

**MELROSE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MONDAY, JANUARY 8, 2024 – 4:45 P.M.**

A.I. #1 CALL TO ORDER/ROLL CALL

The Melrose Public Utilities Commission met in a Regular Meeting on Monday, January 8, 2024, at 4:45 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Eric Seanger, Jeremy Kraemer, and Joe Finken, Electric Journey Lineworker Stever Scholz, Water/Wastewater Supervisor Tim Vogel, City Administrator Colleen Winter, Community Development Director Sheila Hellermann, and City Clerk Patti Haase. Finance Director Ryan Meyer was absent. City Administrator Winter called the meeting to order.

A.I. #2 OATH OF OFFICE

The Council at its January 4, 2024, meeting reappointed Joe Finken to the Utilities Commission as the Council Representative for a one-year term. City Administrator Winter administered the Oath of Office Mr. Finken.

A.I. #3 APPOINTMENT OF OFFICERS

The Commission's January meeting each year is the Organizational Meeting; therefore, the Commission is to appoint the Officers for 2024. These are Chair, Vice Chair, and Secretary. In 2023, the positions were as follows:

Chair – Joe Finken
Vice Chair – Eric Seanger
Secretary – Jeremy Kraemer

If staying with past practice Eric Seanger would be nominated as Chair, Jeremy Kraemer as Vice Chair, and Joe Finken as Secretary.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried appointing the Chair, Vice Chair and Secretary as follows:

Chair – Eric Seanger
Vice Chair – Jeremy Kraemer
Secretary – Joe Finken

Mr. Seanger chaired the remainder of the meeting.

A.I. #4 APPROVAL OF AGENDA

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried to approve the agenda as submitted.

A.I. #5 CONSENT AGENDA

The following were considered for approval under the Consent Agenda

- a. The December 11, 2023, Regular Meeting Minutes

- b. List of bills in the amount of \$1,433,135.97
- c. Investments Report for the month of December
- d. The City received Invoice #220-2023, which is through Pay Voucher #13, in the amount of \$21,042.50 for our portion of the construction costs. The City's share is \$17,469.03, and the Utility share is \$3,573.47.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried to approve the Consent Agenda

A.I. #6 REPORTS

- a. Water/Wastewater Supervisor Vogel provided an update on the Water/Wastewater department projects. Staff is working on several annual reports.
- b. Journey Lineworker Steve Scholz provided an update. The department has installed metering for Kwik Trip permanent service. They continue to work on inventory count, 4th quarter work orders, and tree trimming. The department has repaired some hot spots that were found in the inferred testing. They also worked on some maintenance at the power plant.
- c. Community Development Director Sheila Hellermann provided an update on the development projects. Ms. Hellermann stated that she is working with a business owner on a purchase agreement in Industrial Park. The Melrose City Council has authorized Mayor Finken to execute the Letter of Intent and Access Site Agreement for the downtown redevelopment project. Staff working with an interested business in the I-94 Industrial Park, discussed purchasing a wide easement with the State of Minnesota. Staff reached out to the State of Minnesota. After many months, we have received an offer from them. Staff also inquired about the easement area behind Genex. The State will only sell to the underlying fee title owners of the property. Ms. Hellermann will contact Genex to see if they are interested in purchasing the easement adjacent to their property.
- d. Finance Director Ryan Meyer submitted his report.
- e. City Administrator Winter provided an update on the following:
Andrew Rousslange has started with the Street Department as of January 3rd. Felicia Mundis resigned from the Police Department, and we posted internally, and Stephanie Perez has accepted the position. We are currently advertising for both a Receptionist/Building Permit Tech and a Police Officer.

Capital projects:

The City will be hosting an Open House on Monday, January 22nd from 5 – 7 pm for the public to discuss the 2024 Main Street Reconstruction project. A letter has been sent out to those residents in the project area.

Cell phone stipend

Since 2020, the City has had a policy that allows employees to be reimbursed for a portion of their cell phone. The amount of reimbursement varies depending on what the employee's use of the phone is. However, this is not applied to ALL employees. Our cell phones are used more than regular phones. This is a day-to-day operation matter, and I would like to be able to offer that stipend to ALL employees as allowed by policy. The amount ranges from \$25 - \$50 a month

depending on what type of data (SCADA, Cameras, etc.) the employee has on their phone as part of their responsibility in their job description.

