

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE SALT CREEK SANITARY
DISTRICT HELD AT 201 S. ROUTE 83, VILLA PARK, IL ON FEBRUARY 26, 2022.**

The special meeting was called to order by President Hensley at 10:00 a.m. Present: Trustees: Raymond Hensley - President, Robert Taglia – Vice President and Mary Agrusa – Clerk. Also present: Manager Jim Listwan and Business Administrator Ray Hoving. Engineer Mark Halm attended via video conference.

Public Participation: No one from the public was present.

2021– 2022 Budget Update:

Business Administrator presented an in depth look at the current fiscal year budget progress. He stated that expenses were projected to be down across all departments and that barring any unforeseen emergencies at the plant he expects that in sum expenses will be approximately \$230,000 lower than the 2021 – 2022 appropriation. Mr. Hoving pointed to the areas where the greatest amount of savings occurred including wages, fringe benefits and unspent contingencies. On the revenue side he stated that the user charge which makes up the vast majority of the revenue and is based on resident water usage was is projected to finish down by approximately \$29,000. He further stated that this was offset by a large surplus in receipts of personal property replacement tax from the state of Illinois.

2022 – 2023 Proposed Budget

Mr. Hoving thanked the board for attending and stated that he was happy to present that this year's budget. Discussion ensued on the following topics:

Billable Flow: Business Administrator Hoving projected that billable flow or the water consumed by the residents of Villa Park will be slightly lower for the next fiscal year and is estimated at 490 million gallons. He presented a history of billable flow and stated that there has been a decrease every year but one over the past decade. The decrease in billable flow has created deficits in revenue needed for debt service. He also displayed a chart showing the amount of water treated month by month versus what was billable. In calendar year 2021 the percentage of billable flow vs the total amount of treated sewage was higher for the second consecutive year as the excess sewage once again decreased.

User Rates: Business Administrator Hoving and Manager Listwan recommended a \$0.50 increase (from \$5.90 per 1000 gallons of water to \$6.40 per 1000 gallons of water usage) to the user charge for 2022 – 2023. The \$0.50 represents an 8.5% increase from FY 2021/2022. The user fee that funds the day to day operations of the plant will decrease in the upcoming year by \$0.04 per 1000 gallons of usage. The user fee that is used to pay the loan interest loans from the Illinois Environmental Protection Agency will increase by \$0.54 per 1000 gallons of usage. He referred back the decrease in billable flow as the reason for the need to increase the rate by such a large amount.

A draft of Revenue and Expenses for Fiscal Year 2022 – 2023 were presented to the board. Business Administrator Hoving explained line item by line item the proposed budget.

Revenues: The user charge is projected to rise by approximately \$185,000 in FY 2022-2023. This is directly related to the increase in the user fee. Revenue for debt service and capital improvement

are budgeted to be approximately \$240,000 higher while revenue for admin, operations, maintenance and lab (O, M & L or day to day operations) is expected to decrease by approximately \$55,000.

Expenses: Mr. Hoving stated that O, M & L expenses are projected to be approximately \$10,000 lower than FY 21-22 budget amount however, overall expenses which include transfers to various funds is budgeted to be approximately \$183,000 higher. He continued that the Administrative Department expenses have a proposed increase of only \$800. Due to higher energy costs the operations department has a proposed increase of \$41,000. Maintenance has a proposed decrease of \$46,500 and lab a proposed decrease of \$6,200.

Improvement, Replacement & Debt Service Fund: The majority of the FY 22/23 improvement fund appropriation will be for engineering upcoming projects at the plant. The replacement fund has a contingency budget of \$40,000 for the upcoming fiscal year to cover any unexpected breakdowns of plant equipment. \$1.31 million is to be appropriated once again for the repayment of the IEPA loans.

Wages & Fringe Benefits: Manager Listwan presented his FY 2022 – 2023 wage recommendations to the board. Discussion ensued. Mr. Hoving stated that wages and fringe benefits make up approximately 43% of all general fund expenses at the plant. Trustee Agrusa moved; seconded by Trustee Taglia to approve the managers wage recommendation. Ayes: Hensley, Taglia, Agrusa. Motion carried.

Meeting Adjourned: Trustee Agrusa moved, seconded by Trustee Taglia to adjourn the special meeting at 11:40 a.m. Ayes: Taglia, Agrusa, Hensley Nays: None. Motion carried.

APPROVED Raymond E Hensley ATTEST Mary Agrusa
Raymond Hensley, President Mary Agrusa, Clerk

Prepared by Ray Hoving, Business Administrator