

# URBANA & CHAMPAIGN SANITARY DISTRICT BOARD MEETING AGENDA

**Location:** UCSD Boardroom, Station R, 1100 E. University, Urbana IL

**Time and Date:** 10:00 a.m. - Thursday, April 27, 2017

1. **Call of Meeting to Order**
2. **Approval of the Agenda**
3. **Audience Participation**
4. **Public Hearing Regarding FY18 Budget**
5. **Budget Discussion\***
6. **Ordinance #703 – FY18 Budget and Appropriations\***
7. **New Business**
  - a. **Approval of Commercial Insurance Policies\***
  - b. **Executive Director Compensation**
8. **Executive Session – Compensation and Performance of Specific Employees**  
*Exception: 5 ILCS 120/2 Chapter 102, Par. 42, Sec. 2. (c) (1)*
8. **Adjournment**

*\* Indicates information included in the Board Packet*

**Next Board Meetings – 10:00 A.M. on Thursday, May 4, 2017**  
Station R Boardroom, NE Plant, 1100 E. University Ave., Urbana

# Memorandum

**To:** Board of Trustees  
**From:** Kim Lytle  
**Date:** April 18, 2017  
**Re:** Agenda Item 5 - Budget Discussion

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## Requested Action:

This item requires no formal Board action and is provided to identify significant changes between the draft FY18 budget that was presented in March and the final FY18 budget that is presented today.

## Discussion:

### Operations & Maintenance Fund:

Revenues: No changes were made in the revenue projections for FY18.

Expenditures: Overall expenditures increased by \$315,521. Total changes by section and an explanation of any significant amounts are listed below.

100 Administration Increase \$6,352  
Changes exceeding \$5,000 are in Wages (\$24,122), (Employer IMRF (\$7,000) and Employer FICA (\$7,850), Commercial Insurance (-\$10,455), and Equipment Purchase (-\$24,000).

200 Engineering Increase \$20,000  
An increase for an Arc flash study at some of the off-site lift stations.

300 O&M Increase \$145,871  
Increases exceeding \$5,000 are in Management Wages (\$10,071), MS Pumps (\$10,000), MS Valves, Pipes & Fittings (\$10,000), MS Instrumentation (\$44,700), CS Machinework / Hardcoating (\$16,900), CS Tool & Equipment Rental (\$10,000), and CS Blowers (\$22,000), and CS Roof Repairs (\$128,200). Decreases exceeding \$5,000 are MS Structures – Odor Control (\$38,000) and CS Painting (\$68,000).

330 Biosolids Increase \$9,950

This is primarily due to an increase for the cost of renting farm land for disposal of materials from the digester.

340 Wastewater Operations Increase \$16,000

This is primarily due to increases in polymer and electrical costs.

Capital Items: Increase \$73,700

Projects that will not be completed in FY17 include: Force Main Taps (\$25,000), Station M HVAC (\$57,500), 2017 Road Rebuild (\$52,600), and Paging System (\$8,200).

Other Changes include: FY18 Interceptor Rehab (-\$148,000), FY18 Collector Sewer Rehab (\$61,000), Hand Rail Replacement (\$68,000), Raw Sewage Pump Grating (\$15,000), Turblex

Lifting Beams (\$10,000), Phosphorus & Ammonia Nitrate Probes (\$12,000 additional), UV Transmittance Meter (\$25,000), and SWMM Sewer Monitoring Software (-\$10,000).

**Construction Fund:**

No changes were made to either revenue or expenditures in this fund.

**Interceptor Cost Recovery Fund:**

A preliminary loan schedule was received for Loan #2 of the Second Street Pump Station project. The payment based upon funds loaned through February is \$17,294.39 less than originally budgeted. Capital outlays were decreased by \$48,500 due to the Staley Road project being nearly completed during FY17. Total outlays are decreased by \$65,794.39.

**Debt Service Fund:**

No changes were made to either revenue or expenditures in this fund.

**Second Street Pump Station Fund:**

An expenditure of \$5,000 was added to this fund to reflect final engineering services that will occur in FY18.

**Net Effect:**

The overall change to the net effect moved from -\$1,021,397.86 to -\$1,195,669.48 which is an increased deficit of \$174,271.61.

**Summary Comments:**

With the size of the projected FY18 deficit, Staff will closely monitor both revenues and expenditures throughout the year. If it is determined that revenues will be lower or unexpected expenditures arise, Staff will review the list of both capital and routine expenditures and decide which can be deferred until a later year. Any significant changes will be reported to the Board as part of the monthly Treasurer's Report.

