INDIANOLA MUNICIPAL UTILITIES

IMU

Electric • Communications • Water

IMU Board of Trustees
March 11, 2014
Conference Room City Hall
5:30 p.m.

Agenda

1. Roll Call

2. Consent

   A. Claims

   B. Minutes

   C. 2012 Fiber Installation Project - Service Drop Installation Certificate of Final Completion

3. Reports

   A. General Manager

   B. Chairperson

4. Pool Reimbursement for Water Consumption

5. July 2014 - June 2016 Union Contract

6. 2014 West Iowa Ave. Water Main Project

   A. Resolution Ordering Construction, Fixing a Public Hearing, and Taking of Bids

   B. Any other items thereto

7. 2014 Head Tank Aerator Assembly Replacement Project

   A. Resolution Ordering Construction, Fixing a Public Hearing, and Taking of Bids

   B. Any other items thereto

9. Discussion Items

   A. Review FY 2015 Adopted Budget Detailed Line Items

   B. FY 2014 Electric Utility Financial Review Process

C. Streetlights on The Square

10. Other Business

11. Adjourn

IMU Regular Upstairs **2. A.**
Meeting Date: 03/11/2014

Information

Subject

Claims

Information
The March 3, 2013 Claims List was distributed previously.

Financial Impact
N/A

Staff Recommendation

IMU Regular Upstairs **2. B.**
Meeting Date: 03/11/2014

Information

Subject

Minutes

Information

Minutes of the February 24, 2014 meeting are attached.

Financial Impact

N/A

Staff Recommendation

Attachments

Minutes

BOARD OF TRUSTEE MINUTES
REGULAR SESSION – FEBRUARY 24, 2014

The Board of Trustees met in regular session at 5:30 p.m. on February 24, 2014 in the City Hall Council Chambers. Chairperson Eric Vander Linden called the meeting to order and on roll call the following members were present: Heather Hulen, Grant Johnson, Bob Lester (via phone), Pat Reding and Eric Vander Linden.

The consent agenda consisting of the following was approved on a motion by Lester and seconded by Reding. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

February 18, 2014 claims and the January 2014 receipts

February 10, 2014 minutes

2012 Fiber Installation Project - Service Drop Installation with MCG - Change Order #1 – a reduction of $4,275 to reflect concrete replacement work that had been estimated to be needed however wasn't due to actual drop routes/installations

Ray Walton, Memorial Pool Commission, requested a $9,500 donation for water purchased in the 2014 season from IMU. It was the consensus of the Board to table this request until the next Trustee meeting for further discussion on methodology and a formula as to how IMU will derive at a contribution figure.

The January 2014 Treasurer's Report and budget variance reports were approved on a motion by Johnson and seconded by Hulen. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

A public hearing was held to consider the FY 2014 budget. There were no objections either oral or written. Board member Lester introduced the following resolution entitled, "RESOLUTION ADOPTING THE BUDGET FOR FY 2015 YEAR ENDING JUNE 30, 2015". Board member Reding seconded the motion to adopt. Discussion ensued pertaining to the budget and it was the consensus of the Board to proceed with adopting the budget as presented and for Todd Kielkopf, General Manager, to present detailed budget line items and updated projections at the next Board meeting for discussion on revenue requirements & expenditures. On roll call the vote adopting the FY 2015 Budget was, AYES: Vander Linden, Reding, Johnson, Hulen and Lester. NAYS: None. Whereupon the Chairperson declared the motion carried unanimously and the following resolution duly adopted.

RESOLUTION ADOPTING THE BUDGET
FOR FY 2014 YEAR ENDING
JUNE 30, 2015

(The complete resolution may be viewed at the City Clerk's Office)

It was moved by Johnson and seconded by Lester to approve change order #1 from Michels in an amount of $11,600 for the 2014 Hwy 92 & I-35 Transmission Relocation Project. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

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Johnson moved and Hulen seconded to approve the MidAmerican Reimbursement Agreement for the 2014 Hwy 92 & I-35 Transmission Relocation Project. Question was called for and on voice vote the Chairperson declared the motion carried unanimously.

The following quotes were received for the street lights at The Square:

Distributor	Mfg	Pole with arm & bracket	MH Luminaire	LED Luminaire
Irby	StressCrete	$3,479 each	$1,184 each	$1,438 each
Resco	StressCrete	$3,487 each	$1,188 each	$1,439 each
WESCO	StressCrete	$3,487 each	$1,186 each	$1,441 each
Fletcher Reinhardt	StressCrete	$3,851 each	$1,312 each	$1,594 each
Border States	StressCrete	$3,855 each	$1,315 each	$1,600 each
Resco	Holophane	$3,599 each	$1,049 each	$1,584 each
Add $1,500 for freight on Holophane poles				

It was the consensus of the Board to table this item until the next regular Board meeting to obtain additional information, including alternative poles and timelines.

Meeting adjourned on a motion by Hulen and seconded by Reding.

______________________________ ______________________________

Eric Vander Linden, Chairperson   Diana Bowlin, City Clerk

IMU Regular Upstairs **2. C.**
Meeting Date: 03/11/2014

Information

Subject

2012 Fiber Installation Project - Service Drop Installation Certificate of Final Completion

Information

Financial Impact
N/A

Staff Recommendation

Attachments

Certificate

P&E ENGINEERING CO.
POWER SYSTEMS ANALYSIS AND DESIGN

Allan R. Powers, P.E. Richard D. Kline, P.E.
Timothy G. Ernst, P.E.

245 S. 5th St., PO Box 620, Carlisle, IA 50047
p.515-989-3083 f.515-989-3138 pe@peengr.com

CERTIFICATE OF FINAL COMPLETION

Date Issued Feb. 24, 2014

Owner Indianola Municipal Utilities

Contractor Mahaska Communication Group

Project 2012 Fiber Installation Project, Service Drop Installation

This Certificate of Final Completion applies to all Work under the referenced Contract.

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and that Work is hereby declared to be complete in accordance with the Contract Documents on

Feb. 24, 2014 (Date of Final Completion)

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents, nor is it a release of Contractor's obligation toward any warranties associated with the Work in accordance with the Contract Documents.

Issued by P & E Engineering Co. by Allan Powers, P.E. .
(Printed Name)

Signed Allan Powers

Accepted by Owner on ___________ by ______________________________.
(Printed Name)

Signed ______________________________

IMU Regular Upstairs **3. A.**
Meeting Date: 03/11/2014

Information

Subject

Administrative News Items

Information
News items for the week are attached.

Financial Impact
N/A

Staff Recommendation

Attachments

News Items

NEWS ITEMS

TO: IMU Trustees
FROM: IMU Administrative Staff
DATE: March 7, 2014

1. **Special Meetings:** Just a reminder to all that the Trustee meeting was moved to Tuesday, March 11 so all Trustees could attend. Also, Trustees will hold a joint meeting with the City Council on Monday, April 21.

2. **MISO 69kV Functional Control:** MEC's understanding is that MISO having functional control does slightly impact planning for 69kV improvements in the future, however it does not appear to impact IMU's need to generate to support the 69kV system above those responsibilities today since MEAN dispatches under MISO direction. IMU staff still needs to work with MEAN staff on the dispatch issue to gain more insights, however.

3. **Worker's Comp/MOD:** The final MOD experience factor that was going to drive up IMU's insurance premium was released by IMWCA this week. At .87, it is only slightly higher than today's MOD so premiums will only be increasing up to 10% (average per department) vs. the 50% in the adopted FY 2015 budget and will save IMU about $14,000.

4. **Inventory/Sharing:** Staff was asked to investigate inventory sharing options. A point of clarification from that discussion is that IMU does not carry spare inventory for every single large(r) transformer in operation, only 2 for those classes above 500 kVA and only 1 for the very largest ones. So inventory is already kept relatively low on higher-dollar items compared to the number in service at any one time. Also, IMU also has informal sharing practices where it is beneficial.

   The Iowa Association of Municipal Utilities looked at this several years ago and found that costs to track potential sharing options outweighed carrying cost savings. This is especially true at today's rates of interest on any additional fund balance maintained until the item is needed. Increased costs identified include periodically ensuring accurate supply existed at the partnering utility, transportation costs to retrieve supplies from another utility (which could be under adverse weather conditions).

5. **FCC Experimental Program:** The FCC has opened a process by which telecom providers can file an Expression of Interest in receiving capital and ongoing funds to subsidize developing broadband in rural areas. The FCC is conducting this process to help determine the financial scope, on a national scale, for the new fund (if providers don't express interest, there won't be much of a fund). Rural Warren County has underserved areas that could be reached wirelessly and receive funding based on the FCC's eligible census tract database.

   The Iowa of Association of Municipal Utilities (IAMU) is submitting a non-binding joint Expression of Interest on behalf of 7 or so municipal utilities, including Indianola. IMU would provide fiber to a tower site, and then MCG wholesale Internet service would be extended wirelessly out to underserved areas. A 3rd party would need to be identified to actually be customers' retail provider, as MCG is not interested in extending their Mahaska Co. wireless service to Warren Co. towns. There are other providers that may do so, however.

Again, this submission is only to help the FCC determine the scale of the fund and to open dialog as to how rural broadband can be expanded. It is a long way from a viable business plan.

6. **Natural Gas/MISO Capacity:** The availability of all generation within MISO was significantly less than anticipated during the polar vortex. Approximately 22% of total regional generation was not available. This may lead to a de-rating of peaking units that did not generate and impacts year-round capacity revenues for those units.

   A significant cause, according to a new white paper on the topic, was that many natural gas peaking units are only financially viable year-round under interruptible (vs. firm) natural gas supply contracts. It is a new risk factor to consider if gas is being interrupted when the unit is likely to be called to run. IMU has investigated adding the ability to use natural gas at the turbine site so the units are called more often (and are able to receive more capacity revenue), which requires building a pumping station, upgrading both Unit #7 and new controls for both units. Staff will continue to monitor how the MISO marketplace impacts that potential future opportunity.

Information

Subject

Pool Reimbursement for Water Consumption

Information

IMU staff's recommended options, stemming from the request tabled from the last Trustee meeting pertaining to this agenda item, are:

1. Continue with a $5,000 annual contribution for water consumed, which represents approximately 2.3 million gallons at IMU's marginal cost of production & distribution of $2.17/1,000 gallons; or

2. Contribute the full value of up to 2.3 million gallons at the government services rate of $6.00/1,000 gallons or up to $13,800 in foregone billings.

The 2.3 million gallons is based on a hot summer with heavy traffic & minimal leaks. Setting a maximum ensures that leaks are indeed repaired (pool pays full rate for all water above 2.3 million gallons).

Trustees did predicate prior years' contributions on sewer charges also being contributed in a like manner.

Financial Impact

N/A

Staff Recommendation

Information

Subject

July 2014 - June 2016 Union Contract

Information

Jim Hanks will attend to review the proposed FY 2015 thru 2016 labor contract (see attached) that has been voted on and accepted by the union. He can also provide an overview of the negotiation process as needed.

Highlights as previously sent to Trustees (prior to the union's vote) include-

1. Allowing 2 more days of sick leave to be used for family reasons (to be consistent with City policy).
2. Clarification regarding recall pay on holidays. This is seldom an issue where there is a series of call-outs on a holiday, however it arose over this past Christmas/New Years holiday and so the language is now consistent with practices.
3. Increases the percentage of health insurance premiums paid over the next 2 years to 10% of the difference between single and family plan premiums in Year 2 (from today's 8%); premiums will be flat this coming year but expected to rise 15%-20% in the second year so movement then is an important offset.
4. Increases short-term disability payments (to be consistent with City policy) which has minimal impact given the ability to use sick leave to maintain wages and it would be rare for an employee to run out of sick leave while on short-term disability.
5. Closure of an employees' HRA account upon 7 years of separation of employment (avoids paying excessive per-employee annual fees for continuing HRA accounts).
6. Increases the annual HRA per employee by $50 in Year 1 and another $50 in Year 2.
7. Wage increases of 2.25% in Year 1 & 2.75% Year 2 respectively.

Neither the negotiating team nor IMU staff received comments pertaining to the proposal and it is within the general parameters set by Trustees in January, therefore the item is placed on the agenda for Trustee acceptance.

Financial Impact

N/A

Staff Recommendation

Simple motion approving the 2014 - 2016 labor contract as presented.

Attachments

Proposed Contract

Proposed

AGREEMENT

Between The

INDIANOLA MUNICIPAL WATER

AND ELECTRIC UTILITIES

And The

MUNICIPAL LABORERS LOCAL #353

July 2014 – June 2016

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INDIANOLA MUNICIPAL WATER AND ELECTRIC UTILITIES
MUNICIPAL LABORERS AGREEMENT

This agreement is entered into by the Indianola Utility Board of Trustees, hereinafter referred to as the "Employer" or "Board" and the Municipal laborers Local #353 hereinafter referred to as the "Union".

ARTICLE I
Recognition

The Board of Trustees recognizes the Union as the exclusive bargaining representative for the purpose of representing all permanent full-time employees and permanent part-time employees in the classification listed in Appendix I in accordance with the provisions of the State of Iowa Public Employment Relations Act.

ARTICLE II
Management Rights

Except as specifically modified by the Agreement, the employer shall have, in addition to all powers, duties and rights established by constitutional provision, statute, ordinance, charter or special act, the exclusive power, duty and right to:

1. Direct the work of its employees.
2. Hire, promote, demote, transfer, assign and retain employees in positions within the agency.
3. Suspend or discharge employees for proper cause.
4. Maintain the efficiency of governmental operations.
5. Relieve employees from duty because of lack of work or other legitimate reasons.
6. Determine and implement methods, means, assignments and personnel by which utility operations are to be conducted.
7. Take such actions as may be necessary to carry out the mission of the Utility Board.
8. Initiate, prepare, certify and administer its budget.
9. Exercise all powers and duties granted to the Board by law.

ARTICLE III
Non-Discrimination

Neither party to this agreement shall discriminate against any employee because of race, sex, color, age, creed, religion, nationality, union affiliation, or non-union affiliation.

ARTICLE IV
Work Rules

The Board may from time to time adopt and publish changes in existing departmental procedures and rules. Such changes shall become effective only after they have been prominently posted on appropriate employer bulletin boards for a period of ten (10) work days. All employees shall comply with the work rules. Any unresolved complaint as to the reasonableness of new or existing work rules, or any complaint involving discrimination in the application of such rules shall be resolved through the grievance procedure.

ARTICLE V
Hours of Work

A. Work Week

The normal work day shall consist of eight (8) consecutive hours of work. The normal work week shall consist of forty (40) hours of work on five (5) consecutive eight (8) hour days, normally Monday through Friday.

Since certain phases of the departments must regularly operate seven (7) days per week, some employees may be required to work an alternate work week consisting of more than five (5) consecutive days with at least two (2) consecutive days off each week.

Where alternate schedules are necessary, work schedules must be properly posted ten (10) work days prior to the work being performed.

Shift assignments in classification shall be made on a seniority and qualification preference.

Specific work schedules, including hours and days, will be issued by the General Manager of Utilities.

B. Lunch Period

All employees shall be allowed a lunch period which shall be scheduled generally in the middle of the work shift. Lunch period shall be scheduled as to time duration and in accordance with the prevailing departmental rules and regulations. However, a lunch period shall not be less than thirty (30) minutes, nor more than one (1) hour. In addition, light plant operators may be required to remain on the work site for lunch periods.

