



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 17, 2017
Re: Agenda for April 20, 2017 Utility Board Meeting

Dear Board Member:

This is to inform you of our Board Meeting to be held Thursday, April 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 March 16, 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. Establishment of Minimum Balances for Operational Accounts- Binkerd
- C. Change Order Mezzanine Project- Pinkerton
- D. Vehicle Allowance Policy- Binkerd
- E. Approval of 4th & Shunk Street Sewer Extension Bids- Pinkerton

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, May 4, 2017

Robert Logan, Chairman
Marion Utility Service Board

cc: News Media
City Administration/Council
Department Heads





SERVICE BOARD

BOARD MINUTES OF THE APRIL 20, 2017

The Marion Utility Service Board held their a meeting on Thursday, April 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; Doug Carl; Bill Dorsey; Von Jackson; and Herschel Lewis. Kristen Barney and Adam Binkerd 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; Shana Martin, Accounting Specialist; and Misty Humphries, Secretary.

APPROVAL OF MINUTES

Mr. Lewis moved, seconded by Mr. Carl, to approve the minutes of the March 16, 2017 meeting. All board members present voted aye. Motion carried unanimously.

FINANCIALS

Ms. Martin presented the financials for March. She reported that there was a gain in each utility. Mr. Logan asked if there was any factor attributed for the gain in each utility. Ms. Martin said it was normal cash flow, but next month insurance invoices would hit so the financials would probably look different. Mr. Carl moved, seconded by Mr. Lewis, to approve the financials as presented. All board members present voted aye. Motion carried unanimously.

UPDATE ON PROJECTS

Mr. Pinkerton reported that Insituform or their subcontractor has been in town for the 9th Street cured-in-place sewer project. They have cleaned the pipes. Insituform will be here in 2-3 weeks to do the lining. Mr. Pinkerton said that more cured-in-place sewer linings in the same area have been advertised for bids. Those bids would be opened on May 2nd and brought to the board then.

TRANSFERS & PAY REQUESTS

There were no transfer or pay requests.

ESTABLISHMENT OF MINIMUM BALANCES FOR OPERATIONAL ACCOUNTS

Mr. Binkerd said he was looking at financials. The right hand column has always had defined minimum balance that we have tried to carry. Mr. Binkerd said he has never been able to find a statute or policy to define what that balance should be. He asked the board to consider very simple policy. He looked at the Government Finance Officers' Association recommendation, and they recommend a two month operating balance in the operating cash account. Mr. Binkerd said by following the recommendation the operating cash account minimum balance could be calculated on a regular basis and kept current based upon the disbursements. Mr. Binkerd said that based upon that rule the Water operating account should have a balance of \$534,00, Wastewater operating should have \$480,000; Stormwater \$ 162,000; and Solid Waste \$204,000. Mr. Binkerd asked the board to establish a simple process of maintaining a two month balance in the operational accounts so that there is not an artificial minimum balance in there. Mr. Binkerd said if the board does approve the policy, management could calculate the minimum balance and report that to the board. Mr. Carl asked what time period would be used to establish the balances. Mr. Binkerd said he looked at a six month period and used the geometric mean. Mr. Logan said that he thinks this would show prudence by the management and would also help with bond ratings. Mr. Binkerd said if the minimum balances were not maintained, management would come back and change the percentages on the other funds which is already done from time to time. Mr. Logan added that this could shed light on any shortfalls if the minimum balances couldn't be maintained which would then assist with a rate review. Mr. Lewis asked how the number would be presented. Mr. Binkerd said it would be rounded to the nearest thousand. Mr. Lewis moved, seconded by Mr. Jackson, to approve the establishment of keeping a two month operating balance in the operational accounts. All board members present voted aye. Motion carried unanimously.

CHANGE ORDER MEZZANINE PROJECT

Mr. Pinkerton said that he has been working with JG Bowers to bring the cost down on the Mezzanine project. Mr. Pinkerton said he was contacted by CUBIC Designs who makes mezzanine kits. It would change the design a little bit because the supports are in different areas. The kits are prefab kits that are then brought in and set up. It changes the supports. After setting down with JG Bowers, the contract price decrease by \$ 91,831.00 Mr. Pinkerton said he wanted to bring this to the board for official approval. The total cost moves from \$448,995 to \$357,156. Mr. Pinkerton said the down side of the kit is that a couple of parking spaces under the mezzanine may be lost. Mr. Pinkerton said that there were some other small changes too. For instance, canopies over some of entrances have been removed; there will be a polished concrete floor instead of carpeted or tiled floor since it is a maintenance office. Mr. Dorsey moved, seconded by Mr. Jackson, to approve the change order on the mezzanine project. All board members present voted aye. Motion carried unanimously.

