

City of West Lafayette, Indiana  
Board of Public Works and Safety  
**REVISED MINUTES**

OCTOBER 1, 2008

11:00 a.m.

City Hall Lower Level Conference Room

Members present were Susan K. Goldman, Bradley W. Marley, and Mayor John R. Dennis, who presided.

I. PRE-CAUCUS

Agenda items were discussed among Board members and Department Heads.

II. PRESENTATION

Mr. John Skomp, CPA of Crowe Horwath presented the Wastewater Treatment Utility annual financial review, and answered questions from the Board. Mr. Skomp explained that the report includes detailed capital improvement plans and funding sources which have not been presented in prior annual reviews but are the main drivers in the cash flow of the Utility. Ms. Jennifer Wilson, CPA, also of Crowe Horwath was also present.

Discussion of the report included the following questions.

▶ Is a debt service reserve a one year amount? Mr. Skomp said is the one-year maximum debt service. There is also a 10% test or a 125% of average test, but it is the lesser of the three tests the IRS requires.

▶ Are we only paying interest on the portion of the SRF loans we use? Mr. Skomp said yes. At some point, the SRF will fix the amortization or payment schedule, but in the early construction phase, interest is charged only on funds used.

▶ Why did Land Application Costs increase in 2007, from \$84,193 in 2006 to \$375,000? Wastewater Utility Director Henderson said at the beginning of the Digester Renovation Project, there was the removal of sludge from the lagoon and from the digesters before construction could begin. Ongoing land application expenses will be higher than the 2006 figure. Mr. Skomp pointed out that there is \$200,000 budgeted for 2008 for land application.

▶ Why is there such an increase in Consulting Fees of \$282,000 for 2008, but 2007 actual was \$121,681? WWTU Director Henderson explained the types of contracts, including training, which are paid from this account. Clerk-Treasurer Rhodes said there was no list of projects for this line item, but the Financial Manager related she allowed some extra flexibility when she worked on the budget for 2008. Mr. Skomp said the budgeted figure was not based on historical data. Street Commissioner Downey said costs of GIS are likely included here.

▶ Why are there no allowances budgeted for 2008 when there has been \$80,585 of expense in the previous years. Clerk-Treasurer Rhodes said this is related to the accounting for trash fees. There are several accounting matters that have been reviewed

and are likely to be part of several changes which will relate to other environmental functions in the WWTU and use of more standardized accounting practices. Mr. Skomp said we are working to distinguish between bad debt, allowances, and adjustments. We will be working with the Clerk-Treasurer to streamline the accounting and clarify some of the account references.

▶ Why is the 2008 budget for Combined Sewer Overflow Monitors is \$110,000, yet the actual 2007 expenses in this category were only \$18,100? Wastewater Utility Director Henderson said the Utility entered into a new agreement with ADS, LLC for more full-service monitoring of CSO overflow points and events.

▶ Why did the budget for Labor increase from the 2007 actual of \$558,068 to almost \$719,000 in the 2008 budget? Mr. Skomp said an adjustment has been made for that. Adjustment 3 on page 18 shows that the 2009 budget is reduced and is lower than the 2008 budget. The 2008 budget appeared to have an extra "cushion" for personnel expense that needed to be brought back down.

▶ Do Sanitation expenses exceed operating revenue, and if so, is this a loss in this business unit? Mr. Skomp said, based on the information we have now, that is correct, but we need to go back and evaluate whether some of the expenses that were in the general fund should have been already picked up by the WWTU anyway. This is just a straight transfer of all the expenses in that budget. Adjustments 1 and 5 on pages 18 and 19 show that Trash Collections and street sweeping are moved to the Utility in 2008, along with other environmental functions, having the Sewage Works become an Environmental Department in charge of all the environmental-type issues.

▶ In future reports, will Sanitation income and expenses be broken out? Mr. Skomp said yes, changes in accounting will be made to reflect the separate areas of the Utility. He stated you have sufficient cash on hand to do the capital projects you want to do. You can look at in the future doing some revenue adjustments for the trash or with a storm water fee to address some of those expenses or if the balances get too low. I would not say you are bringing over loss leaders; there are expenses in there that maybe should have been allocated previously.

▶ Is the Annual Coverage Ratio [page 22] of 125% is a requirement of the bond holders? Mr. Skomp said 125% coverage ratio is the minimum required to issue additional bonds, so we recommend you maintain at least that.

