

GREEN BAY METROPOLITAN SEWERAGE DISTRICT
PROCEEDINGS OF THE COMMISSION

Special meeting of the Commission held July 10, 2013.

PRESENT: Commissioners Hasselblad, Mainz, Blumreich, Tumpach, and Hoffmann

ALSO PRESENT: T. Sigmund, P. McCarthy, P. Kaster, P. Wescott, B. Hafs, T. Brown, T. Garrison, J. Van Sistine, J. Nicks–Legal Counsel; A. Anderson–WIPFLi LLP; B. Della–Public Financial Management, Inc.; C. Berndt–Village of Allouez

Commission President Hasselblad called the meeting to order at 10:30 a.m.

1) Presentation on the 2013 Benefits Survey.

T. Brown stated NEW Water, the brand of the Green Bay Metropolitan Sewerage District, engaged WIPFLi to conduct a benefits survey with private and public agencies. She introduced April Anderson, a Human Resources consultant with WIPFLi LLP.

A. Anderson from WIPFLi stated that NEW Water staff developed a list of 40 agencies to contact for the survey and 24 agencies responded. She distributed the list of the 40 agencies that were contacted. She reported 100% of the agencies offer health insurance to its employees, and 68% of these agencies provide health insurance to part-time employees.

Commissioner Blumreich arrived at 10:35 a.m.

A. Anderson reported 84% of the agencies offer dental insurance, 100% offer life insurance, and 80% offer vacation to their employees.

Commissioner Hasselblad asked if WIPFLi completed a trend analysis for the public and private agencies to give some sense as to where general industry is going. A. Anderson replied no.

Commissioner Hasselblad asked if WIPFLi saw any surprises or anomalies. A. Anderson replied that she was surprised that only 36% of the agencies offered vision insurance.

Commissioner Mainz asked how NEW Water will track the changes with the health care reform. T. Brown replied as a member of the Society for Human Resources Management (SHRM), she receives information through SHRM and Aon Consulting.

Commissioner Blumreich asked what the end use is of the data the Commission has received on the benefit survey.

Commissioner Hasselblad asked staff to prepare charts on the benefit information detailing the minimum, maximum, average, and where NEW Water is for the August Commission meeting.

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Commissioner Hasselblad stated the Commission will decide the end use of the benefit information and how NEW Water will align itself with best practices against private agencies, public agencies, or both.

T. Sigmund stated that staff will plan to stay with the state health plan, which NEW Water currently offers to employees at the lowest cost program.

2) **Approve the reorganization of the Engineering Services Department and modify the organizational chart.**

P. McCarthy stated NEW Water has an opportunity to restructure Technical Services. He reviewed the following:

- Background
- Immediate Engineering Capacity Needs
- Current Staffing Situation
- Result of Deferred Staffing Needs
- Increased Risks, Cost of Backlog
- Unique Restructuring Opportunity
- Organizational Changes to Division
- Advantages to Organizational Change
- Impact on 2013 NEW Water Budget
- Impact on 2014 Engineering Budget
- An Alternative to Restructuring
- Disadvantages to this Alternative
- Recommendation

Commissioner Hasselblad stated that this has been an ongoing process for two years on what the best reorganization structure should be.

Commissioner Blumreich asked if the shortage of staff has had an impact on tracking NEW Water's assets. P. McCarthy replied yes.

Motion #13-049

It was moved by Blumreich, seconded by Hoffmann, and unanimously agreed to approve the restructured organizational chart for the Engineering Services Department and to immediately hire a Staff Engineer and an Engineering Technician. (See Commission File #13-003)

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3) Discussion of approved Resolution Authorizing the Borrowing of not to Exceed \$20,000,000; and Providing for the Issuance and Sale of General Obligation Sewerage System Improvement Bonds or Promissory Notes Therefor.

P. Kaster stated that last month Brian Della from Public Financial Management, Inc. (PFM) provided information on 25-year General Obligation Bonds with refinancing after 10 years and a three-year Note with refinancing after two years. He stated the interest rate on the General Obligation Bonds is 4.5% and the Note is 1%. Staff is requesting direction from the Commission on how to proceed.

B. Della from PFM reviewed the following:

- Evaluation of Two Initial Financing Options
- Ex. 1 – Rates Do Not Change
- Ex. 2 – Rates + bps (Gross Breakeven)
- Ex. 3 – Rates + 55 bps (Present Value Breakeven)
- Tax-Exempt Interest Rates (AAA-Rated)
- Summary

Commissioner Tumpach asked what the cost is for the call option. B. Della replied that he does not know what the cost is, but indicated that it is very rare not to have the call option for 20-year financing. He stated it is an industry standard.

Commissioner Mainz asked what staff's recommendation is. P. Kaster replied that he would recommend a three-year Note.

Motion #13-050

It was moved by Tumpach, seconded by Blumreich, and unanimously agreed to sell 25-year General Obligation Bonds with a call provision.

There being no further business to come before the Commission, the meeting adjourned at 12:04 p.m.

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Secretary