

**MINUTES**  
**FINANCE COMMITTEE MEETING**  
**JANUARY 15, 2020**

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Attendants: Messrs. Boland, Cherico, Garner, Kester, Knapp, Lucas, Monaghan, Mullen, Pileggi, Pisani, Willert and Mesdames Amadio, Bonnett, Caulk, and Sage.

There were no members of the public present.

1. ROLL CALL: Eight members of the DELCORA Board of Directors were present constituting a quorum.
2. PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was recited by all parties present.
3. MONTHLY FINANCIAL REVIEW: Mr. John Pileggi, Director of Finance, provided the Board with a written summary report of the December Interim Statements. He highlighted items contained in the written report. Regarding Revenue and Expenses, he noted that approximately \$10.2 million is budgeted for a combined Reserve for Capital Replacement and Reserve for the Long Term Control Plan. The budget was exceeded by approximately \$3 million which will go towards the capital plan and Long Term Control Plan expenses planned for 2020 and beyond. He noted that this excess can be attributed to exceeded expectations for the Sludge Hauling revenue (approx. \$1.4 million), interest income from investments (approx. \$1 million), and tapping fee revenue, mostly from developments in Edgmont Township. The tapping fee revenue is a variable and not budgeted. Total non-operating revenue is approximately \$2.8 million. Flow to the plant for the year was close to budget. Concerning Revenue Collections, Mr. Pileggi stated that year-to-date total revenue collections increased by approximately \$453,000 over 2018, mainly due to the change to quarterly billing vs. semi-annual billing. This includes the 2019 rate increase. Quarterly billings make the sewer bill more affordable and easier for customers to pay. Regarding 2019 delinquencies, Mr. Pileggi stated that there were more “10-day” and “30-day” notices issued in 2019 but shut-offs were less than 2018. This is also attributable to the change to quarterly billing.


Mr. Garner reported on the Customer Assistance Program. After extensive research, the program was modeled after other similar utility programs. He stated that the program has assisted thirty-six customers since its inception. The assistance is capped at \$500.00 per customer. The average assistance is \$200.00 per customer to avoid service being shut off. The program has been very successful. The program was first advertised in July 2019. Notices of the program were placed on our website and at the Community Action Agency (CAA). DELCORA advertised in local papers and mailers were also sent out. The budget is \$50,000 for this program and approximately \$7,000 was spent in 2019. To date, there have been fifty inquiries. DELCORA partners with CAA to accept and review the applications. Those applications chosen are recommended to DELCORA for assistance. The program is open to all residential customers but there are income guidelines. Mr. Willert acknowledged Shep Garner and former employee, Shakuwra Randolph, for their efforts in creating the program.

Regarding the 2019 Audit, Mr. Pileggi stated that preliminary work began in December. The auditor will return in February and a draft audit will be ready in April. Mr. Pileggi also noted that the Finance/Business and Human Resources software has been migrated to the 'cloud' by Tyler Technologies. This will ensure the security of the data. It will also provide quicker disaster recovery, and provide automatic updates and fixes. The information is stored in three different physical locations throughout the country which also safeguards the data in case of a catastrophe in any one area. Mr. Garner explained that prior to the migration to the 'cloud', this information was stored on DELCORA's own on-site servers making it very susceptible to natural disasters and cyber-attacks. The Board agreed that the migration to the 'cloud' was an excellent decision. Mr. Pileggi had no additional comments to the written report. The Committee had no questions on the written report.

ADJOURNMENT: It was moved by Mr. Lucas, seconded by Ms. Sage, and unanimously carried to adjourn the regular meeting at 3:45 p.m.



## Inter - Office Memorandum

**To:** Robert Willert, Executive Director  
**From:**  John J. Pileggi, Controller/ Mike Cherico, Accounting Manager  
**Subject:** Monthly Finance Report – DECEMBER 2019  
**Date:** January 15, 2020

I will be offering written comments as highlights to the financial information that you and the Finance Committee are receiving for December 2019.

### 1. Revenue and Expenses

Approximately \$10.2 million is budgeted for a combined Reserve for Capital Replacement and Reserve for the LTCP. We anticipate an excess over budget of approximately \$3 Million. These funds would go toward the capital plan and LTCP expenses planned for 2020 (about \$17 million) and beyond.

### 2. Customer Revenue

In December 2019, we collected \$268,823 vs. \$171,785 in December 2018; an increase of \$97,083. For the fiscal year, we collected \$8,317,678 vs \$7,864,804 in 2018, an increase of \$452,874.

### 3. Delinquencies – 2019 Summary

- “30-day notices” – 19,574 notices sent out, more than double the 2018 amount
- “10-day notices” – 7,790 notices issued, an 80% increase over 2018

The increases are due mainly to a conversion to a quarterly billing in 2019.

### 4. Customer Assistance Program – 2019 Summary

- 36 families assisted in 2019 averaging approximately \$200 per household.

### 5. 2019 Audit Update

- December preliminary work is complete with no findings
- Audit will take place in late February
- Draft of audit is due at the April 2020 Finance meeting

### 6. Migration of Tyler Technologies software to the cloud

- Disaster recovery capability
- Automatic updates and fixes

JP:bb