

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, November 18, 2014, 3:00 p.m.

PRESENT:

Directors:	Art Jones	Frank Russenberger
	Luke Duffield	Harold Barr
	Bill Harmon	Susie Nicholson

City Corp:	Steve Mallett	Larry Collins
	Taryn Childers	Lance Bartlett
	Jeremy Myers	Rena Taylor
	Kenny Lutz	Randy Bradley

Others:	Aaron Stallmann	Clint Bell
	Bob Hardin	Bo Smith
	Loy Claunch	Mayor Bill Eaton
	John Shoptaw	

Chairman Jones called the meeting to order at 3:00 p.m. and took the opportunity to welcome the newest member of the Board of Directors, Susie Nicholson.

Approval of the October 2014 Minutes: Luke Duffield made a motion to approve the minutes. Frank Russenberger seconded. Minutes were approved as presented.

2013-2014 Financial Audit Presentation: John Shoptaw with Shoptaw Labahn was in attendance to deliver the 2013-2014 Financial Audit Report. Copies of the audit were distributed and discussed. Bill Harmon made a motion to accept the audit results. Harold Barr seconded. Audit was approved as presented.

Review and Consideration of the October 2014 Financials: On the water side, revenues were 7.3% (\$37,733.95) under budgeted amounts for the month. The yearly variance is running 11% less than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 9.6% under budget (\$39,848.32). The O&M budget amount was \$414,657.00 with the actual O&M monthly total being \$374,808.68. The yearly variance is 9.5% (\$182,168.01) under projected budget. The net income for the month was 1.7% (\$1,822.86) more than the budgeted income. On the sewer side, revenues were 2.3% (\$7,685.87) over projected amounts. The budgeted revenue was projected to be \$330,540.00 with the actual total revenue being \$338,225.87. The yearly variance is 0.9% (\$12,111.76) over budget. Total O & M expense was \$11,356.81 over budget. The yearly variance is 0.7% (\$10,279.95) over budget projections. The

net income for the month was 34.1% (\$3,794.74) less than anticipated. Harold Barr made a motion to approve the October 2014 financials. Luke Duffield seconded. The Financial Report was approved as presented.

General Manager's Report: Steve Mallett gave an update to the Board regarding several items that he has been working on recently. Among those items, he addressed the Progress Edition in the Courier, the ongoing meter study being completed by UMS, a meeting with Region's Bank regarding fee charges on the accounts, and various meetings that he attended over the course of the month.

Capital Projects Status Report: Lance Bartlett deferred to Aaron Stallmann with Garver Engineers for updates on the Water Treatment Plant Improvements and the Water Master Plan Update. The I-40 Water and Sewer project is currently on hold. Loy Claunch with Crafton Tull was present to discuss the Highway 124 Center Valley School Force Main Relocation and the Old Post Road and IP Lift Station Replacement. Lance Bartlett discussed the West "C" Street – Commerce Sewer and Water Improvements Project. Clint Bell with CWB Engineers gave a report Consent Administrative Order (CAO) updates. Lance Bartlett reported on the PCW Schedule II Project.

Operating Reports: Larry Collins reported no violations for the month. All online meters were calibrated and all plant generators were serviced in the month of October. Maintenance staff made repairs to the sludge spreader truck and replaced a bad check valve on one of the raw sewage pumps at the Wastewater plant. Staff winterized the plant at the Water Treatment Plant. The elevation of the reservoir is 454.8 or 5.5 feet down. The lake was 9.6 feet down this time last year.

Approval of Contract for Water Line Replacement on Industrial Boulevard: City Corporation staff followed the Emergency Purchasing procedure outlined in the Purchasing Policy to expedite this urgent project. Two bids were received. The apparent low bidder was Willis Parks Construction in the amount of \$127,390.75. Bill Harmon made a motion to accept the bid. Frank Russenberger seconded. Bid was approved.

Cash Funds Policy Revision: This item was tabled in order for the Chief Financial Officer to have time to contact various banks regarding the future of our investments. Taryn Childers also stated that there is a Certificate of Deposit coming due within the week and requested that he move the funds over to an account temporarily pending the decision on future policies. Harold Barr made a motion to move the funds from the Certificate of Deposit over to the Depreciation fund temporarily. Bill Harmon seconded. Motion passed.

Harold Barr made a motion to adjourn. Frank Russenberger seconded. Meeting was adjourned.

Luke Duffield, Secretary