

**MINUTES OF FINANCE COMMITTEE MEETING
FOUR RIVERS SANITATION AUTHORITY
(formerly Rock River Water Reclamation District)
January 10, 2022
10:00 a.m.**

The Four Rivers Sanitation Authority (FRSA) Finance Committee and select staff met via audio connection ONLY on GoToMeeting by dialing (872) 240-3212; access code: 276 302 893. No “in-person” meeting was held. Members of the public were invited to participate and listen to the meeting via GoToMeeting (AUDIO ONLY). No members of the public joined the call.

Pollack called the meeting to order at 10:00 a.m. and advised that the meeting was being recorded.

The following Trustees were present:

Rick Pollack	President
Ben Bernsten	Clerk/Treasurer
Don Massier	Trustee
Elmer Jones	Trustee

John Sweeney, Vice President, was absent.

Staff present: Timothy S. Hanson, Executive Director; Christopher Baer, Director of Engineering; Julia Scott-Valdez, Director of Management Services; Ed Fitzgerald, General Counsel/Director, Internal Services; Lisa Mittel, Finance Manager; Kwame Calvin, Assistant Director of Internal Services; Gerard White, Senior Analyst; and Susan Skinner, Executive Services Coordinator.

Bernsten moved to approve Total General Fund Expenditures in the amount of \$494,734.19; seconded by Jones; motion passed upon roll call as follows:

Ben Bernsten	Aye
Elmer Jones	Aye
Rick Pollack	Aye
Don Massier	Aye
John Sweeney	Absent

Hanson gave brief opening remarks advising that this meeting was called due to the lengthy period of time between the December 13, 2021 and January 24, 2022 Board Meetings. It was necessary to approve expenditures before the next Board Meeting. Also, staff wished to provide the Board/Committee with an Executive Summary of the FY22/23 Budget before it is presented for passage at the January Board Meeting. Lastly, Hanson and Baer wish to provide a reminder of the bid opening to take place on January 11, 2022.

Scott-Valdez offered her appreciation to Mittel and her team for their diligent, detailed, focused work they did in compiling the budget. Scott-Valdez also thanked the Board for gathering at this meeting so that expenditures could be approved early.

Mittel provided a high level synopsis of the FY23 Budget:

- Proposed budget is \$27.1M for FY23.
- Salaries and fringe benefit categories combined increase only 1.5% over FY23. This includes salary increases at 3% for the newly-implemented bargaining agreement and includes one additional full-time equivalent to create a three-person manhole rehab crew for Collection Systems. Two high-level non-union positions from other departments were repurposed to provide the resources needed for the three-man crew.
- There will be a reduction in our IMRF and health insurance costs for the next fiscal year.
- Supplies are decreasing approximately \$15k from the previous year.
- Contractual category increases approximately \$675k due to maintenance contracts for anticipated software implementation. Also, utilities more accurately reflect FY21 actual.
- Overall, O&M is anticipated to increase approximately \$812k, which is a 3.1% increase over the previous fiscal year.
- Capital Improvement Projects and Equipment total \$54.7M, including approximately \$20M in capital carryover.
- Items of note: Collection Systems Rehab category increases by approximately \$3M for our sewer system lighting program that was deferred from last year. Also, our Capital Improvement requirements in FY24 are approximately \$47M and \$53M in FY26.
- Anticipated revenues are \$54.6M.
- Miscellaneous category declines because FY22 included a \$1.3M payment received from the Village of Winnebago for an Executed Loan Agreement.
- Property tax increases \$62k as we budget for 99% of the requested levy amount.
- User fees comprise 84.7% of our revenues.
- We are anticipating an increase of 8.9% for residential users. The average user will have a rate increase of \$3.11 per month.
- FY23 debt payments are anticipated at \$8.6M.

Pollack and Massier complimented Mittel and her staff for a job well-done.

Baer reminded that a bid opening would take place January 11, 2022, at 9:00 a.m. regarding Primary Filtration Phase 1, Cap. Proj. No. 2022, IEPA Project L17-5882. Baer reported that FRSA held were 15 mandatory pre-bids, providing potential bidders with the opportunity to meet with FRSA, tour the site and ask any relative questions and obtain any necessary paperwork. Of this group, four or five are major contractors who appear interested. Currently, the estimate is approximately \$20.2M with a sizeable contingency. Baer advised that, at the January 24, 2022, Meeting of the Board of Trustees, he will be presenting the Board with bid results and asking for Board approval to move forward with sending it on to the EPA. Depending on the price levels, the loan ordinance may need revision as well, and will also be sent to the EPA. FRSA will engage an engineering consultant in the analysis of bids.

Baer advised that once documentation is submitted to the EPA, it could take 30-45 days for processing, which means construction could begin in March or April. Anticipated construction time is 18-24 months.

Baer then advised that FRSA has entered into the preliminary design conceptual phase for Aerobic Granular Sludge (AGS), with the final design report forthcoming. Plan is to have detailed design completed later in October so that the bid can begin in December with construction starting early 2023.


Massier and Pollack thanked Baer and his team for their work.

Hanson expressed that he is proud of FRSA's Engineering Department, and they have done a phenomenal job. He also thanked the Board for their support and guidance.

Massier moved to adjourn the meeting; seconded by Jones; motion passed upon roll call as follows:

Ben Bernsten	Aye
Elmer Jones	Aye
Donald Massier	Aye
Rick Pollack	Aye
John Sweeney	Absent

The Regular Meeting of the ~~Board of Trustees~~ ^{Finance Committee} adjourned at 10:55 a.m.


Clerk