a part of the Long Term Control Plan in the Home Avenue Lincoln Boulevard area. The other project is a cured-in-place pipeline project in the 8th & 9th Street from Nebraska to Western. This project also ties into the Long Term Control Plan. The bids should in within the next month or so.

TRANSFERS & PAY REQUESTS

Mr. Pinkerton presented an \$18,000 cash account transfer in Solid Waste Utility. The transfer was made into the capital lease account to cover the first lease payment. The money was transferred out of operations. Mr. Pinkerton said that last year an adjustment was made to put 15.5 % of revenue into the capital lease account. The account was left a little short because the adjustment was not made until March. Mr. Dorsey moved, seconded by Ms. Barney, to approve the transfer. All board members present voted aye. Motion carried unanimously.

APPROVAL OF YEAR END BUDGET TRANSFERS

Mr. Chuck Binkerd explained that once the accounts are balanced the budget is balanced. This is done annually. He explained that during the budgeting process, management tries to forecast expenses but sometimes misses the mark. In 2016, the overall budget was not exceeded but there were some line item transfers needed. Mr. Binkerd provided the board with a budget transfer spreadsheet for the Water Utility and explained that the lines on the left needed to be increased due to overspending. The first few lines referred to wages, insurance, and Worker's Compensation. The lines needed to be increased due to software limitations and allocations that were discussed throughout 2016. The costs associated with the Administrative staff are allocated amongst the Utilities so that each utility pays its fair share. The new software won't manually do that for us. The staff worked very hard at the end of the year to reconcile the accounts which resulted in the adjustments here. Mr. Binkerd noted that for each increase there was a corresponding decrease to another line item within the budget.

The Wastewater Utility had the same issue with the payroll accounts. Mr. Binkerd explained that there was some contracting work done at the plant which caused the needed increase to the contractual services line. The increase in contractual repairs was due to the Wet Well Project or some things affected by the project. There were some legal and accounting fees from the financial advisors that were not expected which were paid out of the professional services line. The chemical cost is estimated as best as it can be. It is a moving target. The alum was well short by \$25,000. Mr. Binkerd said again for each item increased another line was decreased. There was no overspending of the overall budget.

Mr. Pinkerton presented the Solid Waste budget transfers and explained that there were a lot of lines as this was the first Solid Waste budget. Again, the lines related to salaries were present. Mr. Pinkerton noted that the contractual services line was overspent because money was transferred out of the line in September and as it turned out too much was transferred out resulting in the need to transfer some back in. The promotional and outreach line needed increased due to all of the toter and recycling educational pieces that went out last year. The bill processing/postage line was needed increased as it paid for the mailing of those educational pieces to customers. The \$8,600 increase to transportation was mainly the cost of tires and getting supplies for the trucks in order to keep them running. The recycle bags line was originally budgeted at \$16,000. Money was transferred in at the September and more bags had to be ordered. Mr. Pinkerton said \$30,000 was spent in recycling bags last year. The replacement toter line was in good shape. However, when the mega bags were bought, there was not a specific line item for the mega bas so they were paid for out of the replacement toter line resulting in the \$10,000 needed increase. Mr. Carl asked if people were using the mega bags. Mr. Pinkerton answered yes, although he does not have an exact number for the board at that time. Mr. Chuck Binkerd said there would be a campaign coming up as spring cleaning will start soon. Mr. Pinkerton said one challenge with those was that people like to pile items up and items couldn't be piled up in the bags because the handles have to be able to close for pick up. Mr. Pinkerton said that the utility has the equipment to hook to the handles now, but when there are

trees and power lines in the way due to bag placement issues arise. Mr. Pinkerton continued with the budget transfers by explaining that the interest account was part of the lease payment. Money was budgeted in equipment lease line but not in the interest line item. The building and equipment account increase was due in part to the purchase of extra roll off boxes for the trucks and to have for special events.

As for the Stormwater Utility, the contractual services increase was needed due to the work done on the new compost site as it was built and because Stormwater paid a portion of the fencing on the 1300 and 1400 buildings. The buildings and fixed equipment increase resulted from Stormwater's portion of the software transition project. Ms. Barney moved, seconded by Mr. Adam Binkerd, to approve the budget transfers as presented. All board members present voted aye. Motion carried unanimously.

