



## TriCo Regional Sewer Utility

www.TriCo.eco Phone (317) 844-9200 Fax (317) 844-9203

### PERSONNEL & BENEFITS COMMITTEE MEETING

Monday, July 23, 2018 @ 7:30 A.M.  
10701 N. College Ave, Suite A, Indianapolis, IN 46280

#### AGENDA

1. Public Comment
2. June Meeting Memorandum Approval
3. Safety Update
4. Performance Management and Pay Policy
5. Other Business



## PERSONNEL & BENEFITS COMMITTEE

Monday, June 25, 2018 at 7:30 A.M.

### Memorandum

Present: Chair Barb Lamb, Committee Members Chuck Ford. Others in attendance were Andrew Williams Utility Director

Mr. Michael Shaver was absent.

### **PUBLIC COMMENT**

No one from the public was present at the meeting

### **MAY MEETING MEMORANDA APPROVAL**

Ms. Lamb made a motion to approve the memorandum from the May 29, 2018 Personnel and Benefits Committee Meeting. The memorandum was approved.

### **SAFETY UPDATE**

Mr. Williams stated that the Utility has continued with scheduled training. With the past month being so hot, hydration was stressed, and staff was given electrolyte packets to add to their water. So far there have not been any issues with heat in the field. The annual service of the power washers and air compressors were completed. Scot and Loren are on the State Association Safety Committee and Scot participated in a safety inspection at the plant in Franklin. Mr. Ford and Ms. Lamb commended the Staff on its detail to safety.

### **PAY POLICY**

Ms. Lamb stated that Mr. Shaver asked that the Committee not discuss the pay policy item due to his absence at this meeting. She asked Mr. Williams to introduce the procedure that was included in the packet and then it can be discussed later with Mr. Shaver. Mr. Williams stated that he had met with Ms. Lamb to discuss what procedures should be used to move people along in their pay range. Mr. Williams stated that he revised the Performance Management Policy to be the Performance Management and Pay Policy. The old policy was strictly a merit-based policy. One change implemented last year was a Cost of Living Adjustment. If an employee is hired in at the bottom half of their range, the Utility would like to get them to the median of that range within three years. Employees at the very bottom of a range would move up about 3.35% a year. Ms. Lamb clarified that would be strictly the step increase, cost of living would be in addition to that. This would include current employees as well as new hires that fall below that median pay range. The goal is that after three years there would be no employees below the market range. From then on there would be merit and cost of living increases each year. Ms. Lamb stated that this proposal would be more money than the Utility has previously been giving. The other Board

