

**MINUTES OF A MEETING OF THE
DuPAGE WATER COMMISSION
HELD ON THURSDAY, NOVEMBER 15, 2018
600 E. BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order by Chairman Zay at 6:30 P.M.

Commissioners in attendance: J. Broda, J. Fennell, R. Gans, D. Loftus, R. Obarski, J. Pruy, D. Russo, F. Saverino, P. Suess, and J. Zay

Commissioners Absent: J. Healy, D. Novotny, and M. Scheck

Also in attendance: Treasurer W. Fates, J. Spatz, C. Johnson, C. Peterson, A. Stark, D. Cuvalo, T. McGhee, F. Frelka, J. Schori, M. Weed, C. Bostick, E. Kazmierczak, P. Luetkehans of Schirott, Luetkehans & Garner, LLC.

PUBLIC COMMENT

None

APPROVAL OF MINUTES

Commissioner Gans moved to approve the Minutes of the October 18, 2018 Meeting of the DuPage Water Commission. Seconded by Commissioner Broda and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

TREASURER'S REPORT

Treasurer Fates presented the October 2018 Treasurer's Report consisting of 12 pages, noting that pages 1 and 2 contained a brief summary of the report.

Treasurer Fates pointed out the \$173.0 million of cash and investments on page 4, which reflected an increase of about \$0.2 million from the previous month. Treasurer Fates also pointed out the schedule of investments on pages 5 through 10 totaling \$152.1 million and the market yield on the total portfolio showed 1.90% which reflected an increase from the prior month. On page 11, the statement of cash flows showed a decrease in cash and investments by about \$1.6 million and operating activities generated \$5.8 million, and roughly \$113,000 of sales tax was received. On page 12, the monthly cash/operating report showed that the Commission had met or exceeded all of its reserve requirements.

Commissioner Obarski moved to accept the October 2018 Treasurer's Report. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

COMMITTEE REPORTS

Finance Committee – Reported by Commissioner Suess

Commissioner Suess reported that the Finance Committee had reviewed and approved all finance reports with no actions items for Board consideration.

Administration Committee – Reported by Commissioner Broda

Commissioner Broda reported that although the Administration Committee had no action items for Board consideration, the Committee did discuss employee salary adjustments which would be presented in more detail under New Business.

Engineering & Construction Committee – Reported by Commissioner Loftus

Commissioner Loftus reported that the Engineering & Construction Committee reviewed and recommended for approval all action items listed on the Engineering & Construction Committee Agenda and provided a brief summary of each item. After Commissioner Loftus pointed out that two of the agenda items required suspending the purchasing procedures of the Commission's By-Laws, he welcomed any questions. Hearing none, Commissioner Loftus moved to suspend the Purchasing Procedures of the Commission's By-Laws for Resolution No. R-35-18 and Requisition No. 55661. Seconded by Commissioner Fennell and unanimously approved by a Roll Call Vote.

Ayes: J. Broda, J. Fennell, R. Gans, D. Loftus, R. Obarski, J. Pruyn, D. Russo, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: J. Healy, D. Novotny and M. Scheck

Commissioner Loftus moved to adopt item numbers 2 through 6 under the Engineering & Construction Report section of the Agenda in a single group pursuant to the Omnibus Vote Procedures. Seconded by Commissioner Gans and unanimously approved by a Roll Call Vote.

Ayes: J. Broda, J. Fennell, R. Gans, D. Loftus, R. Obarski, J. Pruyn, D. Russo, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: J. Healy, D. Novotny and M. Scheck

Item 2: Resolution No. R-33-18: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Electrical Contract QRE-8/17 at the November 15, 2018, DuPage Water Commission Meeting. (WAO No. 6 to Volt Electric, Inc. at an estimated cost of \$3,000.00 and WAO No. 7 to McWilliams Electric Co., Inc., in an estimated cost of \$7,000.00)

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- Item 3: Resolution No. R-34-18: A Resolution Approving and Ratifying Certain Work Authorization Orders Under Quick Response Contact QR-11/17 at the November 15, 2018 DuPage Water Commission Meeting (John Neri Construction Co., Inc., in an estimated cost of \$6,000.00)
- Item 4: Resolution No. R-35-18: A Resolution Suspending the Purchasing Procedures and Authorizing the General Manager to Enter into a Four-Year Contract for the Maintenance of the Tank Mixing System at Standpipe 4 East with Utility Service Co., Inc., at the November 15, 2018 DuPage Water Commission Meeting (Utility Service Co. Inc., in a not-to-exceed cost of \$20,693.00 for the four-year term)
- Item 5: Resolution No. R-36-18: A Resolution Approving and Ratifying Certain Contract Change Orders for the Construction of the West Transmission Main (Contract TW 3/17) at the November 15, 2018 DuPage Water Commission Meeting (Benchmark Construction in the amount of \$86,914.61)
- Item 6: Request for Board Action: To Approve Requisition No. 55661 in the amount of \$50,372.97 to Infor Global Solutions Inc.