▶ What is Forfeited Discounts on page 17, \$73,053 in 2007? Mr. Skomp said this is late payment fees. This situation occurs when customers do not pay their bills on time and incur late fees.

▶ What is the reason for the Analysis of Customer Consumption [page 24] reflecting that in 2005, consumption was at its highest point [1,555,771 gallons], while in 2007 it was 1,502,054 gallons, yet the number of users has increased? Wastewater Utility Director Henderson said one reason is increased education on low flow fixtures. Street Commissioner Downey said a major difference is that Purdue University switched from estimated gallonage from the wellheads to actually metering every building.

► Councilor Hunt requested when the Council would be provided with this report. Clerk-Treasurer Rhodes said the report had been put in the Board of Works electronic box as a PDF file for this meeting, and that the Councilors will also receive bound copies tomorrow at the Pre-Council meeting. A presentation is planned for the Monday Council meeting.

► Mayor Dennis said the report is readable and understandable. It shows that the Utility is healthy and we have a positive outlook for the future. Mr. Skomp said this is a good roadmap for the Utility.

Ms. Goldman moved that the report be accepted. Mr. Marley seconded the motion. The motion was adopted.

III. APPROVAL OF MINUTES

A. September 23, 2008, Meeting

Ms. Goldman moved to accept the minutes of the September 23, 2008, Board of Works meeting. Mr. Marley seconded the motion. The motion was adopted.

IV. NEW BUSINESS

A. Maintenance Agreement: VanAusdall & Farrar – \$1,455.79 – Recording/ Transcribing Equipment – Clerk-Treasurer

Clerk-Treasurer's Administrative Assistant Thayer-Copeland presented the agreement and asked for Board approval, noting that the cost is a 4% increase over the prior year.

Ms. Goldman moved that the agreement be approved. Mr. Marley seconded the motion.

Ms. Goldman asked if the equipment were leased. Ms. Thayer-Copeland said that the City owns the equipment, and that regular maintenance keeps the equipment in reliable operation.

The motion was adopted.

B. Request for Street Closure: Carrolton Boulevard at Ravinia and Woodland – Sunday, October 19, 2008 – Police

Police Captain Leroux presented the request, noting that this is not a typical closure, as this is a group of neighbors, not an entire neighborhood association. He noted that Street Commissioner Downey suggested that, in addition to using barricades, that "Road Closed Ahead" signs be placed on Ravinia and Woodland, due to the hill. The only concern the Police Department had was the six-hour time, but the organizer has reported that it should be only four hours. Fire Chief Drew, City Engineer Buck, and Street Commissioner Downey all agreed to the request.

Ms. Goldman moved that the request be approved. Mr. Marley seconded the motion. The motion was adopted.

C. Bid Announcement: Salisbury Street Phase 2 Safety Improvements Project – Engineering

City Engineer Buck said the plans and specifications are ready for the reconstruction safety improvements project for Phase 2 of the Salisbury Street Safety Improvement, as well as partial demolition of Burtfield School. He requested the Board approve the advertisement dates of October 3 and October 10, with bid opening on October 21.

Ms. Goldman moved that the bid announcement be approved. Mr. Marley seconded the motion.

Ms. Goldman asked what area Phase 2 covers. City Engineer Buck responded that it was from Riley almost to Rainbow.

The motion was adopted.

D. Contract: 2008 Operation Relief and Tree Fund Planting Project of 1.5-inch Trees – Bennett's Greenhouses, Inc. – Development

Director of Development Poole presented the contract with Bennett's Greenhouses for 93 trees, 1.5 inches in diameter. Sixty-three of the trees are designated for Prophets Ridge, and the others throughout the City. This is the same contact as for the 2-inch trees.

Mr. Marley moved that the contract be approved. Ms. Goldman seconded the motion. The motion was adopted.

E. Assignment of Bond Proceeds: Paul Sakai - \$7,985.42 – Engineering

City Engineer Buck told the Board that this is a new situation, where a property owner had received an improvement location permit to do a construction project, and the contractor failed to complete the project. It is a standard practice that all contractors have bonds to work within the City, but we have never had to pull one before. The City is the payee on the bond through State Farm Insurance. Assignment of the bond proceeds turns the money over to the property owner, because he had to complete the work.

Ms. Goldman moved that the item be approved. Mr. Marley seconded the motion.