Members will have to discuss the monetary aspect of the proposal. This would help people who are hired on but can't seem to move above the bottom of their pay ranges. Without putting pressure on them to compete for merit increases in the first couple of years when they don't have enough experience to do that. Mr. Williams stated that he needs to explain to the employees that the mid-point in the ranges is the market average. Once the midpoint is reached salaries should be competitive in the market. One question is if an employee is at the top of their pay range how a merit increase should be addressed. They would get the cost of living increase. One option that has been discussed is a lump sum payment at the end of the year. Mrs. Lamb explained that if an employee makes \$10.00 per hour and at the end of the year they receive a bonus that if it was spread out over the year the employee would make \$11.00 per hour during the year when overtime is worked is the overtime based on \$10.00 or \$11.00 per hour. That is where the issue comes in. Bonus' should be added into the hourly rate so the question is do you get overtime based on that rate. If one lump sum is given at the end of the year then overtime is not paid on the correct rate which is a violation of the Fair Labor Standards Act if bonuses are not included in the hourly rate. That would be the benefit of paying out the bonus over time vs. in one lump sum. When the bonus is put into employees pay each pay period they begin to think it is part of their base pay, when it isn't and would go away at the end of the year. Mr. Ford stated that it would be understandably confusing to an employee. Ms. Lamb stated that the bonus can be paid in one lump sum, if it is calculated into the hourly rate for overtime hours. Mr. Williams stated that Ms. Sheeks is going to check with ADP to see what they can set up. Currently in hourly staff there are five people at the top that would be impacted by a lump sum. WIS figured the market average and went 10% above and below the market to create the ranges. Mr. Williams suggested looking at the proposed percentages above the market in the ranges. Maybe it is more reasonable for CTRWD to be 15% above the market for the top of the pay range. Ms. Lamb asked if the upper range was raised by 5% would that bring all current employees in line? Mr. Williams stated that to increase the ranges to 15% above the average market rate would allow everyone to be eligible for a Merit increase in 2019. Mr. Williams stated that he would run the numbers and see how increasing the top range to 15% above the market average would affect current employees. If the bonus would work, it would make it much simpler for the payroll process. Ms. Lamb stated that the Committee needs to look at the current rate for COLA increases closer to the time the budget is approved because it could fluctuate based on things like gas prices. Mr. Ford stated that he has concerns about health insurance options for 2019. Mr. Williams stated that when the numbers came in on the mid-year quotes they were coming in at a reasonable rate. The hope is that it will still be a reasonable change at the end of the year. Mr. Ford asked what stands in the way of Group Buying Insurance Options. Mr. Williams stated that those options have been researched including the State Plan for all State employees, but it came back with poor rates compared to what the Utility currently has. In the State Regional Sewer District Association, CTRWD is the largest utility and a lot of the rest have two to three employees and no interest in participating.

Mr. Williams stated that if the Committee makes a recommendation after the July meeting for the Board's August, meeting we would be on track to have the numbers as discussions begin for budget approval. Ms. Lamb asked Mr. Williams to take one of the ranges and illustrate what it would look like to get from the bottom of the range to the midpoint as well as an example with a person at the top of their range as it is now compared to what it would look like if the range was increased to 15% above the market average. Once the committee has a proposal for the changes, Ms. Lamb will present the recommendation to the B&F Committee on behalf of the P&B Committee. Mr. Ford stated that he would like to see more value shown to the Administrative Staff. Ms. Sheeks has been working on incentive ideas to increase wages in this category. Mr. Ford believes that this is an undervalued position in the market. Mr. Williams stated that in 2017 the Technician jobs were slotted the same as the Administrative Support Assistant. With the new study the Administrative Support Assistant went up a little, but the Field Operations Technician went up \$1.30 more. Ms. Lamb stated that the difference could be from how WIS grouped the categories together. Not all jobs in the same company are compared with each other. Mr. Ford stated that he feels the study has built in gender inequities. Ms. Lamb stated that if a correction needs to be made it can be made internally without reengaging WIS in the process. Mr. Williams stated that if the Board has the desire to adjust a range it has the power to do that internally.

**The Meeting Adjourned at 8:45 a.m.**

Respectfully submitted,

A handwritten signature in black ink that reads "Andrew Williams". The signature is written in a cursive, flowing style.

Andrew Williams  
Utility Director



## MEMORANDUM

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**To:** P&B Committee  
**From:** Loren Prange  
**Date:** 07/18/2018  
**Subject:** Safety Update

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TriCo had no reportable injuries and has gone 3074 days without a loss time accident.

The following safety tailgate sessions were held:

06/27/18 Workplace Shootings  
07/03/18 Prevent Heat Illness  
07/10/18 Weld Well to End Well

The monthly inspection for fire extinguishers were completed this month.

Annual inspection of portable and stationary generators was completed and checked for safe operation.

Semi Annual service on the Pre-Treatment buildings air monitors were completed. They monitor the air quality on the upper and lower levels of this building. The Pre-Treatment building screens out the inorganic material of the raw wastewater and is exposed to Hydrogen sulfides. If Hydrogen Sulfide gets above recommended levels SCADA will call out to the Operator in charge and sound alarm in building.



