



## PERSONNEL AND BENEFITS

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Monday, October 1, 2018, at 7:30 a.m.  
Memorandum

Members Present: Chairwoman Barb Lamb, members Chuck Ford and Mike Shaver. Board President Marilyn Anderson, others in attendance were Utility Director Andrew Williams and Administrative Assistant Maggie Crediford.

Ms. Lamb called the meeting to order at 7:38 a.m.

### **PUBLIC COMMENT**

No one from the public was present at the meeting.

### **AUGUST MEETING MEMORANDUM APPROVAL**

Approval was postponed to the next committee meeting.

### **SAFETY UPDATE**

Mr. Williams stated that TriCo hosted a safety seminar called Understanding and Managing Hazardous Energy at the plant. Operators from around the state attended. Attendees received Continuing Education Credits for the seminar. Mr. Prange has received positive feedback from attendees. Mr. Shaver commended Mr. Prange for his safety education efforts for the Utility.

### **PERFORMANCE MANAGEMENT AND COMPENSATION POLICY**

Mr. Williams passed out charts showing what it would cost the Utility each year until 2023 if the Board adopts the proposed Step System as well as a 2.8% annual COLA. The proposed system calls for 6 Steps. Employees would be at the top of their salary range within six years and be eligible for a Board Approved COLA increase only from that point on. Ms. Anderson asked if the salary ranges would be adjusted for the COLA increase each year. Ms. Lamb stated that they would. Mr. Shaver was concerned that ratepayers would be paying for Utility employees to receive a 2.8% COLA increase when many of them are only receiving a 1.7% COLA increase based on numbers he found for the State of Indiana. Mr. Shaver believes that a 2.8% COLA and a Step will result in us sending the bill to the ratepayer. Mr. Ford asked if the proposed salary increases through 2023 would on their own cause a significant increase in user rates. Mr. Shaver said that no, this \$80,000 would not. Mr. Ford said that he is satisfied with that. He believes that the Step System eliminates a whole host of problems with a merit system. He believes it makes it easy to figure salaries each year and for employees to know what to expect. It takes the subjectivity out of the merit pay. Ms. Lamb believes that a Step System encourages cooperation between employees, where a merit system encourages competition. Mr. Shaver believes that the merit system, whether by hook or by crook, got it pretty close.

Mr. Williams stated that he would like to have the Utility Director's position removed from the Step System. He believes the Board should have the discretion to decide the Utility

Directors compensation. Mr. Williams stated that based on his research, Step Systems range from 6 to 10 Steps. Mr. Ford asked Mr. Williams to prepare a chart for the next meeting showing how using an 8 or 10 Step System would defer some of the costs of moving to a Step System and slow down progression through the system. Mr. Williams stated that Mr. Mills had voiced concerns to him about a Step and COLA increase system. Ms. Anderson stated that she likes the idea of replacing the Merit System for pay increases formerly used by the Utility. She stated that the Board reserves the right to re-evaluate an approved pay system at any time.

Mr. Ford stated that he would like to see undervalued occupation compensation adjusted. He believes that the office staff is undervalued in society. He wants the Utility to set an example of correcting the imbalance rather than perpetuating it. Mr. Ford stated that he believes the entry-level office positions at the Utility office should be paid the same as the entry-level field staff at the plant. Mr. Ford believes these workers come into the positions with very specific skills based on their job descriptions and are not compensated according.

Mr. Ford made a motion to raise the ranges for the office staff to the same range as the Field Operations Technician position. Mr. Williams provided a table that showed this proposed change and the costs associated with this adjustment. The motion passed 2-1, Mr. Shaver was opposed.

Mr. Shaver stated he is concerned about the cumulative impact the proposed increases will have. Health insurance costs for 2019 are not in and have not been discussed. Mr. Ford noted that when health insurance numbers come in, the Committee will have to look at the numbers and see what the Utility can afford. Mr. Shaver said that he would be uncomfortable reducing health care benefits. Mr. Ford stated that when budgetary cuts are made they usually happen at the Personal and Benefits level. He said that he would prefer to see budget cuts come from more substantial expenditures like Capital Projects. Mr. Shaver agreed that there are cost-cutting measures that can be found in the Capital Projects budget. Mr. Shaver stated that he has asked for cost cutting proposals but has not seen them yet. Ms. Anderson noted that it is this Committee's responsibility to make recommendations for the Personnel and Benefits packages and the Budget and Finance Committee's responsibility to look at the big picture and find cost-cutting avenues.

Ms. Lamb summarized the proposed recommendations that the Personnel and Benefits Committee would like to discuss with the Budget and Finance Committee before bringing their proposal to the full Board. The Personnel and Benefits Committee is recommending a 2.8% COLA increase for 2019. Implementing a 6 Step pay scale system, which would replace the Merit System previously used. Adjusting the top end of salary ranges to 5% above the proposed ranges from the WIS Study. The Committee is also recommending changing the pay ranges for the clerical office staff be equal to the pay ranges for the Field Operations Technician position at the plant.

Mr. Ford stated that he would like to see manager evaluation forms so that the Committee can see what managers use for criteria when evaluating employee performance.

Ms. Lamb asked Mr. Williams to schedule a joint meeting for the B&F and P&B Committees before their next regularly scheduled meeting on October 22, 2018.

Respectfully Submitted

A handwritten signature in blue ink that reads "Andrew Williams". The signature is written in a cursive style with a large initial 'A'.

Andrew Williams, Utility Director