In response to a question from the Mayor, City Attorney Burns reported that this is a pass-through, which costs the City nothing. The purpose behind a contractor's bond is to protect the City, to make sure that buildings in the City are up to Code. Even though Mr. Sakai paid a lot more than \$7,985.42, that amount represents the amount necessary to bring the building to Code, not finish it. Contractors' bonds are a protection for the integrity of the City's Building Code, more than for the individual homeowner. This is a reimbursement to Mr. Sakai of the amount necessary to bring his building up to Code. The bond was \$25,000, but the \$7,985.42 is what State Farm determined is the amount. Engineering Deputy Building Commissioner Burks said this amount covered Mr. Sakai's costs for materials that were needed to finish the work.

Ms. Goldman asked if this were a City project. Mr. Buck said no, it was a private project. Mr. Burns said but our Code requires that any contractor have a bond, in case the contractor cannot perform.

Mr. Marley asked if this were a private homeowner project. Mr. Buck said it was a privately-owned property, not necessarily the residence of the individual, that general contractors and the subcontractors have to have a \$25,000 and \$5,000 surety bonds, respectively, as a requirement of City Code.

City Engineer Buck mentioned that he had met with John Willis of MBAH recently, and the topic of contractors' bond amounts, particularly in commercial projects, was discussed. It will be a continuing discussion item.

The motion was adopted.

F. Claims

1. AP Docket	\$ 1,918.14
2. AP Docket	\$ 91,712.31
3. AP Docket	\$ 11,176.76
4. AP Docket	\$ 77,113.67
5. PR Docket	\$321,981.00
6. PR Docket	\$ 11,919.41
7. PR Docket	\$104,092.52

Ms. Goldman moved that the claims be approved. Mr. Marley seconded the motion.

Ms. Goldman asked whether the telephone expenses [AT&T Mobility, \$1,222.36, \$100.70, and \$17.42] were monthly. Clerk-Treasurer Rhodes affirmed that is the case.

Ms. Goldman asked the purpose of the expense for grounds improvements in reference to payments to Farm Plan/Rural King [\$772.37 and \$217.33]. Parks Superintendent Payne responded that it was for purchase of large quantities of Roundup.

Ms. Goldman asked the purpose of the payment to Flex Pac Inc. [\$988.75]. Mr. Payne responded that it was for janitorial-type items.

Mr. Marley asked about costs of uniforms in reference to payments to US Uniform & Supply Inc. [\$2,243.73], whether there was an allowance for uniforms. Police Captain Leroux answered that officers do have an annual clothing allotment. Mr. Marley wanted to know if this specific expense was in addition to that. Captain Leroux said that it is for clothing for new officers who do not receive a clothing allowance the first year.

The motion was adopted.

G. Wastewater Utility Salary Ordinance – WWTU

Wastewater Utility Director Henderson presented the 2009 Wastewater Utility Salary Ordinance has substantial changes, one of which is combining the WWTU financial staff with the Clerk-Treasurer's staff to utilize the resources more efficiently. The ordinance reflects changes in job titles. In the Utility itself, the Instrumentation and Data Processing Supervisor position and the Assistant Laboratory Manager position have been eliminated, to avoid a top-heavy management organization.

Ms. Goldman moved that the Wastewater Utility salary ordinance be approved. Mr. Marley seconded the motion. The motion was adopted.

H. Information Item

1. Engineering Projects Payments Listing

City Engineer Buck presented an updated listing, noting that this report combines design projects with construction projects, rather than having two separate listings.

I. Other Items

1. Fire Chief Drew reported that October 11 would be the last day of Fire Prevention Week, and there will be open houses at each fire station. Mayor Dennis suggested that the schools be notified.

2. Parks Superintendent Payne stated that the Farmers' Market begins in about an hour. Also, October 11 is Paint Out at the Wabash at Riehle Plaza and Tapawingo Park, and another DeTrash the Wabash event.

3. City Engineer Buck announced that contractors are on site at Happy Hollow Elementary School, taking up some of the playground to repair the storm line. A construction fence is up. Pipes and manholes should be delivered by the end of the week. So far, it is going smoothly.

4. Street Commissioner Downey said that some EPICS [Engineering Projects in Community Service] students are reviewing the City's sanitation and recycling service programs. Their final report is December 18. They have requested a ride on the trash truck. He said that his assumption is that they are like other volunteers and will be covered by the City's insurance. He will make sure that they wear vests.

V. ADJOURNMENT

There being no further business to come before the Board, Mr. Marley moved that the meeting be adjourned. Ms. Goldman seconded the motion, and the meeting adjourned.