

MINUTES
FINANCE COMMITTEE MEETING
JUNE 10, 2020 (VIRTUAL)

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

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, Chief Financial Officer, provided the Board with a written summary report of the May Interim Statements and highlighted items contained in the written report. Regarding Revenue and Expenses, Mr. Pileggi stated that approximately \$11.5 million is budgeted. Regarding retail collections, we collected less in the first five months of 2020 compared to the first five months of 2019. As of May 31st, collections were still behind but during the first few days of June collections has seen an increase and it is projected by the end of June that we will be comparable to June of 2019. Mr. Pileggi stated that the retail customers are the ones that are falling behind. Mr. Kester asked if there were any comments on the 2019 Audit. Mr. Pileggi stated that there have been no questions on the 2019 Audit. Mr. Pileggi stated that DELCORA has sent out notices to their delinquent customers regarding the Customer Assistance Program. These were sent out to wards 1, 2, and 3 in Chester. On June 8th the notices were sent out to wards 10, 11, and 12 and within the following weeks the notice will be sent out to the remaining wards in Chester. Mr. Pileggi stated that these initial wards were selected due to having higher delinquencies. Mr. Lucas asked if this time of the year is historically slow. Mr. Pileggi reported that yes; the Audit is done in April the Budget is started in August, so June and July are slower months. However, there are extra-curricular activities that keep the department moving. Mrs. Amadio reported that DELCORA has spent down on the revenue bond series of 2016 after paying for the Capital Projects in May and the remainder will be paid out of renewal and replacement funds going forward. Mr. Pileggi had no additional comments to the written report. The Committee had no other questions on the written report.

ADJOURNMENT: It was moved by Mr. Lucas, seconded by Mr. Boland, and unanimously carried to adjourn the regular meeting at 3:52 p.m.



Inter - Office Memorandum

To: Robert Willert, Executive Director
From: John J. Pileggi, Chief Financial Officer / Mike Cherico, Accounting Manager
Subject: Monthly Finance Report – MAY 2020
Date: June 10, 2020

I will be offering written comments as highlights to the financial information that you and the Finance Committee are receiving for May 2020.

1. Revenue and Expenses

Approximately \$11.5 million is budgeted for a combined Reserve for Capital Replacement and Reserve for the LTCP. As of May 31, we are projecting to meet our budget. The funds would go toward the capital plan and LTCP expenses planned for 2020 and beyond.

DELCORA did receive \$375,000 in tapping fees due to development throughout the county. Tapping fees, by their nature, are not anticipated and are not budgeted.

In 2020, DELCORA collected \$ 3,383,652 over the first five months. Over the same time period in 2019, DELCORA collected \$3,671,051, an unfavorable difference of \$ 287,399. It should be noted that in the first four days of June, Delcora took in over \$200,000.

During the pandemic, DELCORA is not charging late fees or penalties. Also, we are not sending out delinquency notices or shutting off any water for nonpayment. We are also not collecting payments at the office's lobby window

2. Customer Assistance Program

The following is a list of items that customer service will be implementing to communicate to our customers about our program.

- June 1 – Our notice delivery vendor delivered the assistance program flyer to delinquent customers in Chester City wards 1,2, and 3.
- June 8 – Our notice delivery vendor started delivering the assistance program flyer to delinquent customers in wards 10,11,12.
- Each subsequent week, we will distribute flyers to delinquent customers in the remaining wards.
- Also, during our third quarter billing period of July to September, we will insert the flyer with each bill.

3. Operations during the Pandemic

The Finance Department is operating on a reduced schedule with reduced staffing. The basic functions of the department are still being done. Employees and vendors are getting paid. Bills are being sent out. Sewer fees are being collected and deposited. Financial reporting is still being done,

JJP:mc/bab