

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
APRIL 10, 2017

The Municipal Utilities Commission met in its regular meeting on Monday, April 10, 2017 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Abdirizak Mahboub, Nathan Weber, Dan Holt, Bruce DeBlieck and Ross Magnuson.

Others present at the meeting were: General Manager John Harren, Director of Finance Denise Runge, Power Supply Manager Chris Carlson, Customer Service Supervisor Stacy Stien, Power Resources Analyst Michelle Marotzke, Electrical Engineer Jeron Smith, Power Plant Supervisor Jon Folkedahl, Water/Heating Supervisor Joel Braegelman, Administrative Secretary Beth Mattheisen, City Councilmember Shawn Mueske, and City Attorney Robert Scott (via teleconference).

Commissioner Laumer (President) opened the meeting by requesting the Commission to offer a resolution to approve the Consent Agenda. Following review and discussion, Commissioner Holtz offered a resolution to approve the Consent Agenda as presented. Commissioner Mattern seconded.

RESOLUTION NO. 11

“BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that the Consent Agenda be approved as amended which includes:

- ❖ Minutes from the March 27, 2017 Commission meeting; and,
- ❖ Bills represented by vouchers No. 170536 to No. 170623 and associated wire transfers inclusive in the amount of \$291,320.35.

Dated this 10th day of April, 2017.

President

Attest:

Secretary

The foregoing resolution was adopted by a vote of seven ayes and zero nays.

General Manager Harren presented the Commission with a status report on the proposed transitioning of the district heating system. The general issues touched on were: 1) what we have done; 2) where we are at; and, 3) what we haven't done. Following discussion and under Commission directive, the informational memo would be distributed throughout the community (i.e. City Council, WMU Staff, published in the WC Tribune, etc.). The purpose of the distribution is to keep the citizens of Willmar well-informed of the status of the district heating system.

Electrical Engineer Smith reviewed with the Commission a notice published by Great River Energy (GRE) regarding the joint effort between the two entities to upgrade the electric transmission system in the Willmar-Priam area. The upgrade plans contained in the announcement were to construct 5.5 miles of overhead transmission line connecting to the WMU's planned Priam Substation. Once the project is completed, this will increase the reliability of electric delivery to the Willmar-Priam area.

Electrical Engineer Smith informed the Commission that the WMU had received national recognition for achieving exceptional electric reliability in 2016. The recognition comes from the American Public Power Association (APPA) which represents more than 2,000 not-for-profit, community-owned electric utilities. Smith noted that in 2016 the average customer outage time for all US electric utilities was 132 minutes. The WMU customer average outage time was 26 minutes. We are proud to receive this recognition as a testament to the hard work the WMU staff performs to ensure that the lights stay on for all of our customers. General Manager Harren further noted the value that this reliability brings to the City of Willmar and its citizens.

Power Resources Analyst Marotzke presented the Commission with the February 2017 Power Supply Report. Included in the summary were the following graphs: 1) 2016-2017 Power Supply Comparison; 2) 2017 Budget vs. Actual; 3) LMP Comparisons; and, 4) Gas Prices.

At the previous MUC meeting (March 27th), the Commission had approved the minutes of the March 22nd WMU Labor Committee meeting which included a compensation adjustment recommendation by the Committee. While the minutes were approved, the recommendation was postponed in an effort to include all Commissioners on the voting process. Therefore, Commissioner Laumer reviewed with the Commission the minutes from the April 10th (11:00 a.m.) WMU Labor Committee meeting. Laumer noted that the topics of discussion included the recommendation to approve a wage adjustment for Mr. Harren with the compensation not to exceed the salary guidelines of Minnesota Statute 43A.17, and to recommend approval of an amendment to his Employment Agreement regarding vehicle allowance compensation. The amendment would be required to comply with state law compensation limitations. These recommendations were presented following Harren's positive six-month performance review along with supporting documentation (City Pay Equity Report, MMUA & APPA salary surveys, etc.). Following review, Commissioner Weber offered a motion to approve the minutes of the April 10, 2017 WMU Labor Committee meeting as presented. Commissioner Mattern seconded the motion which carried by a vote of seven ayes and zero nays.

Commissioner Laumer continued by recapping General Manager Harren goals, achievements and accomplishments since being named General Manager in October 2016. Laumer presented background information, along with noting that various salary survey data (state & national) and the recent City Pay Equity Report assisted in determining a compensation adjustment was warranted. Following discussion, Commissioner Laumer offered a resolution for a wage adjustment to \$156,000 for General Manager Harren be approved subject to state statute guidelines. Commissioner Magnuson seconded. Additional comments were presented by Commissioners Holtz and Mattern at this time.