ACCOUNTS PAYABLE

Commissioner Russo moved to approve the Accounts Payable in the amount of \$8,351,953.67 subject to submission of all contractually required documentation, for invoices that have been received and to approve the Revised Accounts Payable in the amount of \$1,296,975.00 subject to submission of all contractually required documentation, for invoices that have not yet been received but have been estimated. Seconded by Commissioner Saverino and unanimously approved by a Roll Call Vote.

Ayes: J. Broda, J. Fennell, R. Gans, D. Loftus, R. Obarski, J. Pruyn, D. Russo, F. Saverino, P. Suess, and J. Zay

Nays: None

Absent: J. Healy, D. Novotny and M. Scheck

CHAIRMAN'S REPORT

Chairman Zay noted that he had several items to report starting with how well the presentation went that General Manager Spatz provided to the DuPage County Board at their October 23rd Board meeting, as well as, the positive press that had been received.

Next, Chairman Zay informed that the Commission had hired an outside law firm to help with various Freedom of Information Act issues noting he would keep the Board informed.

Chairman Zay then noted a concern with the City of Chicago's current lead problem and how it could affect the Commission's customers, specifically how the City would pay to address the lead problems on private property.

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Chairman Zay then suggested that the Commission consider hiring a PR Firm, on an as needed basis, to help manage communications should there ever be a crisis. All agreed with Commissioner Sues adding the suggestion of assigning an initial internal project to the selected PF Firm, such as handling the lead situation with the City as it would give the Commission a good idea of how the firm would manage the situation. Chairman Zay stated that he would be meeting with a firm the following week to get information including pricing and would report back at the next Board meeting.

OMNIBUS VOTE REQUIRING MAJORITY VOTE

None

OMNIBUS VOTE REQUIRING SUPER-MAJORITY OR SPECIAL MAJORITY VOTE

None

OLD BUSINESS

None

NEW BUSINESS

Salary Compensation Discussion

General Manager Spatz began by noting that discussions regarding the Commission's employees would need to be done in open session because on October 10, 2018 the Illinois Attorney General made a binding opinion that discussions regarding groups of employee salaries must be discussed in open session. With that said, General Manager Spatz began the salary compensation presentation starting with the formation of the Commission. General Manager Spatz pointed out that the goal was to hire experienced workers from local municipalities or similar positions within other industries and attract quality employees through higher wages and good benefits.

General Manager Spatz reviewed two previous compensation comparisons that had been completed; one in 2008 and one in 2014. Both studies showed, in many areas, the employees were on the lower salary end of the comparisons with very few wage adjustments made from either study.

General Manager Spatz then presented a table that showed the employee turnover for the last 5 years highlighting employees that had left in the last few years. General Manager Spatz stated that in many areas the turnover rate was at approximately 50% over the last 5 years and should this high turnover rate continue, operations would not be sustainable. The table included the employee's names, titles, years of experience, leave date, reason for leaving and the department.

Next, General Manager Spatz pointed out some of the adjustments that the Commission had previously made to improve employee retainage, such as, frontloaded longevity increase, lump sum payments, small additional merit adjustments, promotions to entice staying, as well as, increasing starting salaries for new employees.

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Financial Administrator Peterson presented the Commission's extensive recruiting efforts and minimum candidate appeal. She then presented bar charts that compared the Commission's salaries for various positions to like positions with DuPage County, the City of Chicago, City of Naperville, and other Commission customers. General Manager Spatz continued by presenting several recommended salary adjustments by utilizing the bar charts to show various percentage increases and how they would affect the salary ranges.

General Manager Spatz concluded his presentation by pointing out that the Commission has made extensive efforts to recruit qualified candidates with little success. The recommendations are needed to attract qualified candidates, retain the experienced employees, change the current turnover rate as it is not sustainable, and make the necessary salary adjustments to remain a best in class water utility.

Discussion ensued with both Commissioner's Russo and Saverino in favor of the recommended adjustments and stressed the importance of how keeping salaries competitive would avoid experienced employee's seeking better opportunities elsewhere and would also avoid a crisis where the Commission does not have experienced personnel necessary to operate the water system. Commissioner Gans echoed both Commissioner's adding that the adjustments should be enough to give employee's an incentive to stay.

Commissioner Suess pointed out that many of the employees that have started together would soon be retiring together which results in a critical time adding that in addition to taking care of the current employees, the Commission should also consider expanding its positions to accommodate the customer growth. Commissioner Fennell expressed how attracting qualified candidates and retaining good employees are two of the most important things an organization can do and suggested leaving the percentage increases to the discretion of the General Manager.

After discussion concluded, Chairman Zay noted that everyone has worked very hard to get the Commission back on track and it is now time to take care of its employee's, as well as, make the Commission a place where qualified experienced people would want to seek employment. With that said, Chairman Zay asked for a consensus to give the General Manager a salary adjustment budget of \$300,000 to distribute among the employees at his discretion. To which all Commissioners present agreed.

EXECUTIVE SESSION

None

After Chairman Zay wished everyone a Happy Thanksgiving, Commissioner Gans moved to adjourn the meeting at 7:16 P.M. Seconded by Commissioner Broda and unanimously approved by a Voice Vote.

All voted aye. Motion carried.