



# Daphne Utilities

## **APPROVED MINUTES**

### **Utilities Board Meeting**

**City of Daphne Council Chambers ♦ September 12, (August) 2012 ♦ 5:00 p.m.**

#### **I. Call to Order**

The regular August 2012, Board meeting for the Utilities Board of the City of Daphne was held on September 12, 2012 and called to order by Chairman Robert Segalla, at 5:02 p.m.

#### **II. Roll Call**

**Members Present:** Robert Segalla, Chairman  
Fenton E. Jenkins, Vice Chairman  
Ron Scott, Secretary/Treasurer  
Bailey Yelding, Mayor  
Lon Johnston

**Others Absent:**

**Others Present:** Jerry Speegle – Board Attorney  
Rob McElroy – General Manager  
Danny Lyndall – Operations Manager  
Teresa Logiotatos – Finance Manager  
Drew Klumpp – Administrative Services Manager  
Lori May-Wilson – Executive Assistant  
Melinda Immel – Volkert & Associates  
Ray Moore - HMR

**Others Absent:** Deloris Brown – HR Manager

#### **III. Pledge of Allegiance**

The Chairman led the Board and meeting attendees in the Pledge of Allegiance.

#### **IV. Approval of Minutes**

##### **A. Utilities Board Minutes from July 25, 2012:**

The Chairman inquired if there were any corrections noted for the submitted Minutes from the July 25, 2012, Utilities Board meeting. No corrections were made.

***MOTION BY Mayor Bailey Yelding to approve the Minutes for July 25, 2012; Seconded by Lon Johnston.***

**AYE: JENKINS, JOHNSTON, SCOTT, SEGALLA, YELDING**

**ABSENT:**

**ABSTAIN:**

**MOTION CARRIED**

**V. Old Business**

No old business to note.

**VI. New Business**

**A. Proposed Pay Grade Ranges for 2013 (last updated in 2010) (Requires Board Action)**

Rob McElroy proposed to the Board an adjustment to the pay grade ranges and noted they had not been adjusted in two years and reminded the Board of the series of discussions concerning this issue. He then answered Lon Johnston’s question that the increase represents a 3-1/2% across the board, and as Chairman Segalla noted except for Grades 15 and 16. Mr. Johnston also inquired as to the number of employees that would be below minimum. Mr. McElroy explained that while there was not a pay raise approved for last year, it was discovered one employee’s salary was at the minimum. He stated that by merely increasing the salary ranges does not automatically increase anyone’s salary, it simply adjusts the ranges of salaries to keep in accordance with the industry standards. Mr. Johnston also inquired as to why a pay range change is currently being proposed given the sluggish economy and the wages generally being held down. Mr. McElroy explained that it was to have the window of opportunity when bringing new people into the company and to offer competitive wages for the industry and to also retain the outstanding employees necessary for the Utility. He also reminded the Board that since 2006, 14% of the workforce has been cut from the Utility, eliminating positions in their entirety, saving in excess of a million dollars in labor costs compared to a hiring freeze, going above and beyond for our customers as well as increased our level of performance and quality for our customers. Chairman Segalla commented that he has stated to Mr. McElroy and Mrs. Logiotatos previously that he is comfortable in keeping the salary/benefit ratio to revenue somewhere around 30%. Mayor Yelding inquired about the reduction in the workforce. Mr. McElroy reinforced that Daphne Utilities has never had a lay-off or fired anyone to reduce head-count and there is no intention of doing that; he explained that these are positions that become vacant, through retirement or an employee leaves the company, and it is decided not to fill the position. Mr. Scott agreed that the ranges need to be reviewed and adjusted.

***MOTION BY Lon Johnston to approve the proposed Pay Grade Ranges for 2013, 193.00; Seconded by Ron Scott.***

**AYE:** Jenkins, Johnston, Scott, Segalla, Yelding      **ABSENT:**      **ABSTAIN:**      **MOTION CARRIED**

Melinda Immel reviewed for the Board the bid project and award recommendation for the Improvements to the Daphne Utilities Central Water Plant.

***MOTION BY Ron Scott to award the bid for Improvements to the Central Water Plant for Daphne Utilities to Double Diamond Construction Co., Inc. in the amount of \$813,000.00; Seconded by Lon Johnston***

**AYE:** Jenkins, Johnston, Scott, Segalla, Yelding      **ABSENT:**      **ABSTAIN:**      **MOTION CARRIED**

**VII. BOARD ATTORNEY’S REPORT**

Mr. Speegle had nothing to add to his report but recommended the Board convene for Executive Session for the purpose of discussing pending or threatened litigation for approximately 20 minutes at the conclusion of the regular meeting.

**VIII. FINANCIAL REPORT**

Teresa Logiotatos highlighted the financial reports for the Board. She explained the activity of capacity fee for Mr. Scott. She discussed further the financial summary. Mr. Johnston inquired as to grant money for the Utilities. Mr. Lyndall advised that the Utilities is exploring projects that would qualify for oil spill grant money, but the process is still currently being created.

**IX. GENERAL MANAGER’S REPORT**

**A. GM Report**

Rob McElroy noted that Board officer elections will be on the agenda for the September board meeting. He also informed the Board that he will not be in attendance due to a speaking appointment at a conference and that Danny Lyndall will be filling in for him.

Danny Lyndall introduced the new maintenance manager, David Sadberry.

Mr. Johnston asked about billing dates relative the new billing system conversion. Drew Klumpp indicated that billing cycles should run continue in the same manner.

Danny Lyndall had nothing further to add to his report. Chairman Segalla expressed congratulations to Vanna Trott for her detailed work performance that resulted in outstanding results for the EPA DMR-QA 32 study.

Danny Lyndall reviewed for the Board the distributed and proposed September 7, 2012 Capital Improvement Plan. Mayor Yelding addressed an odor problem with Mr. Lyndall at the corner of US98 and Johnson Road. Mr. Lyndall advised that he would further investigate the issued. Mr. McElroy concluded the CIP review reiterating and confirming Mr. Johnston's comments of the average \$3million cost per year for these crucial projects.

Melinda Immel of Volkert & Associates had nothing further to add to her report.

Ray Moore of HMR had nothing further to add to his report.

**X. BOARD ACTION –**

Accomplished under "New Business"

**XI. PUBLIC PARTICIPATION –** None.

**XII. BOARD COMMENTS –** None.

The Board adjourned for Executive Session – 5:48 pm

*MOTION BY Mayor Bailey Yelding to adjourn for Executive Session for the purpose of discussing pending or threatened litigation for approximately 20 minutes; Seconded by Lon Johnston*

**AYE:** Jenkins, Johnston, Scott, Segalla, Yelding

**ABSENT:**

**ABSTAIN:**

**MOTION CARRIED**

Executive session ended 5:48 pm.

**XIII. ADJOURNMENT –**

*MOTION BY Ron Scott to adjourn the meeting; Seconded by Lon Johnston*

**AYE:** Jenkins, Johnston, Scott, Segalla, Yelding

**ABSENT:**

**ABSTAIN:**

**MOTION CARRIED**

The meeting adjourned at 5:48 pm.