

# UTILITY ADVISORY BOARD- WORK SESSION MINUTES

Friday, January 19, 2018 – 3:00 p.m.  
City Hall, Room 224  
155 S. Seward Street

**Board Members Present:** Leon Vance – Chair; Geoff Larson – Vice-Chair;  
Kevin Buckland

**Staff Present:** Autumn Sapp; Sam Muse; Rose Evans; Holly Kveum

## **I. CALL TO ORDER**

The work session was called to order at 3:09pm by Chair Vance.

## **II. APPROVAL OF AGENDA**

None.

## **III. APPROVAL OF MINUTES**

None.

## **IV. PUBLIC PARTICIPATION**

None.

## **V. INFORMATION ITEMS**

None.

## **VI. WORKSESSION ON FINANCIAL INFORMATION**

The group began the work session by introducing themselves. Ms. Sapp informed the group that she had a list of questions from Mr. Buckland and proposed using the first question to start the discussion: provide a walkthrough of the spreadsheet and primary overview of the dashboard and how it compares to the recent CAFR. Mr. Muse gave an overview of the background of the dashboard. The dashboard is intended to compare the rate study to actuals, and was created by Mr. Muse as a tool for both the Controller's Office and Utilities Management. Mr. Muse went on to discuss the different liabilities the Utilities face, including pensions how they impact the fund balance, and showed how they are displayed in the FY17 CAFR, noting that pensions

specifically are listed as unrestricted rather than a drain on current resources. Ms. Sapp asked Mr. Muse how the capital reserve amount was established, Mr. Muse said that was determined by the Finance Director, but was unsure of why the current amount on the wastewater dashboard was set so high. Vice-Chair Larson noted that the amount was set by the consultants during the last rate study and provides coverage for an undisclosed number of days to maintain operations. Mr. Muse stated he still felt like that number includes CIP expenditures and would have to verify. Mr. Buckland added that the dashboard and the most recent CAFR numbers seemed fairly close and Mr. Muse agreed, noting that he had not hard coded the FY17 numbers at this point, but the dashboard had shown to be a good forecasting tool. Mr. Buckland requested to continue to discuss the dashboard. The group continued to review the dashboard in comparison to the FY17 CAFR, reviewing various appropriations from different funding sources, and the different transfer tracking that is involved in order balance the accounts. The group then reviewed the various debt services that have been paid, and what is still to be completed, and revenue bonds interest rates versus DEC loans. Mr. Buckland noted that the 20 million loan from DEC for the biosolids was not included in the FY17 CAFR: Mr. Muse confirmed that was correct, and those funds won't be reported until the dryer is operational. Ms. Sapp added that currently there are not any CIPs listed that would require DEC funding as staff is anticipating this to be a dry resource with the budget forecast. Mr. Muse then showed a report that listed all the water and wastewater assets the Controller's office has on file; Mr. Larson asked staff to provide this document at the next UAB meeting as a tool to make assumptions on net present value, and Mr. Muse gave a brief overview of how grant funded assets are amortized. Mr. Buckland asked staff to confirm the temporary sales tax is voted on every five years. Mr. Muse answered yes, and said it's typical for the funds to be given to CIP projects for maintenance, but this year the assembly chose to give some funding to water and wastewater operations. Mr. Muse noted there are many players in the dashboard, but generally the tool is not of more than \$1-200k, and reemphasized that it is a projecting tool only. Mr. Buckland state he wanted to tighten up the numbers on the annual report before it was released to the Assembly for review.

**VII. NON-AGENDA ITEMS**

None.

**VIII. ADJOURNMENT**

The work session adjourned at 4:29pm.