VEHICLE ALLOWANCE POLICY

Mr. Binkerd asked that this item be tabled until the next meeting to allow some details to be worked out.

APPROVAL OF 4TH & SHUNK STREET SEWER EXTENSION BIDS

Mr. Pinkerton said reminded the board that this was the storm sewer extension along 4th Street to provide an outlet to General Cable. Mr. Pinkerton said he has still not heard back from INDOT yet. He is waiting on them to review the capacity analysis and give their approval. Dave's was low bidder at \$147,411.90; Bragg bid \$197,337.16; Watson Excavating bid \$213,840; Keith Sullivan bid \$253,405.45; and Morphey Construction bid \$266,855. Mr. Pinkerton asked that it be awarded pending approval from INDOT. If INDOT wants changes, the differences would have to be figured. Mr. Carl noted that those were some pretty good differences amongst bidders. Mr. Pinkerton said that Dave's was hungry and Keith Sullivan is working out of town. He recommended Dave's subject to INDOT's approval. Mr. Lewis asked if INDOT could refuse. Mr. Pinkerton said anything is possible. INDOT has specific standards that they want things designed to. For instance, INDOT wants it to handle a 100 year storm event. Mr. Pinkerton said he has never been in this situation with INDOT before and doesn't know what to expect. He added that 4th Street is in a flood plain. Realistically, this water is going there anyway. Mr. Pinkerton said that there were a couple of other places that are also waiting to hear back from INDOT on drainage items. Mr. Lewis moved, seconded by Mr. Jackson, to approve Dave's bid subject to INDOT approval. All board members present voted aye. Motion carried unanimously.

MANAGERS' REPORTS

P. Pinkerton, Assistant Director for Engineering & Solid Waste

Mr. Pinkerton said sewer maintenance has been street sweeping. They have been over the priority areas and major routes already. They are starting in the neighborhoods now. Solid Waste is getting a lot of loads in at the Transfer Station. Mr. Pinkerton has been comparing this year's numbers to last years'. Over the first quarter in 2017, 200 more tons of trash has been brought in than last year. Contractors are starting to bring loads in now as well.

R. Shrader, Assistant Director for Operations

Mrs. Shrader reported that work continues at the Water tower at 26th Street. She has been pleased with the contractors. They have been working hard to get done and are on schedule. She reported that the water model is still being updated. M.E Simpson has been contracted to do some work throughout the City. She also stated that the hydro excavator had been ordered and the F.O.G. receiving station will break ground next week. Mrs. Shrader said grease haulers could bring in loads in once it is completed. The blower project is also moving forward as is the diffuser project. All of those things will be installed onsite later in the summer.

C. Binkerd, Utility Director

Mr. Binkerd reported that State Board of Accounts is here. They are auditing 2015 only. They have changed some procedures. Before they did an assessment and now they are doing full blown audit now.

They are asking for more information and additional questionnaires to be completed. They are keeping staff busy. Mr. Binkerd said he is also working on the Personnel Policies & Procedures Manual update. Each section is being reviewed and updated from a legal perspective especially with the new regulations. Mr. Binkerd said there would be a general update as far as what is contained in the manual sections as well. The Personnel Committee will be contacted once it is in draft form. Mr. Binkerd said that the Earth Day event was held last night. There was a good turnout initially. People appreciated the collaboration with the Parks Department and GM. Mr. Binkerd said he would be speaking to group at the Senior Center tomorrow and with Quarry Triangle Neighborhood Association on Monday. Mr. Dorsey asked if a summer program would be held this year. Mr. Binkerd said staff has looked at some possibilities for interns as well. Mrs. Shrader said that IWU sent information on their STEM program which is physical sciences, but IWU is not ready to move forward on that yet. She said that the Utilities have partnered with Taylor to provide field trips. She added that the seasonal mowing positions will be opened soon as well. Mr. Lewis asked if State Board of Accounts was here to audit something specific or if this was a normal occurrence. Mr. Binkerd said it was a normal procedure to have a review. A lot of what he is seeing involves security pertaining to customer information and how the board makes financial decisions. State Board of Accounts wants to feel as though the customer's funds are secure. Mr. Dorsey asked if this was an audit at City's request. Mr. Binkerd explained that this was a normal review and that Umbaugh was conducting an audit at the City's request.

BOARD MEMBER COMMENTS

Mr. Lewis reported that his sister had a little damage to her fence by the Solid Waste division. The crews came right out and fixed the damage. She was very appreciative of the quick response and said thank you.

CHAIRMAN'S REMARKS

Mr. Logan thanked everyone for their attendance.

The next meeting is scheduled for Thursday, May 4, 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 6:10 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST

Misty Humphries
Its Secretary