STORM SEWER EXTENSION 4TH & SHUNK STREET

Mr. Pinkerton presented some aerials to the board. He explained that the red line is what would be extended to the General Cable area. It has been announced that General Cable is expanding. One of the challenges was what to do with their Stormwater runoff. The best outlet was the INDOT storm sewer. Mr. Pinkerton said the project could be included as part of the Long Term Control Plan as the combined sewer that services the area drains into the east interceptor. This is the same interceptor that the south east drainage area being separated rains into. The project would result in 850 to 1,000 feet of storm sewer along 4th Street to General Cable with an estimated cost of \$250,000 to \$300,000. Mr. Pinkerton said the project would allow us to separate some of the Utilities combined sewer overflows, and General Cable would be able to separate some of their Stormwater out of the storm sewer and into a detention pond. Mr. Pinkerton said this was a project that he would have wanted to do sooner or later anyway, and he would prefer to do it sooner. Mr. Chuck Binkerd said the Stormwater Committee was spoken with and they are in favor of moving forward with the project as well. Ms. Barney agreed with Mr. Binkerd. He added that a contingency that General Cable will remove the storm flow from the system as well which would create some investment on their part as well. Mr. Pinkerton said advertisement for bids could be out by next Friday. Mr. Logan asked how long the project would take. Mr. Pinkerton said they were hoping for April or May construction. Mr. Logan asked if the Utility would pay the entire amount. Mr. Chuck Binkerd said that the Utility would pay the entire amount and General Cable would still have some responsibility to remove the storm flow that gets into the system. Mr. Carl asked if the project was budgeted. Mr. Chuck Binkerd said it was not but it could be paid out of the Long Term Control Plan funds. The budget will have to be adjusted. Mr. Lewis asked if INDOT okay with this. Mr. Pinkerton said they were being contacted and were awaiting a response. Mr. Lewis moved, seconded by Mr. Carl, that the storm sewer extension be approved. All board members

MANAGERS' REPORTS

P. Pinkerton, Assistant Director for Engineering & Solid Waste

Mr. Pinkerton reported that Wabash Avenue has a street cut that is failing north of National. Asphalt will be made soon and staff will be talking to contractors about how best to fix the cut. This was a part of the SRF project done in 1999 through 2004. There were a couple of others on the SRF project that failed along the same lines. Mr. Pinkerton said the Utility will stand behind this one too.

C. Binkerd, Utility Director

Mr. Chuck Binkerd reported that he will participate in the State of the City address is next week. He invited the board members to attend as well. Mr. Binkerd also reported that the billing office is in the early stages

of parallel operations. Both systems are up. The billing office staff was still working when the board came in tonight. Once things get balanced, a good system will be in place. Mr. Binkerd then explained that the project to reroute traffic flow will add some security around the plant. He stated that during construction there will be a need to keep the general public out of the area while still allowing good access to the Administration building as the area will be torn up for a while. Mr. Chuck Binkerd said he was looking for a temporary location to relocate billing office. He has spoken to the Mayor about some options and will bring those back at a later time along with the bids for the project. Mr. Lewis asked when the project might start. Mr. Binkerd said he hoped to have the documents for bid back within the next three to four weeks. He would like to get on the contractors' schedules before they fill up.

BOARD MEMBER COMMENTS

Mr. Alan Miller expressed on behalf of the City Council appreciation for the quick response and fast response in working with General Cable. Mr. Miller said Marion was competing with two other cities. The City Council appreciates all those that made it happen so quickly. He also reported that WBAT would broadcast the State of the City address for those unable to attend.

Mr. Adam Binkerd said he came in for a tour. He got half way done. Mr. Kenny Ewing led him on the tour, and Mr. Binkerd was impressed with Mr. Ewing's knowledge and professionalism. Mr. Ewing has only been with the Utilities for five years and his knowledge was outstanding. Mr. Binkerd said he met several great employees including Mrs. Ehmer in the lab and Mr. Mast in operations. He encouraged everyone to take a tour as it has helped him to understand everything presented at the meeting. Mr. Binkerd said he hopes to come back and tour water plant next.

CHAIRMAN'S REMARKS

Mr. Logan thanked the board for their attendance. He also thanked the guests.

The next meeting is scheduled for Thursday, March 2, 2017 at 5:30 p.m. in the conference room at the Administration Building.

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

Meeting adjourned at 6:04 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST

Misty Humphries
Its Secretary