

**MEETING MINUTES
SANGAMON VALLEY PUBLIC WATER DISTRICT
BUDGET MEETING
NOVEMBER 12TH, 2019
10:30AM**

Held in the Olen G. Parkhill, Jr. Water Treatment Plant Conference Room

MEMBERS PRESENT: Bob Buchanan, Meghan Hennesy, Bud Parkhill, Frank Howard, James Ingram, Kerry Gifford, Lindsey Stroud-Rodts. A Quorum was present.

MEMBERS ABSENT: Mike Larson, Mike Melton

GUESTS PRESENT: Joe Pisula (Donohue & Associates)

1. CALL TO ORDER: Chairman Hennesy called the meeting to order at 10:36am.

2. APPROVE AGENDA: Chairman Hennesy asked for any changes to the agenda. No changes were suggested. Parkhill did comment that he really appreciates the fact that Kerry has been conservative on the District's growth with this budget and has kept it in reason.

Motion by Ingram to approve the agenda as presented, 2nd by Buchanan. All voting yes, motion carried.

3. DISCUSSION OF 2020 BUDGET ITEMS: Gifford presented the 2020 Budget to the board and discussed each individual budget in detail as follows below. Gifford did want to make note that we do not live on non-operating income. So if the housing market goes to zero, it does not affect our ability to pay our bills or our employees. That money goes into Capital Projects and that is what it is used for.

A) Projected Operating/Non-Operating Revenues: Gifford reviewed the operating and non-operating revenues. He is estimating about \$1.6 million operating income, and a minor amount of about \$100,000 non-operating income. Total incomes is \$1.754 million – projected. He noted that we probably won't see much growth, and we haven't done a rate increase on the bills since 2014. Gifford noted that Stroud will be assisting him in reviewing all of the bank accounts and reserves we have and how they are broken up, and that they will be going to Chairman Hennesy and Parkhill soon with some suggestions on how to improve upon what is currently in place. Ingram asked how we go about selecting the banking institutions. Gifford stated that he and Parkhill explored several options and took bids for the best possible interest rates.

B) Personnel Budget: Gifford reviewed 2019's personnel budget and then went into detail about two different options for 2020's personnel budget. One for a 36 hours work week to eliminate 2/3 of the scheduled overtime, and one for a 40 hour work week. He noted that this is preparation for the upcoming \$15/hr minimum wage and trying to remain competitive with other companies. Gifford also noted that he and Marc have been sharing the work load for the Operator position, but we have just found someone that we feel is

the right person to train into this position long term. We also will have an additional \$150,000 in bond payment that will be freed up next year. Gifford also noted that he would like to get to a point where we can contract out the JULIE locates which will help. Chairman Hennesy asked for Gifford's thought process behind the 36 hour work week and logistically how that is going to work to have it staffed appropriately. Gifford explained that the operating hours would be Mon-Thur 8-4:30, and Fri 8-Noon. Along with the daily on call person and the weekend person. Right now we just have Gifford as a back-up and one utility worker as the on-call/weekend help. So you would still have him on call and someone else in case of emergency. Chairman Hennesy asked if the office would just be closed on Friday's at Noon. Gifford confirmed, that was correct. She was concerned from a customer perspective. Ingram asked what kind of customer traffic we get on Friday afternoons. Stroud stated that it depends on the month and the time of month. In the summer it was busier, but this fall has been slower. Even last week there were no customers that came in, but we still had phone calls. Stroud did state that we would still have the ability to take payments online though. Gifford also explained that we would keep shut-offs or reads during the week, and not on a Friday. Ingram asked if we have a drop box. Stroud and Gifford said that we do, it is located at Casey's. Chairman Hennesy asked if a shorter work week would help appeal to potential employees. Stroud and Gifford said that it absolutely would. Parkhill stated that at Candlewood, they stay open more the first 10 days of the month due to their due dates. Gifford stated that he is proposing this in preparation for the upcoming minimum wage increase to get and return our existing employees. Ingram asked if he were a new employee he would be asking about insurance, and retirement benefits. Gifford stated that we have a 457 B retirement plan, and the company contributes 2% of your annual salary every year you are with the District, up to \$10,000. We also offer 100% employer paid state health insurance for the employee only, which includes dental and vision, but the employee can pay out of pocket for spouse and dependents. Ingram asked if new employees coming in understand all of those benefits. Stroud stated that for a younger candidate, most of the time they are not interested in the health insurance benefits because they are still on their parents, and she doesn't think they are even thinking long term about retirement. Ingram stated that he doesn't think new employee coming in truly understands what all of these benefits really mean. Ingram suggested making up a projected retirement savings for the employee. Gifford stated that we can get that through Lincoln Financial. Chairman Hennesy agreed and also thought during the interview process having some kind of form to show all of the benefits that we offer would be good for the candidate to compare against other jobs they might be looking at. Buchanan stated that we have a couple examples of past employees that we could put up and get remove their names, but be able to show what is possible in 20 years and how much was accumulated. Parkhill asked Stroud, being a newer employee, what was the most important in the job between the salary, health insurance and retirement benefits. Stroud stated the insurance. Gifford stated that we should do a wealth management program with each employee individually.

