

THE SEWER BOARD OF THE CIVIL CITY OF NEW ALBANY, INDIANA, HELD A WORK SESSION IN THE ASSEMBLY ROOM ON THE THIRD FLOOR OF THE CITY-COUNTY BUILDING ON THURSDAY, OCTOBER 11, 2012 AT 11:00 A.M.

PRESENT: Mayor Gahan, Mr. Brinkworth and Mr. Wilkinson

ALSO PRESENT: Mary Ann Prestigiacomio, Sam Lahanis and Vicki Glotzbach

Mayor Gahan called the meeting to order at 11:00 a.m.

Mr. Wilkinson explained that he compared the 2012 budget numbers and the 2013 budget that Mr. Gibson emailed them and the difference between the two is the EMC payment of \$2M that they made each month. He stated that the additional funds are the increase that came from their rate increase. He explained that the revenue increase and the EMC funds were spread out over the entire budget and that is what the pencil numbers are. He stated that on a line item basis two months ago when they had the special meeting, they changed the line items so that they would not show 300% over budget. He explained that they simply spread the \$2M that EMC was receiving onto individual line items. He pointed out onetime events that will not happen next year which are the final payment on the Flusher truck and the Stantec contract billing that is going to drop.

Mr. Wilkinson stated that there is also an MS4 charge that they have to consider. He also stated that he thinks that the line item is going to drop so he doesn't think they need to change it.

Mr. Brinkworth stated that it sounds like stormwater but he doesn't know why they are paying anything so they need to talk to Joe Ham about it.

Mr. Wilkinson stated that the engineering service line item is 121% of the budget because of a couple of onetime occurrences so he doesn't think that line item needs to be adjusted.

Mr. Brinkworth stated that between 2012 and 2013 he has "changed" in the middle and it looks like some are there but haven't been added in.

Mr. Wilkinson stated that when Mr. Gibson did the re-appropriation he went ahead and put the 2013 budget figured in those line items. He showed him a clean 2012 budget to clear up where the items were and explained that they had 10 different items that were way over budget.

Mr. Gibson explained that from what he understands the 2012 is the adjusted numbers that they just did on the appropriations and how those scattered out.

Mr. Wilkinson stated that is correct and explained that instead of starting in 2013 he started it a month ago.

There was a lengthy discussion on how to handle the "changes" between the two budgets.

Mr. Lahanis asked about the deadline for the salary ordinance.

Mrs. Prestigiaco stated that the deadline is November 1st.

Mr. Lahanis asked if it has to have the individual salaries and individual positions or just the total budgeted amount.

Mrs. Prestigiaco stated that you have to set out each individual position and establish the benefits.

Mr. Gibson stated that he doesn't think it is necessary to do this and the he and Mrs. Prestigiaco would discuss it.

Mr. Wilkinson stated that the \$450,000.00 for increased labor was directly from Mr. Gibson's documents for the transition.

Mr. Brinkworth asked why health insurance would be the same number.

Mr. Wilkinson stated that it was quite a bit lower.

Mr. Brinkworth stated that they have roughly double the employees. He asked if the lift station repairs were something that they just thought needed to be added into the budget.

Mr. Wilkinson stated yes.

There was a lengthy discussion regarding the amount of detail to put into line items.

Mr. Lahanis stated that he and Mr. Sartell are working on capital budgets and putting together some projects for next year that aren't identified yet.

Mr. Wilkinson stated that \$2.4M in capital projects boils down to \$700,000.00 for Chapel Creek, \$1.3M for Old For, Mclean Lift Station, as well as the additional funds that will be spent on the relining project.

Mayor Gahan stated that Mr. Toliver stopped by his office regarding chemicals that will knock back some of the odor from the sewers. He asked if any of the board members met with him and if there was any money in the budget for something like this.

Mr. Lahanis stated that he did meet with him but they don't have the severe issues that they his company would address.

There was a lengthy discussion regarding sewer odors and their causes.

Mr. Brinkworth asked about the vehicle garage and asked if it was going to be yearly.

Mr. Wilkinson stated that it would just be for one year. He explained that they went about \$60,000.00 over budget for the cost of the building.

Mr. Gibson stated that are trying to set the budget up to where they won't have to come back and do appropriations. He added that they can come back next year and identify projects with a resolution.

Mr. Lahanis stated that they can amend the monthly report they do so that everyone can understand where the money is going and he would like to continue to do that.

Mr. Wilkinson stated that the EPA designation helps remediate criticism.

Mayor Gahan asked if they are anticipating fewer employees as they go through this transition.

Mr. Wilkinson stated that is correct.

Mayor Gahan asked what would happen if he came back and said they need more people.

Mr. Wilkinson stated that if they are talking about two to three people then they are covered, but if it was six or more then things would have to be moved around.

Mr. Gibson stated that there are adjustments in the budget that it will be okay if they needed to add a few people.

Mr. Lahanis stated that they may want to hire a three man construction crew next year after the transition is done and he believes this would save them money in the long run.

Mr. Gibson stated that once we are through the transition that is something that could be brought up immediately.

Mr. Wilkinson stated that the revenue they have identified is at the current rate and that isn't going to change going forward. He explained that he did bump up the tap-ins by \$40,000.00 hoping that several of the identified projects would move ahead. He stated that it will take management after a couple of years if they are doing very many major projects.

Mr. Brinkworth stated that it is going to take management too because costs are going to go up and unless they get a cost of living increase they won't be able to keep up.

Mr. Lahanis stated that should be their next push with the council.

Mr. Brinkworth stated that they did try that a couple of years ago but it was vetoed.

Mr. Gibson stated that is something they need to sit down and talk about.

Mayor Gahan stated that he is open to all of that and if they say no that is okay because at least they have started the conversation.

Mr. Lahanis stated that he has collected a lot of information over the years as to why it is a good idea and maybe they need to share some of that with the council members.

Mr. Gibson stated that utility costs are going to go up and they know this so they will have to revisit it.

Mr. Wilkinson mentioned that IDEM both in the regulatory department and the engineering dept always told him that they should be doing rate increase applications every three years or they end up with a huge 20% increase.

Mayor Gahan stated that no one wants that to happen and that information needs to be part of the recommendation.

Mr. Wilkinson stated that unless they have a huge capital project that they don't foresee he thinks they are going to be okay.

Mr. Lahanis stated that in the next five years they need to start thinking about a new plant. He stated that there is \$124,000.00 in SRF monies that are not committed and he wants to know if he can put a down payment on a flusher truck and look at two replacement pick-up trucks.

Mr. Gibson stated that Mrs. Prestigiaco can get the balance of the SRF and then they can factor in the expenses.

There was a lengthily discussion regarding the purchase of a flusher truck.

ADJOURN:

There being no further business before the board, the meeting adjourned at 11:50 a.m.

Mayor Gahan, President

Vicki Glotzbach, City Clerk