A.I. #7 ACTION ITEMS

- a. (1) The Commission gave consideration to designating the Grievance Representative for 2024. For 2023, Commission Member Jeremy Kraemer was the Commission representative and Council Member Travis Frieler served as the Council representative. The Council at its January 4, 2024, meeting designated Travis Frieler as the Grievance Representative for 2024.

A motion was made by Mr. Seanger, seconded by Mr. Finken and unanimously carried reappointing Mr. Kraemer as its representative to the Grievance Committee for 2024.

(2) The Commission next gave consideration to designating an Ad Hoc Labor and Personnel Committee Representative. In 2023, Tony Klasen served as the Council representative and Eric Seanger served as the Commission representative. The Council, at its January 4, 2024, meeting, appointed Tony Klasen as the Council Representative.

A motion was made by Mr. Finken seconded by Mr. Kraemer and unanimously carried reappointing Mr. Seanger as its representative to the Ad Hoc Committee for 2024.

- b. In October 2023, the Electric Departments Truck #216's toolbox was left open and received damage while being backed out of the Public Works garage. AMB Equipment & Supply, the company that installed the box, provided a quote for repairs for the total amount of \$10,419.50. This amount will be applied towards the City's annual aggregate deductible of \$15,000.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried approving the repair of Electric Department Truck #216.

- c. Since 2022 when we switched engineering companies from WSB to SEH we have been operating under SEH's GIS platform. It is an open based ESRI platform of which we hold the license. We have had limited interaction with the GIS department and their public works platform is not as good as what we had with WSB. I received a quote from WSB for hosting our GIS services again and would like to switch back to them for this purpose. We had WSB give a presentation on Thursday, January 4th to public works and administration staff that regularly use GIS. The consensus from staff is that WSB's platform would be better suited for our needs. As staff we also discussed the needs especially on the public works side to begin using GIS out in the field regularly. The initial price to switch back to WSB would be:

Year 1 Costs: **\$8,000** (That includes \$3,600 for a yearly hosting cost and \$4,400 to turn the app back on, make application updates, and refresh the data to be current)

Costs after Year 1: **\$3,600 Annually for Hosting**

Our ESRI license is \$1,221.00 a year and includes both a desktop and mobile

application.

These costs would be split between the General fund and PUC. Administrator Winter is recommending that we switch back to WSB for GIS.

A motion was made by Mr. Finken, seconded by Mr. Kraemer and unanimously carried approving the contract with WSB for the GIS platform.

A.I. #8 OLD BUSINESS

- a. Administrator Winter and WWTF Supervisor Vogel met with Susan Danzl and Amy Prok from SEH to discuss the concerns that were expressed by the PUC at the last meeting and the ongoing issues that we have had with this project. Enclosed in your packet you will find a breakdown of the costs related to Enhancements and Necessary Field changes. You will note that on the field changes there were some deducts. SEH did also provide us with deducts for engineering and for the remainder of the project will keep their costs to a minimum. I will have that information available on Monday. The screens are currently operating as they should and JWC will be out sometime in the next couple of weeks to complete their necessary punch list items. The next big project at the plant is the blower building and we discussed how important up-front communication from all parties is and what we can do to avoid any potential issues with design and contracts moving forward.
- b. As discussed at our last meeting, Administrator Winter has followed up with MRES, MMUA and DGR to see what services they can offer in the absence of an Electric Supervisor.
 1. MRES – presentation was made to the PUC in July. They offer the following programs:
 - *Mentoring Services – 1/day/mo – I would expect this to be approximately \$1600. This would include a senior journey lineworker visiting the community for about 6-8hrs / day. This includes expenses, mileage, meals, hours for driving, other expenses. If you wanted someone for 2 days, you could essentially double the estimate. Again, this is an estimate based on our 2023 rates.
 - *Full DM Services – Staff would be employed by MRES, and work as part of the team in Melrose. This includes supervision from MRES, training done by either MRES directly or via cooperation with Melrose's MMUA relationship, again at the expense of Melrose. These are estimates for the services and will be done on a cost basis. The estimates are based off of a 401k program offered by MRES, a health insurance program with two options that requires cost sharing for employees with family, and other industry comparable benefits. These are estimated based on 2023 rates. These estimates include on-call expenses from the crew. MRES's supervisor would visit the crew roughly 2-3/mo. The crew leader would be the everyday contact for coordination with city staff.
 - a. 4 Total lineworkers (3 Journey and 1 crew leader, with supervision from MRES) - \$700k/yr
 - b. 5 total lineworkers (1 apprentice, 3 journey, and 1 crew leader, again with supervision from MRES) - \$800/yr

