

# VALPARAISO LAKES AREA CONSERVANCY DISTRICT

## *MINUTES OF MEETING July 15, 2009*

BOARD MEMBERS PRESENT: Sue Gustafson    Debbie Miller    Ken Hill  
   Jack Steffen    Tom Kruse    Dick Brychell

BOARD MEMBERS ABSENT :    Megan Summers

CONSULTANTS PRESENT:    Dave Hollenbeck    Bob Minarich    Adam McAlpine

The Meeting of the Board of Directors of the Valparaiso Lakes Area Conservancy District was called to order at 6:01 P.M. on Wednesday, July 15, 2009 by Chairman Brychell. The meeting was held at the Valparaiso Fire Department.

Dick said that he reviewed the financial information for May, 2009 and June, 2009 and sees that the money is all there. Due to the sweep account combining the Water and Sewer funds, it is difficult to determine actual balances, but the total dollar amount appears to be accurate. Dave would like to continue to keep the Water and Sewer checking and savings information separate.

The Budget Analysis for the Conservancy District was reviewed and shows a balance, as of May 31, 2009 of \$87,944.00 and \$84,859.94 as June 30, 2009. Dave questioned if only \$11,000 of that is cash or if all \$84,000 is cash. Dick explained that all of that is cash which is remarkable since we still have not received our 2008 tax appropriation.

Cumulative Improvement Fund was reviewed and shows a balance, as of May 31, 2009, in the amount of \$452,505.05 and \$454,616.27 as of June 30, 2009.

The LAC Utilities Financial Statement was reviewed and shows a negative balance for the year. It is anticipated that the summer water usage will cause the balance to become positive. There was concern that no water was purchased in the month of June. Alexis explained that the accounting month of May was not closed until June 17<sup>th</sup> due to software issues. May was therefore overstated while June was understated. The two months combined however equal two months of expenses.

The Maintenance and Operation Report was reviewed. Cardinal Lift is just about completed and has gone well per Joe Mitol. Edgewater Beach and Hillcrest Beach have serious erosion issues. Joe believes that Edgewater is under control. The service department is working on building a swale around the new lift station. Suggestions were made as to what material to use. Two residents want fill on Island Road, but no residents turned up at our meeting. We should consider a cement pad at the Burlington Beach location where snow is plowed up and then erodes the beach when it melts into the lake. Both water samples passed. We installed two new water sampling stations at our stations. Joe is considering putting two more sampling stations in.

The maintenance department would like to purchase a sand blasting box to use on hydrant heads to remove paint build-up. It would be \$109 plus bags of sand. The board approved this purchase.

Bob has spent a lot of time with Alexis going over financial information. He reported that the MS4 audit is tomorrow at 1pm. He anticipates that it should be only a couple of hours. He said that we are able to trap beavers year-round due to our easements. Cardinal lift station is due to go live on Monday, July 20<sup>th</sup>. The Valpo American project is going well. We have a soil erosion problem at Wild Rose and Garden Gateway. Bob requested that Tina be given a raise of \$1.50 per hour. The personnel committee is in agreement and Debbie moved to approve the raise effective for the Friday payday. The motion carried.

Wastewater/Sewage financial information was reviewed for May and June 2009. Both months are negative for the year. If not for the overtime and sewage double payment, we would be in the black for about \$20,000.

The claim forms were still being passed around. Dick asked that any questions be submitted at the end of the meeting.

#### **MISCELLANEOUS MATTERS:**

Dave spoke about the 2010 tax situation. The total 2010 budget is \$163,100 is virtually the same as 2009. Since property tax amounts are decreasing, the proportion of the tax bill for VLACD will increase. We may be told that we have to cut our budget. Dave is working to have conservancy districts excluded from the cap. School funds will be impacted.

The Dept of Local Government Workshop will be held August 4<sup>th</sup> at 1:30 pm on the 2010 budget. Dave will require the June 30<sup>th</sup> cash balances for that meeting. Regarding the tax dollars, we are still missing 2009 funds.

VLACD received loan proposals from First Source for 3.98% provided we return our banking business back to them, Horizon 4.35% and Centier for 4.55%. The loans must be re-negotiated after 24 months. Payback will be in a 3-5 year time frame. We will take \$49,000 out of the Cumulative Improvement fund and borrow \$97,000. Since Horizon is willing to hold the interest rate at 4.55% for up to five years, Horizon seems to be the best option. A motion passed unanimously to use Horizon and try to get a 3.98% loan. Sue moved to obtain a loan from Horizon. Debbie seconded the motion. The motion passed unanimously.

Dave also passed out Alexis' employment contract with the recommendation that Dave and Alexis sign the agreement after review. Debbie asked about benefit eligibility after 1,000 of employment. Dave will investigate the law on benefits. Alexis explained that although it is too soon to say, 30 hours a week might work well for this position. Dick also wanted to add a line item to complete other duties at the board's discretion.

Adam reported that the Cardinal Lift station has a no cost change order with a completion date of July 1<sup>st</sup>. Adam asked that Dick sign a 27 day extension. Adam is scheduling with Precision Systems now. They just need to set-up the fence and grade it.

Adam also reported on the Valpo American project. Haas Engineering has met with the City of Valparaiso to get their feedback. They had questions about soil erosion and suggested an epoxy lining on the inside of the pipe. The contract must go through the Board of Works as a formality. The city also wanted to ensure that there would be a meter in the pipe. Valpo Americans will need to provide a temporary construction easement to do the work. Adam estimates that the project will cost about \$300,000. The bid opening will be on August 12<sup>th</sup> at 3pm. The pre-bid discussion will be on August 5<sup>th</sup>.

Alexis reported that she is working on correcting the sales tax calculation. The data used for monthly financial reporting was hand-keyed by Katie. We would need to purchase a data export module for \$1,750 to automatically export to Excel. VLACD had 9 NIPSCO accounts- we should consolidate into one bill. We need the original court order faxed to NIPSCO to link the accounts. We are spending a lot on training with FREY and Co. but we are trying to minimize the amount. We will end the sweep account at Horizon to obtain bank balance information. Alexis would like to try to do payroll via EFT. Dave will ask the State Board of Accounts to contact Alexis with an answer. FREY software is DOS based and has high annual costs, but is it worth the time/effort to convert to new software? Tina will help Alexis to set-up vendor files (no vendor files since 2005). There was a discussion about the DOT matrix printers. Tina mentioned that customer bills must be printed with a DOT matrix printer. We will research how to convert to laser printers.

The claims forms still need to be signed by Dick, and he did so.

There being no further business, the meeting was adjourned at 7:50 pm.

Respectfully submitted,

Alexis Rubin  
Financial Secretary