



BUDGET & FINANCE COMMITTEE

Friday, December 3, 2021 at 7:30 a.m.

Memorandum

Ms. Merrill called the meeting to order at 7:30 a.m.

Members Present: Committee Chair Jane Merrill, members Michael McDonald and Carl Mills. Others in attendance were Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Controller Cindy Sheeks and Engineering Manager Wes Merkle.

PUBLIC COMMENT

There was no one present from the public.

FINANCIAL STATEMENTS

Ms. Sheeks said commercial revenue will meet 2021 projections by the end of the year. The Utility is expected to meet other budget projections as well. There have been large payments made to Ace Technologies recently. They have haphazard billing practices and handle a lot of support at the plant and communication support at the lift stations, some of their invoices are being reworked.

Mr. Mills asked if the variance in Gain Loss Asset Disposal was from the sale of the old office building. Ms. Sheeks said it was.

BUDGETS

Operating Budget

Mr. Williams said the only change to the Operating Budget is a decrease to the health insurance line, which shows the savings the Utility will realize by switching to the Indiana Public Employers Plan. The deductibles will increase to \$500 for individuals and \$1000 for families, but the max-out-of-pocket is reduced by \$500 and \$1000 so once they hit the deductible, they also reach the max-out-of-pocket. With the decrease in family coverage with IPEP employees should save around \$630 for the year in premiums. Ms. Sheeks said the IPEP coverage is still with Anthem so people should not see a decrease in services or a need to change providers.

Mr. Mills asked if the numbers are from September or October and asked Ms. Sheeks to update the numbers to reflect balances as of November 30. Mr. Mills asked if the 8% change in gross wages in the 2022 budget was due to the addition of a new employee. Ms. Sheeks and Mr. Williams said the increase is because of the new employee as well as employee salary increases for next year.

Mr. McDonald asked what the step increase percentages are. Ms. Sheeks said it depends on the step, Mr. Williams said they range between 2.4% and 3%. Salaries at the bottom of a range are smaller and can reflect a larger percentage. Mr. McDonald asked if there

is an order of magnitude number based on the aggregate of overall salaries. Mr. Williams and Ms. Sheeks said they will compute the data and provide that information to the Board.

Capital Budget

Mr. Mills said he did not see anything surprising in the Capital Budget. Mr. Merkle said he provided the committee members with handouts showing the revised Capital Budget. At the top is a list of projects that will be completed in 2021. Plant expansion is ongoing and will roll into 2022. The Little Eagle Creek Interceptor project is slated for 2022 to accommodate approved development in the northwest corner of TriCo's service area. There are some LS pump replacements scheduled for 2022, Staff will be rebuilding the pump at Lift Station 8. New generators will be installed at Stations 11, 14, 26 and 10. Overall capital spending is up from the previous year. Also, future projects have had their budgets adjusted to reflect the current economic climate and costs associated with goods and services. Vehicle replacements have been slotted for every year instead of every other year. Pump and control panel replacement schedules have been updated.

Mr. Merkle highlighted changes made to the budget since the committee reviewed it in October. Lift Station 2, Pump 3 is being upgraded because of its inefficiency, and costly repairs needed. Mr. Williams said the technology for the new pumps reduces the need for macerators which can be costly to purchase and maintain.

Mr. McDonald asked for an update on the Plant Expansion Project. Mr. Merkle said the contractors are starting to pave. They will begin at the back of the plant and work towards the front. The surface paving will probably take place in the spring due to weather and temperatures. The base should be laid this year.

ORDINANCE 12.13.2021 CROSSFIELDS SURCHARGE

Mr. Mills said he is listed twice, and Mr. Hill was omitted from the signature page for the Ordinance. Staff said the Ordinance will be updated for the Board meeting. Mr. Mills asked if the customers are aware of the surcharge. Mr. Williams said there have been discussions with the property owners. Mr. Merkle said it was part of the negotiations and the property owners have signed an agreement. Mr. Williams said the first reading of the Ordinance will be at the December 13, 2021 Board meeting. There will be a public hearing and second reading for the Ordinance at the January 10, 2022 meeting. Ms. Sheeks asked if the property owners have an expectation as to when the surcharge will be seen on their bills. Mr. Merkle said yes. Ms. Merrill asked when the property owners will begin seeing the surcharge. Ms. Sheeks said it will begin on the February 1, 2022 bill. Mr. Mills asked if homeowners have the option to pay the entire amount at once as opposed to \$18.93 per month. Ms. Sheeks said they can pay it all at once if they would prefer. Mr. Williams said that total would be \$1,135.64 per parcel.

TRAVEL AND EXPENSE REIMBURSEMENT POLICY

Ms. Merrill said the update on the travel reimbursement policy is to pay a total dollar amount per day instead of total amounts per meal, with provided receipts. Ms. Merrill said the update makes sense. The Committee will recommend the Board approve the updates to the Travel and Expense Reimbursement Policy.

OTHER BUSINESS

The Committee discussed updates on service expansion opportunities.

Mr. McDonald asked if Mr. Merkle had any idea how far into 2022 the Plant Expansion Project would run. Mr. Merkle said substantial completion will be by the end of January. Surface pavement and grass seeding will happen in the spring. Ms. Merrill asked what the original target completion date was for the project. Mr. Mills and Mr. Merkle said October 2021. The project is still projected to come in under the original budgeted amount.

ADJOURNMENT

The meeting was adjourned at 8:13 a.m.

Respectfully Submitted

Cindy Sheeks

Cindy Sheeks
Controller