



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: November 15, 2021
Re: Agenda for November 18, 2021 Utility Board Meeting

Dear Board Member:

This is to inform you of our Board Meeting to be held Thursday, November 18, 2021 at 5:30 p.m. in the L.E.A.D Center Building 101 at Marion Utilities, 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 October 21, 2021
- V. **FINANCIALS**
 - A. 2021 August Financials
- VI. **OLD BUSINESS**
 - A. Update on Projects – P. Pinkerton





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VII. NEW BUSINESS

- A. Transfers & Pay Requests - Senior Leadership Team
- B. 2022 Budget Presentation- Senior Leadership Team
- C. Wage Survey- C. Binkerd
- D. Long Term Control Plan Change Order- R. Shrader

VIII. SENIOR LEADERSHIP REPORTS

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

IX. BOARD MEMBERS' COMMENTS

X. CHAIRMAN'S REMARKS

XI. NEXT MEETING

Thursday, December 2, 2021

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 NOVEMBER 18, 2021 MEETING

The Marion Utility Service Board held their meeting on Thursday, November 18, 2021 at 5:30 p.m. in the L.E.A.D. Center, Building 101, at Marion Utilities, 1540 N. Washington Street, Marion, Indiana.

Roll was called and those board members present were: Bob Logan, Chairman; Doug Carl; Bill Dorsey; Al Green; and Von Jackson. Herschel Lewis was absent. Mia Erickson participated via teleconference; however, her attendance was not counted towards a quorum.

Also present at the meeting were: Chuck Binkerd, Director; Pat Pinkerton, Assistant Director for Engineering; Robin Shrader, Assistant Director for Operations and Maintenance; Mike Conner, Attorney; and Tiffany Snyder, Accounting/Billing Coordinator.

CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS

Mr. Carl moved, seconded by Mr. Dorsey to add Item E Kem Road Extension Request under New Business. All board members physically in attendance voted aye. Motion carried unanimously.

APPROVAL OF MINUTES

Mr. Carl moved, seconded by Mr. Jackson, to approve the minutes of the October 21, 2021 regular meeting. All board members physically in attendance voted aye. Motion carried unanimously.

FINANCIALS

Mrs. Snyder presented the August Financials. She stated that sales revenues were above average in Water and Wastewater while revenues were about average for Storm Water and Solid Waste. Operating expenses were normal for Storm Water but were approximately \$20,000 over for Water, Wastewater, and Solid Waste. Mrs. Snyder stated that all of this resulted in Water Wastewater, Storm Water realizing a net gain with Solid Waste seeing a small loss. Mr. Logan asked if there was any reason for the increase in operating expenses. Mrs. Snyder said that there was nothing unusual; however, it may be attributed to the flow of invoices. Mr. Carl moved, seconded by Mr. Dorsey, to approve the financials as presented. All board members physically in attendance voted aye. Motion carried unanimously.

UPDATE ON PROJECTS

Mr. Pinkerton reported that Valley Avenue and Jackson Water Extension is still waiting on materials which should be in during December. This would most likely mean the project would go into the new year. Mr. Pinkerton said he hoped that the water main would be in before January though.





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TRANSFERS & PAY REQUESTS

Mr. Pinkerton presented a pay request for work on the 43rd & Harrison storm sewer installed by Keith Sullivan. This was the second and final pay request in the amount of \$4,276.09. Mr. Pinkerton also presented the Release of Retainage and Certificate of Completion in the amount of \$1,376. Mr. Carl moved, seconded by Mr. Green, to approve the pay requests as presented. All board members physically in attendance voted aye. Motion carried unanimously.

Mrs. Shrader presented the fourth pay request to Jackson Construction in the amount of \$370,025 for the Long Term Control Plan project. Mrs. Shrader also stated that Jackson Construction was on schedule with the project. Mr. Dorsey moved, seconded by Mr. Carl, to approve the pay request of \$370,025 to Jackson Construction. All board members physically in attendance voted aye. Motion carried unanimously.

2022 BUDGET PRESENTATION

Mr. Binkerd reported that the Budget Committees had met to review the proposed 2022 budgets. Each of the board members were presented a copy of all four Utility budgets. Mr. Binkerd stated that he was not asking for approval of the budgets tonight. Instead, Mr. Binkerd asked that the Board just review the numbers at this time and let him know if there were any questions. Mr. Binkerd did note that there would be some increases due to supply chain issues and that the cost of living indices was going to increase by 6%. He added that some items like chemicals had already seen an increase and may see another increase after the beginning of the year. Mr. Binkerd stated that insurance numbers for 2022 were still being worked on. Initially, the increase was 45%; however, Mr. Lothamer and Mrs. Condon were going back to the insurance company to negotiate. Mr. Binkerd said that the budgets included a 20% increase for insurance. Mr. Binkerd asked that members please e-mail, call, or visit to discuss any questions.

