

**THE SEWER BOARD OF THE CIVIL CITY OF NEW ALBANY, INDIANA,
HELD A BUDGET WORK SESSION IN THE THIRD FLOOR ASSEMBLY
ROOM OF THE CITY-COUNTY BUILDING ON THURSDAY, OCTOBER 12,
2017 AT 10:35 A.M.**

PRESENT: Ed Wilkinson, member and Nathan Grimes, member. Mayor Gahan, president, was not present.

ALSO PRESENT: April Dickey, Linda Moeller, Rob Sartell and Vicki Glotzbach

CALL TO ORDER:

Mrs. Moeller called the meeting to order at 10:35 a.m.

SEWER BILLING OFFICE

Mrs. Moeller explained that she made a couple of changes with Mrs. Dickey's budget including adding 2% to the salaries and an increase in contractual services.

Mrs. Dickey stated that the increase in contractual services is for contracts such as billing to make sure that they do not run now. She explained one other increase is their recording fees because the fees for that service has gone up. She stated that where it used to be \$23.00 it is now \$50.00. She added that the only other major changes have been adding electric, telephones, etc. since the office moved.

Mrs. Moeller pointed out that rent has gone down.

Mr. Wilkinson stated that the computer line has been \$107,000.00 for a number of years and asked if there is any movement at all on computer software for the city.

Mrs. Moeller replied no.

Mr. Wilkinson stated that number could probably go down a little now since it included their share of the software.

Mrs. Moeller stated that she has it back to \$107,000.00.

Mrs. Moeller stated that right now she is at 67% of her budget.

Mr. Grimes asked what they used in recording fees this last year.

Mrs. Dickey explained that the rise in recording fees has caused problems in her budget this year.

Mrs. Moeller stated that they budgeted \$107,000.00 last year but she is over budget this year because of the increase.

Mr. Wilkinson stated that the bond is showing about a \$30,000.00 increase on line item and the amortization schedule put out by the accountants says that figure is going to be going to go to \$5.5M to about \$5.9M.

Mrs. Moeller asked what he would like for her to put in the budget for that.

Mr. Wilkinson stated that it would balance all the current records and explained that the figure for the year is \$5,890,404.00 which is an increase of \$30,000.00 per month.

Mrs. Moeller stated that she would change that figure so that it is budgeted accurately.

Mr. Wilkinson stated that the SRF reserve is not used anymore.

Mrs. Moeller asked if he wants to leave it there.

Mr. Wilkinson replied yes.

Mrs. Moeller added that the postage went up, the rent estimate has gone down, and everything else seems fairly consistent.

WASTEWATER

Mrs. Moeller stated that from Mr. Sartell's figures there have been increases in insurances and that is due in part to the recent audit that was completed.

Mr. Wilkinson asked if they are going to get a copy of that audit.

Mrs. Moeller explained that they will probably get a final report.

Mr. Wilkinson stated that he would like a copy of the audit and asked Mrs. Moeller to request that.

Mrs. Moeller explained that they had two audits completed, one for capital assets which provides information that has to be reported to the state. She stated that this particular audit is based on value which was done for insurance purposes.

Mr. Sartell asked who did the audit.

Mrs. Moeller stated that it was done by Gallagher and explained that it is a very detailed report with illustrations.

Mr. Sartell asked if Gallagher submitted this for the audit report.

Mrs. Moeller replied yes and explained that Gallagher is the broker but they also do fieldwork. She stated that the city's hasn't been done since the 80s so this is not just for the utilities but it is across the city. She added that it gives them a good idea of what they own and makes sure that what needs to be insured is insured for the proper value.

Mr. Sartell asked if they are anticipating the final report in December.

Mrs. Moeller stated that they are talking with them now about renewal so that is why all of this is coming up. She added that she and Mr. Gibson will be meeting with them after harvest to go over all of the details.

Mr. Grimes stated that he would like to see that report as well.

Mrs. Moeller stated that Mr. Sartell does a great job at reporting and his is probably one of the most up-to-date budgets in the city. She added that she doesn't know if in the 600 pages they are separated by departments.

Mr. Wilkinson stated that they should have.

Mrs. Moeller stated that the bio-solid disposal went up a little. She asked Mr. Sartell if

she is correct that the lease rentals has gone down significantly.

Mr. Sartell replied yes.

Mrs. Moeller stated that it has been reduced from \$85,000.00 to \$10,000.00. She explained that the land acquisition payment is due on October 18 in the amount of \$250,000.00.

Mr. Wilkinson asked if that will come through in October's paperwork.

Mrs. Moeller stated that she did the claim for it today and they had the dilemma of finding out who to make the check out to.

Mr. Grimes asked if that is a ten year payment.

Mrs. Moeller replied yes and stated this is the first of nine.

Mr. Wilkinson added that someone would be reimbursing them 60% at some point and Mr. Gibson would assign the different agencies.

Mrs. Moeller stated that she wasn't aware of that.

Mr. Wilkinson stated that the complaint was that the sewer utility didn't need all of the property and the master lease is a distribution of the property for the agencies that will be utilizing it.

Mrs. Moeller asked how they would like to put the payment into the budget.

Mr. Wilkinson stated that where they have it now is fine.

Mr. Sartell stated that there is also a line item for land purchasing and they are going to add the QRS as a stand-alone line item.

Mr. Wilkinson stated that they bought property from the railroad as well and they need to keep that open and in the budget so they aren't criticized.

Mrs. Moeller stated that Mr. Gibson would like to see a line item put in the budget specifically for repairs such as when sidewalks or streets are torn up for work.

Mr. Wilkinson stated that everything they do by contract is already in the subcontractor and asked if he wants that pulled out.

Mrs. Moeller stated that he just wants a separate line item set up.

Mr. Sartell stated that we can't do that for projects because it is inside the scope of the project. He explained that usually comes out renovations.

Mr. Wilkinson asked that Mrs. Moeller tell Mr. Gibson to bring this subject up at the next sewer board meeting so that it can be discussed and he can explain exactly what he wants to achieve.

Mrs. Moeller mention the capital projects.

Mr. Wilkinson stated that they are doing those on a separate tracking system because if that total % is included in the operating budget, all of the line item % will be out of balance.

Mr. Sartell stated that it is not part of their operating budget and Mrs. Moeller doesn't have it down in the operating budget.

Mr. Wilkinson stated that the system storage was \$6,045,000.00 when it is actually \$6,950,000.00 so it was about \$900,000.00 short.

Mr. Sartell stated that those numbers are his estimates based on what has been turned in so far.

Mrs. Moeller stated that come December Mr. Sartell will provide her with the contract and an encumbrance request to carry funds over to the following year.

Mr. Sartell stated that his best guess is that the Old Vincennes Road project will be the only thing encumbered.

Mrs. Moeller stated that Mr. Sartell is currently operating under 2017 budget which is very good for this time of year.

Mr. Wilkinson asked about the cost of the last bond issue and if it needs to be in the budget since it is in the bond.

Mr. Sartell stated that it doesn't need to be included in the budget.

Mrs. Moeller stated that she will deduct that.

Mr. Grimes asked Mr. Sartell if he is comfortable with the 2018 budget.

Mr. Sartell replied yes.

Mr. Wilkinson asked Mr. Sartell if he is comfortable with the rentals being \$10,000.00.

Mr. Sartell replied yes and added that if it goes over it won't go over by much.

Mrs. Moeller asked if the only thing that board needs from her is the audit.

Mr. Wilkinson replied yes.

ADJOURN:

There being no further business before the board, the meeting adjourned at 11:15 a.m.

Ed Wilkinson, Vice President

Vicki Glotzbach, City Clerk