

## **REGULAR MEETING OF THE JEFFERSON UTILITIES COMMISSION, HELD JANUARY 8, 2018**

On call of the roll, commissioners present were: Adams, Brandel, Ristow, Oppermann and Michaelis. Also present: Interim Utility Manager Adler and Office Manager Statz. Absent was: Tinberg and Beyer.

### **PUBLIC PARTICIPATION**

None

### **DISCUSSION AND APPROVAL ON 2018 EMPLOYEE WAGE INCREASE**

Charlie Carlson of Carlson-Dettmann joined the meeting via telephone at 5:35 p.m.

Mr. Carlson explained that the model that was adopted by the utility was a hybrid plan. There is a minimum rate, five steps and a control point for paying each position. There is also a merit range section with a maximum dollar amount to be paid. The thought is that when an employee begins their job they have minimum experience and begin at step one on the matrix. Each year they move up one step (if they are meeting performance expectations) and eventually end up in the merit pay section. Once employees are in the merit pay section their increases are performance based and they can also receive bonuses.

Mr. Carlson stated that the matrix should be moved annually, about 1 ½ % to 2 ½%. If the pay matrix is not adjusted annually, the utility's wages will fall behind. This becomes a problem for the utility when they go out to hire new employees. At that time, the employees will need to be started higher up the steps.

Mr. Carlson stated that the utility is unique in that they have positions like linemen where the demand is so great. Those positions need to be paid at higher wages because the market is so competitive right now.

Mr. Carlson stated that if the utility has not been sliding the matrix then the wages are now behind. He stated that he has been providing matrix adjustments to the city each year, like they have been requesting. It was his belief that they were sliding their matrix.

Comm. Ristow stated that the utility has not adjusted the pay matrix since it was adopted in December of 2015.

Mr. Carlson stated that not adjusting the matrix each year is not going to work. The market in Wisconsin is "hotter than heck." He reiterated that the utility needed to make an adjustment. He went on to say that he has now been readjusting pay scales every three years and for some clients every two years. In addition, he noted that the problem in Wisconsin is that there are a lot of workers over the age of 55 and that are retiring. Because of this the competition is out there.

Mr. Carlson explained that he was aware of a referendum regarding the Utilities Commission appearing on the April ballot, but felt that the matrix should be adjusted now and reevaluated later this year.

Comm. Ristow explained to Mr. Carlson that the Public Service Commission does not allow the utility to recover bonuses in our rates. He questioned if it was possible to place the bonus on top of the hourly wage.

Mr. Carlson stated that at this time he recommended placing a percentage increase on the base salaries and to reexamine the pay plan.

Office Manager Statz asked Mr. Carlson if by "increase on the base salaries" he meant to slide the matrix by that percentage. Mr. Carlson confirmed that was the intent.

Mr. Carlson stated that due to the lack of adjustment, the pay matrix should now realistically be moved about 7 ½% to 8% to stay competitive with the market.

Comm. Brandel clarified that at this time it is Mr. Carlson's recommendation to increase the steps by 1.5% and to perform a reevaluation in 2019.

Mr. Carlson responded that yes, he is suggesting that the matrix be adjusted by 1 ½% to 2%, knowing that that is not enough of an adjustment and in 2019 do a reevaluation of the pay matrix.

Comm. Ristow stated that at that time we should also sort out payment of the bonuses. Mr. Carlson agreed.

Comm. Oppermann clarified that by adjusting the matrix 1.5%, those employees in the merit section will receive a 1.5% increase and those employees in the steps would receive a 4% increase. Mr. Carlson confirmed that was correct.

Mr. Carlson went on to say that the matrix should be reevaluated again in 2019 and it would cost about \$7,500.

The phone call with Mr. Carlson was ended.

### **MINUTES**

Comm. Ristow suggested the following changes:

*“Office Manager Statz handed out some figures showing options for increases. The costs listed were over and above 2017 wages. The most expensive option was to follow the city’s plan of a 1% raise, 1% payout and a potential ~~2%~~ 0% to 3% bonus for all staff. Office Manager Statz stated that the bonuses equal about \$18,000, which is why that plan is so much more expensive.”*

It was moved by Comm. Ristow and seconded by Comm. Michaelis to approve the regular session minutes from the December 11, 2017 meeting with the noted corrections. Motion carried on a voice vote. Comm. Brandel abstained.

It was moved by Comm. Ristow and seconded by Comm. Michaelis to approve the closed session minutes from the December 11, 2017 meeting. Motion carried on a voice vote. Comm. Brandel abstained.

