



BUDGET & FINANCE COMMITTEE

Friday, April 3, 2020 at 8:30 a.m.

Memorandum

This meeting was conducted virtually using GoToMeeting.

Ms. Merrill called the meeting to order at 8:37 a.m.

Roll Call

Members Online: Committee Chair Jane Merrill, members Michael McDonald, Carl Mills and Jeff Hill. Others attending online were Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Controller Cindy Sheeks and Administrative Assistant Maggie Crediford.

Public Comment

There was no one from the public online.

Financials

Ms. Sheeks said revenues for the month came in on budget and expenditures were below budget. The impact of customers being out of work will be seen next month. The Customer Service Department implemented a lock box service that processes TriCo's checks in Indianapolis, payments are no longer coming into the office from the P.O. Box. The Utility closed on the bonds for the projects and the money has been deposited at Huntington Bank. The account was supposed to be earning 1.5% interest, that is no longer the case. Interest rates have hit the floor at .41%. None of the bond proceeds have been spent yet. The Engineering Department is expecting to see invoices coming in sometime in April.

Ms. Sheeks reminded the committee that the \$2 million in the five-year CD matures in July of 2020. Mr. Mills asked what the money markets at Merchants Bank look like right now. Ms. Sheeks said the account that has over \$3 million in it is currently at 1.98% and the other one is at .995%. She will keep the Committee posted on the status of those accounts going forward.

Mr. Hill asked if the Utility relies heavily on interest income.

Ms. Sheeks said it does not. Most of the revenue comes from bill payers, interest is factored in but not a substantial portion.

Mr. Mills explained the Utility has always treated interest revenue as fluctuating miscellaneous income.

Ms. Merrill asked what the Utility is telling customers if they indicate they cannot pay bills during the pandemic.

Ms. Sheeks said to date only one customer has called to say his business can't pay the bill. Customer Service is keeping a list of callers and explaining we will work with them during this time but TriCo doesn't have a lot of options in the way of offering relief.

Mr. Williams said the State won't allow monthly fees to be waived. The only relief staff can offer at this time would be to not file liens if payments are late. However, there is concern about doing that in the event a property would change ownership without paying their bills.

Ms. Merrill asked for clarification on what message customers are receiving when they call.

Ms. Sheeks said any action to be taken is up to the Utility, and that filing liens would be the only recourse available if people don't pay. Currently the Utility has not filed any new liens during this time and did not assess late fees in March.

Ms. Crediford asked Ms. Sheeks if she knew who the customer was that said they will not be able to pay their bill and asked if it is an essential business.

Ms. Sheeks said the notification came from a window company.

Mrs. Poindexter said, legally, using the phrase "we will try to work with them" would be more responsible.

Ms. Sheeks said Customer Service will have a more accurate assessment of the situation after the April 20, 2020 due date.

Ms. Sheeks pointed out a new item included on the income statement. Interest Expense for bonds has been added to the report to account for interest payments made when they are due.

Banking Resolutions

Mr. Williams said requirements from Citizens State Bank creates a need for a resolution addressing check signers to be passed by the Board.

Mr. Mills made a motion to recommend the Board of Trustees approve the proposed resolution. Mr. McDonald seconded the motion and it was approved unanimously.

Check Signing Policy Resolution

Mr. Williams proposed recommending adoption of a Check Signing Policy Resolution. The proposed resolution comes from State Board of Accounts recommendations for conducting business remotely during the pandemic.

Mrs. Poindexter said the resolution should allow the Utility Director to sign checks after they are approved by one Board member.

Mrs. Poindexter said the Committee should recommend which Board member should approve the claims. The Board member's name and the Utility Director's name should be added to the document where appropriate.

Ms. Merrill recommended Mr. Mills to approve the claims.

Mr. McDonald made a motion to recommend approval of the Check Signing Policy Resolution as amended, adding Carl Mills to approve the claims. Mr. Mills seconded the motion and it was approved unanimously.

New Business

Mr. Williams said staff received a counteroffer from Citizens Westfield regarding the Byrum parcel. The proposal will be brought before the Capital and Construction Committee next week. Citizens has agreed to allow TriCo to service the Byrum parcel as its customer. If Citizens cannot provide service to the property within 10 years, the parcel will become a permanent addition to TriCo's territory. Mrs. Poindexter is working with Citizens' attorney on the final details of the proposal.

Ms. Merrill asked for an update on the Office Project.

Mr. Williams said the demolition of the old office is complete. Thieneman Construction completed a force main relocation two nights ago, beginning the first stage of the plant project. Alderson is ready to pour the foundation and get the steel walls erected. Contractors have been directed not to come in contact with TriCo employees.

Mr. Williams said people are working from home. The Collections staff is rotating two days on three days off. All online training should be done for the year by the time employees are on a regular schedule again. Employees are also studying for certification testing during this time. In the admin office more than half the staff is working remotely only coming in to pick up supplies and documents. Kelly came in after 5 p.m. yesterday to run postage. Permits are being dropped off and retrieved outside the building.

Mr. Mills asked if there is an update on the sale of the office building to the Township Trustee. Mr. Williams said Mr. Callahan has been out of the office with health issues. Mrs. Poindexter said she will contact the Trustee's legal counsel to see if she can get any answers.

Mr. McDonald said he wants to be sure the Utility is not making payments for work for the plant project before the work is completed.

Ms. Sheeks said state law does not allow for the prepayment of work.

Mr. Williams said Mr. Merkle is meticulous and he is confident there will not be any issues paying for work before the quality is checked.

Mr. Williams said the contractors have already given notice there could be future delays.

Mr. Merkle and Mrs. Poindexter have responded and given them notice the pandemic is not a free ticket for delays. However, there could be issues with suppliers which could impact the receipt of materials.

Mr. McDonald asked if the Utility has seen an increase in rags with toilet paper being in short supply.

Mr. Williams said the Collections Department has seen a slight uptick in customer concerns about slow running drains. However, of the six cases that were investigated all the issues were in the lateral running from the house to the main. The mains were running freely. The Utility previously installed macerators that shred rags to small pieces resulting in less clogs. Impellers on the pumps also shred rags. Mr. Williams said he does have concerns about rags coming from hospitals but there have been no issues yet. TriCo Pretreatment Education focuses on lateral blockages and how costly they can be to the homeowner.

Mr. McDonald asked that staff be reminded to stay vigilant to avoid cyber security attacks going on during this time. Be on the lookout for links and emails that could be attacks, paying special attention to anything that asks for immediate action.

Mr. Williams agreed and added that staff have been trained that "breaking news" links could be untrustworthy as well.

Mr. McDonald said ZOOM meetings are leading to stolen emails and are proving to not be very secure.

Mr. Williams said TriCo is only using GoToMeeting software which came with the new VOIP phone system. The system is set up so that if an employee's desk phone rings it also rings on their cell phone at home. Customers don't even realize they are speaking to someone working from a remote location.

Mr. Mills made a motion to end the meeting.

The Meeting adjourned at 9:10 a.m.

Respectfully Submitted



Cindy Sheeks
Controller