

COMMISSIONERS OF PUBLIC WORKS
Minutes of January 8, 2009

A regular meeting of the Board of Commissioners of Public Works was held on Thursday, January 8, 2009, at 10:00 a.m., in the Boardroom at 121 West Court Avenue.

In attendance:

Gene P. Hancock	Steve Reeves	Jeff Elliott	Bill Patrick
Michael G. Monaghan	Ken Barnett	Denise Ogletree	Jay West
Henry O. Watts	Jeff Meredith	Vicki Knott	Lesley Lane
	Jeff Auman	Curtis Burnett	Stacia May
	Jerry Smith	Vickie Gorham	Carlos Commetto
	Jeff Chapman	Richard Gentry	David Tuck

- I. Chairman Monaghan called the meeting to order. The invocation was given by Commissioner Hancock.
- II. Chairman Monaghan gave the statement of compliance with the notification provision of the Freedom of Information Act.
- III. Old Business:
 - A. Manager Reeves noted discussion of the proposed 2009 budget at the last meeting, and a subsequent request from Chairman Monaghan to receive a combined income statement matrix prior to the vote. He stated that a matrix had since been provided, and the 2009 budget projected revenues of \$78,507,070, with a net of \$6,290 after expenses. Manager Reeves noted that no rate increases are recommended for this year. Chairman Monaghan added that it was essentially a balanced budget. He inquired if the \$400,000 from the sale of the propane tanks was in escrow. Ms. Ogletree responded that the money was received in December and was in the 2008 income. Manager Reeves noted that they are in the process of moving the tanks. Chairman Monaghan noted that the sale of the propane and the propane tanks had netted \$587,000. The Commissioners expressed appreciation to staff for the hard work on the budget. Commissioner Hancock pointed out the tremendous amount of time spent on this budget.

A motion to approve the budget for 2009 was made by Commissioner Hancock, seconded by Commissioner Watts, and unanimously approved.
 - B. Manager Reeves explained that the Board had previously asked staff to interview qualified firms for the purpose of providing engineering

services. He stated that the selection committee consisting of several department heads and Mr. Barnett had recommended the following engineering firms: McCall-Thomas Engineers as primary consultant for electrical engineering services, with Utility Technology Engineers as an alternate; and HPG and Company as primary for water design services, with HSMM/AECOM as an alternate. Chairman Monaghan commended staff, and noted the change in the primary firm selected for the electrical department.

A motion to accept the recommendations as presented for electrical and water engineering firms was made by Commissioner Watts, seconded by Commissioner Hancock, and unanimously approved.

IV. New Business:

- A. Manager Reeves presented an invoice for consideration for 2009 membership with the Greenwood Chamber of Commerce in the amount of \$1,746, and asked for guidance with whether to continue the membership. Chairman Monaghan asked if membership was included for each of the Commissioners. Manager Reeves responded that it included each Commissioner, as well as each employee.

A motion to continue the membership was made by Commissioner Watts, seconded by Commissioner Hancock, and unanimously approved.

- B. Manager Reeves informed the Commissioners of the receipt of the first yearly invoice for 2009 from the Partnership Alliance, and requested authorization to pay that as well as subsequent 2009 invoices given that the total would exceed the spending limit amount. Chairman Monaghan suggested that Mr. West stay for *Executive Session*, during which time discussion could be continued.

V. Other Business:

1. Manager Reeves recognized David Tuck for his efforts in procuring a \$3,138 grant from the state to upgrade and replace pumps and other equipment related to fluoridation of water.
2. Manager Reeves distributed handouts on investments from Greenwood Capital that were previously requested by the Commissioners. He noted that they are scheduled to make a presentation at the next meeting.

3. Manager Reeves reminded the Commissioners of the annual employee service awards banquet on January 22 at 6:00 p.m. Chairman Monaghan invited the press to attend.
4. Manager Reeves reminded the Commissioners of the annual Chamber of Commerce dinner on January 29, at 5:30 p.m., at the Finis Horne Arena.
5. Manager Reeves recognized three individuals, Stan Stockman, David Sweat, and Charles Clinemyer for construction of the new desk in the boardroom, with assistance from the IT and electric departments to enable the use of laptop computers. The Commissioners expressed appreciation for the quality of work.
6. Manager Reeves presented a plaque and a flag certifying that the flag was flown over Afghanistan on a combat mission in an F-15 E strike eagle in honor and recognition of employees at the COC. He added that this was done by Kirk Boland, an employee currently serving in Afghanistan. Chairman Monaghan commented that CPW as a Board really appreciates employees who are serving our country in Afghanistan and Iraq, and the Board maintains a policy for employees who are dispatched to Iraq or Afghanistan so that if their military pay is less than their CPW pay, we will make up the difference for their family. Also, CPW maintains the insurance plan for their families so that they can continue to get their health care in Greenwood.
7. Chairman Monaghan inquired about what would need to take place to sell the propane plant property. Manager Reeves responded that once the property has been cleared, it can be put up for bid auction, if that is the desire of the Board.
8. Chairman Monaghan inquired about the work done by the Terry Construction firm at the water treatment plant. Mr. Tuck responded that they had done very well; there are no complaints and the quality of construction has been good. They are waiting for the completion of work under the change order.
9. Chairman Monaghan inquired about vehicle repair bids for 2009. Mr. Burnett responded that those were last done in 2008. Manager Reeves added that the posture taken had been that as long as they maintain the current prices, we have not gone out for bids because ultimately they go up when we rebid.