- C) Operations and Maintenance Budget:** Gifford reviewed his proposed Operation/Maintenance Budget with the members present. He specifically reviewed the equipment request which includes a new truck (due to an old F250 Truck), as well as a Security Camera System. Gifford explained that he is currently looking at FE Moran for the Security Camera System Company. Parkhill noted that if the District wants another competitive bid he could refer someone as well. Chairman Hennesy noted that it would be worth it to look into to have more than 1 bid. *(OMITTED SPECIFIC DISCUSSION OF PLACEMENT OF CAMERAS DUE TO SECURITY REASONS)* Gifford continued to

review the budget. He noted that we want another fire proof file cabinet for the office as part of the Equipment request. Chairman Hennesy asked about the floor in the water plant. Gifford noted that it is still on his list, but he doesn't have it allocated for this upcoming year. Ingram noted that having security cameras should also give us a rebate on our insurance. Ingram also asked about the line item for "training/education". Gifford explained that would be for paying for an employee to go to training classes. Chairman Hennesy asked if anyone had any other questions on the Operations and Maintenance Budget. No one did.

- D) Master Budget:** Gifford reviewed the overall Master Budget, which includes all expenditures and revenues. He highlighted that the Bonds will go down in by \$50,000 in 2020 due to paying of one of our Bonds. Gifford noted that he would like to earmark, should the Board approve, for the Sewer Projects in the amount of \$102,000. Gifford noted that on the Master Budget he did use the 36 hour work week option in regard to the Salaries line item, so the Master Budget total includes this wage amount, not the 40 hour work week option. Parkhill noted that the Unemployment Insurance line item was dropped by about \$1,500 year over year. Gifford stated that he won't have the rate until December, but since we have been using a contract service for staffing so that could go down even further. Parkhill asked about Contract Services specifically. Gifford noted that we wanted to separate out Contract Services vs. Employment Contract Services. Buchanan asked about the Equipment line item being up about \$40,000 and Gifford confirm that was because of the New Truck request. Ingram asked why Gifford is recommending an F350. Gifford explained that he had a lot of problems with the F250 and the lift gate. Ingram then asked if this is something we put out for bid. Gifford explained that it is done through State Bid. Chairman Hennesy asked if anyone had any other questions regarding the Master Budget. No one did.
- E) Capital & Depreciation Expense Items:** Joe Pisula attended the meeting to speak about two capital expense items for 2020. Pisula explained that they would be looking to do a study for the Miller Woods area based on the survey responses we received back from those residence. Gifford stated that we only received about 50% response and of those only 50% were interested in getting water service. Gifford stated that we have a high dense area around Wild Wood acres and Sangamon Valley view for residence that are interested in getting water service and that is already within our district boundaries. Pisula reiterated that this is for providing finished potable water to those areas, but not sanitary sewer, those folks are all on septic. Pisula reviewed the area that would be included in the study as presented and explained phasing the project. Pisula explained that the study is predicated on the assumption that the District would get a UDSA Loan for this project that would be a 40 year loan. Gifford also stated that he has only proposed 4" services and that would not include fire protection, Pisula stated that would require 8" lines. Howard stated that this would be a good sell to homeowners, but all agreed that the farmers wouldn't be the target audience for this development. The District does have the option to go with an IEPA Loan, but that would only be a 20 year loan, and the customer would ultimately be responsible so Gifford is recommending the UDSA loan that could be 40 years. Howard asked if there was anything we could use as an example to show residents the benefits of receiving our water. Pisula recommended using a before and after examples to show the residents maybe via outreach. Parkhill stated that another great selling point is that those residents could continue to use their well or irrigation purposes, and use our services indoors, if the Board decides that. Gifford review the specific line items for the Northern Expansion Phase 1 to Wildwood Acres – Miller Woods project. The whole Project is projected to cost \$368,280.00. Gifford is asking for approval for the line items 1-3 on this

project, which include Loan Administration for \$25,000, the Study for \$19,800, and the Survey/Easement Plats for \$25,000, totaling \$69,800. This vote will take place during the next regular meeting.