C. Rest Period
Each employee shall be entitled to one (1) fifteen (15) minute rest period during the first half of their work schedule and one (1) fifteen (15) minute rest period during the second half of their work schedule.

ARTICLE VI
Overtime

A. Definition
Overtime is all time properly authorized and worked in units of one -quarter (1/4) hour or more which is in excess of eight (8) hours of work in one day or forty (40) hours of work per week as described in Article V.

B. Procedure
In general, overtime shall be kept to a minimum consistent with the efficient and effective provision of Board services. Permanent employees shall normally be given preference in overtime assignments. However, when overtime work is required each employee shall accept and work such assignments.

Requests to take off earned compensatory time must be approved by the appropriate supervisor, but the wishes of the employee shall be given consideration. A periodic review of accumulated compensatory time will be made and employees may be required by their supervisor to schedule and take off such time within a reasonable period, i.e., 60 days. Employees may carry up to eighty (80) hours of compensatory time.

C. Compensation
Employees who work in excess of eight (8) hours in one day or forty (40) hours per week in accordance with the provisions of Paragraph B above, shall either receive compensatory time off at time and one-half for such "overtime" work or be paid in cash for such time at the discretion of the Board.

ARTICLE VII
Holidays

A. Recognized Holidays
The following shall be observed as paid Holidays:

1. New Years Day, January 1
2. Presidents Day, Third Monday in February
3. Memorial Day, Last Monday in May
4. Independence Day, July 4
5. Labor Day, First Monday in September
6. Thanksgiving Day, Fourth Thursday in November
7. The day after Thanksgiving
8. Christmas Eve Day, December 24
9. Christmas Day, December 25

10. Two days (16 hours) to be taken off with regular pay for the employee, however, must be requested in advance and approved by the General Manager. In the initial year of employment, these personal holidays shall be prorated based upon the date of employment. Each employee hired between January 1 and March 31 shall receive 16 hours of paid time off which shall be taken in the period beginning with the date of their employment and the following December 31. Each employee hired between April 1 and June 30 shall receive 12 hours of paid time off which shall be taken in the period beginning with the date of their employment and the following December 31. Each employee hired between July 1 and September 30 shall receive 8 hours of paid time off which shall be taken in the period beginning with the date of their employment and the following December 31. Each employee hired between October 1 and December 31 shall receive 4 hours of paid time off which shall be taken in the period beginning with the date of their employment and the following December 31.

B. Holidays occurring on weekends
Holidays which occur on:

1. Saturday- shall be observed on the preceding Friday
2. Sunday- shall be observed on the following Monday
3. Shift workers shall recognize the actual holiday for overtime purposes.

C. Shift employee required to work on a Holiday
Employees who are assigned to shift operations, those departments which are scheduled to operate seven (7) days per week, and who are required to work on a recognized Holiday shall be compensated at a rate equal to two times their normal hourly rate of pay for each hour actually worked. Such pay shall be in addition to the usual eight (8) hours Holiday pay.

D. Regular Employees Required to work on a Holiday
Employees assigned to a normal work week who are required to work on a recognized Holiday shall be compensated at a rate equal to two (2) times their normal hourly rate of pay for each hour actually worked. Such pay shall be in addition to the usual eight (8) hours Holiday pay.

E. Method of Compensation
All premium pay for Holiday work shall be compensated by either payment in cash or in compensatory time off at the discretion of the Board.

F. Holidays Occurring During Other Leaves
When a Holiday occurs during an employee's sick leave, vacation leave or emergency leave, the Holiday will not be counted as part of the leave of absence.

ARTICLE VIII

Sick Leave

A. Eligibility

All permanent, full time employees will be eligible for paid sick leave.

B. Accrual

Permanent, full time employees will accrue sick leave at the rate of 3.7 hours per bi-weekly pay period. A total of seven hundred sixty (760) hours can be carried forward to a new year. All leave in excess of seven hundred sixty (760) is forfeited.

C. Usage

Sick leave shall be granted under the following circumstances:

1. Physical incapacity, including pregnancy.
2. Personal illness, including medical, dental or optical appointments during working hours.
3. Enforced quarantine of the employee in accordance with community health regulations.
4. Illness of a member of the immediate family (spouse, child, parent, sibling) which requires the presence of the employee at home or in a medical facility. Use of sick leave in this manner is limited to a total of ~~three (3)~~ **five (5)** days per year. **At the discretion of the General Manager, employees may be allowed to use additional sick leave days**.

D. Usage to Cover Work Related Injuries

Available sick leave shall be granted for physical incapacity resulting from an injury on the job. Such sick leave shall be used for up to the first five days of the injury at which time the Board's Worker's Compensation policy and/or the Disability policy shall take effect. In addition, during the first six months of a work-comp and/or disability insurance claim, an individual may use sick leave to make up the difference between his/her disability payment and his/her regular salary.

E. Administration

Sick leave shall be administered as follows:

1. Requests for sick leave should normally be made before an employee is regularly scheduled to report for duty.
2. Sick leave shall be chargeable only when used on regularly scheduled work days.

3. In individual cases where an employee's sick leave usage record indicates possible abuse, the employer has the right to verify the reported illness of any employee and may require a Doctor's certification for absence due to illness. Such certification will be required only with prior written warning to the employee or on any illness of over five (5) consecutive working days. Such certification must state the nature of the sickness or injury and whether the employee has been incapacitated for work for said period of absence. Abuse of sick leave shall be proper cause for disciplinary action up to and including dismissal.

F. Substituting Leave
Sick leave may be substituted for annual leave if an employee becomes hospitalized while on annual leave. Such substitutions shall be for the period of hospitalization only and must be documented.

ARTICLE IX
Other Leaves

A. Military Leave
Whenever an employee enters into the active military service of the United States, the employee shall be granted leave as provided under Iowa Code Section 29A.28 and the applicable federal statutes.

B. Jury Duty
Employees on jury duty will receive their normal pay for regular work days spent on a jury panel. The employee shall submit the payment received from the Court to the Trustee Clerk's Office, less any amount included for travel allowance or expense reimbursement.

C. Emergency Leave
In case of death in the employee's family (spouse, child, parent, sibling, or corresponding in-laws), the employee shall be allowed three (3) days off with no loss of regular pay. In addition, with the General Manager's approval the employee may take up to an additional two (2) days off which shall be charged against his/her accumulated sick leave. In case of the death of an employee's grandchild, grandparent(or corresponding in-laws) or any relative living in the same household with the employee immediately prior to death, the employee shall be allowed one (1) day off with no loss of regular pay. In addition, with the General manager's approval, the employee may take up to an additional two (2) days off, which shall be charged against his/her accumulated sick leave.

D. Personal Leave Without Pay
The Board may grant an employee an unpaid leave of absence due to personal reasons upon the written request of an employee. Any such leave shall not exceed a period of twelve (12) months.

E. Leaves With Pay

All paid leaves off from work shall be credited as time worked for purposes computing overtime and benefit accrual.

ARTICLE X
Vacation

A. Eligibility
All permanent, full time employees are eligible for vacation leave upon accrual.

B. Accrual
Vacation leave shall be accrued as follows:

1. With less than two (2) years of service, 3.07 hours for each biweekly pay period.
2. With two (2) but less than eight (8) years of service earn 4.0 hours for each biweekly pay period.
3. With eight (8) but less than fourteen (14) years of service earn 5.0 hours for each biweekly pay period.
4. With fourteen (14) years or more of service, 6.0 hours for each biweekly pay period.
5. With twenty (20) years or more of service 6.47 hours for each biweekly pay period beginning June 26, 2005.
6. Employees shall not be granted any vacation leave after the last day of actual work when terminating their employment.

An employee is advanced to a higher earning rate at the beginning of the first pay period following his/her second, eighth, fourteenth, or twentieth anniversary date of service.

C. Administration

1. Planning: The General Manager is responsible for proper planning and scheduling of vacation leave for all employees. However, insofar as the workload of the department will permit, vacation shall be granted in accordance with seniority by classification.
2. Approving: All vacation leave must be approved in advance by the General Manager.
3. If a conflict arises whereby more than one employee in the same job classification requests the same vacation time, vacation shall be granted by seniority within classification.
4. Usage: All vacation leave must be used and charged in amounts of not less than four (4) hour increments.

D. Unused Vacation Leave
Up to 160 hours of vacation leave may be carried forward to a new year. An employee who has more than 160 hours of accrued but unused vacation as of November 15 may request a payout of up to forty (40) hours of vacation. If a payout is requested, the employee will receive the payout in the first paycheck following December 1. All unused vacation leave in excess of 160 hours is forfeited.

In the event of termination, all accrued but unused vacation leave will be liquidated by lump sum payment. However, such lump sum payment will not be made until:

1. All IMU owned property charged to the employee has been returned.
2. All indebtedness to the Board has been satisfied.
3. All other indebtedness which the Board and City is legally obligated to collect from the employee has been satisfied.

ARTICLE XI
Union Representation

The Union may appoint certain employees to serve as union stewards. The names of the stewards must be submitted in writing to the office of the General Manager.

Upon request to their supervisor, stewards shall be permitted to leave their work area to receive, investigate and process complaints and grievances of employees with no loss of regular pay. Requests shall not be unreasonably denied. Use of duty time shall be kept reasonable and commensurate with the matter at issue.

Whenever a steward enters a work area for the purpose of investigating a complaint or possible grievance, the supervisor must be so notified.

ARTICLE XII
Payroll Deductions

The Board hereby agrees that upon proper authorization, deductions will be made from the employees pay and remitted to the designated parties for the following reasons:

Savings Bonds, Deferred Compensation, Board Group Insurance Plans, United Way, Union Dues and assessments and any others, which may be mutually agreed to.

ARTICLE XIII
Use of Board Facilities

The Board agrees that upon proper request and availability, the union shall be allowed use of facilities for the purpose of membership meetings, on off duty hours. The Union agrees to comply with all policies regulating the facilities utilization.

ARTICLE XIV
Report and Recall Pay

A. Reporting Pay

If an employee reports for work at his/her regular time and place but is sent home by the supervisor, because work cannot be performed, such employee shall be paid a minimum of two (2) hours pay at the regular straight time rate.

B. Recall Pay

1. When an employee, after completing a regular shift and leaving work is recalled to work, he/she shall receive a minimum of two (2) hours pay at one

and one-half times his/her regular hourly rate of pay, except for recalls which are within one hour or less of the beginning of the employee's shift. For recalls which are within one hour or less of the beginning of the employee's shift, the employee shall be paid at one and one-half times his/her regular hourly rate of pay for all hours worked prior to the beginning of his/her shift.

2. **Holidays – When employees who are not scheduled to work are called out on a holiday, they will receive recall pay of two hours at two (2) times their hourly rate of pay for each recall.**

3. **Holiday Pay – All recall pay is compensation in addition to holiday day provided under Article VII.**

ARTICLE XV

Transfer Pay

In the event an employee is laterally transferred to the same class or to another classification in the same pay grade, the employee shall be entitled to the same pay step as paid in the previous classification.

ARTICLE XVI

Stand-by Pay

Employees who are required to be on call for emergencies after regular hours shall receive a guaranteed nine (9) hours straight time pay for each week (seven day period) on call or four (4) hours straight time pay for each weekend (two day) period on call. In addition, seven day periods which include a recognized Holiday, employees on call will receive one (1) additional hour of straight time pay. Employees shall be compensated in accordance with article VI and/or XIV for work performed under this section.

ARTICLE XVII

Witness Fees

When an employee is requested to appear before any hearing on behalf of the Utility, he/she shall receive full hourly salary applicable to the provisions of the contract.

ARTICLE XVIII

Uniforms

Three uniforms and one cap will be furnished to Meter Readers so that they will be regulation in appearance and easily identifiable by the public. In addition, one light weight and one heavy weight jacket will be provided.

Each employee will receive payment up to two hundred and ~~twenty-five dollars ($225)~~ **fifty dollars ($250) per fiscal year effective July 1, 2014, and two hundred seventy-five dollars per fiscal year effective July 1, 2015.** The employee will receive this payment in the first paycheck following December 1. Each employee must also adhere to the IMU dress code in compliance with that policy.

ARTICLE XIX

Training on New Processes

Whenever the duties of a position are to be materially changed by the introduction of new machines or processes requiring different skills and knowledge, any employee affected by the change shall be given a reasonable opportunity to learn to perform the new duties and to qualify for status in any new class of positions required for such work. Any employee, who after a reasonable training period, qualifies for appointment in a different class shall be appointed and promoted thereto.

Employees who do not qualify for such appointment shall be reassigned to other duties to his/her class or be laid off.

Apprenticeship trainees must keep their course work current. Failure to maintain course work, achieve proper skills in time allotted or cooperate with the apprenticeship program may result in the employee being placed on probationary status. If deficiencies continue, disciplinary actions may be taken up to and including termination. The employee's advancement in the program is subject to the determination of the Apprenticeship Committee which shall consist of two union and two management personnel.

ARTICLE XX

Use of Bulletin Boards

The Board will provide reasonable space for official union business on each bulletin board normally used to convey information to employees. The use of such space shall be limited to the following:

1. Listing of union officers and officials
2. Union elections
3. Union meetings
4. Union social events
5. Educational notices

ARTICLE XXI

Insurance Provisions

A. Health and Prescription Drug Insurance

Effective July 1, 2014, the Board will pay **96%** ~~97%~~ of the premium for single health/drug insurance coverage and for the family **91%** ~~92%~~ of the difference between the premium for single and the premium for family health/drug insurance. **Effective July 1, 2015, the Board will pay 95% of the premium for single health/drug insurance coverage, and for the family, 90% of the difference between the premium for single and the premium for family health/drug insurance.**

The 3-tiered system will be $0/$10/$20 for prescription drugs.

For purposes of this provision, the single premium and the family premium will be determined by actuarial assessment.

The plan will have deductible payments of $250 for single coverage and $500 for family coverage. The maximum out-of-pocket payments will remain at $500 for single coverage and $1,000 for family coverage.

Treatment which is provided outside the network will only be treated as In-Network if it is provided on an emergency basis. Pre-authorization will be required for all in-patient hospitalization services which are provided other than emergencies. Transplants will be a covered benefit only if they are pre-authorized and services are provided at a center of excellence.

B. Disability Insurance
The Board agrees to provide all permanent, full-time employees with a group disability plan containing no less benefit coverage than the one in effect on July 1, 1978. The full cost of such insurance will be the responsibility of the Board. In the event an employee is disabled (as determined by a Board appointed physician) due to illness or injury he/she shall continue to receive Board insurance contributions for the level of benefits then in effect, for a period of 24 months following such disability.
The short-term disability weekly benefit will be ~~$350~~ **$450** per week.

C. Life Insurance
The Board agrees to provide all permanent, full-time employees with a $15,000 life insurance policy. The full cost of such insurance will be the responsibility of the Board. In addition, the Board agrees to continue the practice of deducting and remitting payments for an additional $10,000 life insurance policy.

D. Health Reimbursement Arrangement (HRA)
The Board agrees to contribute $1,100 (7/1/12) and $1,200 (7/1/13) for each employee's HRA for medical/dental/vision expenses incurred by the employee and his/her dependents which are eligible for health insurance coverage. In the initial year of employment, this HRA payment shall be prorated based upon the date of employment. Each employee hired between January 1 and March 31 shall receive a payment equal to 100% of the designated amount. Each employee hired between April 1 and June 30 shall receive a payment equal to 75% of the designated amount. Each employee hired between July 1 and September 30 shall receive a payment equal to 50% of the designated amount. Each employee hired between October 1 and December 31 shall receive a payment equal to 25% of the designated amount.

