

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Regular meeting of the Commission held October 14, 2015.

PRESENT: Commissioners Hasselblad, Blumreich, Hoffmann, Tumpach, and Mainz (via telephone)

ALSO PRESENT: T. Sigmund, P. Wescott, P. Kaster, N. Qualls, B. Hafs, T. Brown, B. Angoli, B. Vander Loop, M. Diaz, M. Urbancic, B. Bartel, J. Czypinski, T. Garrison, J. Maas, J. Van Sistine, J. Nicks–Legal Counsel; S. Dettmann and P. Glynn–Carlson Dettmann Consulting LLC

Commission President Hasselblad called the meeting to order at 8:30 a.m.

1) Safety moment.

T. Sigmund stated NEW Water, the brand of the Green Bay Metropolitan Sewerage District, has drafted 2016 organizational goals, which will be supported by the divisions, departments, and individuals goals. One of the four organizational goals is to “build a committed safety culture”. All employees will have a safety goal for 2016.

Commissioner Hasselblad stated minor accidents impact everyone, and safety is going to be number one on the agenda.

2) Request Commission approval of the 2016 salary market adjustment.

T. Brown introduced Scott Dettmann and Patrick Glynn from Carlson Dettmann Consulting LLC.

T. Sigmund stated the Carlson Dettmann Consulting project report is the same as last month with one exception. The participants in 2006, 2011, and 2015 were added to the last page.

S. Dettmann provided some history on NEW Water’s pay plans since 2001. He stated methodology is always used to balance organizational needs for internal equity and promoting external competitiveness. He stated appropriate comparables were defined, and a market survey was conducted. Madison Metropolitan Sewerage District and Racine Wastewater Utility shared in the detail and cost of the 2015 survey. He reviewed the details of the 2015 survey. He stated the engineering consulting firms were not surveyed due to lack of responses in previous years.

Commissioner Hasselblad stated it would be helpful in the future to list if the wastewater utility is a discreet entity with its own taxing authority.

S. Dettmann stated the methodology is well documented and he has good process notes. He understands no one wants to hear the change in the market, but Carlson Dettmann Consulting was hired to tell the Commission what it needs to know, and not what it wants to hear. The relationship between the job evaluation results and the market has changed since 2011.

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S. Dettmann stated changes in the market were impacted by Act 10, emerging from a great recession and changes in the economy, and generation turn. He stated positions are being filled from the outside, and senior management staff are being hired at rates similar or higher than the incumbent they replaced. He stated pay growth for entry level positions have remained relatively stagnant in contrast to steady increases in compensation to positions in managerial and higher-level scientific, technology, engineering, and mathematic disciplines. Carlson Dettmann Consulting recommended in the 2011 report to resurvey the market every three to four years.

Commissioner Hasselblad stated the market has been moving in ways of gyration that haven't been seen over a period of time. She stated Carlson Dettmann Consulting was aware of it, but the Commission was not. She stated her frustration is not with the methodology or the municipal and wastewater industries used in the survey, but the fact that the Commission has to deliver the data to this organization where it is out of sync in a number of points and its painful data to deliver. She stated going forward if NEW Water continues to use Carlson Dettmann Consulting, there must be some method established for updating the Commission on the trend in the market. She asked about market case software. P. Glynn replied last year Carlson Dettmann Consulting invested in a data warehousing software, which provides additional information to clients.

T. Sigmund asked if NEW Water can learn from another detailed compensation survey that Carlson Dettmann Consulting conducted. P. Glynn replied NEW Water could buy a version of that particular survey and as that survey is updated, NEW Water can pay a subscription and market fee for that survey.

T. Sigmund asked how many detailed compensation studies does Carlson Dettmann Consulting do for other wastewater utilities. S. Dettmann replied one other, Milwaukee Metropolitan Sewerage District, but its list of comparables are different.

Commissioner Mainz asked how is the cost of health benefits, vacation, etc. factored into wages. S. Dettmann replied the benefits are not factored into wages. The survey included questions about health care costs, what employee contributions are going to be, and employer contribution to retirement plan. The survey was not designed to be an extensive benefit survey.

Commissioner Mainz asked how the Commission can get information relative to benefits on a comparable basis. S. Dettmann replied the aggregate survey data was provided to NEW Water as an independent survey. Carlson Dettmann Consulting cannot provide NEW Water with individual responses because of confidentiality. He stated the array of responses was published and NEW Water has received a copy of that report.

Commissioner Mainz stated if Carlson Dettmann Consulting took the data from four or five metropolitan sewerage districts in the state of WI and combined it, could NEW Water see that data.

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S. Dettmann replied he needs at least five sewerage districts to participate in order to provide that information.

Commissioner Mainz asked if NEW Water could see the combined Towers Watson's data. P. Glynn replied the survey data is copyright protected. Commissioner Mainz asked how Carlson Dettmann Consulting used the Towers Watson data. S. Dettmann replied entry level jobs were compared to data in Green Bay and Brown County, professional level jobs were compared statewide and somewhat beyond that, and senior leadership jobs were compared at state, regional, and national levels.

Commissioner Hasselblad stated Carlson Dettmann Consulting provided Green Bay Water with a pie chart of total compensation divided among base paid leave, supplemental insurance, etc. An internal benefits comparison chart may answer some of the questions the Commission has. Did NEW Water's study contain that information? S. Dettmann replied the scope of NEW Water's study was different than that of Green Bay Water.

T. Sigmund stated the summary of total compensation is given to employees on an annual basis. NEW Water did not asked for this information from Carlson Dettmann Consulting, but staff could produce a pie chart. Commissioner Hasselblad stated the internal benefits summary is very important to see.