## MEMORANDUM

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**To: P&B Committee**

**From: Drew Williams**

**Date: July 18, 2018**

**Subject: Pay Policy**

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The revisions to the Performance Management Policy was discussed at the June P&B Committee meeting. The proposed revisions included the practice for employees that are between the entry pay and the median (market) pay of a position, to advance the employee to the median of the pay range within three years of hire. These “steps” would typically result in a 3.35% increase for the first three years for the new hires that start at the entry rate. They would also receive the COLA if one is approved by the Board. Employees above the market rate would receive the COLA and a merit increase. Employees at the top of the range would receive the COLA and may receive a merit based lump sum payment in place of a pay increase.

The committee will review the impact such a practice will have on the budget.

**TriCo Regional Sewer Utility  
Performance Management and Pay Policy  
DRAFT**

The TriCo Regional Sewer Utility (TriCo) Performance Management and Pay Policy is a tool to aid the employee and manager in managing and documenting job performance and advancing employees within the pay range. Effective performance evaluation and feedback works toward achieving a positive contribution to the organization's business objectives. The process involves employee and manager participation. The performance review process is designed to be constructive for individual employees as well as the entire work group, and has several objectives:

- Ensures that employees clearly understand the scope and responsibilities of their job;
- Provides employees with periodic and specific job performance assessment;
- Provides feedback on employees' progress toward meeting the requirements of their job;
- Creates a development plan for employees' career growth;
- Links individual performance to departmental objectives and organizational goals.

Effective performance feedback is dependent upon the manager's ability to differentiate performance among employees. Managers should meet individually with their employees at least two times per year (mid-year and year-end) to discuss performance and provide a written review of the employee's performance. The primary purpose of the meeting should be to identify and reinforce an employee's strengths and to address areas for improvement through the use of the performance evaluation and development form. However, true performance management is ongoing and managers are encouraged to meet with their employees monthly to verbally discuss performance.

## **PROCESS**

The manager will complete a performance evaluation form for each employee providing factual data and examples of how the employee performed during the evaluation period compared to the expectations of their job descriptions. At the same time, the employees are asked to complete a self-evaluation to bring to the performance discussion with their manager. Once the managers have completed their evaluations, they will be reviewed by the Utility Director to ensure compliance and accuracy. Once all reviews are completed, managers will recommend to the Utility Director pay increases for each employee. Merit increases will be awarded to each employee according to the budget as outlined by the Board. Employees who are currently on a progressive disciplinary action plan may not be eligible for a merit increase.

## **PAY**

Each year the Board determines the total amount of money that is budgeted for employee salaries, including raises. This amount is based upon the Utility's financial performance and the Cost of Living. The goal of the Utility is to ensure that employees are fairly compensated relative to their performance and relative to the market's valuation of the job. Local and regional market factors may determine the range of compensation for a job based upon pay of benchmarked positions from municipalities and utilities. TriCo has pay ranges that are competitive with other municipalities and utilities and have the median of the range set at the market rate.

Employees who are hired on below the median of the range and are performing at a competent level will be moved to the median within three years of hire. In order to achieve this goal, there will be three steps from the entry pay to the median pay of the range.

Employees paid above the market rate, median of the range, are eligible for a merit increase. The amount available each year for merit increases will be determined annually by the Board. Individual merit increases will be determined based on performance evaluations and the recommendation of the employee's manager.

In order to keep the pay ranges competitive and to ensure employees are keeping up with the Cost of Living, the Board may approve a Cost of Living Adjustment (COLA). Each employee in good standing would receive the COLA as approved by the Board. The pay ranges would also be adjusted by the amount of the COLA.

Employees who are not eligible for an increase based upon their position in the pay range may be compensated with a one-time lump sum payment in lieu of a base pay increase. This compensation will be factored into their hourly rate for overtime calculations as required by the FLSA. Employees who are in this situation will be notified in writing by management.