Contributions to an employee's HRA account will be preserved for the sole use of an employee and employee's eligible dependents for medical expenses as provided by applicable law.

Unused balances of an employee's HRA account will be carried forward from year to year with no limit of accumulation. **After an employee is no longer employed by the Utility, any time the HRA account balance of the former is $100 or less as of January 1, the former employee will have until the following December 31 to use the**

balance of his/her HRA account or the remaining monies in the account will be forfeited.

Employees and their eligible dependents, and employees who have terminated their employment and their eligible dependents shall have access to their HRA accounts for medical expenses until the account has been exhausted, as provided by applicable law.

ARTICLE XXII
Disciplinary Action

It is recognized that certain disciplinary action is occasionally necessary for efficiency of the operation. Forms of discipline may include oral or written warning, oral or written reprimand, suspension, demotion, and termination. Such actions will be taken in the event of reasonable and just cause.

All written warnings and/or reprimands will be removed from and employee's personnel file upon the successful completion of a full two (2) years of employment without additional warnings and/or reprimands.

ARTICLE XXIII
Safety, Health, and Welfare

A. Board Responsibility

The Board shall make reasonable provision for the safety and health of employees during the hours of their employment, and shall provide protective devices and other equipment necessary to protect employees from injury or illness in conformance with statutory requirements. In addition, the Board agrees to provide tools, special gloves, rain gear and special equipment to perform assigned tasks.

B. Employee Responsibility

Employees are required to comply with established Board procedures and policies regarding the reporting of occupational injuries.

C. Safety Committee

The Board shall appoint representatives of Labor to participate in the City of Indianola Safety Committee. Such representatives shall recommend preventive and corrective measures to assure safe working conditions in all phases of the Board's services.

ARTICLE XXIV
Employee Education

A. Education Requests

The Board recognizes it is of mutual interest and benefit to both the employee and the Board to advance individual knowledge, skills and abilities. Therefore, the Board agrees to consider all requests for educational purposes.

1. The request should outline the course desired, length of course, availability of classes and hours and amount of leave or reimbursement required.

2. Such requests shall be evaluated as to how the course relates to an employee's duties or to amount of value and benefit the employee and Board would derive from such a course.

3. If the request is approved, the Board shall allow up to $600.00 maximum allowance per year tuition. In addition, paid leave may be allowed upon approval by the General Manager if necessary to attend course during working hours. Such tuition will be paid as reimbursement to employee for successful completion of approved course. For a graded course, a grade of "C" or better shall be considered successful completion.

ARTICLE XXV
Travel and Per Diem allowance

A. Mileage for Travel
Whenever an employee is ordered or authorized to use his/her own private auto for Board business, the mileage allowance set by the state shall be paid for each mile of travel.

B. Per Diem
Actual out-of-pocket costs for meals, lodging, registration, etc. to be substantiated by receipts and subject to the following limitations:

1. Total daily allowance for meals, lodging, registration, etc., shall be limited to $25.00
2. Daily lodging costs shall be limited to actual expense when pre-arranged by staff and to $40/night if not pre-arranged
3. The total daily meal allowance will be reduced by one-third (1/3) for each meal included in any registration charge

C. Payment
All reimbursements must be substantiated by receipts and/or properly documented vouchers.

D. Travel Time
Time spent traveling will be considered as time worked, not to exceed the hours regularly scheduled per day. Other necessary travel time is to be expended without further compensation.

ARTICLE XXVI
Promotion Pay

When an employee is promoted to a classification assigned to a higher pay range than the previously held position he/she shall receive an increase in pay equal to at least a one (1) step (Approx. 5%).

An employee reclassified to Apprentice Line Mechanic that has no prior training or experience for that position shall not start above Range 24, Step 3, even if the employee is currently in a higher pay range.

ARTICLE XXVII
Promotions and Job Bidding Procedure

Notice of job vacancies shall be posted on departmental bulletin boards for five (5) work days. Employees wishing to be considered for the opening must sign the job bid notice no later than 5:00 P.M. on the last day of the posting period.

When filling such promotional vacancies, the employer shall consider such factors as ability, aptitude, and work record. However, when these factors are reasonably equal as between two (2) or more employees, then seniority shall prevail.

ARTICLE XXVIII
New Appointments and Promoted Employees

Newly appointed employees will normally begin at the first step of the appropriate salary range. When circumstances warrant, employees may be appointed above the first step in the salary range, but in no case may the starting rate exceed the rate paid to any other employee in the same classification.

Employees appointed to Electric Operator I or Water Operator I positions shall progress through the salary table in accordance with Article XXXII, except as modified herein:

Water Operator I- shall be eligible for promotion to Water Operator II Range 24, Step I upon certification as a Grade II Operator, and shall receive annual step increases through Step 5 of the range.

Electric Operator I- shall be eligible for promotion to Electric Operator II Range 24, Step I upon satisfactory completion of two and one half years of service, and shall receive annual step increases through Step 5 of the range.

ARTICLE XXIX
Longevity Pay

The salary table shown below represents the annual pay that employees shall receive for continuous years of service.

YEARS	*ANNUAL PAY*	*HOURLY PAY*
0-4	$0	0
5-9	$250	12.0 c/hour
10-14	$300	14.4 c/hour
15-19	$350	16.8 c/hour
20+	$400	19.2 c/hour

Longevity pay shall be paid on a per hour basis to be included with regular hourly salary.

ARTICLE XXX
Reduction in Force

A. Layoff or Transfer Procedure
In the event it becomes necessary to layoff or transfer employees in a specific classification, the following procedure shall apply:

1. Temporary employees.
2. Probationary employees
3. Permanent employees in reverse order of their seniority.

For purposes of this agreement, seniority shall be defined as continuous employment from date of hire. In computing seniority, all authorized compensated time off, and leaves of absence for illness and injury shall be computed as continuous employment, i.e., unpaid leaves in excess of 30 days change the date but do not negate past service.

B. Options for Designated Employee
The individual employee designated for layoff shall be given an opportunity to fill any vacancy for which he/she is qualified within the utility. If no vacancies exist, the affected employee may revert to a vacancy or replace the last hire promoted in a position in which he/she has previously held permanent status, or to replace the last hired or promoted in a lesser classification providing he/she has the specified qualifications to perform such duties. When all rights have been exercised, the last hired will be laid off.

C. Reinstatement of Transfers:
Any employee transferred in accordance with Sec. B, shall be eligible for reinstatement to the original, or a like position, when a vacancy occurs. Such reinstatement shall be in reverse order of seniority. Any employee who is reinstated, shall be placed in the appropriate pay step to reflect the pay range that the employee would have reached, in the event there had been no layoff, resulting in no loss of pay steps or seniority.

D. Re-Employment
The names of employees laid off shall be placed on a re-employment list for the classification affected, for a period of two (2) years. Such employees shall be eligible for re-employment in reverse order of layoff in the classification they held at the time of layoff.

E. Time Limit
When an employee is notified of available employment, he/she must make satis-factory arrangements to accept such position within five (5) working days, or forfeit their rights to any future re-employment.

ARTICLE XXXI
Grievance Procedure

A "Grievance" is defined as a dispute concerning the application or interpretation of any clause of this agreement which is reduced to writing and signed by the employee(s) involved.

The parties will agree to act in good faith to resolve any grievance presented by an employee. Grievances must be presented at the First (1st) step of the procedure within five (5) work days of the incident giving rise to the complaint.

Step I: The employee shall submit the grievance to his/her immediate supervisor. Such supervisor shall respond within three (3) work days.

Step II: If the matter has not been resolved, the employee shall then, within five (5) work days of the receipt of the Step I answer, present the matter to the General Manager who shall respond within five (5) work days.

Step III: If not resolved, the grievance may be submitted to arbitration within ten (10) work days of the decision at Step II. Upon notification to the Board the parties shall promptly meet to attempt to agree on the selection of an arbitrator. If they are unable to agree, they will jointly request that the Iowa Public Employment Relations Board submit a list of five (5) arbitrators and, by alternately striking names, an arbitrator will be selected. Not later than sixty (60) days following the date on which the request for arbitration was submitted to the Board, the parties shall establish a date for the arbitration hearing.

The arbitrator shall be without power to add to, subtract from, or modify the terms of this agreement, nor to make any decision in conflict with the laws of the State of Iowa.

The arbitrator's fee and expenses shall be shared equally by the employer and the union. However each party shall be responsible for compensating their own representatives and/or witnesses, as well as paying for transcripts of the proceedings if desired.

The failure of the employee or union to present a grievance within the specified time limits shall render the matter settled and not subject to further appeal. Failure of the employer representative to respond within the specified time limits shall automatically render the matter subject to appeal at the next step of the procedure.

Any time limit contained in this article may be extended by the written mutual agreement of the parties.

ARTICLE XXXII
Pay

The salary tables shown in the Appendix represent an increase of ~~two percent (2%)~~ **two and one-quarter percent effective June 29, 2014, and by two and three-quarter percent (2.75%) effective June 28, 2015.**

Each employee shall remain at his/her then current step of the appropriate salary range. Those employees who have not reached the top step of their respective salary will be eligible for an additional one (1) step increase upon the completion of twelve (12) months of satisfactory service after their last step increase.

Newly appointed employees are eligible to receive a one-half (1/2) step increase upon successful completion of six (6) months of service, another one-half step after one year's satisfactory service and annually thereafter until the top step is reached with the exception of employees in the apprentice program.

Deferred Compensation

Upon completion of three (3) years of service, employees shall be eligible to participate in matching payments into the employer approved deferred compensation as described below.

The employer will contribute an amount equal to that amount contributed by the employee up to $75.

If any provision of this deferred compensation plan is determined to be unlawful, the parties shall immediately meet to negotiate an alternative placement of the money involved. All contributions previously made into the plan shall be preserved for the sole benefit of the affected individual employee(s) and not returned to the employer.

ARTICLE XXXIII

Emergency Work

When emergency work reasonably appears to require an employee to stay on duty four hours or more after regular quitting time, a meal of reasonable cost shall be provided, at Board expense, approximately one hour after regular quitting time and at four hour intervals thereafter while they continue to work.

ARTICLE XXXIV

Maintenance of Standards

The employer agrees that during the terms of this contract the wages, hours and working conditions shall be maintained at not less than the highest standards in effect on the first day after implementation of this agreement.

ARTICLE XXXV

Duration of Agreement

This agreement shall be in full force and effect beginning July 1, ~~2012~~ **2014** and continuing through June 30, ~~2014~~ **2016**. **If the Affordable Care Act or its implementing regulations are amended or if the application of the Affordable Care Act to the Board's insurance plan changes and affects the Board's obligations under this Agreement, the parties agree that Article XXI and XXXII will be subject to opening for renegotiations.**

ARTICLE XXXVI
Definitions

A. Seniority: For purposes of this agreement, seniority shall be defined as continuous employment from date of hire. In computing seniority, all authorized compensated time off and leaves of absence for illness and injury shall be computed as continuous employment. i.e. Unpaid leaves in excess of 30 days change the seniority date, but do not negate past service.

B. Probationary Employment: all new and promotional appointments shall be subject to 180 calendar days as a probation period, during which time and employee is to be evaluated, relative to performance and may be terminated without right to appeal.

C. Employee: A person legally appointed to a regular full-time position in the service of the Utility Board of Trustees.

Chair **Indianola Utility Board** **of Trustees**	**Business Manager** **Local 353, Laborer's** **International Union of** **North America**

IMU-Union			Effective June 29, 2014			2.25%
	1	2	3	4	5	6
Range 15	30,596	31,818	33,092	34,417		
Meter Reader I	14.710	15.297	15.910	16.547		
Range 19	38,976	40,536	42,156	43,843		
Meter Reader II	18.738	19.488	20.267	21.078		
Storekeeper						
Network Services						
Range 21	42,928	44,643	46,430			
Water Operator I	20.638	21.463	22.322			
Generation Operator I						
Range 23	44,071	45,834	47,668	49,573	51,558	
Senior Meter Reader	21.188	22.035	22.917	23.833	24.787	
Range 24	48,751	50,700	52,728	54,838	57,029	
Line Technician*	23.438	24.375	25.350	26.364	27.418	
Water Operator II						
Generation Operator II						
Range 25	50,816	52,848	54,960	57,160	59,446	
Lead Line Technician*	24.431	25.408	26.423	27.481	28.580	
Lead Generation Operator						
Range 26	45,040	47,293	49,657	52,138	54,746	
Line Apprentice	21.654	22.737	23.873	25.066	26.320	
Line Mechanic						57,483
						27.636
Range 27	49,388	51,857	54,450	57,171	60,033	63,034
Lead Line Mechanic	23.744	24.931	26.178	27.486	28.862	30.305
Electrical Specialist						**Lead Crew Chief Only (Step 6+$.25/hour)**

IMU-Union			Effective June 28, 2015			2.75%
	1	2	3	4	5	6
Range 15	31,437	32,693	34,002	35,363		
Meter Reader I	15.114	15.718	16.347	17.002		
Range 19	40,048	41,651	43,315	45,049		
Meter Reader II	19.254	20.024	20.825	21.658		
Storekeeper						
Network Services						
Range 21	44,109	45,871	47,707			
Water Operator I	21.206	22.053	22.936			
Generation Operator I						
Range 23	45,283	47,094	48,979	50,936	52,976	
Senior Meter Reader	21.771	22.642	23.548	24.489	25.469	
Range 24	50,092	52,094	54,178	56,346	58,597	
Line Technician*	24.083	25.045	26.047	27.089	28.172	
Water Operator II						
Generation Operator II						
Range 25	52,213	54,301	56,471	58,732	61,081	
Lead Line Technician*	25.103	26.106	27.150	28.236	29.366	
Lead Generation Operator						
Range 26	46,279	48,594	51,023	53,572	56,252	
Line Apprentice	22.249	23.362	24.530	25.756	27.044	
Line Mechanic						59,064
						28.396
Range 27	50,746	53,283	55,947	58,743	61,684	64,767
Lead Line Mechanic	24.397	25.617	26.898	28.242	29.656	31.138
Electrical Specialist						Lead Crew Chief Only (Step 6+$.25/hour)

IMU Regular Upstairs **6. A.**

Meeting Date: 03/11/2014

Information

Subject

Resolution Ordering Construction, Fixing a Public Hearing, and Taking of Bids

Information

The attached resolution sets March 24, 2014 as the date of a public hearing on the plans, specifications, form of contract, and estimate of cost and consideration of bids. Bids are due on March 20, 2014.

The project consists of:

1. Install 8" water main (1870') along West Iowa Ave. from "E" to "I" Street
2. Connect services
3. Furnish all material required for the completion of the Work, except that indicated to be supplied by Owner.
4. Complete testing and all other related miscellaneous tasks necessary to complete the Work as described in the Contract Documents

There is $200,000 in the Water Utility Capital Projects Fund targeted for constructing this proactive water main replacement project over the remainder of this fiscal year plus next year, funded through annual revenue. Future projects can be adjusted if bids are higher than this target, also.