RESOLUTION NO. 12

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that based on the positive six-month performance evaluation and data reflecting the local Pay Equity Report, similar-sized utilities, and market rates, that a wage adjustment to \$156,000 for General Manager John Harren be approved, with the compensation being subject to the statutory guidelines of Minnesota Statute 43A.17."

Dated this 10th day of April, 2017.

President

Attest:

Secretary

The foregoing resolution was adopted by a vote of five ayes and two nays (Commissioners Mattern and Holtz).

In conjunction with the wage adjustment approval for General Manager Harren, Commissioner Laumer was requesting a motion to approve an amendment to the General Manager's Employment Agreement. The amendment would call for a reduction in the monthly vehicle allowance from \$400 to \$217 for the use of his personal vehicle to performance official Utility business. This reduction would be required to stay within the statutory guidelines of Minnesota Statute 43A.17. Following discussion, Commissioner DeBlieck offered a motion to approve the amendment to the General Manager's Employment Agreement as presented. Commissioner Weber seconded the motion which carried by a vote of seven ayes and zero nays. General Manager Harren expressed his appreciation to the Commission for the compensation adjustment being granted.

General Manager Harren informed the Commission that a MUC Work Session has been scheduled for Tuesday, April 18th beginning at 3:00 p.m. (WMU Auditorium). Among the topics of discussion will be: 1) Bid recommendation for Cooling Tower #2 Replacement/Value of Capacity/Marketability of the Capacity/Power Supply Costs; 2) Joint Action Agency/Consultant Comparisons; and, 3) District Heating: Recap customer meetings, review customer questions & responses, and discuss possible assistance to install alternative systems.

For information: Upcoming meetings/events to note include:

- MRES Annual Meeting – May 10-11 (Sioux Falls, SD)
- APPA National Conference - June 19-21, 2017 (Orlando, FL)
- APPA Webinar Series: Public Utility Governance & Electric Utility 101 (1:00-2:30 p.m. in the WMU Conference Room)
 - Electric Utility 101: Transmission – April 13
 - Board Policy Development & Policy Compliance – May 2
 - Electric Utility 101: Distribution – May 11
 - Strategic Planning for Long-Term Effectiveness – May 30
 - Board-Driven Performance Evaluation: Governance & Management – July 5

There being no further business to come before the Commission, Commissioner Holtz offered a motion to adjourn the meeting. Commissioner Mahboub seconded the motion which carried, and the meeting was adjourned at 12:22 p.m. by a vote of seven ayes and zero nays.

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Abdirizak Mahboub, Secretary



WILLMAR MUNICIPAL UTILITIES
WMU Labor Committee Meeting Minutes
WMU Conference Room
Monday, April 10, 2017 -11:00 a.m.

Attendees: Commissioners Carol Laumer (Chair), Nathan Weber & Ross Magnuson, General Manager John Harren, and Administrative Secretary Beth Mattheisen.

Commissioner Laumer (LC Chair) called the meeting to order at 11:00 a.m.

AGENDA ITEMS:

➤ **Recommend approval to adjust General Manager's compensation:**

Commissioner Laumer opened discussion regarding the recommended wage adjustment to General Manager Harren's compensation. Following the positive six-month review by the Labor Committee at their March 22nd meeting, along with supporting documentation (City Pay Equity Report, MMUA & APPA salary reports, etc.), the Committee was recommending a wage adjustment to \$156,000 for Mr. Harren with the compensation not to exceed the salary guidelines of Minnesota Statute 43A.17.

Following discussion, Commissioner Magnuson offered a motion to approve the wage adjustment for General Manager Harren to \$156,000 with the total compensation package subject to MN Statute 43A.17 guidelines. Commissioner Weber seconded the motion which carried by a vote of three ayes and zero nays.

➤ **Approve amendment to General Manager's Employment Agreement (re vehicle allowance):**

In conjunction with the recommended compensation adjustment, Commissioner Laumer offered a motion to request that an amendment to General Manager Harren's Employment Agreement regarding vehicle allowance be considered for approval. The amendment would be required to comply with established state law compensation limits. A monthly allowance of \$217 would be paid to Mr. Harren for the use of his personal vehicle. Mr. Harren would not be eligible for mileage reimbursement. Commissioner Magnuson further requested a change in the date of the agreement amendment from April 24th to April 10th, 2017. Commissioner Weber seconded the motion which carried by a vote of three ayes and zero nays.

➤ **Adjournment:**

There being no further business to come before the WMU Labor Committee, Commissioner Weber offered a motion to adjourn the meeting. Commissioner Magnuson seconded the motion which carried by a vote of three ayes and zero nays at 11:20 a.m.