

WILLMAR MUNICIPAL UTILITIES MINUTES
MUNICIPAL UTILITIES AUDITORIUM
DECEMBER 26, 2018

The Municipal Utilities Commission met in its regular scheduled meeting on Wednesday, December 26, 2018 at 11:45 a.m. in the Municipal Utilities Auditorium with the following Commissioners present: Carol Laumer, Justin Mattern, Bruce DeBlieck and Ross Magnuson. Absent were Commissioners Abdirizak Mahboub, Nathan Weber and Brendan MacDonald.

Others present at the meeting were: General Manager John Harren, Customer Service Supervisor Stacy Stien, Facilities & Maintenance Supervisor Kevin Marti, Energy Services/Marketing Rep Michelle Marotzke, Administrative Secretary Beth Mattheisen, City Attorney Robert Scott (via teleconference), and WC Tribune Journalist Shelby Lindrud.

Due to the absence of Commission Secretary Mahboub, Commissioner DeBlieck served as Acting Secretary for the meeting. Commissioner Laumer (President) asked if any revisions were required to the presented agenda. There being none, Commissioner Laumer continued by requesting a resolution to approve the Consent Agenda. Commissioner DeBlieck offered a resolution to approve the Consent Agenda as presented. Commissioner Magnuson seconded.

RESOLUTION NO. 54

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

- ❖ Minutes from the December 10, 2018 Commission meeting; and,
- ❖ Bills represented by vouchers No. 182094 to No. 182163 and associated wire transfers inclusive in the amount of \$2,718,916.82.

Dated this 26th day of December, 2018.

President

Attest:

Acting Secretary

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

Commissioner Magnuson (LC Vice-Chair) reviewed with the Commission the minutes from the December 17th WMU Labor Committee meeting (see attached). The main topic of discussion focused on the General Manager’s annual performance review and consideration of a step wage adjustment. Following discussion, Commissioner Magnuson offered a motion to approve the minutes of the December 17th WMU Labor Committee meeting as presented. Commissioner DeBlieck seconded the motion which carried by a vote of four ayes and zero nays.

In conjunction with the Labor Committee meeting, Commissioner Magnuson stated that following a thorough step-by-step assessment of the General Manager's positive performance evaluation, along with review of comparable position data, the Labor Committee was recommending a 2% step adjustment increase effective January 1, 2019. Commissioner Laumer stated that a component of the 2018 annual review included a performance evaluation survey completed by all Commissioners. The survey data/input had been collected and tabulated by City Attorney Scott with the results reflecting a very positive evaluation of the 2018 performance by General Manager Harren. It was noted that the proposed 2% step increase adjustment would not exceed the established salary cap per "Governors Salary Cap Law" (MS 43A.17) and would remain within the requirements set forth by the law. Following discussion, Commissioner Laumer offered a resolution to approve a 2% step wage increase for General Manager John Harren effective January 1, 2019. Commissioner DeBlieck seconded.

RESOLUTION NO. 55

"BE IT RESOLVED, by the Municipal Utilities Commission of the City of Willmar, Minnesota, that a 2% step wage adjustment (increase) for General Manager John Harren be approved effective January 1, 2019."

Dated this 26th day of December, 2018.

President

Attest:

Acting Secretary

The foregoing resolution was adopted by a vote of four ayes and zero nays. Following adoption of the resolution, Commissioners Laumer & DeBlieck expressed their sincere appreciation on behalf of the Commission for the positive leadership and outstanding performance that General Manager Harren provides for the Willmar Municipal Utilities.

On behalf of Director of Finance Denise Runge, General Manager Harren presented the Commission with the November 2018 Finance Report along with a recap of the November 30, 2018 Investment Portfolio. The data presented included analyses of the Electric, Water, Heating and Combined Divisions. Information contained in the reports reflected operating revenues & expenses, operating income, and retained earnings. The Investment Portfolio presented a summary of WMU's securities and associated brokerage firms/agencies to date.

In an effort to keep the Commission well-informed of departmental strategies and developments, Facilities & Maintenance Supervisor Marti, with assistance from Energy Services/Marketing Rep Marotzke, presented the "Organization" SWOT Analysis update. The SWOT Analysis for each category consists of: strengths, weaknesses, opportunities, and threats. Along with the regular detailed listing, an additional summary has been included illustrating the key components of the Strategic Planning update related to "Organization". General Manager Harren further provided insight into the possible option for the Utility to obtain its own bond rating for future project financing. Relating to future projects, Harren noted that grant applications for funding assistance for the future Water Treatment Plant Project had been submitted with additional efforts and options to be continued. Marti informed the Commission that Utility staff would be updating the

Strategic Plan/SWOT Analysis in the near future to make the Plan more “strategic” in nature and less “operational” (day-to-day activities). Upon completion of the updated Strategic Plan, Commissioner Laumer stated that a possible Work Session may be required to review the revised plan with the Commission in its entirety.