Financial Impact

N/A

Staff Recommendation

Attachments

Resolution

INDIANOLA MUNICIPAL UTILITIES

PUBLIC IMPROVEMENT CONSTRUCTION DOCUMENTS FOR:

2014 WEST IOWA AVENUE WATER MAIN PROJECT FOR INDIANOLA MUNICIPAL UTILITIES, INDIANOLA, IOWA.

The Meeting was called to order by Eric Vander Linden, Chair, and on roll call the following Board members were

Present:____

Absent:____

Board Member ________________________________ introduced the following Resolution entitled "RESOLUTION ORDERING CONSTRUCTION OF CERTAIN PUBLIC IMPROVEMENTS AND FIXING A DATE FOR HEARING AND TAKING OF BIDS", and moved that it be adopted. Board Member _____________________________ seconded the motion to adopt. The roll was called and the vote was,

AYES:____

NAYS:____

Whereupon, the Chair declared the following resolution duly adopted:

RESOLUTION ORDERING CONSTRUCTION OF
CERTAIN PUBLIC IMPROVEMENTS AND
FIXING A DATE FOR HEARING AND TAKING OF BIDS

WHEREAS, the Board of Trustees deems it advisable and necessary to make certain public improvements for the Indianola Municipal Utilities described in general as:

2014 W. IA Ave. Water Main Project for Indianola Municipal Utilities, Indianola, Iowa.

and has caused to be prepared plans, specifications and form of contract together with an estimate of costs which are now on file in the office of the City Clerk and open to the public and the plans, specifications and form of contract are deemed suitable for the public improvements, and

WHEREAS, the plans, specifications and form of contract and estimate of cost may be adopted in a contract for the making of the public improvements, and it is necessary pursuant to Chapter 384, Code of Iowa, as amended, to hold a public hearing and to advertise for bids, and

WHEREAS the IMU General Manager is allowed under Board of Trustee Resolution #133, Section 4(f) to supervise making public improvements including the solicitation of bids and matters related thereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES:

Section 1. That the Board of Trustees determines that it is necessary and advisable to make certain public improvements described as:

2014 W. IA Ave. Water Main Project for Indianola Municipal Utilities, Indianola, Iowa.

The extent of the improvements is as follows:

a. Install water main
b. Connect services
c. Furnish all material required for the completion of the Work, except that indicated to be supplied by Owner.
d. Complete testing and all other related miscellaneous tasks necessary to complete the Work as described in the Contract Documents.

and has caused to be prepared plans, specifications and form of contract together with an estimate of costs which are now on file in the office of the Clerk for public inspection. The plans, specifications and form of contract are deemed suitable for the public improvements. The cost of the public improvements is to be paid out of the reserves and revenue of the Indianola Municipal Utilities and by such other means as may be legally permissible.

Section 2. The amount of the bid security to accompany each bid for the supplying of the public materials, supplies and equipment shall be in the amount of 5 percent of the bid price consisting of a check drawn on and certified by an Iowa bank or a bank chartered under the laws of the United States, a cashier's check drawn on an Iowa bank or a bank chartered under the laws of the United States, a certified share draft drawn on a credit union in Iowa or chartered under the laws of the United States or a bid bond authorized and executed by a corporation authorized to contract as a surety in the State of Iowa pursuant to the provisions of Section 384.98 of the Code of Iowa.

Section 3. A public hearing on the plans, specifications, form of contract and estimated costs of the public improvements will be held in the City Council Chambers in the Indianola Municipal Building, 110 North 1st Street, Indianola, Iowa, at 5:30 p.m. on March 24, 2014, at which time and place the Board of Trustees will consider the adoption of the plans, specifications, form of contract and estimate of costs and will consider any objections offered for the construction of the contemplated public improvements.

Section 4. Sealed proposals will be received by the Board of Trustees at the Municipal Building, Indianola, Iowa, until 2:00 p.m. on March 20, 2014. Diana Bowlin, City Clerk, or Todd Kielkopf, IMU General Manager are hereby authorized and directed at 2:00 p.m. on that date to open and tabulate the results of all sealed bids received. The bids will be acted upon by the Board of Trustees at its regular meeting to be held in the council chambers of the Indianola Municipal Building, Indianola, Iowa, at 5:30 p.m. on March 24, 2014, or at such later time and place as may then be fixed.

Section 5. The City Clerk of the Indianola Municipal Utilities is instructed to give notice of the hearing and of the taking of bids. The combined notice of hearing and letting is to be published at least once in the Record Herald and Indianola Tribune, a newspaper printed wholly in the English language and published at least once weekly and having a general circulation in the municipality. The publication is to be not less than twenty (20) clear nor more than forty-five (45) days prior to the date fixed for the hearing and letting.

PASSED AND APPROVED this________day of ___________, 2014.

____
ERIC VANDER LINDEN, Chair

ATTEST:

____
DIANA BOWLIN, CITY CLERK

IMU Regular Upstairs **A.**
Meeting Date: 03/11/2014

Information

Subject

Resolution Ordering Construction, Fixing a Public Hearing, and Taking of Bids

Information

The attached resolution sets April 14, 2014 as the date of a public hearing on the plans, specifications, form of contract, and estimate of cost and consideration of bids. Bids are due on April 10, 2014.

The project consists of:

Construct Head Tank Aerator Assembly Replacement including all labor, materials, and equipment necessary to provide 16 inch bypass piping, 16 inch and 24 inch butterfly valves, removal of existing aerator, fabrication and installation of new aerator, and miscellaneous associated work, including cleanup.

There is $380,000 in the Water Utility Capital Projects Fund targeted for these types of proactive maintenance at the treatment plant over the remainder of this fiscal year plus next year, funded through annual revenue.

Financial Impact

N/A

Staff Recommendation

Attachments

Resolution

INDIANOLA MUNICIPAL UTILITIES

PUBLIC IMPROVEMENT CONSTRUCTION DOCUMENTS FOR:

2014 HEAD TANK AERATOR ASSEMBLY REPLACEMENT PROJECT FOR INDIANOLA MUNICIPAL UTILITIES, INDIANOLA, IOWA.

The Meeting was called to order by Eric Vander Linden, Chair, and on roll call the following Board members were

Present:____

Absent:____

Board Member _______________________________ introduced the following Resolution entitled "RESOLUTION ORDERING CONSTRUCTION OF CERTAIN PUBLIC IMPROVEMENTS AND FIXING A DATE FOR HEARING AND TAKING OF BIDS", and moved that it be adopted. Board Member ____________________________ seconded the motion to adopt. The roll was called and the vote was,

AYES:____

NAYS:____

Whereupon, the Chair declared the following resolution duly adopted:

RESOLUTION ORDERING CONSTRUCTION OF
CERTAIN PUBLIC IMPROVEMENTS AND
FIXING A DATE FOR HEARING AND TAKING OF BIDS

WHEREAS, the Board of Trustees deems it advisable and necessary to make certain public improvements for the Indianola Municipal Utilities described in general as:

2014 Head Tank Aerator Assembly Replacement Project for Indianola Municipal Utilities, Indianola, Iowa.

and has caused to be prepared plans, specifications and form of contract together with an estimate of costs which are now on file in the office of the City Clerk and open to the public and the plans, specifications and form of contract are deemed suitable for the public improvements, and

WHEREAS, the plans, specifications and form of contract and estimate of cost may be adopted in a contract for the making of the public improvements, and it is necessary pursuant to Chapter 384, Code of Iowa, as amended, to hold a public hearing and to advertise for bids, and

WHEREAS the IMU General Manager is allowed under Board of Trustee Resolution #133, Section 4(f) to supervise making public improvements including the solicitation of bids and matters related thereto.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES:

Section 1. That the Board of Trustees determines that it is necessary and advisable to make certain public improvements described as:

2014 Head Tank Aerator Assembly Replacement Project for Indianola Municipal Utilities, Indianola, Iowa.

The extent of the improvements is as follows:

Construct Head Tank Aerator Assembly Replacement including all labor, materials, and equipment necessary to provide 16-inch bypass piping, 16-inch and 24-inch butterfly valves, removal of existing aerator, fabrication and installation of new aerator, and miscellaneous associated work, including cleanup.

and has caused to be prepared plans, specifications and form of contract together with an estimate of costs which are now on file in the office of the Clerk for public inspection. The plans, specifications and form of contract are deemed suitable for the public improvements. The cost of the public improvements is to be paid out of the reserves and revenue of the Indianola Municipal Utilities and by such other means as may be legally permissible.

Section 2. The amount of the bid security to accompany each bid for the supplying of the public materials, supplies and equipment shall be in the amount of 5 percent of the bid price consisting of a check drawn on and certified by an Iowa bank or a bank chartered under the laws of the United States, a cashier's check drawn on an Iowa bank or a bank chartered under the laws of the United States, a certified share draft drawn on a credit union in Iowa or chartered under the laws of the United States or a bid bond authorized and executed by a corporation authorized to contract as a surety in the State of Iowa pursuant to the provisions of Section 384.98 of the Code of Iowa.

Section 3. A public hearing on the plans, specifications, form of contract and estimated costs of the public improvements will be held in the City Council Chambers in the Indianola Municipal Building, 110 North 1st Street, Indianola, Iowa, at 5:30 p.m. on April 14, 2014, at which time and place the Board of Trustees will consider the adoption of the plans, specifications, form of contract and estimate of costs and will consider any objections offered for the construction of the contemplated public improvements.

Section 4. Sealed proposals will be received by the Board of Trustees at the Municipal Building, Indianola, Iowa, until 2:00 p.m. on April 10, 2014. Diana Bowlin, City Clerk, or Todd Kielkopf, IMU General Manager are hereby authorized and directed at 2:00 p.m. on that date to open and tabulate the results of all sealed bids received. The bids will be acted upon by the Board of Trustees at its regular meeting to be held in the council chambers of the Indianola Municipal Building, Indianola, Iowa, at 5:30 p.m. on April 14, 2014, or at such later time and place as may then be fixed.

Section 5. The City Clerk of the Indianola Municipal Utilities is instructed to give notice of the hearing and of the taking of bids. The combined notice of hearing and letting is to be published at least once in the Record Herald and Indianola Tribune, a newspaper printed wholly in the English language and published at least once weekly and having a general circulation in the municipality. The publication is to be not less than twenty (20) clear nor more than forty-five (45) days prior to the date fixed for the hearing and letting.

PASSED AND APPROVED this________day of ___________, 2014.

____

ERIC VANDER LINDEN, Chair

ATTEST:

____

DIANA BOWLIN, CITY CLERK

IMU Regular Upstairs **9. A.**
Meeting Date: 03/11/2014

Information

Subject

Review FY 2015 Adopted Budget Detailed Line Items

Information

Trustees requested at the last meeting to gain additional understanding how staff tracks revenue & expenditures and then compiles the budget. The attached document contains the detailed line items that are linked to the summaries for each utility.

Staff will present each of the slides at the meeting vs. having a written report in this memo on each line item. However, in general-

1. Highlighted line items are pass-thru (like sales taxes and fuel) revenues & expenses
2. Major maintenance & repair line items are spent mainly only when needed and are based on contingencies plus historical patterns
3. Most costs are fixed within the operation, not variable based on projects or activities that can be chosen to not be done (those are in the capital budgets)
4. Administrative costs contain both IMU's operational administration + shared services (Clerk's Office, IT, HR, etc.) which are then allocated to each of the 3 operational utilities using a blended formula of time, revenue, and FTEs of each

Trustees next requested a review of the 5-year Capital Improvement Plans as updated to the FY 2015 budget. Those are contained in the attached slides also. Main points-

1. Funds for the Electric Utility exist within existing cash flows from capital-based (vs. rate revenues) sources if they are not used to for Operations & Maintenance. A source for additional expenditures to meet needs unforeseen today (but likely due to major maintenance & regulatory compliance) is that MEAN capacity payments may well increase between now and 2018 if the MISO auction price rises due to their projected capacity shortages.
2. Water Utility funds exist within the existing rate structure, and are able to increase in 2017 due to retirement of the water revenue bonds issued to construct the plant.

Financial Impact

N/A

Staff Recommendation

Attachments

Budget Worksheets

EL - Combined	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Sales of Electricity & Peaking	$ 11,939,000	$ 11,808,400	$ 11,927,000	$ 118,600	$ 12,694,000
Sales Taxes	321,200	250,000	260,000	10,000	275,000
Other	1,225,000	1,366,100	1,400,000	33,900	1,434,700
Total O&M Revenue	**$ 13,485,200**	**$ 13,424,500**	**13,587,000**	**162,500**	**$ 14,403,700**
Expenditures:					
Purchased Energy & Fuel	$ 7,797,000	$ 8,342,000	$ 9,066,000	$ 724,000	$ 9,463,200
Operational Salaries	750,100	782,200	825,800	43,600	814,300
Operational Benefits	377,800	369,900	400,600	30,700	428,000
Materials, Suppl. & Contracts	518,300	517,100	535,700	18,600	536,800
Sales Taxes & Use Taxes	326,200	255,000	265,000	10,000	280,000
PILOT	538,700	538,700	577,100	38,400	587,400
Debt Service - Interest	792,800	307,800	278,300	(29,500)	263,800
Overhead, Admin & EE	1,080,500	948,300	1,052,200	103,900	1,082,900
Depreciation (Est)	1,328,500	1,328,500	1,368,400	39,900	1,409,500
Total O&M Expenses	**$ 13,509,900**	**$ 13,389,500**	**14,369,100**	**979,600**	**$ 14,865,900**
Net Income (Operating & Other)	**$ (24,700)**	**$ 35,000**	**(782,100)**	**(817,100)**	**$ (462,200)**
Capital Activities:					
Major Maintenance via Capital Fund	$ (195,000)	$ (52,500)	$ (135,000)	$ (82,500)	$ (115,000)
Capital Contributions (Fiber)	119,500	182,500	199,000	16,500	217,000
Capital Contributions (Electric)	41,700	47,900	41,700	(6,200)	41,700
Net Income	**$ (58,500)**	**$ 212,900**	**(676,400)**	**(889,300)**	**$ (318,500)**

EL - Combined

	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Cash Flow:					
Net Income + Depreciation	$ 1,270,000	$ 1,541,400	$ 692,000	$ (849,400)	$ 1,091,000
Water Loan Principal	214,800	554,800	220,200	(334,600)	225,800
Debt Service Principal	(555,000)	(1,040,000)	(540,000)	500,000	(555,000)
Debt Service Reserve Change	-	-	-	-	-
Capital Contributions (Developers)	925,000	1,885,100	125,000	(1,760,100)	125,000
Proceeds from Debt Issues	5,000,000	-	-	-	-
Capital Projects	(1,160,600)	(4,287,700)	(786,600)	3,501,100	(953,000)
Designated for Future Projects	-	-	-	-	-
Net Cash Flow	**$ 5,694,200**	**$ (1,346,400)**	**$ (289,400)**	**$ 1,057,000**	**$ (66,200)**
Ending O&M and Capital Fund Balances:	$ 11,550,500	$ 4,509,900	$ 4,220,500		$ 4,154,300
Designated for Future Projects	5,000,000	-	-		-
Reserve Targets	3,785,900	3,732,900	3,969,000		4,154,300
Over/(Under)	**$ 2,764,600**	**$ 777,000**	**$ 251,500**	**$ (525,500)**	**$ -**
Days Cash of O&M Activities & Major Main	**188**	**126**	**114**		**108**
Adjusted Days Liquidity	**210**	**140**	**121**		**115**
Debt Service Coverage Ratio w/ PILOT	**1.9**	**1.8**	**1.9**		**2.4**
Debt Service Coverage Ratio w/o PILOT	**1.6**	**1.2**	**1.1**		**1.5**
Fixed Obligation Charge Coverage Ratio	**1.3**	**1.1**	**1.0**		**1.2**
Debt Ratio	**25%**	**16%**	**13%**		**12%**

