Accepted by:

Chairman, Daphne Utilities

Daphne Utilities

APPROVED MINUTES

Utilities Board Meeting

City of Daphne Council Chambers ◆ June 25, 2014 ◆ 5:00 p.m.

I. Call to Order

The regular June 2014, Board meeting for the Utilities Board of the City of Daphne was held on June 25, 2014 and called to order by Chairman Robert Segalla, at 5:02 p.m., proceeded by the Roll Call:

II. Roll Call

Members Present:

Robert Segalla, Chairman
Randy Fry, Vice Chairman
Lon Johnston, Secretary/Treasurer
Fenton Jenkins
Dane Haygood, Mayor

Others Absent:

Others Present:

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

Others Absent:

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 May 28, 2014:

The Chairman inquired if there were any corrections noted for the submitted Minutes for the May 28th, 2014, Utilities Board meeting. No corrections were recommended.

MOTION BY Lon Johnston to approve the Minutes for May 28, 2014 as submitted; Seconded by Fenton Jenkins.

AYE: *FRY, HAYGOOD, JENKINS, JOHNSTON, SEGALLA* ABSENT: ABSTAIN: **MOTION CARRIED**

V. OLD BUSINESS –

A. **Items in Abeyance**:

Rob McElroy updated the Board advising that a letter had been sent to Spanish Fort Mayor McMillan requesting that they consider lowering the gas franchise fee to what we collect rather than a lump-sum figure higher than what Daphne Utilities' collects (3%), and notified Mayor McMillan that he would schedule a meeting to speak to him

about this situation. He also corrected himself regarding the sewer franchise agreement in that it would not require a rate increase from the Daphne Utilities board but rather an additional fee included on the bill for Spanish Fort customers. In investigating this possibility, Mr. McElroy advised that there are many potential Spanish Fort sewer customers and it would be in the best interest of both Daphne Utilities and Spanish Fort residents to negotiate a franchise agreement with the City of Spanish Fort. He answered questions from the Board regarding the Spanish Fort situation.

VI. NEW BUSINESS –

A. Retirees One-Time Lump-Sum Addition to Retirement Benefits of Certain Retirees and Beneficiaries of the Employees' Retirement System Act #2014-429 (Resolution will be required - see Board Action);

Drew Klumpp explained to the Board the letter received from the Retirement Systems of Alabama for a one-time lump sum addition for retirees and the necessity for a resolution if approved.

MOTION BY Randy Fry approve RESOLUTION 2014 -03; Approve Section 2 of Act 429 of the Regular Session of the 2014 Legislature Regarding Retirees One-Time Lump Sum Addition to Retirement Benefits of Certain Retirees and Beneficiaries of the Employees' Retirement System Act #2014-429; Seconded by Fenton Jenkins.

AYE: *FRY, HAYGOOD, JENKINS, JOHNSTON* **ABSENT:** **ABSTAIN:** *SEGALLA* **MOTION CARRIED**

VII. BOARD ATTORNEY'S REPORT

Mr. Speegle had nothing further to add to his report and announced that an Executive Session was needed.

VIII. FINANCIAL REPORT

Teresa Logiotatos reviewed the financials with the Board and discussed the graphs as a point of reference and the Check History Report. Questions from the Board were answered by staff.

IX. GENERAL MANAGER'S REPORT

A. GM Report

Mr. McElroy had nothing further to add to his report and made a farewell presentation to Mr. Lon Johnston upon his retirement from the Board and thanking him for his service to Daphne Utilities and the Daphne community.

A. Operations Report

Danny Lyndall had nothing further to add to his report. Mr. Johnston inquired as to the several emergency repairs. Mr. Lyndall and Mr. McElroy updated the Board on the emergency projects.

B. Engineering & Consulting Reports

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

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

X. BOARD ACTION – Addressed under New business.

XI. PUBLIC PARTICIPATION – None.

XII. BOARD COMMENTS – None.

XIII. EXECUTIVE SESSION –

Mr. Speegle advised that Executive Session was necessary to address a grievance that was filed by a former employee and a discussion of competence, reputation and performance is justification for this Executive Session. Adjourned for Executive session at 5:27pm.

MOTION BY Lon Johnston to adjourn to Executive Session; Seconded by Fenton Jenkins.

AYE: *FRY, HAYGOOD, JENKINS, JOHNSTON, SEGALLA* **ABSENT:** **ABSTAIN:** **MOTION CARRIED**

The meeting reconvened at 5:53 pm.

MOTION BY Lon Johnston to deny the grievance brought before the Board; Seconded by Fenton Jenkins.

AYE: *FRY, HAYGOOD, JENKINS, JOHNSTON, SEGALLA* **ABSENT:** **ABSTAIN:** **MOTION CARRIED**

XIV. ADJOURNMENT -

MOTION BY Lon Johnston to adjourn.

AYE: *Fry, Haygood, Jenkins, Johnston, Segalla* **NAY:** **ABSENT:** **ABSTAIN:** **MOTION CARRIED**

The meeting adjourned at 5:55 p.m.

Preceding minutes submitted to the Daphne Utilities Board by:

Lori Wilson

Lori Wilson, Executive Assistant, Daphne Utilities