

MOUNTAIN GREEN SEWER IMPROVEMENT DISTRICT
5455 West Old Highway Road, Mountain Green, Utah 84050
Minutes of the Board of Trustees Meeting
Unscheduled Meeting for October 28, 2015, 7:00 p.m.

Board Members Present: Mark Devoe, Tina Kelley, Shane Rice, Lynn Peterson and Zane Gray.
Excused: Blair Larsen and Wendy Eliason **Employees Present:** Robert Volk and Janet Boudrero

Invocation: Zane Gray

Chair: Mark Devoe welcomed those present and presided over this meeting.

Item # 1. Discussion: Wage and benefits for the Secretary Position

Item # 2. Discussion: Wage and benefits for the Operator position

Discussions for both Items #1 & #2 were intermixed.

Mark expressed his desire that the board can come to some type of conclusion this evening regarding the wage and benefits for the three employee positions with the MGSID. Mark added that any one of the Board Members has the option to make a motion to go into a Closed, or Executive Session, by following the set rules of stating the reason for the request and then achieving the required 2/3 vote, but he does not believe that this is necessary or appropriate for this meeting. Wages and Salaries for this type of entity should be an open conversation and are ultimately public knowledge. This meeting should be a conversation about positions and salaries and not a personnel commentary or action.

Mark continued by noting that the Board has expressed a desire to be more involved in the annual decision making regarding wages, but at the same time understands that the employees should have some kind of system that they know will advance their wages based on set parameters and performance instead of being left to decisions that could be capricious.

Mark then informed us that Blair Larsen will not be in attendance this evening as he is on the road, but would like to be contacted by phone so that he can provide his opinion on the matter. Mark called and put him through on speaker phone. Blair expressed that he gets that the Manager's position has taken on more responsibilities and is more valuable, and that is not an argument with him. He does believe that the Manager deserves more than he is getting and that Robert is dealing with a lot more than before.

However, Blair does feel that this discussion about the Manager's salary is advancing too rapidly as it has only gone on for a couple of months at the longest, and he does not feel that it has to be decided before the budget or the end of this year. He suggested that maybe we should look at giving Robert a decent raise here for this year and then look at making a decision on this restructuring by the budget hearing at the end of next year. This would allow Mark to finish out this year as Chairman and then have the new Chairman work through the policy so the Board is not in what he feels is a big rush.

Blair added that if the Manager's job is taking on more responsibilities then the Board should be ready to adjust the pay accordingly or see about removing some of those duties and contracting them out so we don't give all the power to one position. He then suggested that maybe the District can pay more money to some of the Board Members and assign portfolio duties to them so the job is more spread out instead of all going to one person.

Blair then mentioned that he wished he could be more involved but he had to make a choice on driving assignments that would pay more, so he cannot be more involved. Blair finished by saying that he looks forward to the future and feels that it looks bright and we should not rush into it. Zane thanked Blair for his participation. Tina suggested a follow up call to inform Blair of any decision made regarding this item.

Mark expressed that he sees more urgency for this topic than Blair, and Mark would like to see the ball start rolling so the Board can at least determine fair pay for the employees in 2016 while the Board works through setting up a long term stepped compensation program.

The first two salaries to be discussed are for the part time employees. The comparisons provided in the HR Services study are shown in full time annual salaries, so to make a comparison we will have to divide each amount by 52 weeks and then by 40 hours in order to see the equivalent hourly rate. Mark noted that his experience has been that dependable and valued part time employees are paid a little more than the average because they do not receive any benefits.

Tina and Zane asked what rate the District is currently paying the Secretary and Operators. Robert let them know that the current employees of both positions are all paid \$23.10 per hour, which equates to \$48,048 per year on a full time basis without benefits.

Tina then stated that she was disappointed in the comparisons that were provided by HR Services as they are too large and she feels they are not comparable in size to MGSID. Mark agreed with Tina and added that he looked through the job descriptions and found no exact match for the duties of our employees here so some of the average wage rates provided could still be used for reference.

Lynn asked how many years each of our part time employees has been in service, and the response was that Janet has been with the District for twenty one years, Dennis for ten years and Jim for six years. Robert added that all of these employees have been completely dependable in their service. Jim and Dennis have shifts that are only an hour long, and yet they continually show up on time and get the job done every day. They have even asked their full time employers for allowances in scheduling in order to accommodate the District's needs. Janet only work four hours each day, five days a week without benefits and has done so reliably for over twenty years. Robert added that this kind of loyalty from part time employees is exceptional and should be recognized in a pay rate that is above average. Lynn then expressed

that he would not do their job or the Manager's job for the pay that is being offered, and he believes that the requested raises are appropriate and should be approved.