Electric Utility
Revenue

ELECTRIC UTILITY O&M	2014 BUDGET	2014 RE-EST	2015	2016	NOTES
GROSS MARGIN WORKSHEET					
Total MWh Purchased	**125,900**	**128,000**	**126,300**	**127,200**	
Losses	**(8,060)**	**(7,300)**	**(7,450)**	**(7,500)**	
Total MWh Sold	**117,840**	**120,700**	**118,850**	**119,700**	
Base Sale per kWh	$ 0.1018	$ 0.0970	$ 0.1002	$ 0.1059	5.75% Jan 2015 & 5.75% Jan 2016
Base Sales (EL)	$ 11,646,000	$ 11,333,000	$ 11,524,000	$ 12,281,000	MWh * rate less $100k uncollected
Demand Charges	250,000	350,000	360,000	370,000	
Total Base Revenue	$ 11,896,000	$ 11,683,000	$ 11,884,000	$ 12,651,000	
Energy Adjustment Sales	$ -	$ -	$ -	$ -	
Total Sales of Electricity	**$ 11,896,000**	**$ 11,683,000**	**$ 11,884,000**	**$ 12,651,000**	
Purchased Power	$ 7,130,000	$ 7,560,000	$ 8,290,000	$ 8,650,000	Rates Include LFG + Wholesale
Transmission	$ 617,000	$ 672,000	$ 726,000	$ 763,200	Jan 2013 MISO incr + 2014 MVP Projects
Total Cost of Energy	**$ 7,747,000**	**$ 8,232,000**	**$ 9,016,000**	**$ 9,413,200**	
Budgeted Gross Margin	**$ 4,149,000**	**$ 3,451,000**	**$ 2,868,000**	**$ 3,237,800**	
Less: Change in Fund Balance Reserves	10,700	93,300	236,100	185,300	
Less: PILOT	538,700	538,700	577,100	587,400	
Remaining Gross Margin	**$ 3,599,600**	**$ 2,819,000**	**$ 2,054,800**	**$ 2,465,100**	
Increase from budget or prior year		**$ (780,600)**	**$ (764,200)**	**$ 410,300**	

Electric Utility
Revenue

ELECTRIC UTILITY O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
630-REV						
630-8200-40650	Pole Franchise Fee	$ 33,300	$ 33,300	$ 33,000	$ 33,000	Mediacom/Century Link
630-8200-43000	Time Certificate/Interest	130,000	110,000	110,000	110,000	Based on fund balances
630-8200-45001	Admin Fee-Electric	20,000	26,000	20,000	20,000	Electric Penalties
630-8200-45400	Connection Fees	25,000	27,000	25,000	25,000	Connection/Reconnection Charge
630-8200-45405	Disconnect Fee	25,000	40,000	37,500	37,500	Disconnection Notice Fee
630-8200-45450	Collection Service Recovery	300	300	300	300	
630-8200-45550	Return Check Fee	1,500	2,500	1,700	2,000	
630-8200-45629	MISO Credits	-	95,600	102,000	110,000	20% of MISO 69kV Transmission Credits
630-8200-45630	Electric Service Fees-Sales	11,896,000	11,683,000	11,884,000	12,651,000	Autocalc Formula, Sale of Electricity
630-8200-45631	Peaking Power & Energy	43,000	125,400	43,000	43,000	MEAN - 80% Balanced to fuel expenses
630-8200-45632	Peaking Capacity	270,000	88,800	88,800	88,800	20% of MEAN Contract
630-8200-45633	Substation Capacity	88,900	17,800	17,800	17,800	20% of MEC Contract
630-8200-45634	Electric Service Fees-Const	4,000	5,000	4,000	4,000	
630-8200-45635	Electric Service Fees-Temp	1,000	2,500	1,000	1,000	
630-8200-45636	Electric Meter Fees-Perm	4,000	7,500	4,000	4,000	
630-8200-45637	Cash Adjustment	-	-	-	-	
630-8200-45639	Renewable Energy Cont.	16,000	15,500	15,000	15,000	Wind Resource $.01/kWh
630-8200-47100	Refunds/Reimbursements	-	8,000	-	-	Reimb./MCG Locates
630-8200-47106	Project Share Contributions	-	100	-	-	
630-8200-47400	Miscellaneous Sales	25,000	21,400	15,000	15,000	Sale of Junk, Transformers, Line wreck-outs
630-8200-48010	Sale of Vehicles/Equipment	-	-	-	-	
630-8200-48900	Sales Tax	321,200	250,000	260,000	275,000	Budget sales tax from billing & connection fees
630-8200-49900	Transfer In-Water Imrovement	270,800	610,800	270,800	270,800	Water Loan
	Total Revenue	**$ 13,175,000**	**$ 13,170,500**	**$ 12,932,900**	**$ 13,723,200**	

ELECTRIC UTILITY O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
8210, 8220						
630-8210-60170	*Salary Operational	$ 57,100	$ 58,600	$ 62,000	$ 63,800	50% of Total Salary (50%)
630-8210-61100	FICA-City Contribution	8,300	8,900	9,100	9,300	7.65%
630-8210-61300	IPERS-City Contribution	9,700	10,400	10,600	10,800	8.93%
630-8210-61420	Deferred Comp-457	1,800	1,800	1,800	1,800	
630-8210-61810	Clothing Allowance	500	500	500	500	Clothing Allowance per contract
630-8210-62300	Education/Training	1,500	1,500	1,500	1,500	Training, Lodging & Meals
630-8210-63710	Utilities-Electric	14,000	28,000	30,000	31,000	Add $300, $500 for REC @ 25%
630-8210-63710	Natural Gas-Boiler	10,000	6,000	6,000	6,000	Billed to MEAN, NG
630-8210-63710	Natural Gas-Plant	1,000	1,000	1,000	1,000	
630-8210-64070	Engineering	2,500	2,500	2,500	2,500	
630-8210-64900	Misc. Consulting	2,500	2,500	2,500	2,500	
630-8210-65010	Chemicals	3,000	3,000	3,000	3,000	Isoguard
630-8210-65049	Fuel	5,000	5,000	5,000	5,000	
630-8210-65500	PPE & Uniforms	1,000	1,000	1,000	1,000	Provided by Utility
630-8220-60150	*Salary Maintenance	51,400	57,500	55,800	57,500	45% of Total Salary (45%)
630-8220-63100	Repair/Maint-Bldg/Grounds	10,000	15,000	10,000	10,000	
630-8220-63410	Repair/Maint-Equipment	20,000	20,000	20,000	20,000	Plant Engine Repairs/Maint.
630-8220-64090	Janitorial Services	25,000	25,000	25,000	25,000	
630-8220-64200	Inspections/Testing	2,000	2,000	2,000	2,000	
630-8220-65072	Materials/Supplies-Maint.	27,500	27,500	27,500	27,500	
	Total Plant	**$ 253,800**	**$ 277,700**	**$ 276,800**	**$ 281,700**	

ELECTRIC UTILITY O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
8225						
630-8225-63410	Repair/Maint-Equipment	$ 25,000	$ 25,000	$ 25,000	$ 25,000	Turbines & Substations
630-8225-64990	Misc. Consulting	5,000	5,000	5,000	5,000	Consulting/Engineering-Turbines
630-8225-65049	Fuel	45,000	105,000	45,000	45,000	Balanced to revenue
	Total Turbines	**$ 75,000**	**$ 135,000**	**$ 75,000**	**$ 75,000**	
8230						
630-8230-63991	Purchased Energy	$ 6,987,500	$ 7,411,600	$ 8,026,200	$ 8,386,200	Autocalc Formula from Revenue Worksheet
630-8230-63990	Purchased Renewable Energy	$ 142,500	$ 148,400	$ 263,800	$ 263,800	LFG + 4.8 MW/year @ $.01
630-8230-63992	Transmission	$ 617,000	$ 672,000	$ 726,000	$ 763,200	New MISO rates from 69kV - Autocalc
	Total Purchased Energy	**$ 7,747,000**	**$ 8,232,000**	**$ 9,016,000**	**$ 9,413,200**	

ELECTRIC UTILITY O&M			2014 BUDGET	2014 RE-EST	2015	2016	NOTES
8240, 8250							
630-8240-60180	*Salary Superintendent		$ 79,000	$ 79,000	$ 81,100	$ 83,600	95% of total wages
630-8240-61100	FICA-City Contribution		6,100	6,100	6,200	6,400	7.65%
630-8240-61300	IPERS-City Contribution		7,100	7,100	7,200	7,500	8.93%
630-8240-61420	Deferred Comp-457		2,100	2,100	2,100	2,100	
630-8240-61810	Clothing Allowance		2,200	2,200	2,200	2,200	Clothing Allowance per contract, Bob, Mike
630-8240-62300	Education/Training		8,500	8,500	8,500	8,500	Apprentice Program, Training, Lodging & Meals
630-8240-63710	Natural Gas-Line Shop		5,000	3,500	5,000	5,000	
630-8240-63730	Telephone		4,000	3,800	3,900	4,000	EL Dept.Cell Phones
630-8240-64070	Engineering		2,500	2,500	2,500	2,500	Engineering-Dist. System
630-8240-64900	Misc. Consulting		2,500	2,500	2,500	2,500	Consulting
630-8240-65500	PPE & Uniforms		15,000	2,500	2,500	2,500	FR Clothing
630-8240-65990	Miscellaneous		2,000	2,000	2,000	2,000	Property Tax
630-8250-60150	*Salary Maintenance		520,400	540,700	578,100	559,100	Hire in October 2014; 1 retirement in 2016
630-8250-61100	FICA-City Contribution		39,800	41,400	44,300	42,800	7.65%
630-8250-61300	IPERS-City Contribution		46,500	48,300	51,600	49,900	8.93%
630-8250-61420	Deferred Comp-457		9,000	7,000	10,800	10,800	
630-8250-63423	Repair/Maint-Street Lights		15,000	20,000	20,000	20,000	
630-8250-63453	Repair/Maint-System		30,000	30,000	30,000	30,000	Transformer Disposal
630-8250-64151	Equipment Rental		5,000	5,000	5,000	5,000	
630-8250-64200	Inspections/Testing		20,000	20,000	20,000	20,000	Bi-annual relay & meter testing, PCB testing
630-8250-64750	Boring		30,000	30,000	30,000	30,000	System Maint. & Repair
630-8250-64990	Misc. Contractual		25,000	25,000	25,000	25,000	Tree trimming/mowing
630-8250-65072	Materials/Supplies-Maint.		150,000	135,000	150,000	150,000	Line/System repairs
	Total Distribution		**$ 1,026,700**	**$ 1,024,200**	**$ 1,090,500**	**$ 1,071,400**	

ELECTRIC UTILITY O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
8255						
630-8255-60150	Salary	$ 9,900	$ 9,900	$ 10,500	$ 10,800	5% Supt. and Operators
630-8255-61100	FICA	$ 800	$ 800	$ 800	$ 900	7.65%
630-8255-61300	IPERS	$ 900	$ 900	$ 900	$ 1,000	8.93%
630-8255-63100	Repair/Maint-Bldg/Grounds	$ -	$ -	$ -	$ -	
630-8255-64151	Equipment Rental	$ -	$ -	$ -	$ -	
630-8255-64200	Inspections/Testing	$ -	$ -	$ -	$ -	
630-8255-64900	Misc. Consulting	$ -	$ -	$ -	$ -	
630-8255-65072	Materials/Supplies-Maint.	$ -	$ -	$ -	$ -	
630-8255-65990	Miscellaneous (Prop. Tax)	$ -	$ 500	$ 500	$ 500	
	Total Transmission	**$ 11,600**	**$ 12,100**	**$ 12,700**	**$ 13,200**	

ELECTRIC UTILITY O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
8260						
630-8260-65050	Vehicle Operating Supplies	$ 30,000	$ 30,000	$ 30,000	$ 30,000	Fuel
630-8260-63320	Repair/Maint-Vehicles	40,000	35,000	40,000	40,000	Bucket for service vehicle
630-8260-65072	Materials/Supplies-Maint.	5,000	5,000	5,000	5,000	
	Total Fleet	**$ 75,000**	**$ 70,000**	**$ 75,000**	**$ 75,000**	
8270						
630-8270-60165	Salary Meter Readers	$ 32,300	$ 36,500	$ 38,300	$ 39,500	80% of Total MR Salary/40% of Total NS Salary
630-8270-61100	FICA-City Contribution	2,500	2,800	3,000	3,100	7.65%
630-8270-61300	IPERS-City Contribution	2,900	3,300	3,400	3,500	8.93%
630-8270-61810	Clothing Allowance	1,000	1,000	1,000	1,000	Clothing Allowance per contract, Uniforms
630-8270-64020	Advertising & Legal Notices	800	800	800	800	Project Share
630-8270-64990	Misc. Contractual	3,000	3,000	3,000	3,000	Itron
	Total Customer	**$ 42,500**	**$ 47,400**	**$ 49,500**	**$ 50,900**	
8280						
630-8280-61430	Employee Assist. Program	$ 300	$ 300	$ 400	$ 400	
630-8280-61440	Wellness	500	500	500	500	
630-8280-61500	Health/Drug Insurance	170,300	171,400	178,600	205,400	
630-8280-69825	Transfer Out-HRA	14,800	16,500	18,000	19,500	
630-8280-69550	Transfer Out-STD	2,600	2,600	2,800	2,800	
630-8280-61550	LTD/ADD/Life	2,600	2,600	2,800	2,800	
630-8280-61599	Workers' Comp Insurance	20,500	18,900	29,500	30,500	
630-8280-64081	Insurance-Auto	8,300	8,200	8,300	8,300	
630-8280-64082	Insurance-General Liability	18,600	22,000	22,000	22,000	
630-8280-64083	Insurance-Property	64,400	64,100	65,000	65,000	
630-8280-64084	Insurance Boiler/Machinery	42,900	41,600	42,000	42,000	
630-8280-64121	Drug/Alcohol Testing	500	2,000	2,000	2,000	
630-8280-64180	Sales Tax	321,200	250,000	260,000	275,000	Tie to Revenue
630-8280-64181	Use Tax	5,000	5,000	5,000	5,000	Treasurer, State of Iowa
	Total Overhead	**$ 672,500**	**$ 605,700**	**$ 636,900**	**$ 681,200**	