The Construction and Interceptor Cost Recovery Funds (ICRF) revenues are higher this year due to rate increases approved that become effective May 1. Connection permit fees increase by \$18 / PE to \$391. ICR fees increase \$45 / PE to \$325. Both revenue streams use an estimate of 2,600 PE for the year.

Expenditure projections are not artificially inflated as the District has never followed a "use it or lose it" strategy. However, historically the budget has been slightly over actual expenditures. This is typically due to some projects being eliminated, deferred, or reduced in cost. With a few projects carried forward from FY17 and most FY18 projects deemed necessary, it is less likely that projects will be either deferred or eliminated during this fiscal year.

**ORDINANCE NO. 703**  
**COMBINED ANNUAL BUDGET AND APPROPRIATION**  
**ORDINANCE FOR THE URBANA & CHAMPAIGN SANITARY DISTRICT,**  
**FISCAL YEAR OF MAY 1, 2017 TO APRIL 30, 2018,**  
**BOTH INCLUSIVE**

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**BE IT ORDAINED** by the Board of Trustees of the Urbana & Champaign Sanitary District of Champaign County, Illinois:

**SECTION 1.** That this will be and the same is hereby termed the **COMBINED ANNUAL BUDGET AND APPROPRIATION ORDINANCE FOR THE URBANA & CHAMPAIGN SANITARY DISTRICT, FOR THE FISCAL YEAR MAY 1, 2017 TO APRIL 30, 2018.**

**SECTION 2.** That the following budget containing an estimate of revenue and expenditures be and the same is hereby adopted as the **BUDGET AND APPROPRIATIONS ORDINANCE OF THE URBANA & CHAMPAIGN SANITARY DISTRICT FOR THE FISCAL YEAR OF MAY 1, 2017 TO APRIL 30, 2018.**

ESTIMATED EXPENDITURES

A. Operation and Maintenance Fund Expenditures:

100	Administration	\$2,778,219.00
110	User Charge	119,850.00
195	Interfund Transfers	2,651,335.80
200	Engineering	198,800.00
300	Operations & Maintenance	3,602,770.00
310	Building & Grounds	136,500.00
330	Bio-solids	400,200.00
340	Wastewater Operations	1,222,000.00
350	Laboratory	58,500.00
	Capital Outlays	
134	Sewers	686,000.00
136	Treatment Plant Facilities	117,000.00
137	Property Improvements	102,600.00
138	Machinery & Equipment	892,700.00
	Total Operation and Maintenance Fund Expenditures	<u>\$12,966,474.80</u>

B. Construction Fund Expenditures:

790	Expenditures	\$ 75,000.00
195	Interfund Transfers	<u>1,167,513.58</u>
	Total Construction Fund Expenditures	<u>\$1,242,513.58</u>

C. Interceptor Cost Recovery Fund Expenditures:

200	Principal & Interest	\$1,140,330.68
	Capital Outlays	<u>75,750.00</u>
	Total Interceptor Cost Recovery Fund Expenditures	<u>\$1,216,080.68</u>

D. Debt Service Fund Expenditures:

200	Principal & Interest	<u>\$4,568,849.60</u>
	Total Debt Service Fund Expenditures	<u>\$4,568,849.60</u>

E. Second Street Pump Station:	
775 Expenditures	<u>\$5,000.00</u>
Total Second Street Pump Station Fund Expenditures	<u>\$5,000.00</u>
Grand Total – All Budgeted Items for All Funds	<u>\$19,998,918.66</u>

ESTIMATED REVENUES

A. Operation and Maintenance Fund Revenue:

    Estimate of revenue expected to be received from:

User Charges	\$ 8,141,120.00
User Charge Line Maintenance	590,000.00
Industrial Waste Treatment	375,000.00
Industrial Sludge Disposal	185,000.00
User Charge Contracts	2,000,000.00
Illinois Replacement Tax	225,000.00
Other Sources	<u>1,235,000.00</u>
Total Operation and Maintenance Fund Revenue	<u>\$12,751,120.00</u>

B. Construction Fund Revenue:

Connection Fees	<u>\$1,016,600.00</u>
Total Construction Fund Revenue	<u>\$1,016,600.00</u>

C. Interceptor Cost Recovery Fund Revenue:

Interceptor Cost Recovery Fees	\$ 845,000.00
Other Sources	<u>371,679.58</u>
Total Interceptor Cost Recovery Fund Revenue	<u>\$1,216,679.58</u>

D. Debt Service Fund Revenue:

Interfund Transfers	<u>\$3,818,849.60</u>
Total Debt Service Fund Revenue	<u>\$3,818,849.60</u>

E. Second Street Pump Station:

Loan Proceeds	<u>\$0.00</u>
Total Debt Service Fund Revenue	<u>\$0.00</u>

Grand Total – All Estimated Revenue for All Funds	<u>\$18,803,249.18</u>
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**SECTION 3.** All unexpended balances of any item or items of any general appropriation made by this ordinance may be expended in making up any insufficiency in an item or items in the same general appropriation made by this ordinance.