WAGE SURVEY

Mr. Binkerd stated that wages had been reviewed over the last few months and the Personnel Committee has met several times over the past few months as well. Salaries across similar communities were studied as well as those from the latest AWWA salary study. Mr. Binkerd reviewed the slide presentation. He explained that the top line in blue illustrated where employees would be paid if they were at step 8 of the position pay range. Mr. Binkerd explained that the data gathered from other utilities and the AWWA study was shown to so that the minimum, maximum, and median salaries could be compared to the employees' current salaries. Mr. Binkerd said that approximately 50% of our positions were undervalued by at least 5% or more. He added that this same information has been reported in the news so it was not just affecting Marion Utilities. Mr. Binkerd conveyed that he wanted to make sure that good talent was being kept and recruited by keeping the salaries current and competitive. Mr. Binkerd gave an example for the Lab Coordinator. It is at a Range 14. He said that we were fortunate to find one candidate to fill the recently vacated position. However, she had to be hired at a step 8. Mr. Binkerd pointed out that the Engineering Assistant was paid at a Range 17. However, the study showed that they should be paid at a Range 19. A third example was the Range for the IT Coordinator. Currently, the IT Coordinator is paid at a Range 18, but the data shows that he should be paid at a Range 22. Mr. Binkerd summarized that 15 of the 30 positions were behind at the current



established pay range. Mr. Binkerd reported that the Personnel Committee talked about this and reviewed the data during several committee meetings. Mr. Binkerd noted that none of the Senior Level Management Team would be reevaluated. The Supervisors were the highest grade that would be reevaluated. Mr. Binkerd went on to explain that those positions that were significantly underpaid would be elevated. Mr. Binkerd went on to say that COLA was at 6% which would be a significant increase. Mr. Binkerd said that the Committee also discussed how to do incorporate the survey findings and the 6% COLA increase. Mr. Binkerd said because the pay scale was at 5% increments, the best way to protect employees, the organization, and the community would be to do a 5% bump for each position, assign those undervalued positions to the recommended pay range, and to assign a 1% COLA to the wage scale which would effectively result in a 6% increase. The current 2021 numbers were shared. The Water Utility was just under \$1.2 million; the Wastewater Utility was just under \$1.5; Storm Water was at \$583,000; and Solid Waste was at \$494,000. If the increases were implemented, the Water Utility would be at \$1.3 million; the Wastewater Utility would be at \$1.6 million; Storm Water would be at \$630,000; and Solid Waste to almost \$550,000. The additional costs to each utility would be \$190,000 to Water; \$138,000 to Wastewater; just under \$50,000 to Storm Water; and \$54,000 to Solid Waste. In sum, the overall cost would be \$349,264.78. The Personnel Committee was given the opportunity to comment as well. Mr. Carl said that this was ran through the budget process first to make sure that the numbers would work. Mr. Binkerd added that the budgets presented tonight contained the salary numbers inclusive of the Range, Position Adjustment, and 1% COLA. Mrs. Erickson asked if this was a 5% market adjustment and 1% COLA. Mrs. Erickson said her organization had to do the same thing across the board as well. Mr. Jackson asked if this would be reviewed again. Mr. Carl said yes it would be looked at next year during budgets as well. Mr. Jackson asked if COLA had a large increase again if the board would have to bump salaries again. Mr. Carl stated that COLA was considered each year in order to keep the pay scale current, but the board does not have to include a COLA adjustment each year or at a specific rate. For instance, the Board could implement a lower COLA percentage if desired or needed. Mr. Jackson asked if the comparison was done in comparison to the population. Mr. Binkerd stated that communities of similar size and composition were surveyed. There were some communities that were a little bigger or smaller included as well. The goal was to compare apples to apples as much as possible. Mr. Dorsey stated that we may be a little higher in some positions however the quality of employees and services provided would justify the increase. Mr. Binkerd summarized that there was a market adjustment issue to allow for range increases, the minimum 5% increase for all positions, and the 1% increase across the board. Mr. Jackson stated that he liked it because we could stay competitive and gain experienced talented individuals. Mr. Carl said the Personnel Committee approved bringing this issue to the Board. Mr. Jackson moved, seconded by Mr. Green, to approve the market adjustment issue to allow for range increases as indicated, the minimum 5% increase for all positions, and the 1% increase across the compensation plan. All board members physically in attendance voted aye. Motion carried unanimously. Mr. Binkerd asked for an effective date of January 2nd instead of January 1st due to payroll issues. Mr. Dorsey moved, seconded by Mr. Carl, to approve an effective date of January 2, 2022. All board members physically in attendance voted aye. Motion carried unanimously.