ELECTRIC UTILITY O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
8290						
630-8290-64010	Audits	$ -	$ -	$ -	$ -	Moved to IMU Admin
630-8290-64900	Misc. Consulting	6,000	6,000	6,000	6,000	Rate Study Update
630-8290-64990	Misc. Contractual	3,000	3,000	3,000	3,000	
630-8290-66990	Refund/Reimbursemsnt	2,000	2,000	2,000	2,000	Refund Account Receivable
630-8290-67240	Computer Hardware/Software	1,000	1,000	1,000	1,000	
630-8290-67306	Energy Efficiency Program	113,000	34,500	90,000	96,000	Reduction in target to .75% of rate revenue
	Total Administrative	**$ 125,000**	**$ 46,500**	**$ 102,000**	**$ 108,000**	
8297						
630-8297-69125	Transfer Out-Revolv. Loan E.D.	$ -	$ -	$ -	$ -	To Fund #625-5200-49000
630-8297-69713	Transfer Out-Electric Rev. Bonds	1,347,800	1,347,800	818,300	818,800	To Fund #793-8200-49793 (Debt Service)
630-8297-69713	Transfer Out-Electric Improve	-	-	-	-	To Fund #730-8200-49793
630-8297-69753	Transfer Out-Electric Improve	770,700	-	(700,000)	(425,000)	To Fund #730-8200-49793 (From Capital Fund)
630-8297-69753	Transfer Out-Bond Reserve	-	-	-	-	To Fund #773-8200-49793
630-8297-69880	Transfer Out-Administration	735,800	693,900	735,900	760,600	To Fund #620-8000-49880; Autocalc Formula
	Total IMU Transfers	**$ 2,854,300**	**$ 2,041,700**	**$ 854,200**	**$ 1,154,400**	
8298-8299						
630-8298-69101	Transfer Out-PILOT	538,700	538,700	577,100	587,400	Tied to revenue worksheet (5% of audited rev.)
630-8299-64131	IDA (Indianola Dev. Assoc.)	55,000	55,000	55,000	55,000	Potential increased marketing
630-8299-64850	Sponsorship/Support	30,000	15,000	20,000	20,000	In-Kind Donations/Promos
	Emergency Reserve	-	-	-	-	
	Total Development	**$ 623,700**	**$ 608,700**	**$ 652,100**	**$ 662,400**	

5 YR CAPITAL IMPROVEMENT PLAN
ELECTRIC UTILITY

PROJECT	ACCOUNT CODE	CURRENT 2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
VEHICLES								
Service Truck		164,300						Balance of Randy's, Tim's new
Meter Reader Pickup		25,000						
Crew Chief Pickup			25,000			25,000		Greg, 3rd Crew Chief
Line Truck			175,000			200,000		Unit #28, #29 Replacement
Digger Derrick				150,000				Unit #30 Replacement
Directional Boring Machine				175,000				
Underground Service Vehicle					100,000			
Dump Truck					30,000			
Vacuum Excavator					50,000			
	730-8200-67100	**189,300**	**200,000**	**325,000**	**180,000**	**225,000**	**-**	
TURBINES								
Major Maintenance		27,500	60,000	65,000	70,000	75,000	75,000	Torque Converter
Remote Breaker Racking Unit		65,000						
Turbine Painting		25,000	75,000	50,000				W/Chromium Removal
Turbine Clutch Replacement					200,000			
East Iowa Switchgear Replacement						375,000	375,000	Check w/ Al
Turbine Controls Update						150,000	150,000	
	730-8200-67245	**117,500**	**135,000**	**115,000**	**270,000**	**600,000**	**600,000**	
CUSTOMER PAID BORING								
New Service Installation	**730-8200-67303**	**35,000**	**35,000**	**35,000**	**35,000**	**35,000**	**35,000**	
CUSTOMER PAID MATERIALS								
New Service Installation, Streetlights	**730-8200-67304**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**	
TRANSMISSION FACILITIES								
69kV Line Major Maintenance		-	-	60,000	75,000	75,000	75,000	Pole Replacement
	730-8200-67305	**-**	**-**	**60,000**	**75,000**	**75,000**	**75,000**	
PROJECT 700								
Private Service Upgrades	**730-8200-67307**	**2,900**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	
LINE CONSTRUCTION								
Major Streetlight Replacement		60,000	60,000					Square Lighting
Major Line Replacement		20,000	60,000	60,000	60,000	60,000	60,000	
	730-8200-67311	**80,000**	**120,000**	**60,000**	**60,000**	**60,000**	**60,000**	
FIBER LINE CONSTRUCTION								
New Trunk Lines		117,700	100,000	100,000	100,000	100,000	100,000	New Projects
Service Drops & ONT's		203,000	125,000	125,000	125,000	125,000	125,000	New Customers
	730-8200-67601	**320,700**	**225,000**	**225,000**	**225,000**	**225,000**	**225,000**	

5 YR CAPITAL IMPROVEMENT PLAN
ELECTRIC UTILITY

PROJECT		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
BUILDING MAINTENANCE								
Major Building Maint.		35,000	35,000	35,000	35,000	35,000	35,000	Lineshop Overhead Doors, Exhau
	730-8200-67900	**35,000**	**35,000**	**35,000**	**35,000**	**35,000**	**35,000**	
COMPUTER SOFTWARE								
Network Upgrades	**730-8200-67901**	**-**	**-**	**100,000**	**-**	**-**	**-**	SCADA Upgrade
RADIO READ METERS								
Meter Replacement	**730-8200-67904**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	
ANNUAL ELECTRIC SUB TOTALS		**$ 890,400**	**$ 863,000**	**$ 1,068,000**	**$ 993,000**	**$ 1,368,000**	**$ 1,143,000**	
PRIOR YR FUND BALANCE PROJECTS								
Phase I, East Side Conversion	**730-8200-67301**	117,300						
Fiber Line Construction, East Side	**730-8200-67601**	-						
Fiber Service Drops, East & West Side	**730-8200-67603**	-						
Fiber PoP Equipment	**730-8200-67602**	6,400						
Summercrest Hills	**730-8200-67314**	124,000	58,600					
3-Phase Project - 65/69 Conversion	**730-8200-67312**	740,000						
Highway 92 West 69kV Relocation-Dist.	**730-8200-67903**	851,800						
Highway 92 West 69kV Relocation-Trans.	**730-8200-67905**	1,187,300						
I-35 Transmission Relocation Project	**730-8200-67907**	948,000						
Inventory Purchased Prior Year	**730-8200-67906**	(525,000)						
		3,449,800	**58,600**	**-**	**-**	**-**	**-**	
ELECTRIC EXPENDITURE TOTALS		**$ 4,340,200**	**$ 921,600**	**$ 1,068,000**	**$ 993,000**	**$ 1,368,000**	**$ 1,143,000**	
REVENUES:								
IDOT + MEC Reimbursements	**730-8200-47100**	1,741,300						
Electric System Installation Fees	**730-8200-45638**	191,700	166,700	166,700	166,700	166,700	166,700	
Fiber Lease Fees	**730-8200-45853**	182,500	199,000	217,000	253,000	289,000	325,000	
69kV Substation Capacity	**730-8200-45633**	71,200	71,100	71,100	71,100	71,100	71,100	
80% of MISO 30.9 Credits & CAPX	**730-8200-45629**	382,400	448,000	480,000	480,000	480,000	480,000	
80% of Peaking Capacity Contract	**730-8200-45632**	355,200	355,200	355,200	355,200	355,200	355,200	
NET EXPENDITURES		**$ 1,415,900**	**$ (318,400)**	**$ (222,000)**	**$ (333,000)**	**$ 6,000**	**$ (255,000)**	
BUDGETED SUBSIDY TRANSFER TO O&M FUND		$ -	$ 700,000	$ 425,000	$ -	$ -	$ -	
5- YEAR BALANCE NET							**$ (2,600)**	

WA - Combined	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Sales of Water	$ 2,153,000	$ 2,252,200	$ 2,162,100	$ (90,100)	$ 2,154,100
Sales Taxes	129,200	135,100	129,700	(5,400)	129,200
Other	121,300	156,200	141,100	(15,100)	138,600
Total O&M Revenue	**$ 2,403,500**	**$ 2,543,500**	**2,432,900**	**(110,600)**	**$ 2,421,900**
Expenditures:					
Operational Salaries	363,500	378,200	405,800	27,600	417,900
Operational Benefits	164,800	159,500	178,300	18,800	192,500
Materials, Suppl. & Contracts	353,500	356,200	358,500	2,300	372,200
Sales Taxes & Use Taxes	129,200	135,100	129,700	(5,400)	129,200
PILOT	70,800	70,800	68,300	(2,500)	69,800
Debt Service - Interest	88,100	85,000	75,900	(9,100)	65,000
Overhead, Admin & EE	200,500	189,200	199,800	10,600	205,400
Depreciation (Est)	575,000	575,000	585,000	10,000	595,000
Total O&M Expenses	**$ 1,945,400**	**$ 1,949,000**	**2,001,300**	**52,300**	**$ 2,047,000**
Net Income (Operating & Other)	**$ 458,100**	**$ 594,500**	**431,600**	**(162,900)**	**$ 374,900**
Capital Activities:					
Major Maintenance via Capital Fund	$ (85,000)	$ (85,000)	$ (85,000)	$ -	$ (25,000)
Net Income	**$ 373,100**	**$ 509,500**	**346,600**	**(162,900)**	**$ 349,900**

Cash Flow:					
Net Income + Depreciation	$ 948,100	$ 1,084,500	$ 931,600	$ (152,900)	$ 944,900
Sale of Land	-	20,000	20,000	-	20,000
Debt Service Principal	(1,056,700)	(979,200)	(645,200)	334,000	(650,800)
Debt Service Reserve Change	-	-	-	-	-
Capital Contributions (Developers)	-	-	-	-	-
Proceeds from Debt Issues	-	-	-	-	-
Capital Projects	(635,000)	(560,000)	(495,000)	65,000	(515,000)
Designated for Future Projects	-	-	-	-	-
Net Cash Flow	**$ (743,600)**	**$ (434,700)**	**$ (188,600)**	**$ 246,100**	**$ (200,900)**
Ending O&M and Capital Fund Balances:	$ 784,500	$ 1,093,400	$ 904,800		$ 703,900
Designated for Future Projects	-	-	-		-
Reserve Targets	631,300	666,600	686,600		703,900
Over/(Under)	**$ 153,200**	**$ 426,800**	**$ 218,200**	**$ (208,600)**	**$ -**
Days Cash on Hand of O&M Activities	**117.98**	**169.60**	**160.20**		**122.18**

Water Utility
Revenue

WATER UTILITY O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
600-REV						
600-8100-43000	Time Certificate/Interest	$ 35,000	$ 25,000	$ 25,000	$ 25,000	Based on fund balances; declining rates
600-8100-43100	Rent-Land/Facilitites	3,100	3,100	3,100	3,100	Farm Ground
600-8100-43127	Rent-Trailer Parking	2,100	500	-	-	Bank Parking Lot Rent
600-8100-43400	Lease-Utility	27,000	32,000	36,000	36,000	Antennae Rent/US Cellular (AT&T new)
600-8100-45001	Admin Fee-Water	15,000	21,600	20,000	17,500	
600-8100-45150	Fire Service Fees	6,500	8,500	8,500	8,500	Fire Protection
600-8100-45400	Connection Fees	7,000	18,000	15,000	15,000	New customers, new construction taps (permit)
600-8100-45450	Collection Service Recovery	100	-	-	-	TSI/CMS Collections
600-8100-45600	Metered Water Sales	2,153,000	2,252,200	2,162,100	2,154,100	335,000 FY 2015 & FY 2016
600-8100-45601	Water Construction Meters	500	1,200	1,000	1,000	
600-8100-45602	Water Meter Fees	15,000	28,000	20,000	20,000	Permit Fees
600-8100-45603	Other Fees	10,000	15,000	12,500	12,500	Hydrant/Sewer Reduction Meters
600-8100-46600	Special Assessments-Water	-	2,800	-	-	Warren Water main service taps
600-8100-46697	Water Assessment	-	-	-	-	W. Euclid Assessment
600-8100-47100	Refunds/Reimbursements	-	-	-	-	
600-8100-47400	Miscellaneous Sales	-	500	-	-	Sale of Junk
600-8100-48900	Sales Tax	129,200	135,100	129,700	129,200	Budget sales tax from new system
	Total Revenue	**$ 2,403,500**	**$ 2,543,500**	**$ 2,432,900**	**$ 2,421,900**	

WATER UTILITY O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
8110, 8120						
600-8110-60170	*Salary Operational	$ 123,900	$ 150,300	$ 156,800	$ 161,500	50% of Total Salary + OT
600-8110-60180	*Salary Superintendent	80,000	79,400	82,300	84,800	100% of Total Salary
600-8110-61100	FICA-City Contribution	15,600	17,600	18,300	18,900	7.65%
600-8110-61300	IPERS-City Contribution	18,200	20,500	21,400	22,000	8.93%
600-8110-61420	Deferred Comp-457	6,600	6,600	6,600	6,600	
		$ 244,300	**$ 274,400**	**$ 285,400**	**$ 293,800**	
600-8110-62100	Membership Dues/Subscripts.	$ 3,000	$ 3,000	$ 3,000	$ 3,000	
600-8110-62300	Education /Training	5,500	5,500	5,500	5,500	Training, Lodging & Meals
600-8110-63710	Utilities	139,000	137,000	146,000	150,000	Electric + Telecom
600-8110-63730	Telephone	2,000	2,000	2,000	2,000	WA Dept. Cell Phones
600-8110-64990	Misc. Contractual	10,000	10,000	10,000	10,000	Consulting/Engineering-Plant/Keystone, Mowing
600-8110-64900	Misc. Consulting	-	-	-	-	
600-8110-65082	Freight	11,000	11,000	11,000	12,000	
		$ 170,500	**$ 168,500**	**$ 177,500**	**$ 182,500**	
600-8110-61810	Uniforms/Clothing Allowance	$ 2,000	$ 2,000	$ 2,000	$ 2,000	Clothing Allowance per contract, Lou
600-8110-65010	Chemicals	64,000	64,000	66,000	68,000	
600-8110-65012	Lab Supplies/Reagents	5,500	5,200	5,500	5,700	
600-8110-65070	Materials/Supplies/Misc	500	500	500	500	
600-8110-65500	PPE& Uniforms	500	500	500	500	Provided by Utility
		$ 72,500	**$ 72,200**	**$ 74,500**	**$ 76,700**	
600-8120-63100	Repair/Maint-Bldg./Grounds	$ 6,000	$ 2,500	$ 2,500	$ 2,500	
600-8120-63410	Repair/Maint-Equipment	25,000	20,000	25,000	26,000	Plant Repairs/Maint.
600-8120-64090	Janitorial Service	2,500	2,500	2,500	2,500	Plant cleaning, waste disposal
600-8120-65070	Materials/Supplies/Misc	4,000	4,000	4,000	4,000	
		$ 37,500	**$ 29,000**	**$ 34,000**	**$ 35,000**	
	Total Plant	**$ 524,800**	**$ 544,100**	**$ 571,400**	**$ 588,000**	

WATER UTILITY O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
8150						
600-8150-60150	*Salary Maintenance	$ 151,500	$ 140,200	$ 156,900	$ 161,600	50% of Total Salary
600-8150-61100	FICA-City Contribution	11,600	10,800	12,000	12,400	7.65%
600-8150-61300	IPERS-City Contribution	13,500	12,600	14,000	14,500	8.93%
600-8150-63453	Repair/Maint-System	30,000	45,000	30,000	35,000	
600-8150-64070	Engineering	1,000	1,000	1,000	1,000	
600-8150-64900	Misc. Consulting	3,000	3,000	3,000	3,000	Consulting Services-Dist. System
600-8150-65072	Materials/Supplies-Maint.	25,000	25,000	25,000	25,000	
	Total Distribution	**$ 235,600**	**$ 237,600**	**$ 241,900**	**$ 252,500**	
8160						
600-8160-65050	Vehicle Operating Supplies	$ 2,500	$ 15,000	$ 15,000	$ 15,000	Fuel
600-8160-63320	Repair/Maint-Vehicles	15,000	2,500	2,500	2,500	
600-8160-65072	Materials/Supplies-Maint.	1,000	1,000	1,000	1,000	
	Total Fleet	**$ 18,500**	**$ 18,500**	**$ 18,500**	**$ 18,500**	

