



## JOINT BUDGET & FINANCE COMMITTEE AND BOARD OF TRUSTEES MEETING

Thursday, September 28, 2023, at 7:30 a.m.

### Memorandum

Ms. Merrill called the meeting to order at 7:30 a.m.

Members Present: Committee Chair Jane Merrill, members Michael McDonald and Carl Mills. Others in attendance were Legal Counsel Anne Poindexter, Utility Director Andrew Williams, Controller Cindy Sheeks and Engineering Manager Wes Merkle.

### **PUBLIC COMMENT**

There was no one present from the public.

### **FINANCIAL STATEMENTS**

Ms. Sheeks said there were no unusual items in the financial statements. Rates are currently over five percent. Investments are currently laddered. Mr. Mills asked Ms. Sheeks if she had discussed extensions at some point with John Herald with 5/3 Securities. Ms. Sheeks said there are some big projects hitting towards the end of 2023 which will use some of the money.

### **2024 OPERATING BUDGET**

Mr. Williams handed out the revised proposed Operating budget. The proposed step increase for 2024 was adjusted to 4.5% and the biosolid disposal costs and plant utilities were updated. Duke has reduced its fuel service charges that were implemented at the beginning of 2023 and staff has lowered the projected expense. The proposed budget does not reflect a rate increase. However, if the Board determines that it is necessary to have a rate increase in 2024, this increase in revenue will be added to the budget. Ms. Sheeks said she is hopeful that Carmel will be able to provide customer service with the appropriate reads in 2024 so balanced billing can be done. It was not done in 2023 because Carmel switched software companies and were unable to provide the data needed to calculate balanced billing. Ms. Sheeks said that she would have no problem separating a rate increase from the annual balanced billing adjustment in July. Mr. Merkle said he is expecting to have the rate study information in October which would indicate if an increase will be needed.

The Personnel and Benefits Committee recommended that the B&F Committee consider a 4.5% salary range adjustment. Mr. McDonald noted that the actual increase in salaries would be somewhere between 8% or 9% when the proposed 4.5% cost of living adjustment is added to the step increase employees will be receiving.

Mr. Williams said currently a 10% insurance premium increase is included in the proposed budget, but until the Anthem quote is received this is just a budget number. Mr. Mills asked Mr. Merkle when the next rate increase would be based on his previous projections.

Mr. Merkle said 2024. Mr. Mills said he would be in favor of a rate increase in 2024 to ensure TriCo's capital remains stable. Ms. Merrill asked when TriCo's bonds mature, Mr. Merkle said between 2036 and 2037.

The Committee discussed other potential service opportunities that might arise outside TriCo's current service area.

#### **PROPOSED PART TIME EMPLOYEE**

Ms. Sheeks said the budget includes adding a part-time employee for office cleaning in lieu of a cleaning service. Mr. Williams said a part-time employee addition was discussed at the Personnel and Benefits Committee meeting and will be coming before the Board for consideration at their October meeting.

Mr. McDonald asked if there is an update regarding the fiduciary responsibilities associated with older investment plans. Mr. Williams and Ms. Sheeks said they are working on it. A couple of old employees have switched out of that policy and a couple are still on it. Mr. McDonald offered to do a security check on the investment company for TriCo.

#### **ADJOURNMENT**

The meeting adjourned at 8:15 a.m.

Respectfully Submitted



Cindy Sheeks  
Controller