LONG TERM CONTROL PLAN CHANGE ORDER

Mrs. Shrader stated that when the hole across Bond Avenue was dug, it was discovered that the soil at the level specified was not suitable to put the foundation of the tank on. The soil was too soft. More excavation and additional gravel were required which resulted in an additional cost of \$23,621. Mrs. Shrader said that there was also an issue where the excess soil was being put at 11th Street. The excess soil needed to be pushed over edge and into the hole in order to mitigate the scene at 11th Street. Mrs. Shrader was given a price of \$175/hour to use the contractor's equipment. This would result in a change

order later on. There would be two to three Marion Utilities' employees onsite as well as several of theirs to ensure work was being done expeditiously. Mrs. Shrader said she was asking for approval of \$23,621 change order and the \$175 hourly charge. Mr. Logan asked if there was a cap on the number of hours that would be needed in relation to the \$175 hourly charge. Mrs. Shrader said the cost estimate was in the \$6,000-\$7,000 range. Mrs. Shrader noted that this was all built into the budget as contingencies as well. Mr. Carl asked if the blasting was done. Mrs. Shrader said no, and she would report more on that in a bit. Mr. Green moved, seconded by Mr. Jackson, to approve the \$23,621 change order and the \$175 hourly charge. All board members physically in attendance voted aye. Motion carried unanimously.

KEM ROAD EXTENSION REQUEST

Mr. Pinkerton reported that there were two lots on Kem Road just west of nursing home and west of Miller. The two lots were in the city and neither one has sewer or water adjacent to it. The nearest water is to the east at Wyndmoor. Sewer was a little trickier. There are two private lift stations in the area. Mr. Pinkerton said he received a request for water and sewer. Mr. Logan sent the issue to the Wastewater Committee since that issue was more complex. Mr. Carl asked if someone was going to develop the area. Mr. Pinkerton said two houses were being discussed right now. Mr. Pinkerton presented a map of the area. Mr. Carl noted that the Wyndmoor picture didn't show the new construction yet. Mr. Carl asked what the darker picture was. Mr. Pinkerton said it was the map of services. Mr. Logan assigned the issue to the Wastewater Committee.

SENIOR LEADERSHIP REPORTS

P. Pinkerton, Assistant Director for Engineering

Mr. Pinkerton reported that street sweeping was being done in preparation for the Christmas parade. As for Solid Waste, the Transfer Station averaged 57 tons per day in October.

R. Shrader, Assistant Director for Operations & Maintenance

Mrs. Shared a video of the blasting on day one. She said the first day of blasting was yesterday, the second was today, the contractor would take Thanksgiving off, and continue blasting the next week. Mrs. Shrader invited the board down if they would like to see the blasting in person. The blasting would be done just before 4 p.m. causing traffic to have to come down State Road 9 and head south on Washington. Mrs. Shrader reported that every precaution was being taken. Mr. Dorsey asked if more dirt was placed over the areas. Mrs. Shrader said yes. She explained that the process involved boring holes, dropping charges, and then soil was added. Mrs. Shrader stated that the blasting was cracking ground below the surface. Mrs. Shrader also reported that things were moving along well on new the chemical building and tank, and that so far nothing of interest had been found below.

C. Binkerd, Utility Director

Mr. Binkerd reminded that Board that the I&M Rate Case had been worked on for several months. A press release would be released stating that a settlement had been reached. It looks like there will be an overall rate decrease. Mr. Binkerd said that some of the requests were out of line, and the judge and arbitrators at the IURC agreed. Overall, it's been a positive situation. Mr. Binkerd said it does cost a lot of money to fight the rate increase requests that seem to come every two years. However, in the end, it will result in more than a six figure benefit to the city. Mr. Binkerd thanked that Board for their support during the time it takes to resolve those issues. In other news, Mr. Binkerd reported that the Christmas party would be held at the 1400 building this year due to COVID. The date for the party is December 16,

2021. Mr. Logan asked if the requests would be discussed at the next meeting. Mr. Binkerd answered yes.

BOARD MEMBERS' COMMENTS

There were none at this time.

CHAIRMAN'S REMARKS

Mr. Logan thanked everyone for their attendance and involvement in the meeting. He also wished Mrs. Erickson a speedy recovery.

The next meeting was scheduled for Thursday, December 2, 2021.

There being no further business before the Board, Mr. Carl moved, seconded by Mr. Dorsey, to adjourn the meeting. All board members in attendance voted aye. Motion carried unanimously.

Meeting adjourned at 6:21 p.m.

Robert Logan, Chairman
Marion Utilities Service Board

ATTEST



Misty Humphries
Its Secretary