WATER UTILITY O&M			2014 BUDGET		2014 RE-EST		2015		2016	NOTES
8170										
600-8170-60165	*Salary Meter Readers	$	8,100	$	8,300	$	9,800	$	10,000	20% of Total MR Salary/10% of Total NS Salary
600-8170-61100	FICA - City Contribution		600		700		800		800	7.65%
600-8170-61300	IPERS Contribution		700		800		900		900	8.93%
600-8170-64990	Misc. Contractual		3,000		1,500		2,500		3,000	Itron
	Total Customer	**$**	**12,400**	**$**	**11,300**	**$**	**14,000**	**$**	**14,700**	
8190										
600-8190-64010	Audits	$	-	$	-	$	-	$	-	Moved to IMU Admin
600-8190-64990	Misc. Contractual		1,200		1,200		1,200		1,200	Off Site Back Up, Email Hosting
600-8190-66990	Refund/Reimbursement		400		400		400		400	Refund Account Receivable
	Total Admin.	**$**	**1,600**	**$**	**1,600**	**$**	**1,600**	**$**	**1,600**	
8180										
600-8180-61430	Employee Assist. Program	$	100	$	100	$	100	$	100	
600-8180-61440	Wellness		1,000		1,000		1,000		1,000	
600-8180-61500	Health / Drug Insurance		72,000		63,500		72,000		82,800	
600-8180-61550	LTD/ADD/Life		1,300		1,300		1,300		1,300	
600-8180-61599	Workers' Comp Insurance		8,400		8,200		14,000		15,000	
600-8180-64081	Insurance-Auto		2,300		2,200		2,300		2,300	
600-8180-64082	Insurance-General Liability		5,800		5,600		5,800		5,800	
600-8180-64083	Insurance-Property		18,000		17,500		18,000		18,000	
600-8180-64084	Insurance-Boiler/Machinery		2,800		2,700		2,800		2,800	
600-8180-64121	Drug/Alcohol Testing		200		200		200		200	
600-8180-64180	Sales Tax		129,200		135,100		129,700		129,200	Auto Calc
600-8180-69550	Transfer Out-STD		1,100		1,100		1,200		1,200	
600-8180-69825	Transfer Out-HRA		6,600		7,200		7,200		7,500	
	Total Overhead	**$**	**248,800**	**$**	**245,700**	**$**	**255,600**	**$**	**267,200**	

WATER UTILITY O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
8197						
600-8197-69880	Transfer Out-Administration	$ 169,800	$ 159,400	$ 169,100	$ 174,700	To Fund #620-8000-49880; Autocalc Formula
600-8197-69900	Internal Loan to EL (Plant)	688,300	610,800	270,800	270,800	Plant - To IMU Fund #630-8200-49900
600-8197-69900	2003 GO Refunding, 2011A	176,600	120,300	118,900	116,700	Well & Main Replacements - To City Fund #200
600-8197-69900	GO Bonds Series 2012B	-	53,200	53,600	53,200	
600-8197-69900	Water Capital Fund	150,600	18,000	431,900	420,300	To Fund #700-8100-49900
600-8197-69910	Transfer Out-Water Rev Bond	279,900	279,900	277,800	275,100	Plant - To IMU Fund #790-8100-49910
	Total IMU Transfers	**$ 1,465,200**	**$ 1,241,600**	**$ 1,322,100**	**$ 1,310,800**	
8198						
600-8198-69101	Transfer Out-PILOT	$ 70,800	$ 70,800	$ 68,300	$ 69,800	
	Emergency Reserve	-	-	-	-	
	Development	**$ 70,800**	**$ 70,800**	**$ 68,300**	**$ 69,800**	

5 YR CAPITAL IMPROVEMENT PLAN
WATER UTILITY

PROJECT		Current 2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
VEHICLES								
Pickup Replacement		25,000			30,000			
Vac Trailer			40,000					
Backhoe						150,000		
	700-8100-67100	**25,000**	**40,000**	**-**	**30,000**	**150,000**	**-**	
WARREN WATER TERRITORY								
Land/Territory Acquisition	**700-8100-67401**	**-**	**-**	**-**	**-**	**-**	**250,000**	Placeholder
PLANT/TOWER MAINTENANCE								
Aeration Tank		250,000						
Garage Addition			200,000					Two bay addition to existing
Plant & Garage Exterior				200,000				
Old Plant Demolition				40,000				
Claricone Painting & Tank Hatches					300,000			
Co2 Tanks & Feeders						200,000		
Tower Maintenance						50,000	50,000	Towers (Inside)
Lime Silo & Chlorine Analyzer							200,000	
	700-8100-67402	**250,000**	**200,000**	**240,000**	**300,000**	**250,000**	**250,000**	
WELL MAINTENANCE								
Well #9 & #11 Motor		80,000						Casing, Pump & Motor
Well #11			80,000					
Backwash & H.S. Pumps				20,000	20,000	20,000	20,000	
Well #10						75,000		
Well #12								Due in 2020
	700-8100-67403	**80,000**	**80,000**	**20,000**	**20,000**	**95,000**	**20,000**	
VALVE/HYDRANT REPLACEMENT								
Gatevalve & Hydrant Replacement	**700-8100-67405**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	
WATER MAINS								
Ann Parkway & 1st of Stephen Court		180,000						
W. Iowa, E to I		125,000	100,000	-				
E. Iowa, Jefferson to Buxton			125,000	125,000	-			
Caroline Terrace & 2nd of Stephen Court				140,000	140,000	-		
W. Clinton, I to H					100,000	100,000	-	
S. 1st, 500-1400 blks.						125,000	125,000	
	700-8100-67406	**305,000**	**225,000**	**265,000**	**240,000**	**225,000**	**125,000**	
WATER METERS								
Water Meter Maintenance	**700-8100-67905**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	
WATER TOTALS		**$ 695,000**	**$ 580,000**	**$ 560,000**	**$ 625,000**	**$ 755,000**	**$ 680,000**	

5 YR CAPITAL IMPROVEMENT PLAN
WATER UTILITY

PROJECT		Current 2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	
REVENUES:								
Refunds/Reimbursements	700-8100-47100	-	-	-	-	-	-	
Sale of Land	700-8100-48000	20,000	20,000	20,000	20,000	20,000	-	
Reserve Transfer In-Water Improve		-	-	-	70,700	-	-	
Bonds Issued		-	-	-	-	-	-	
O&M Transfer In-Water Improve	700-8100-49900	18,000	431,900	420,300	700,000	700,000	700,000	Revenue bond retirement
NET CASH FLOW		**$ 657,000**	**$ 128,100**	**$ 119,700**	**$ (165,700)**	**$ 35,000**	**$ (20,000)**	

Communications Utility
Revenue and Expenditures

NETWORK SERVICES O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
640-REV						
640-8550-43000	Time Certificate	$ 7,500	$ 5,000	$ 5,000	$ 5,000	
640-8550-43100	Rent-Facilities	6,000	-	-	-	Network Services Association Payments
640-8550-43400	Comm. Utility Lease	234,000	228,200	306,400	362,200	License payments via MCG
	Total Fiber Revenue	**$ 247,500**	**$ 233,200**	**$ 311,400**	**$ 367,200**	
640-EXP						
640-8299-64850	Sponsorship/Support	$ 10,000	$ 12,000	$ 10,000	$ 10,000	Indirect Marketing / Econ Dev.
640-8550-60165	*Salary Meter Readers	20,000	10,000	10,600	11,000	25% of Network Associate I
640-8550-61100	FICA - City Contribution	1,500	800	800	900	7.65%
640-8550-61300	IPERS Contribution	1,800	900	900	1,000	8.93%
640-8550-63464	Maintenance & Repair, Fiber	30,000	15,000	15,000	15,000	Maint/Repair of fiber, troubleshooting equip.
640-8550-64070	Engineering	100,000	-	100,000	-	IMU Partners Room at EMERGE
640-8550-64110	Legal Services	5,000	5,000	5,000	5,000	
640-8550-64150	Expenses - Leases	119,500	182,500	199,000	217,000	To Fund #730-8200-45853; Autocalc formula
640-8550-64900	Misc. Consulting	2,500	2,500	2,500	2,500	
640-8550-64990	Locating	5,000	4,000	4,000	4,000	For locate service AND notification
640-8550-67100	Vehicles	22,000	22,000	40,000	-	Splicing trailer (Contingency)
640-8597-69880	Transfer - Administration	89,900	84,400	89,500	92,600	To Fund #620-8000-49880; Autocalc formula
	Total Fiber Expense	**$ 407,200**	**$ 339,100**	**$ 477,300**	**$ 359,000**	

IMU Administration
Administrative Services Fund
Revenue and Expenditures

ADMIN ALLOCATION O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
620-REV						
620-8000-47100	Refunds/Reimbursements	$ -	$ -	$ -	$ -	
620-8000-49882	Transfer In-Safety Director	$ 18,000	$ 18,000	$ 18,000	$ 18,500	From Street, Sewer and General Fund
620-8000-49880	Transfer In-IMU Admin	995,500	937,700	994,500	1,027,900	From Water, Electric, & Communications
	Total Administration	$ 1,013,500	$ 955,700	$ 1,012,500	$ 1,046,400	
8090						
620-8090-60110	*Salary Administration	$ 137,300	$ 135,000	$ 143,000	$ 147,300	Program Coor & Technical Svcs.
620-8090-60165	*Salary Meter Readers	10,000	10,000	10,600	11,000	25% of Network Associate I
620-8090-60130	*Salary Clerical	36,000	37,700	37,800	39,000	Office Manager
620-8090-60190	*Salary Trustees	5,000	5,000	5,000	5,000	
620-8090-61100	FICA-City Contribution	14,400	14,500	15,100	15,500	7.65%
620-8090-61300	IPERS-City Contribution	16,800	16,400	17,600	18,100	8.93%
620-8090-61420	Deferred Comp-457	5,100	5,100	5,100	5,100	
620-8090-62100	Membership Dues/Subscripts.	48,000	47,000	48,000	49,000	
620-8090-62300	Education/Training	10,000	9,000	10,000	10,000	Training, Lodging & Meals
620-8090-62700	Mileage	1,000	500	1,000	1,000	IT Mileage
620-8090-63730	Telephone	12,000	9,000	10,000	10,000	IMU Land Lines, Internet and Admin Cell Phones
620-8090-64010	Audits	12,000	11,500	12,000	12,000	IMU Combined, EL and WA Audits
620-8090-64020	Advertising & Legal Notices	3,500	4,500	5,000	5,000	
620-8090-64110	Legal Service Fees	15,000	15,000	15,000	15,000	2011-12 Union Negotiations
620-8090-64120	Medical/Phys./Immunizations	500	500	500	500	
620-8090-64140	Printing	9,200	5,000	5,000	5,000	Annual reports
620-8090-64180	Sales Tax	1,000	100	100	100	
620-8090-64190	Computer/Technical Support	500	500	500	500	
620-8090-64500	Financial Management Services	10,000	8,000	9,000	10,000	Quarterly Investment Agreement
620-8090-64900	Misc. Consulting Services	5,000	4,000	5,000	5,000	Rate Study

IMU Administration
Administrative Services Fund
Revenue and Expenditures

ADMIN ALLOCATION O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
620-8090-64990	Miscellaneous Contractual	25,000	25,000	25,000	25,000	Copier/offsite backups/GovQA/Cr Card Processi
620-8090-65070	Materials/Supplies/Misc.	10,000	10,000	10,000	10,000	
620-8090-65077	Materials/Supplies-Promo	2,000	2,000	2,000	2,000	
620-8090-65080	Postage	3,000	2,400	2,600	3,000	Annual report/service guide only
620-8090-65990	Miscellaneous Contractual	500	800	800	800	Awards Banquet
620-8090-67240	Computer Hardware/Software	15,000	10,000	15,000	15,000	iPads, misc.
620-8098-69620	Transfer Out-City Clerk	275,400	267,400	288,900	300,000	Clerk's Office; 50% of budget
620-8098-69621	Transfer Out-Info & Tech	40,100	40,100	43,200	44,000	30% of Information Tech O&M incl newslettr
620-8098-69880	Transfer Out-IMU Admin.	27,100	27,100	27,300	31,000	25% of HR based on FTEs
	Total Administration	**$ 750,400**	**$ 723,100**	**$ 770,100**	**$ 794,900**	

8091

620-8091-60110	*Salary Administration	$ 112,600	$ 118,000	$ 121,000	$ 124,000	General Manager
620-8091-61100	FICA-City Contribution	8,600	9,100	9,200	9,400	7.65%
620-8091-61300	IPERS-City Contribution	10,100	10,600	11,000	11,500	8.93%
620-8091-61420	Deferred Comp-457	3,100	3,100	3,100	3,100	
620-8091-62300	Education/Training	3,000	3,000	4,000	4,000	Training, Lodging & Meals
620-8091-62700	Mileage	3,000	3,000	3,500	3,500	
	Total General Manager	**$ 140,400**	**$ 146,800**	**$ 151,800**	**$ 155,500**	

IMU Administration
Administrative Services Fund
Revenue and Expenditures

ADMIN ALLOCATION O&M		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
8092						
620-8092-64142	Maps/Prints	$ 10,000	$ 5,000	$ 5,000	$ 5,000	GIS
620-8092-65078	Materials/Supplies-Safety	1,200	500	500	500	
620-8092-65990	Miscellaneous	1,500	-	1,500	-	Safety Awards
620-8092-64990	Miscellaneous Contractual	16,000	6,500	6,500	6,500	IAMU Safety Training
620-8092-67245	Specialized Equipment	2,000	-	2,000	-	GIS & Computer
	Total Technical Services	**$ 30,700**	**$ 12,000**	**$ 15,500**	**$ 12,000**	
8080						
620-8080-61500	Health Insurance	$ 72,000	$ 57,600	$ 57,600	$ 66,300	
620-8080-61430	Employee Assist. Program	100	100	100	100	
620-8080-61440	Wellness Program	500	500	500	500	
620-8080-69550	Transfer Out-STD	1,000	1,000	1,000	1,000	
620-8080-61550	LTD/ADD/Life	1,100	1,100	1,100	1,100	
620-8080-61599	Workers' Comp	4,800	3,700	4,800	4,800	
620-8080-64082	Insurance-General Liability	3,600	5,000	5,000	5,000	Trustees
620-8080-69825	Transfer Out-HRA	4,400	4,800	5,000	5,200	
	Total Overhead	**$ 87,500**	**$ 73,800**	**$ 75,100**	**$ 84,000**	
620-TOTAL						
	Total Fund #620	**$ 1,009,000**	**$ 955,700**	**$ 1,012,500**	**$ 1,046,400**	
	Less: Other Revenue	**$ 991,000**	**$ 937,700**	**$ 994,500**	**$ 1,027,900**	
74%	Electric	**$ 735,800**	**$ 693,900**	**$ 735,900**	**$ 760,600**	Current FY based on last year's budget
17%	Water	**169,800**	**159,400**	**169,100**	**174,700**	
9%	Communications	**89,900**	**84,400**	**89,500**	**92,600**	

IMU Administration
Insurance Fund
Revenue and Expenditures

INSURANCE RESERVE		2014 BUDGET	2014 RE-EST	2015	2016	NOTES
855-REV						
855-9300-43000	Interest	$ -	$ 600	$ 600	$ 600	Time Certificate
855-9300-47100	Refund/Reimbursement	-	-	-	-	
855-9300-49000	Transfer In-Insurance Reserve	-	-	-	-	
	Total Ins Reserve Revenue	**$ -**	**$ 600**	**$ 600**	**$ 600**	
855-EXP						
855-8100-64089	Insurance Claims/Deductibles	$ 5,000	$ 5,000	$ 5,000	$ 5,000	WA Damage Claims
855-8200-64089	Insurance Claims/Deductibles	5,000	5,000	5,000	5,000	EL Damage Claims
855-9900-69999	Budgeted Reserve	-	-	-	-	Emergency Reserve
	Total Claims	**$ 10,000**	**$ 10,000**	**$ 10,000**	**$ 10,000**	

IMU Regular Upstairs **9. B.**
Meeting Date: 03/11/2014

Information

Subject

FY 2014 Electric Utility Financial Review Process

Information

Trustees requested at the last meeting to begin discussions with staff about cost-shifting and cost-reducing strategies in light of increases in revenue required. The attached table are FY 2015 budgeted amounts with no increases in retail rates or a cost of energy adjustment. Wholesale rates (based on data that was available in early January) are driving costs that are both immediate (FY 2014 Purchased Energy Adjustment) and ongoing in nature. Thus net income and cash flow become more negative as time passes.

