



PERSONNEL & BENEFITS COMMITTEE

Monday, January 22, 2018 @ 7:30 A.M.

Memorandum

Present: Chair Barb Lamb, Committee Members Chuck Ford and Michael Shaver, Others in attendance were Director Drew Williams, Engineering Manager Wes Merkle and Administrative Assistant Maggie Crediford

Ms. Lamb called the meeting to order at 7:35 a.m.

PUBLIC COMMENT

No one from the public was present at the meeting.

SAFETY UPDATE

Mr. Williams stated that the District is continuing with safety training and there have been no lost time accidents. One employee is testing a battery heated jacket. If it is effective the District will purchase more for other employees that work in extreme temperatures.

2018 COMMITTEE GOALS

Mr. Williams passed out a summary of the 2018 Goals from the January Board Meeting, and highlighted the ones he thought were pertinent to the Committee.

Ms. Lamb stated that using a ladder system within each pay grade needs to be managed. It could be time consuming to do it correctly. If the Board decides to move forward with it, there would need to be someone in charge of making sure that records are updated, that classes and certifications are recorded that people move when they should be moving and don't move when they shouldn't be moving.

Mr. Williams confirmed that there would be record keeping involved with the ladder system, but it won't be an automatic movement. The ladder system would be incorporated into the review process tied into the merit review.

Mr. Ford stated that the managers in each department conduct two employee reviews a year. He would like to have a checklist developed for the managers to use. A checklist would be an effective and clear tool for managers to explain to employees where they are and what needs to be done to move ahead. He believes this would help take the subjectivity out of the review process.

Mr. Shaver stated that he believes that there is some value in the subjective aspect of a review as well.

Mr. Williams agreed that there is value in the subjective aspect of employee reviews and that is why the ladder system would be tied into the merit review. If performance was not acceptable, there wouldn't be an automatic increase just because a step was completed.

Mr. Ford stated that the District needs to create a situation where it encourages workers to always be improving themselves. A very specific ladder system allows employees to do that. The District needs to provide employees with the guidance to move to the top of their pay range within a set amount of time. In situations where employees have been unable to pass a test to get a certification the District should be offering them tutoring to help an employee improve.

Mr. Shaver stated that the merit and ladder system at the State of Indiana was based on years and rank. If an employee was going to be doing something for 10 years for example each of the years in that position that was the bump that was received. If you were say at a level 5 and needed to go to 6 there had to be a reason for that to happen but there was some overlap between 5 & 6. So, an employee who had been 10 years at a certain level should expect to be maxed out unless they have done something to advance their skill set.

Ms. Lamb stated that it is easy to confuse the difference between raising within the paygrade and advancing to different paygrades up the career ladder.

Mr. Ford stated that he is talking about advancing to different paygrades if there is an opening to do so. They would be qualified to move to another organization if they needed to with more skill if an opening wasn't available to them here.

Ms. Lamb stated that the goal is to have people advance within their current pay range as well as providing the opportunities to advance beyond their current job.

It was agreed that working on the career ladder and steps is a goal for the Personnel and Benefits Committee for 2018.

Mr. Ford stated that he would like the District to develop a mission statement that says it encourages employees to always move forward and opportunities will be provided for higher certification and education to move employees forward.

Ms. Lamb asked Mr. Ford to put a mission statement in writing for the February Personnel and Benefits Meeting.

Ms. Lamb stated that the District is being forced to consider alternative Health Insurance options. She stated that it is difficult because rate information is not provided by the insurance company in advance, so it seems like there is a rush to decide.

Mr. Williams stated that Anthem will not provide the hard numbers to the District until 60-90 days before the renewals are due. However, the District can get proposals from other agencies ahead of time, so that when the Anthem numbers come in the other options have already been researched. If the numbers must be updated in January, they shouldn't be too far off the numbers previously provided.

Ms. Lamb stated that if numbers can be obtained from other insurance providers ahead of time that those could also be used to negotiate with Anthem if it is needed.

Mr. Ford stated that he would like the Committee to look at alternatives to the traditional health insurance system. He has spoken with the Vice President of Community Health Network. He was given the impression that their system is an alternative to the existing health insurance that we are accustomed to. Their system encourages preventive medicine as opposed to corrective medicine which would save money and drive costs down.

He stated that he would like for Community Health Network to come in and make a presentation on their service.

Mr. Shaver stated that he is onboard with investigating alternative health care options. He wants to be sure that if an employee is sick they are not penalized for being sick.

Ms. Lamb stated that there are many unique ideas being tried with regards to health insurance. Being a small group, we can experiment easier and be more flexible and can move faster. She agreed that looking at alternatives to traditional health insurance is worthwhile. She said that it should be made clear to potential brokers that the District is willing to be creative if they have ideas on other options available.

It was decided that the second goal for the Personnel and Benefits Committee will be to evaluate health insurance alternatives. Community Health Network should speak to the Committee in March or April.

