



PERSONNEL AND BENEFITS

Tuesday, November 19, 2019 at 7:30 a.m.

Memorandum

Members Present: Committee Chair Barb Lamb, Members Chuck Ryerson and Jeff Kimbell. Others in attendance: Board Member Steve Pittman, Utility Director Andrew Williams, Controller Cindy Sheeks, Engineering Manager Wes Merkle, Plant Superintendent Scot Watkins, Collections Superintendent Aaron Strong, and Administrative Assistant Maggie Crediford.

Ms. Lamb called the meeting to order at 7:40 a.m.

Mr. Ryerson arrived at 7:45 a.m.

Public Comment

There was no one present from the public.

Safety Update

Mr. Williams said the Utility is nearing the 10-year mark with no lost time accidents. Ms. Lamb said TriCo should have a celebration for employees if the Utility gets to 10-years with no lost time accidents. Ms. Lamb feels TriCo's safety record reflects the emphasis the Utility puts on safety training and standards for employees.

2020 Holiday Schedule

Ms. Lamb made a motion to recommend the Board of Trustees approve the proposed 2020 Holiday Schedule as presented. Mr. Kimbell seconded the motion and it was approved unanimously.

Dental and ST/LT Disability Insurance

Mr. Williams explained some of the difficulty's employees have had with coverage provided by Principal Insurance. In 2018 TriCo used Mutual of Omaha and employees were satisfied with the coverage. For 2020 Mutual of Omaha came back with a quote lower than Principal. Mr. Williams recommends switching back to Mutual of Omaha for Dental, ST/LT Disability Insurance.

Ms. Lamb made a motion to recommend the Board of Trustees approve Mutual of Omaha for TriCo's 2020 Dental, ST/LT Disability Insurance provider. Mr. Ryerson seconded the motion and it was approved unanimously.

COLA Determination

Mr. Williams said staff reached out to surrounding municipalities to see what factors into their 2020 salary ordinances. The Committee members reviewed the chart provided in the committee packet.

Mr. Kimbell clarified his understanding of TriCo's pay structure. The STEP System is to place employees into a reasonable/competitive pay scale for their respective positions. Ranges are from entry level experience or qualifications to expert level competency. Employees progress through the steps as their skills and competency level increases on the job. Employees stay within correctly valued ranges for their position adjusted by inflation. Mr. Kimbell asked if when moving to the STEP System did the conversation include being compared to other local municipalities each year.

Ms. Lamb explained the conversation for 2019 was to move to the STEP System so employees would have a general expectation of what their increases would be each year. In addition, the Board would consider and decide each year if they would approve a Cost of Living Adjustment. The Budget and Finance Committee was not comfortable tying the COLA to a specific indicator. The P&B Committee at the last meeting talked about using the CPI for the 2020 COLA. Members felt 1.5% was low for a Cost of Living Adjustment and suggested 2%.

Mr. Kimbell said in the private sector he can compensate employees better in years when business is good and less when business is down. He asked if municipalities provide bonuses if they have a really good year. Mr. Williams said utilities tied to cities do not. Utilities that do not receive tax dollars have more flexibility. Mr. Merkle said he is aware that Citizens pays bonuses.

Ms. Lamb said the committee was looking at what other municipalities in the area do because they all compete for employees.

Mr. Pittman addressed the committee and said he feels the Utility had a good year and performed better than expected. Mr. Pittman asked the Committee to consider recommending the Board of Trustees set TriCo's 2020 COLA at 3%. He wants to send a message to employees that the Board appreciates their hard work and believes the Utility is incredibly well run.

Ms. Lamb asked Mr. Pittman if he understands employees who are not at the top of their Step will also be receiving a 2.08-3% STEP increase. Mr. Pittman said he believes the Step is what people expect to receive when they walk in the door if they are doing their job. COLA is something above and different from that. Mr. Pittman said he had reached out to Mr. Mills to see if the Utility could afford a 3% COLA.

Mr. Kimbell said the 1% difference between a 2% and 3% COLA would not have much of an impact in one year but would be compounded over time. Mr. Kimbell asked if the STEP System allows for the positions to be reevaluated and reset over time. Ms. Lamb and Mr. Williams confirmed TriCo can reevaluate its pay scale at any time. He asked if TriCo gets ahead of the market at some point how would that affect the pay scale. Ms. Lamb said it would become stagnant until the market caught up.

Mr. Williams said the overall impact to the budget would be \$15,000 for a 3% COLA vs. a 2% COLA. Mr. Pittman reminded the committee that TriCo has the lowest rates in the area and if needed rates could be increased in the future. Ms. Lamb agreed \$15,000 would not significantly impact the budget.

Ms. Sheeks said Carmel pays employees longevity pay. TriCo does not. There are benefits other municipalities give that may not show up in their salaries but are significant and beneficial to employees.

Mr. Pittman believes giving TriCo employees a 3% COLA in 2020 would send a message that the Board is proud of them, and in the future if productivity goes down a COLA does not have to be given.

Mr. Kimbell asked if the committee could recommend a 1.5% COLA based off the CPI with an additional discretionary adjustment.

Mr. Ryerson said he can see where in the first few Steps an employee's knowledge and expertise would grow exponentially but asked if that is the case as they get to the higher end of the STEP System. Ms. Lamb explained that the Committee first considered a six-step system but decided a ten-step system would spread the overall costs out over more years and have less of a financial impact on the Utility.

The Committee agreed to recommend a 3% adjustment but wanted it made clear that this was not establishing a precedent.

360 Review Update

Mr. Williams said all employees met with the HR Consultant, Cici Conover, for the 2019 360 Review. Each employee was given a half hour to meet with her. Some employees took less time and others took the entire 30 minutes. Ms. Conover will be consolidating employee comments, analyzing results, and providing a report for the Board's review. Mr. Williams said the report should be done by the end of this week. He proposes the Executive Committee meet immediately following the Board of Trustees meeting on December 9, 2019. Hopefully that would be more convenient for Board Members.

Office Unification Update

Mr. Williams said bids for the project will be opened on December 17, 2019. Mr. Callahan is still comfortable purchasing TriCo's interest in the current building in January. Staff has been stressing with the architects to keep the project on budget. The Office Improvements Committee is meeting on Thursday, November 21, 2019 at 12:30 p.m. in the administrative office conference room.

Other Business

Ms. Lamb mentioned the next scheduled P&B meeting is December 26, 2019. The meeting may need to be rescheduled or cancelled since it the day after Christmas.

The meeting adjourned at 8:28 a.m.

Respectfully Submitted



Andrew Williams
Utility Director