10. Chairman Monaghan referred to a request for Metro's water usage at the November 13 meeting. Manager Reeves recalled discussion at the last meeting at which time they had reported annual water consumption by Metro was around \$4,000, and the decision not to charge them was made.
11. Chairman Monaghan asked if official letters were ever sent to the actual homeowners on Henderson Street regarding the availability of water. Manager Reeves responded that he was not aware of such a letter; however, letters could be sent out acknowledging that water is now available. Commissioner Hancock added that someone could also go door-to-door.
12. Chairman Monaghan inquired about the new logo on the front of the main office building. Manager Reeves responded that everything is still on schedule for installation around the middle to end of January.
13. Chairman Monaghan inquired about the status of bill collection. Ms. Ogletree responded that Mr. Roper had returned a re-written contract to Online Utility Billing for review that morning. The process will start once the Manager has signed the contract.
14. Chairman Monaghan asked how the money is reported after it is transferred from the operating account for a bond capital project. Ms. Ogletree responded that there are supplemental reports showing the bond projects expensed by water, gas, and electric departments. Chairman Monaghan asked if those are taken out of the financial report for the operating expenses; Ms. Ogletree stated that the income statement does not reflect the bond projects. The capital expenses are being charged; they are in the general ledger but are reported to the Commissioners separately on a supplemental report. Chairman Monaghan stated an understanding that when operating fund money is used for a capital bond project, sometime down the line, they ask for authorization to transfer from the bond funds back into the operating account, and that is not in the monthly financial report. Ms. Ogletree responded that it would be reflected in the cash balances in the restricted and operating cash when that actually occurs. Mr. Patrick pointed out that whether or not it is a bond project, if \$1 million is spent that does not hit the income statement because it is a capital item. He then asked about reporting depreciation on the income statement. Ms. Ogletree responded that it is reported. Mr. Patrick continued that is where it comes back into the income statement. Ms. Ogletree added that the Commissioners receive another supplemental report showing capital expenses.

15. Commissioner Hancock asked about the amount being refunded back on a piece of property where taxes were advanced to the city. Ms. Ogletree responded that roughly \$5,000 was accrued in 2008.
16. Chairman Monaghan inquired about grant efforts. Mr. Gentry responded that they are getting started for the year by gathering as much information as they can. Manager Reeves added that Mr. Chapman had submitted information to the state for some potential grants for upcoming projects. Commissioner Watts noted that the water line grant on East Cambridge was to start next month.

VI. Executive Session

A motion to go into *Executive Session* to discuss legal and contractual matters was made by Commissioner Hancock, seconded by Commissioner Watts, and unanimously approved.

The meeting returned to open session.

Manager Reeves noted discussion took place during *Executive Session* on an invoice from the Economic Partnership Alliance in the amount of \$41,250, and also on authorization to continue quarterly payments totaling \$165,000 throughout the remainder of 2009.

A motion was made by Commissioner Watts, and seconded by Commissioner Hancock to make the payments as discussed; the motion was unanimously approved.

Mr. Patrick noted that discussion also took place on the bond issues and specifically on FSA as the bond insurer for the 2003 bonds issued by the CPW. They have now been downgraded to less than AAA and the bond documents provide that in the event that happens, CPW is required to fund the debt service reserve fund over 36 months. He continued that the financial officer advises that the amount due to the debt service reserve fund in total is \$1,133,060 and to fund it over 36 months would require \$31,473.89 per month. Mr. Patrick stated that the desire of the Commissioners was to make a motion to authorize management to transfer from funds invested through Greenwood Capital to Bank of New York as trustee for the 2003 bonds the monthly payments required to fund that debt service reserve fund, which would be in the approximate amount of \$31,473.89 per month over the next 36 months.

A motion was made by Commissioner Watts, seconded by Commissioner Hancock, and unanimously approved.

Mr. Patrick stated that discussion also took place on a forward swap done in connection with the 1993 bond issue. He stated that Lehman Brothers paid the CPW some money up front for the use of funds in the debt service fund that is used to make the six-month payments of interest and principal. Lehman Brothers has since filed bankruptcy and has not been delivering securities as was anticipated in those contracts. Mr. Patrick noted that CPW had not lost any money and does not anticipate losing any money. Since Lehman Brothers has not been delivering securities, the CPW has been holding the money which would have been exchanged to Lehman Brothers for the securities. Bank of New York as trustee has not been investing that money at interest because that was not the way it was set up when dealing with Lehman Brothers. Bank of New York now needs direction from management to invest that money at interest on a short-term basis so that it would be available to make the payments when due and/or any other reason it might come up. Mr. Patrick stated that a motion was needed authorizing management to direct Bank of New York as trustee to invest the six-month debt service fund at interest on a short-term basis.

A motion was made by Commissioner Watts, seconded by Commissioner Hancock, and unanimously approved.

VII. With no further business, the meeting was adjourned.

Approved: _____, 2009

Secretary