Suggested goal number three is to compile a policy and procedure manual to distribute to the staff by the end of the first quarter. Mr. Williams stated that the goal is to compile current ordinances into a manual that shows exactly what ordinances, resolutions and policies are current and being utilized. This will tie into the New Board Member Orientation Packet that was suggested at the January Board Meeting. Staff will create the documents and the Committee would review the document before distribution.

Ms. Lamb suggested the fourth goal be to work on the compensation system so that internal and external equity is created for the employees. She suggested that they discuss this goal more in the fall since it is not time sensitive for the first part of the year.

Ms. Lamb stated that leaving out the goals dealing with policies and procedures because the Committee is not driving those, there are three goals and objectives for the Committee to work on.

1. Performance Ladders
2. Health Insurance alternatives
3. Pay Equity Issues

COMPENSATION POLICY

Mr. Williams stated that the current District policy is that employees have two performance reviews a year which are tied into pay increases. The one thing not addressed in the current policy is COLA. It is the Board's discretion to give COLA and 2017 is the first one that has been given in the 14 years Mr. Williams has been at the District.

Mr. Shaver stated that the District could run into issues using the term merit increase and including COLA into that equation.

Ms. Lamb suggested that instead of using the term merit increase that the District name increases discretionary pay increases. There are other considerations going into pay increases that are not solely based on merit.

Mr. Ford stated that the merit system can be clarified using the ladder system. If a good job is done with the ladders it makes everyone's job easier.

Mr. Shaver stated that he doesn't want to get into a situation where automatic increases are given solely on attainment of certificates.

Mr. Williams stated that it is human nature to remember more recent events. He encourages managers to do 3x5 weekly reviews throughout the year, so they can reflect on their notes and give a comprehensive review of the employee's performance over the entire year.

Mr. Ford said that he would like to see that condensed to a checklist, so employees have a clear view of where they are meeting expectations and where they are falling short. Each department should be able to develop a checklist that pertains to their employee's responsibilities. Notes can be made on the back and both the employee and the manager would retain a copy of the checklist for review.

Ms. Lamb stated that with the salary adjustments that were made there are four people that are under the 50% of their range.

Mr. Williams stated that the District has a very low turnover rate which allows people to move up in their range. The few at the lower end are the ones that can be focused on in the future. Per the Performance Policy, for employees at the top of their range there can be a one-time payment at the end of the year if the District believes that they deserve compensation for that year's performance.

Mr. Ford questioned whether the office staff are being adequately compensated.

Mr. Williams stated that the range for those positions were established through the compensation study and how they evaluate the position and the range.

Ms. Lamb stated that when the position is evaluated the knowledge skills and abilities it takes to do those jobs is considered. Waggoner, Irwin and Scheele evaluated different groups of employees separately so that the people in the field are not compared to the office staff. Ms. Lamb does not believe these are not bad salaries.

Mr. Williams stated that the District provides a good benefit package. We try to create a good work environment and little things like the employee appreciation lunch and pitch-ins to keep the staff engaged with each other. The market is tight with 3.7% unemployment, yet employees are not taking the other opportunities out there.

Mr. Shaver stated that he understands Mr. Ford's concerns and he shares many of the same concerns but with the field employees that work in extreme temperatures and environments.

Ms. Lamb suggested that at the February meeting the Committee begin looking at the career ladders, she asked Mr. Williams to work through the examples of what he has presented and how the District would keep track of things. In April or May, the committee can begin to talk a look at insurance options. Then the compensation issues can be handled towards the end of the year.

OTHER BUSINESS

Mr. Shaver stated that he has issues with the Compensation study. It is widely accepted that any analytical study must make its data available to the people who paid for the study. That is the only way to verify if it was done correctly. Knowing what information was used and what cities were included in the study would be helpful when you have someone at 100% of their range who will not be getting a raise. The consultants said they did a regression analysis from the middle 80% of the data it is not clear what the regression was. The simplest regression analysis has an independent and dependent variable, that is only one and there must be a half a dozen in this study. Mr. Shaver would expect that the normal distribution of the median is calculated out of + or – one standard deviation from the norm, then the minimum salary line would have been calculated from below the lower standard deviation and the upper line would have been calculated from above the standard deviation. The study shows that three people's salaries were adjusted in the process that were being paid too low, but now a bunch of people are not going to be getting raises. + or – 10% of the mean, you calculate one thing and then add or subtract 10% is not really an adequate analytical format. Page two of the study says the exempt positions are supposed to be 2% of the organizations employees. The District has six exempt employees. There is nothing in the study about administrative level. Ms. Lamb stated that there should be an administrative component to the compensation study.

Mr. Williams stated that Mr. Shaver's concerns give him some direction on what questions to ask WIS. He will investigate where the administrative level falls within the study.

Ms. Lamb stated that she did not see a professional category listed in the study either.

The meeting adjourned at 8:37 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