**SECTION 4.** This ordinance shall be in full force and effect from and after its passage, adoption, approval and publication in accordance with the laws. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

**PASSED AND ADOPTED BY THE** Board of Trustees of the Urbana & Champaign Sanitary District of Champaign County, Illinois, this day of April 27<sup>th</sup> 2017.

\_\_\_\_\_  
Clerk of Urbana & Champaign Sanitary District and of its Board of Trustees

**APPROVED BY THE PRESIDENT** of the Urbana & Champaign Sanitary District and of its Board of Trustees this 27<sup>th</sup> day of April 2017.

\_\_\_\_\_  
President of Urbana & Champaign Sanitary District and of its Board of Trustees

**ATTEST:**

\_\_\_\_\_  
Clerk of Urbana & Champaign Sanitary District and of its Board of Trustees

**APPROVED:**

\_\_\_\_\_, 2017  
Attorney, Urbana & Champaign Sanitary District

**PUBLISHED:** \_\_\_\_\_

STATE OF ILLINOIS        )  
  )SS  
COUNTY OF CHAMPAIGN    )

I, Jennifer Putman, do hereby certify that I am the duly appointed Clerk of the Board of Trustees of the Urbana & Champaign Sanitary District of Champaign County, Illinois, and that the foregoing Ordinance No. 703 is a true, complete and exact copy of said Ordinance that was adopted at the speical meeting of said Board of Trustees held on April 27, 2017 at 10:00 A.M. at the Administration Building of the Northeast Wastewater Treatment Facility.

\_\_\_\_\_  
Clerk

Signed and sworn to before me April 27, 2017

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Notary Public

NOTICE OF ADOPTION OF  
ANNUAL BUDGET AND APPROPRIATION ORDINANCE  
URBANA & CHAMPAIGN SANITARY DISTRICT

NOTICE IS HEREBY GIVEN that the Urbana & Champaign Sanitary District, by and through its Board of Trustees, at a special meeting on April 27, 2017, and after conducting a Public Hearing, as required by law, adopted the Budget and Appropriation Ordinance No. 703 for the Urbana & Champaign Sanitary District for the fiscal year commencing May 1, 2017 and ending on April 30, 2018. A copy of that Ordinance, as adopted, follows:

DATED this 27<sup>th</sup> of April, 2017.

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Clerk of the Urbana & Champaign Sanitary District

# Memorandum

**To:** Board of Trustees  
**From:** Kim Lytle  
**Date:** April 14, 2017  
**Re:** Agenda Item 7a – Commercial Insurance Renewal

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## **Requested Action:**

Staff recommends that the Board approve the commercial insurance renewals and authorize the Executive Director to sign the binding coverage document.

## **Discussion:**

In January 2014, the District sent out Requests for Qualifications (RFQ) to commercial insurance brokers. Wells Fargo was retained as the broker and is expected to remain as the broker for a period of 5 years. FY18 will be the fourth year of this renewed relationship.

There are no significant changes to coverages in the current renewal. The line item rate changes ranged from a decrease of 9% to an increase of 2%. The total of the commercial insurance line items are budgeted to be \$183,220 which is decrease of \$1,190 or 0.98%. This reflects the fact that Travelers really wants to maintain our business.

Property values increased from \$115,356,727 to \$116,509,791 (a 1% increase). This resulted in an overall premium increase of 1% for exposure and 1.8% for the rate increase. Machinery breakdown reflects a 1% exposure increase and 1% rate increase. Inland Marine coverage reflects a 7% exposure increase and 26% rate decrease.

All but one line of liability coverage reflect decreases ranging from 1.6% to 17.4%. Lines of coverage include General Liability, Errors & Omissions, Employment Related Practices, and Employee Benefits.

Vehicle coverage reflects an overall 4% reduction. This includes a 4.8% exposure increase offset by a 9.2% liability decrease and 5.6% decrease on paid rates.

FY18 also includes a renewal of the 3-year policy for pollution coverage. The premium for this is \$36,243 – which reflects a negligible increase of \$115 over the 3-year period.

This policy includes coverage for underground storage tanks, potential pollution for application of biosolids on fields and disposal in landfill sites, potential pollution for discharges in streams or overflows from manholes as well as interceptors or collector systems. It also includes possible spills from transporting from the SW to the NE plant.