### **EXPENDITURES**

It was moved by Comm. Brandel and seconded by Comm. Oppermann to approve the payment of December’s bills totaling \$957,329.70. On call of the roll, motion carried unanimously. (Adams – Aye, Ristow – Aye, Brandel – Aye, Oppermann – Aye, Michaelis - Aye)

### **DISCUSSION AND APPROVAL ON 2018 EMPLOYEE WAGE INCREASE**

Comm. Brandel asked Office Manager Statz if she had figures showing the cost to do as Mr. Carlson suggested.

Office Manager Statz distributed a chart of figures showing the different pay options. The option suggested by Mr. Carlson was noted as “Option #1.” This meant that the pay matrix would be adjusted by 5% for Lineman, the Line Foreman and Meter Technician positions and all other positions by 1.5%

Comm. Brandel stated that he would be in favor of following Mr. Carlson’s recommendation and to reevaluate the plan in 2018 for the 2019 budget year.

It was moved by Comm. Oppermann and seconded by Comm. Brandel to approve a 2018 pay matrix adjustment of 5% for the Lineman, Line Foreman and Meter Technician positions and a pay matrix adjustment of 1.5% for all other positions. These adjustments are retroactive to January 1, 2018. On call of the roll, motion carried unanimously. (Adams – Aye, Ristow – Aye, Brandel – Aye, Oppermann – Aye, Michaelis - Aye)

### **APPROVAL OF UTILITY MANAGER 2018 WAGE INCREASE**

Comm. Brandel stated that Mr. Adler does a terrific job. He took on a lot of responsibility, more so than he realized, and is doing very well.

Comm. Adams agreed with Comm. Brandel’s statements.

Comm. Brandel asked Mr. Adler if a 5% wage increase was enough. He wanted Mr. Adler to be happy with his pay.

Interim Utility Manager Adler stated that a 5% wage increase would be satisfactory to him.

It was moved by Comm. Brandel and seconded by Comm. Ristow to approve a 2018 wage increase of 5% for the Interim Utility Manager, retroactive to January 1, 2018. On call of the roll, motion carried unanimously. (Adams – Aye, Ristow – Aye, Brandel – Aye, Oppermann – Aye, Michaelis - Aye)

### **DISCUSSION AND APPROVAL OF BREAKER #2 RIVER CROSSING WORK**

Utility Manager Adler stated that due to some work performed by the Wastewater Treatment Plant the feeder extending to Whitewater Avenue was disconnected. Mr. Adler stated that this is a major feeder and needs to get back up and running.

Utility Manager Adler contacted Intren to assist with the work, due to the urgency, and got a price back of \$8,800 for two days' worth of work. It was his hope that only one day would be needed.

It was moved by Comm. Ristow and seconded by Comm. Oppermann to approve Intren to perform work on breaker #2, not to exceed a cost of \$4,400 per day and two days of work. On call of the roll, motion carried unanimously. (Adams – Aye, Ristow – Aye, Brandel – Aye, Oppermann – Aye, Michaelis - Aye)

#### **DISCUSSION AND APPROVAL OF 2018 BUDGET ADJUSTMENT**

Utility Manager Adler stated that there are iPads budgeted for 2018. The cost for those came back less than anticipated and will now be an expensed item.

Mr. Adler stated that it was his hope that the iPads would make life easier for both the office and the field crews. Meter Technician Jackie Tucker would be the first to use the iPads so that we could try them out. Eventually, all field staff will have one.

It was moved by Comm. Michaelis and seconded by Comm. Brandel to approve the 2018 budget adjustment of \$4,800 from capital line item 388 to expense line item 921-00-0388. On call of the roll, motion carried unanimously. (Adams – Aye, Ristow – Aye, Brandel – Aye, Oppermann – Aye, Michaelis - Aye)

#### **COMMUNITY CONTRIBUTIONS – GEMUETLICHKEIT DAYS, INC**

It was moved by Comm. Oppermann, seconded by Comm. Ristow to approve a \$1,000 donation to Gemuetlichkeit Days. On call of the roll, motion carried. (Adams – Aye, Ristow – Aye, Brandel - Aye, Oppermann – Aye, Michaelis - Aye)

Utility Manager Adler shared with the commission thermal images of the outside walls at the utility. The images were taken on a below zero day and clearly show the steel studs. This shows that the studs are very cold, which is probably where the moisture is coming from in the walls.

It was moved by Comm. Ristow, seconded by Comm. Michaelis to adjourn. Motion carried on a voice vote. The meeting was adjourned at 6:05 p.m.