Commissioner Mainz stated as a Commissioner, it is valuable to see what NEW Water customers are paying for benefits. NEW Water needs to be competitive with its customers.

Commissioner Blumreich stated part of the Commission's angst at the last meeting was because jobs were at or below the control point. He stated having a total benefit comparison would help explain this. Act 10 was the big player with an impact on non-salary benefits to public employees. He stated it behooves the Commission to look at total benefits with a compensation study. S. Dettmann stated Carlson Dettmann Consulting can provide that, but it wasn't within the scope of this study.

T. Sigmund asked Carlson Dettmann Consulting how often participants would be willing to participate in a detailed survey. S. Dettmann replied every two to three years.

T. Sigmund stated the data represents the market, and his commitment is to compensate at market. He recommended to hold ranges 5 through 9 to get back to market.

Commissioner Mainz stated the Commission does not have all the data. The Commission has an obligation to get the data that compares NEW Water employees to other employees in the state. T. Sigmund replied staff will work with Carlson Dettmann Consulting to produce a pie chart. The Commission asked to have that information emailed to the Commission prior to the next meeting.

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Commissioner Tumpach stated that he does not feel comfortable raising higher salaried employees' wages without a comparison of benefits. He stated NEW Water is not seeing employee turnover and the R2E2 Project cost is significant, so he will not support this.

Commissioner Hasselblad thanked Scott Dettmann and Patrick Glynn for being here today.

Motion #15-067

It was moved by Blumreich, seconded by Hoffmann, with Tumpach voting nay, and agreed to hold 2015 ranges for pay grades 5 through 9 and to adjust ranges for pay grades 10 through 17 based on the consultant's recommendation. (See Commission File #15- 002)

3) Request Commission approval of the 2016 unmetered and unsampled fixed mass units per equivalent residential unit.

B. Vander Loop requested Commission approval of a Resolution to revise NEW Water's unmetered and unsampled values to invoice those sewer service areas. NEW Water has 18 municipal customers with several customers having unmetered areas. He stated Section 9.20 of the Sewer Use Ordinance requires Commission approval to establish these units for billing the unmetered areas. The unmetered and unsampled fixed mass units were last approved in December 2009. A methodology study was conducted last year and it was determined that more frequent updates of these values will be done. Stakeholders have requested annual updates. He stated there are approximately 2,150 unmetered and unsampled connections in NEW Water's service area, which is about 1.6% of NEW Water's total revenue. NEW Water uses a two-year average and will be requesting approval of the unmetered and unsampled fixed mass units annually.

Commissioner Mainz asked if this is the second year NEW Water has done this based on the study conducted. B. Vander Loop replied these values were last updated in 2009. Recently staff identified service basins that exhibit residential areas and used a two-year average to determine the values that staff is recommending today.

Commissioner Mainz asked if the basins were done exactly the same as last time. B. Vander Loop replied last time NEW Water had more basins. He stated some of the basins included commercial dischargers, and now the basins are just strictly residential basins with no commercial influence.

Commissioner Mainz asked if NEW Water has a set procedure. B. Vander Loop replied yes. He stated this element was designed into the new billing program.

Commissioner Mainz asked staff to put a chart together on previous years.

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Motion #15-068

It was moved by Hoffmann, seconded by Blumreich, and unanimously agreed to approve Resolution for the 2016 unmetered and unsampled fixed mass units per equivalent residential unit. (Resolution #15-009 is on file at the NEW Water offices)

4) Sewer plan approval:

a) Town of Ledgeview E-2015; GBMSD Request 2015-10

B. Angoli reported the Town of Ledgeview is requesting 2,127 ft. of sewer on Dollar Lane, 295 ft. of sewer on Dollar Road, 728 ft. of sewer on Labyrinth Lane, and 1,024 ft. of sewer on Secrete Garden Court for the Dollar Creek Crossing subdivision. He stated flow would be tributary to the Swan Road Interceptor.

Motion #15-069

It was moved by Meinz, seconded by Blumreich, and unanimously agreed to approve the Town of Ledgeview E-2015 sewer plan subject to favorable review by Brown County Planning and final approval by the Wisconsin Department of Natural Resources (WDNR).

5) Update of projects:

a) Primary Switchgear and Utility Relocation (R2E2 – Contract 33)

B. Angoli reported this project is at substantial completion with one outstanding issue. He stated the issue relates to faults in multiple switchgear power monitors. The engineer and contractor are working to resolve this issue.

6) Executive Director's report:

a) November/December Commission meeting

The next Commission meeting will be held on Wednesday, December 2, 2015, beginning at 8:30 a.m. The budget hearing will be held at the December meeting.

b) 2016 Budget update

Staff is working through the final details of the budget. T. Sigmund anticipates no changes to the total dollar amount for the budget expenses.

NEW Water received a draft Strategic Plan from Michelle Pla. T. Sigmund will review the Strategic Plan and provide comment, and the Management Team will conduct an internal review. The Strategic Plan could be approved by the Commission at the December 2 meeting.

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NEW Water will be starting its 85th year in business on December 4, 2015. Staff will give an update on NEW Water's plan for this event at the next meeting.

Staff may need to schedule an interim meeting for Commission approval of a cost share agreement between NEW Water and the Oneida Tribe for Adaptive Management.

T. Sigmund gave a brief update on the electrical conductor failure.

T. Sigmund stated there are ongoing discussions with the WDNR regarding whether NEW Water's former sludge lagoon is considered a wetland or not. More detail will follow.

J. Nicks reported the Wisconsin Department of Transportation denied NEW Water's request for a contested case hearing regarding the slip lining expenses.

There being no further business to come before the Commission, the meeting adjourned at 9:51 a.m.

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Secretary