General Manager Harren briefly recapped for the Commission the December 20th Work Session which had been held to review the findings of the 2018 MUC Self-Evaluation Survey. This was the second self-evaluation survey conducted which aids in identifying roles and responsibilities of the Commission along with prioritizing future efforts. The resulting data included comparisons of both the 2017 and 2018 surveys. Following the ninety-minute discussion, it was the consensus of the Commission to recess at this point and complete the review in conjunction with the January 14th MUC meeting.

General Manager Harren presented the Commission with a status update of the Priam Substation Project (aka Willmar-Priam Area Transmission Construction Project). Harren noted that Great River Energy (GRE) will begin construction on the 4.5 miles of new 69kv transmission line for Priam Substation Project. A tentative timeline of construction work was provided (all dependent on weather conditions).

General Manager Harren informed the Commissioners that the Facilities Assignment Agreement (FAA) relating to power supply has been completed. It was further noted that staff continues to progress toward completion of the Joint Pricing Zone Agreement (JPZ) with GRE.

General Manager Harren stated that a meeting of the WMU Planning Committee would be forthcoming (TBD). Agenda items for the PC Meeting would include: revenue neutrality update; generation study analysis; and, banking change.

For information: Upcoming meetings/events to note include:

- 2019 MMUA Legislative Conference: January 29-30 (St. Paul)
- 2019 APPA Legislative Rally: February 25-27 (Washington, DC)

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

Respectfully Submitted,

WILLMAR MUNICIPAL UTILITIES

Beth Mattheisen
Administrative Secretary

ATTEST:

Bruce DeBlicek, Acting Secretary



WILLMAR MUNICIPAL UTILITIES

MUC Labor Committee Meeting Minutes Monday, December 17, 2018 12:00 p.m.

Attendees: Commissioners Nathan Weber, Ross Magnuson & Abdirizak Mahboub, General Manager John Harren, Director of Finance Denise Runge, Compliance/HR Manager Janell Johnson, and Administrative Secretary Beth Mattheisen.

Commissioner Weber called the meeting to order at 12:02 p.m. by asking if there were any changes requested to the presented agenda. Following discussion, it was the consensus of the Committee to add an additional item to the agenda. The newly added item ("Miscellaneous") would be the first item listed on the amended agenda.

AGENDA ITEMS:

1) Miscellaneous:

General Manager Harren along with HR Manager Johnson presented the Committee with an update concerning ongoing litigation between the Utility and a former employee. A status report of the case was reviewed. This was for information only.

2) General Manager Year-End Review:

At the December 5th WMU Labor Committee meeting, discussion regarding the General Manager's year-end performance review and consideration for a step wage adjustment had been tabled. At this time, the topic was removed from the table and discussion continued.

HR Manager Johnson opened by presenting the Committee with information on the WMU General Manager's pay scale, along with some additional pertinent information for comparison. Included in the data presented were industry standards comparable to the WMU's operations and area. It was noted that the last step increase given to the General Manager had been in April 2017 (six-month review). The Labor Committee was presented with a suggested 3% step increase for consideration. Johnson further noted that a 3% step increase to the General Manager's current salary, would not exceed the established salary cap per "Governors Salary Cap Law" (MS 43A.17) and would remain within the requirements set forth by the law.

At this time, the Labor Committee excused General Manager Harren, DOF Runge, HR Manager Johnson, and Admin. Secretary Mattheisen to further discuss the data including the General Manager Performance Evaluation which had been tabulated by Attorney Robert Scott.

Following discussion by the Committee, Committee Chair Weber requested General Manager Harren to re-enter the meeting.

At 1:26 pm, Committee Chair Weber re-opened the meeting to present the Committee's recommendation. Weber stated that following a step-by-step assessment of the General Manager's very positive performance evaluation, along with review of comparable position data, the Labor Committee was recommending a 2% step adjustment increase effective January

1, 2019. The recommendation will be presented to the Commission for approval at the December 26th MUC meeting. (Note: Due to his absence at the upcoming MUC meeting, LC Chair Weber expressed his recommendation to approve the step adjustment as presented.)

Prior to the Dec. 26th meeting, Commission President Carol Laumer will meet with General Manager Harren to review the GM Performance Evaluation in its entirety (confidential data). Following the review, both Commissioner Laumer and General Manager Harren will be required to execute the document. (Note: The confidential data will be provided to the full Commission prior to the Dec. 26th meeting.)

3) Adjournment:

There being no further business to come before the WMU Labor Committee, Commissioner Weber offered a motion to adjourn. Commissioner Magnuson seconded the motion which carried, and the meeting was adjourned by a vote of three ayes and zero nays at 1:30 p.m.