2. MMUA – they do not offer any Supervisor services at this time. Their focus is on the Apprenticeship program and PUC should still consider participation in this program.
 - 3 DGR – Can assist with project management. Admin Winter and Electric staff will be meeting with DGR in the next week.
- c. City Administrator Winter stated that Melrose Public Utilities has received a letter from Kaysie Worms of AFSCME requesting an opening up of the current union contract.

The Commission by consensus tabled action on this item until after the compensation and classification study has been completed.

- d. At a special joint meeting with Council and PUC presentations were provided by ABDO and DDA for a Compensation and Classification Study. The costs are as follows:

ABDO – 13,000 with an update yearly for 3,200 and 1,900 for a formal position reclassification policy

DDR – 15,000 with an update yearly that is negotiable.

Please note that these quotes do not include the updating of the current job descriptions. We as staff feel that is something that can be dealt with in-house.

COMPENSATION STRATEGY

While pay equity compliance is an important aspect of designing and revising a compensation program, here are the other components of a comprehensive study.

1. Defining the market which the city draws talent from.
2. Defining where the city would like to position its compensation program relative to the market.
3. Clearly articulate what the city would like to pay for and the behavior it would like to reward.
4. Describing how pay increases are delivered; step pay progression and general increases reward employees for their seniority while merit increases emphasize the importance of employee performance and meeting individual goals.

Developing a clear understanding of compensation strategy is important to ensure that the city's pay program it is implementing meets the objectives expected from the program.

A motion was made by Mr. Kraemer, seconded by Mr. Finken and unanimously carried approving moving forward with a Compensation and Classification study with DDA and allow City Administrator Winter the ability to negotiate with the consultant to ensure that the study will meet expectations and be delivered in the first quarter of 2024. Cost not to exceed \$18,000.00. Cost to be split between the PUC and City.

A.I. #9 NEW BUSINESS

- a. Included in the agenda for the 1/8/2024 PUC meeting is a Cash Forecast Analysis, as required by the PUC's investment policy. This analysis shows the trends in cash flows as an average of the prior year results, as well as analysis of current liquid cash and long-term investment balances.

As shown in the report, there are funds that would be available for both long- and short-term investing. These funds are currently housed in a savings account at Magnifi that earns 1.5% interest. There are several options available that would yield higher interest income, while still making funds available for projects or repairs in a relatively short period of time.

Finance Director Meyer would like the input of the Commission as to what your preference is for investment opportunities. If the Commission would like the funds to stay local, Magnifi offers several Certificates that would keep the funds here to be borrowed out to other Magnifi customers. UBS and Oppenheimer offer several options in the short-term market, including Treasury Notes and Certificates of Deposit, that yield a higher interest rate than the local option.

The Commission by consensus directed Finance Director Meyer to obtain rates from other local financial institutions.

- b. Administrator Winter and Supervisor Vogel discussed with the Commission the next steps regarding the Water/Wastewater Department for hiring. Supervisor Vogel will be retiring in July 2024.

A motion was made by Mr. Kraemer seconded by Mr. Finken and unanimously carried to advertise for the Water/Wastewater Supervisor position.

A.I. #10 INFORMATIONAL ITEMS

- a. The following are schools and/or conferences where registrations were made:
- 1) MRWA Annual Water and Wastewater Tech Conference March 5-6. Attending Water/Wastewater Supervisor Tim Vogel and Water/Wastewater Operator Jeremy Schrantz
 - 2) Type IV Refresher Online Workshop January 17, 2024. Attending Water/Wastewater Operators Jeremy Schrantz, Josh Elfering, and Evan Gregory.

A.I. #11 ADJOURNMENT

A motion was made by Mr. Finken seconded by Mr. Kraemer and unanimously carried that the meeting be adjourned at 5:36 p.m.

PATRICIA HAASE – CITY CLERK