Gifford then discussed the 2nd growth area of South Prairieview Rd. He stated that Parkhill is working with the Village on keeping this area zoned for commercial use. Pisula passed out documents for the Board to refer to in reference to this growth area. He reviewed the previous work done by Donohue, and also review the proposed project on adding a 6” looped line behind Casey’s and FitTek. This would provide water to the Corn Belt Fire Protection training center and a potential future fire station. Gifford explained that down the road we may be able to expand this to Trailside as well. Chairman Hennesy asked about the timing of the project. Gifford explained that we don’t currently have a commitment from the Fire Dept. on a timeline from them on their project, but he would still like to complete this project and get it back through recovery fees when they would decide to hook-on. Gifford stated that we need to also speak to the Village of Mahomet because they have monies set aside for this. Chairman Hennesy asked Gifford to clarify the amount he is asking for approval on for the South Prairieview Rd project. Gifford confirmed that he is looking for approval for the whole project amount of \$122,800.00. Chairman Hennesy if anyone had any other questions regarding the two capital project items. No one did.

Motion for the Budget Committee present to recommend the approval of the Northward Expansion Project Phase 1 – Items 1, 2, & 3 for \$69,800 at the next Board Meeting by Buchanan and 2nd by Parkhill. All voting yes, motion carried.

Motion for the Budget Committee present to recommend the approval for the entire South Prairieview Rd Project for \$122,800 at the next Board Meeting by Ingram and 2nd by Howard. All voting yes, motion carried.

Mr. Pisula left the meeting.

Prior to moving into Closed Session, Ingram suggested starting an Insurance Sub-Committee. He thought it would be beneficial to have all of the insurance agents come in once a year to review everything with the committee, and he thinks this would help bring another set of eyes and ears into the discussion. Gifford agreed that this would be helpful for him.

4. EXECUTIVE (CLOSED) SESSION:

A) Personnel Compensation Discussion - 5 ILCS 120/2(c)(1)

Motion by Parkhill and 2nd by Ingram to enter into executive session at 12:29 pm for the discussion of personnel compensation (5 ILCS 120/2(c)(1)). Roll Call Vote: Parkhill – Yes, Buchanan – Yes, Ingram – Yes, Howard – Yes, Hennesy – Yes. All voting yes, motion carried.

Gifford and Stroud were excused at this time. Closed Session minutes were taken by the Board.

Motion to leave executive session and return to open session at 2:10pm by _____ and 2nd by _____. Roll Call Vote: Parkhill – Yes, Buchanan – Yes, Ingram – Yes, Howard – Yes, Hennesy – Yes. All voting yes, motion carried.

Gifford and Stroud were asked to return.

3. DISCUSSION OF 2020 BUDGET ITEMS CONTINUED:

A) Recommendations: Chairman Hennesy stated that they talked a lot about the 36 hour work week vs. the 40 hour work week. She stated that they feel like the 36 hour work week is where they need to move at some point, but for this year they would like to stick with the 40 hour work week, but they would like to continue the discussion to be able to step into that 36 hour work week. Some questions that came up were; Could we keep the office open with one person? How do we minimize the customer impact? How do we message it to customers a little bit better? Could we use this a reward for dedicated employees? In general the group felt like there was still just a little too much to work through and talk through before making that jump blindly. Chairman Hennesy reiterated that they are going to continue this discussion within the Personnel Committee and keep it top of mind. Therefore, the recommendation to the board is going to be to go with the 40 hour work week personnel budget as presented. Gifford stated that that is what this was intended to do, was get the conversation going especially with the minimum wage increases coming. Chairman Hennesy asked if this was something Gifford is going to be happy and content with, and Gifford said yes, it started the conversation.

Motion by Ingram, and 2nd by Buchanan to recommend to the full board to approve the 40 Hour Work Week Personnel Budget as presented at the next Regular Meeting. All voting yes, motion carried.

6. ADJOURNMENT:

Motion by Howard and 2nd by Ingram to adjourn at 2:15pm. All voting yes, motion carried.

Respectfully submitted,

Lindsey Stroud-Rodts
Secretary, Board of Trustees