Mark said that the Board is now aware of what the Secretary's wage is so the Board should compare it to the data that has been provided. The Board Members discussed how none of the job descriptions was an exact fit, so there would probably be a combination of the options presented to create a match for the Secretary. Robert asked if he could address the Board, and then clarified that on an annualized basis, the hourly wage for the Secretary would be \$48,048. Based on that, the Secretary's current wages are in line with the sampled wages on the spreadsheet in the high column, which ranged from \$45,000 to \$78,000. The same pattern will be found when reviewing the Operator's wages. Robert added that he believes Ron Lawson, who is well respected by the Board, was the one who was responsible for putting in the policy of paying District employees a wage that is equal to or better than comparable local wages. Ron seemed to understand the value of the District's employees and wanted to make sure they were compensated accordingly.

Mark asked the Board Members to note that the sampled wages were a mix of 2014 and 2015 data, and that the task of this Board is to determine what the appropriate wage would be for next year in 2016, so there should be some kind of adjustment upwards from the pay rates being decided now.

Tina said that she does not want an automatic annual percentage adjustment for any of the wages and that she would like to see some type of step plan in place with an entry level figure and a level at which one would retire at. Similar to how the federal government calculates their pay scales based on the grade wage that accounts for time and service, as well as merit. She wants to see a fair wage that is not based on somebody's best guess, and that it should not be the Board's goal to make these decisions tonight. Mark added that it might not be possible to work out the entire plan tonight, but there should be decisions made on what the pay rate for these employees will be at the beginning of 2016. Mark stated that his fear is that the appropriate pay adjustments will not be followed through on as has happened in the past.

Robert asked what Debbie with HR Services was expecting to receive after tonight's meeting in order to complete the plan that was requested. Tina said that Debbie wants the base wage for each of the positions that she can then build a full step plan on, but she doesn't necessarily need it tonight. Tina added that the Board was trying to get that information to Debbie tonight so we could have a plan ready for the Budget Meeting, but Tina believes that the Board needs more time to go over everything and that there should be additional data provided from HR Services for smaller entities that a closer in size to MGSID.

Item # 3. Discussion: Salary and benefits for the Manager position

Tina started the discussion on the Manager's position by stating that she would only be looking at the information provided by HR Services Inc., and that she does not feel that any of the entities used in that information are comparable to the size of MGSID. Robert responded that in his original study he had provided data on the Manager's positions for both Morgan City and

the Wolf Creek Sewer District, both of which are local and equal in size. Tina stressed that she was only considering the HR Services study.

Lynn asked Robert how many years of experience he has, and Robert responded that is debatable with the point of view for a couple of the Board Members. Robert then stated that he has over 35 years of experience managing and running businesses in various industries, which is exactly what he is doing here. Robert then asked the Board to review the Manager's Job Description and call out anything that they thought was inaccurate, but there was no response. He then summarized that all of the duties listed here, including finance, accounting, employee supervision, reporting, project management, contract negotiation, legal issues, etc. were the same responsibilities that he has had with every business he has worked with. Only the wastewater testing was different, and that made up only five percent of what this job is.

Tina responded that this Manager's Job Description was not in any of the information that she had at home and was therefore not anything that she was going to consider. She stated that she was going to work with just the information that was provided by HR Services on the spreadsheets they provided. Lynn then stated that this kind of experience is valuable and difficult to come by, should not be compared to someone with an engineering degree straight out of college.

Mark took control of the discussion to bring the focus back to the Manager's comparable position data for which there was a wide range. Debate ensued over the different job descriptions and salary ranges with varying opinions on both the upper and lower ends of the scale. Tina expressed her opinion that HR Services should be asked to provide more information on entities that are closer in size to Mountain Green, and that there should be no rush to make a decision tonight. Mark agreed that Debbie with HR Services should be contacted and asked to do more research and Tina stressed that Mark should be the one to do that.

Shane asked if our current budget can absorb the increased wages. Robert said, yes, and briefly went over the budgets from the past few years. Robert then explained how for the first time we will submit a budget that is balanced and not in the negative, even after calculating in the anticipated raises for all employees.

At approximately 8:25 PM Tina Kelley left the meeting.

Zane stated that a salary increase of 4 or 5 percent for any of the employees is in excess, inappropriate and unacceptable and he wants it on record as such. He stated that he feels that 1 to 1.75 percent is adequate. Lynn added that he believes the 5% raises would be appropriate for such loyal, part time employees that show up for one hour shifts on a regular basis. Shane spoke up and explained how he sees employees come into lower paid positions as only a temporary stepping stone, only to leave after a short period and move on to something better. The appropriate pay stops the loss of experience and knowledge that is so important to the operation of any business.

There was some ensuing discussion and debate among the remaining Board Members over the salaries and wage ranges, but no consensus was reached. No motions or decisions were made by the close of the evening.

Mark said that more information will be gathered and encouraged board members to come to our next meeting prepared to make a decision. He also said he will contact Debbie and share with her any new information.

Item # 4. Discussion: The next regularly scheduled Board Meeting will be on the first Wednesday, November 4, 2015 at 7:00 p.m.

Motion to Adjourn: 9:15 p.m.

Signed _____