The first step in this process was to enhance Trustees' understanding of cost drivers contained in the detailed budget/line items (see previous agenda item). Staff will be prepared at the meeting to address Trustees' questions on those items as they pertain to reducing budgeted amounts or changing CIP project timelines. Staff routinely uses this approach, particularly with CIP items, as an effective contingency against deteriorating financial conditions (due to either lower revenue, higher O&M costs, or unexpected capital projects) as those conditions can and do change by large amounts.

March billings and February financial data should be incorporated into the FY 2014 re-estimate to form a new, revised projection at the March 24, 2014 meeting. Staff is working on those projections as new data becomes available. So while some information will be available by this Tuesday's meeting, a precise list of adjustments that are going to be needed to meet only the minimal revenue targets in the adopted budget will take into next week. One-time resources, such as under-spending on major line & turbine maintenance compared to re-estimated amounts, will likely be needed for the one-time expenses of unanticipated Purchased Energy Adjustment costs recently incurred.

Staff would like discussion as to if Trustees prefer a monthly cost of energy adjustment vs. a general retail rate increase to meet any revenue requirements. Staff did conduct a survey of peer utilities (plus the largest 3 municipals) contained in the budget and 10 out of 14 responding as of Friday routinely do and will charge a cost of energy adjustment in 2014. IMU used the monthly adjustment from at least 1976 - 2008.

An initial adjustment effective July 2014 that scales upwards through 2016 as higher transmission (July and January) and wholesale rates (April) are imposed on IMU would begin slowly raising the revenue needed to cover today's additional per kWh energy costs that being incurred. It can then be adjusted as broader cost savings or other revenue sources are identified. Staff will have the budget worksheets available on a laptop to aid in discussions.

If there is consensus on that approach, staff will more clearly define the parameters by which an adjustment is calculated for discussion at the March 24, 2014 or April 14, 2014 meeting depending on Trustee preference.

Financial Impact

N/A

Staff Recommendation

Attachments

Table - No Increase

EL - Combined	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Revenue:					
Sales of Electricity & Peaking	$ 11,939,000	$ 11,808,400	$ 11,546,000	$ (262,400)	$ 11,629,000
Sales Taxes	321,200	250,000	260,000	10,000	275,000
Other	1,225,000	1,366,100	1,400,000	33,900	1,434,700
Total O&M Revenue	**$ 13,485,200**	**$ 13,424,500**	**13,206,000**	**(218,500)**	**$ 13,338,700**
Expenditures:					
Purchased Energy & Fuel	$ 7,797,000	$ 8,342,000	$ 9,066,000	$ 724,000	$ 9,463,200
Operational Salaries	750,100	782,200	825,800	43,600	814,300
Operational Benefits	377,800	369,900	400,600	30,700	428,000
Materials, Suppl. & Contracts	518,300	517,100	535,700	18,600	536,800
Sales Taxes & Use Taxes	326,200	255,000	265,000	10,000	280,000
PILOT	538,700	538,700	577,100	38,400	587,400
Debt Service - Interest	792,800	307,800	278,300	(29,500)	263,800
Overhead, Admin & EE	1,080,500	948,300	1,052,200	103,900	1,082,900
Depreciation (Est)	1,328,500	1,328,500	1,368,400	39,900	1,409,500
Total O&M Expenses	**$ 13,509,900**	**$ 13,389,500**	**14,369,100**	**979,600**	**$ 14,865,900**
Net Income (Operating & Other)	**$ (24,700)**	**$ 35,000**	**(1,163,100)**	**(1,198,100)**	**$ (1,527,200)**
Capital Activities:					
Major Maintenance via Capital Fund	$ (195,000)	$ (52,500)	$ (135,000)	$ (82,500)	$ (115,000)
Capital Contributions (Fiber)	119,500	182,500	199,000	16,500	217,000
Capital Contributions (Electric)	41,700	47,900	41,700	(6,200)	41,700
Net Income	**$ (58,500)**	**$ 212,900**	**(1,057,400)**	**(1,270,300)**	**$ (1,383,500)**

EL - Combined	FY 2014 BUDGET	FY 2014 RE-EST	FY 2015 BUDGET	CHANGE	FY 2016 PROJECTIONS
Cash Flow:					
Net Income + Depreciation	$ 1,270,000	$ 1,541,400	$ 311,000	$ (1,230,400)	$ 26,000
Water Loan Principal	214,800	554,800	220,200	(334,600)	225,800
Debt Service Principal	(555,000)	(1,040,000)	(540,000)	500,000	(555,000)
Debt Service Reserve Change	-	-	-	-	-
Capital Contributions (Developers)	925,000	1,885,100	125,000	(1,760,100)	125,000
Proceeds from Debt Issues	5,000,000	-	-	-	-
Capital Projects	(1,160,600)	(4,287,700)	(786,600)	3,501,100	(953,000)
Designated for Future Projects	-	-	-	-	-
Net Cash Flow	**$ 5,694,200**	**$ (1,346,400)**	**$ (670,400)**	**$ 676,000**	**$ (1,131,200)**
Ending O&M and Capital Fund Balances:	$ 11,550,500	$ 4,509,900	$ 3,839,500		$ 2,708,300
Designated for Future Projects	5,000,000	-	-		-
Reserve Targets	3,785,900	3,732,900	3,969,000		4,154,300
Over/(Under)	**$ 2,764,600**	**$ 777,000**	**$ (129,500)**	**$ (906,500)**	**$ (1,446,000)**
Days Cash of O&M Activities & Major Main	**188**	**126**	**103**		**71**
Adjusted Days Liquidity	**210**	**140**	**110**		**75**
Debt Service Coverage Ratio w/ PILOT	**1.9**	**1.8**	**1.4**		**1.1**
Debt Service Coverage Ratio w/o PILOT	**1.6**	**1.2**	**0.6**		**0.2**
Fixed Obligation Charge Coverage Ratio	**1.3**	**1.1**	**0.8**		**0.7**
Debt Ratio	**25%**	**16%**	**13%**		**13%**

IMU Regular Upstairs **9. C.**

Meeting Date: 03/11/2014

Information

Subject

Streetlights on The Square

Information

This item was tabled at the last meeting due to lack of consensus.

Staff and P&E Engineering recommended a $78,500 project that installed new, decorative, colored spun concrete poles with LED fixtures on the outside of The Square. The black steel poles on the inside of The Square would have new LED fixtures placed on them so the color of the light produced matches that of the outside of The Square.
The cost was $18,500 higher than budgeted.

Since the meeting, staff has discussed options and is collecting additional information. Three options not discussed at the last meeting are:

1. Proceed as planned for the outside of The Square being more decorative given their visibility and proximity to period-style buildings. Then change the scope of the FY 2015 project for replacing those extending from The Square to the highways from spun concrete poles to painted steel poles with limited decorative features to reduce costs.
2. Have all the poles be black painted steel with limited decorative features to reduce costs over the entire replacement schedule.
3. Delay the entire project one or two years and receive more input.

The short, globe-style, poles are nearing the end of their useful life and staff/engineers are not recommending purchasing new long-lasting LED fixtures to be installed on poles of this age & condition that will not meet the lighting levels desired. That option had been discussed at the prior meeting.

The steel poles would look similar to the attached drawing, only the pole will not be fluted or have a base skirt. It is just a round pole with the top features.

Options #1 and #2 will have some payback in that the LEDs will use much less energy over a 15-year period and require less maintenance. Staff will need to re-engage officials at the City of Indianola and Keep Indianola Beautiful if there is a desire to consider this change in plans. Trustees should also note that the steel poles will need repainted at various points in their life-cycle, which is a reason staff preferred spun concrete.

Staff is still waiting on quotes from distributors on the steel poles with limited decorative features in order to provide the amount of cost savings, however it is expected to be over $10,000 for this first project (12 new poles replace 20 old). Altering the long-term replacement plan will increase the cost savings from changing pole attributes (as there are over 90 poles to replace).

Perhaps the more essential question to be answered first is if the poles should be minimally decorative and highly functional (steel) or if they should be highly decorative and highly functional (spun concrete) just on the basic cost-saving principle, no matter what those savings are?

The 2-4 year financial trends are not likely to change so Trustees can assume that any replacement dollars spent will be an annual trade-off with other capital project needs.

At a minimum, Trustees can provide staff more input on any additional factors to consider and any public input received since the last meeting.

Financial Impact

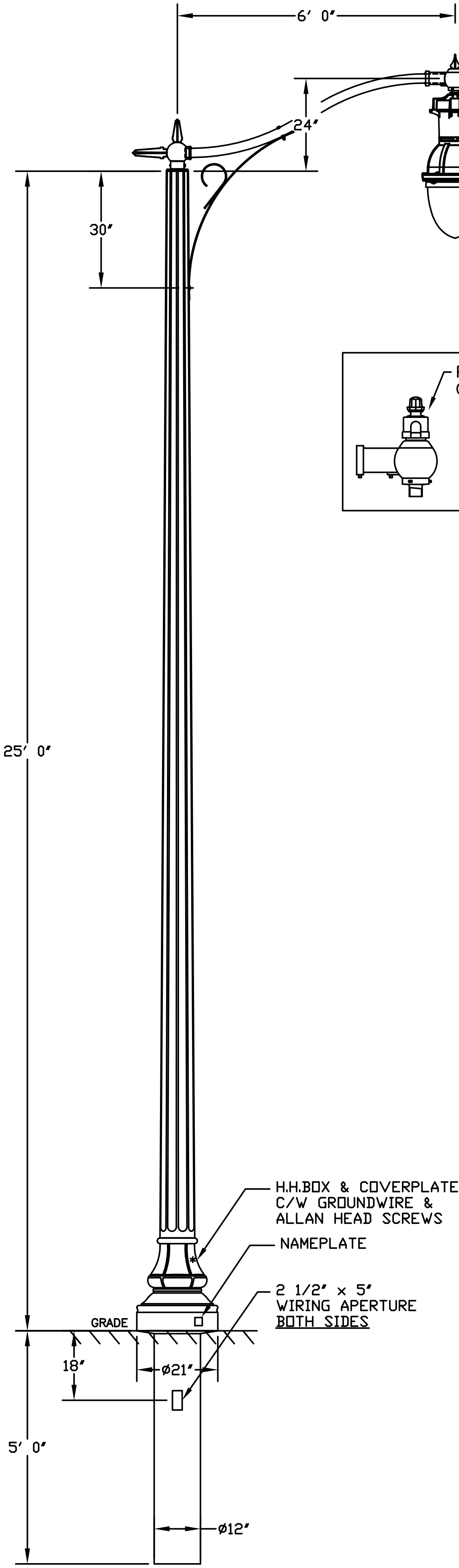
N/A

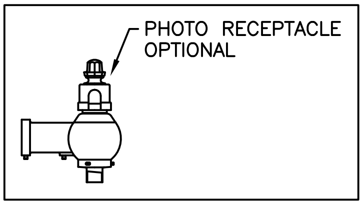
Staff Recommendation

Attachments

Pole Drawing

REV.	ALTERATION	DATE	BY





LUMINAIRE SPECIFICATIONS

CATALOGUE NO.:	K804-FADR-III-165(SSL) -16000-___
QUANTITY:	
OPTICAL SYSTEM:	FLAT ARRAY DEEP RIPPLED LENS
IES LTG. CLASS.:	TYPE III
WATTAGE:	165W
LIGHT SOURCE:	SOLID STATE LIGHTING
SERIES:	16000
LINE VOLTAGE:	_V
PAINT:	TEXTURED BLACK

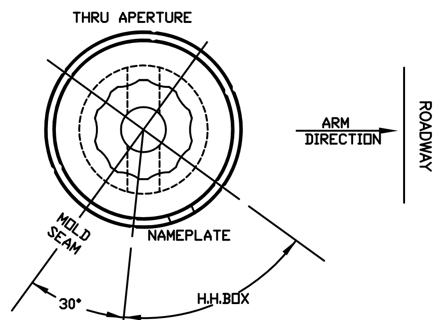
ARM SPECIFICATIONS

CATALOGUE NO.:	KA30-T-1-6'-KPL20
QUANTITY:	
MATERIAL:	ALUMINUM
PAINT:	TEXTURED BLACK

POLE SPECIFICATIONS

CATALOGUE NO.:	KWH25-G-E11 C/W 140-25/30
QUANTITY:	
SECTION:	FLUTED ROUND
COLOR:	ECLIPSE
FINISH:	ETCHED
POLE TOP:	ø5 11/16"
POLE BUTT:	ø12"
POLE LENGTH:	30' 0"
APPROX WEIGHT:	1,825 lbs.
MIN. RACEWAY:	1 1/8"ø

COATINGS REQUIRED:
-2 COATS JB ACRYLIC
FULL LENGTH



TOP VIEW

Notes:
StressCrete makes no claims that the reference embedment depth shown is suitable for supporting this structure. It is recommended that a competent professional evaluate the soils present on site, confirming required embedment depth, hole diameter and backfill material to be used.

CUSTOMER APPROVAL & DATE: ____________________

King Luminaire • StressCrete • Est. 1953

STRESSCRETE GROUP

Manufacturing Locations:

Burlington, Ontario 1-800-268-7809

Northport, Alabama 1-800-435-6563

Atchison, Kansas 1-800-837-1024

Jefferson, Ohio 1-800-268-7809

PROJECT/CUSTOMER:				
INDIANOLA, IOWA				
DRAWN BY:	AT:	CHECKED BY:	DATE:	REVISION:
G.R.	SC1		08/19/11	
DRAWING TYPE:			DRAWING NUMBER:	
CONCEPT DRAWING			206A6391-1	