



BUDGET & FINANCE COMMITTEE

Friday, July 24, 2020 at 7:30 a.m.
Memorandum

Ms. Merrill called the meeting to order at 7:32 a.m.

Members Present: Committee Chair Jane Merrill, members Michael McDonald and Carl Mills. Others in attendance were Legal Counsel Anne Poindexter, Controller Cindy Sheeks, Engineering Manager Wes Merkle, and Pretreatment Coordinator Intern David Isenberg.

Public Comment

There was no one present from the public.

Financial Statements

Ms. Sheeks commented that commercial revenue did increase in June and YTD revenue was on track at 47.5%. YTD operating expenses were on target at 49.60%. Also, a \$2M CD matured at Fifth Third Bank and the funds were moved to the money market account at Merchants Bank of Indiana with a 1% return. Ms. Sheeks thanked Ms. Merrell with her assistance in getting the CD closed at Fifth Third.

Mr. Mills asked Mr. Merkle if there was a draw schedule available for the plant project. Mr. Merkle responded the plant project is expected to average \$1.6 million per month spent until February 2021, after which the spending will slow. Ms. Sheeks explained the funds are all liquid and available as needed.

The Committee also discussed the impact the lower commercial revenue this year will have going forward on operations. Mr. McDonald asked if a rate increase might be necessary. Ms. Sheeks commented that the capital projects will have a more significant impact on the budget than the lower commercial revenues. Mr. Mills would like to take a closer look at the budget in October/November when we dive deeper into next year's budget.

Investment Policy

Ms. Merrell asked about the changes to the investment policy. Ms. Sheeks explained Indiana Code sets a four years expiration of investment policies. The new policy will expire on August 10, 2024 and has the updated names of the board members. Mr. Mills mentioned other public entities do this annually. Ms. Merrill inquired if TriCo has a calendar of annual tasks. Ms. Sheeks responded she will inquire. The committee recommended passing the policy as submitted but bring it back in January and have the policy adjusted to an annual activity.

FOG Fees

Ms. Merrill began the discussion but asked David Isenberg to further explain the four recommended violation fees. Mr. Isenberg began with the Porkopolis fee. After some discussion, the committee recommended upholding the assessment of \$400 due to it being a second violation within 18 months.

There was more discussion about the Red Robin \$200 fee and a brief discussion about the correspondence received from Mahoney Environmental asking for a waiver of the fee as the trap was cleaned eight days after the violation. Mr. Mills and Mr. McDonald were in favor of waiving and Ms. Merrill was in favor of upholding the fee. The Committee decided to put the fee in abeyance for 18 months pending no further violations. If there is a subsequent violation within the 18-month time frame, both the 1st and 2nd fees will be assessed.

Mr. McDonald commented about the PFM Express fee being more concerning as it is an automotive business. Mr. Isenberg explained that the discharge is more harmful to the system coming from an automotive type of business. The Committee upheld the \$200 fee.

The Committee discussed the Hino Oishi violation and asked if they had been open during the shutdown. Since Hino was open for carryout, the normal clean out schedule should have been followed. The Committee upheld the \$200 fee.

Mr. Merkle updated the Committee regarding the new neighborhood sewer project. He noted bids may come in up to \$50,000 over budget because INDOT is requiring the new pipe under US421 to be encased. On the Plant project, the value engineering credit will be reduced by \$40,000 because of changes to clarifier equipment that were not fully explained to staff during the evaluation process are not acceptable.

Ms. Merrill adjourned the meeting 8:40 am.

Respectfully Submitted

Cindy Sheeks

Cindy Sheeks
Controller