

UTILITIES SERVICE BOARD MEETING

April 7th, 2014

Utilities Service Board meetings are recorded electronically or stenographically and are available during regular business hours in the office of the Director of Utilities.

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:00 p.m. The meeting was held in the Utilities Service Board room at the City of Bloomington Utilities Administrative Building in Bloomington, Indiana.

Board members present: Tom Swafford, Julie Roberts, Jason Banach, Jim Sims, Sam Frank, Jeff Ehman, Pedro Roman, and Tim Mayer, Ex-Officio. Staff members present: Patrick Murphy, John Langley, Michael Horstman, Mike Bengtson, Jon Callahan, Nolan Hendon, Rachel Atz, Phil Peden, and Sue West, City Controller.

MINUTES

Board Member Roberts moved and Board Member Sims seconded the motion to approve the minutes of the March 24th meeting. Motion carried, 7 ayes.

CLAIMS

Wire transfers and fees for the month of February, 2014:

Board Member Roberts moved and Board Member Frank seconded the motion to approve the wire transfers and fees for the month of February in the amount of \$1,307,970.31.

Director Murphy noted an addition to the claims, a detailed payroll report, to supplement the payroll transfers being approved. This additional document is a result of an issue identified in the annual audit underway. Controller West addressed the Board and explained her approach to State Board of Accounts (SBOA) audits. She prefers not to wait until an exit conference or a report points out something. She meets with the auditor each week to review suggestions. One of the footnotes that will be in the 2013 audit is that more detail needs to be provided to all boards approving payroll payments, not just the lump sums. That is something the SBOA will require from now on. The board has in their packet the most current payroll detail with each employee's information listed, and over the next month or so, staff will provide the detailed documents for January, February, and March payroll. This will put the city 100% in compliance for the 2014 audit. This will be the case for all boards and commissions which oversee departmental payrolls – Utilities, Public Works, Parks and Recreation, etc.

Board Member Banach inquired about credit card transactions and the detailed reports. He would like to see detailed charges, rather than amounts spent by employee. Director Murphy stated that as of today, the city is finished utilizing credit cards for purchases by employees, so this will no longer be an issue.

Vice President Roberts inquired how purchases previously made by credit cards would be handled now. Ms. West said that CBU's centralized purchasing system has been moving to electronic fund transfers (EFT) and working with all vendors to set that up. This will allow for more transparency as all vendors being paid will be listed in the claims.

Board Member Ehman inquired how employees are responding to this change and whether it is an inconvenience. Ms. West suggested that until the EFT system is fully set up for each vendor, there may be some inconvenience, but it seems worthwhile in return for increased transparency. President Swafford wanted to assure that the newly presented payroll detail report has been verified by CBU accounting and payroll staff. Assistant Director of Finance Horstman confirmed.

Motion carried, 7 ayes.

Board Member Roberts moved and Board Member Ehman seconded the motion to approve the claims as follows:

Vendor invoices submitted to the Controller's Office on April 11th included \$560,690.14 from the Water Utility; \$632,742.00 from the Wastewater Utility; and \$54,262.66 from the Stormwater Utility. Total Claims approved, \$1,247,694.80.

Board Member Frank inquired about a date on a Black and Veatch claim dated 1-31-11. Director Murphy noted that is a mistake. It should be corrected to state 1-31-14 on claim #1174842.

Mr. Frank also inquired about two claims to Virtuoso Sourcing Group for collection agency fees. One covers the date range of 3/7-3/14/14 and the other covers the range of 3/4-3/11/14. He was curious about the overlapping dates. Assistant Director of Finance Horstman explained that the first invoice covers payments made directly by clients. Virtuoso sends CBU the money collected and CBU send them their fee. The second claim covers payments made by customers at CBU. CBU then also has to pay the fees to the agency.

President Swafford pointed out two claims to Black and Veatch – a structural assessment for the southwest storage tank and southeast water system improvements. Assistant Director of Engineering Bengtson explained that the southwest tank on Barge Lane off of Leonard Springs suffered damage after a storm recently, and the railing and gear were in disrepair. An existing dent in the side was also exacerbated. Work was completed to repair this, and a structural evaluation was completed. A crane was needed to inspect the outside of the tank. An interior inspection will likely happen this week as well.

Motion carried, 7 ayes.

OLD BUSINESS:

Board Member Roman inquired about the cancellation of credit card usage for CBU, and under whose authority the decision was made. Director Murphy confirmed the decision was made by him. This was in consultation with the Controller and the Mayor, who set the city-wide policy. Mr. Roman feels the authority should rest with the board. Mr. Murphy felt that since CBU controls who receives credit cards, this decision similarly follows. This is a change in purchasing policy. Mr. Roman stated he would prefer the board take action on such decisions.

President Swafford asked for input from the board. Board Member Banach is unsure such a decision would require board action, but if there is any question about it, the board could take a vote.

Board Member Banach motioned and Board Member Roberts seconded to support Utilities and city staff in the decision to remove credit cards from use.

Motion carried, 7 ayes.

NEW BUSINESS:

N/A

SUBCOMMITTEE REPORTS:

N/A

STAFF REPORTS:

Director Murphy relayed that the Environmental Committee has received a draft of the Conservation Plan for initial review. Mr. Murphy would like to convene a meeting of that committee to review it more thoroughly with Conservation Coordinator Hendon.

Environmental Committee Chair Ehman supports an initial meeting to have questions answered and to provide input for any needed revisions. The committee will convene before the next full meeting of the board.

Mr. Murphy shared that crews have been cleaning inlets. With this rainy weather, it is difficult to progress much on certain projects.

PETITIONS AND COMMUNICATIONS:

N/A

ADJOURNMENT:

The meeting was adjourned at 5:17 p.m.

L. Thomas Swafford, President