



# Daphne Utilities

## APPROVED MINUTES

### Utilities Board Meeting

City of Daphne Council Chambers ♦ October 29, 2008 ♦ 5:00 p.m.

#### I. CALL TO ORDER

The October 29, 2008, regular Board meeting for the Utilities Board of the City of Daphne was called to order by Chairman Robert Segalla, at 5:02 p.m.

#### II. ROLL CALL

**Members Present:** Robert Segalla, Chairman  
Ron Scott, Vice Chairman – arrived at 5:08 pm  
Lon Johnston, Secretary Treasurer  
Fred Small, Mayor  
Fenton E. Jenkins – arrived at 5:09 pm

**Others Absent:**

**Others Present:** Jerry Speegle – Board Attorney  
Rob McElroy – General Manager  
Danny Lyndall – Operations Manager  
Teresa Logiotatos – Finance Manager  
Deloris Brown – Human Resources Manager  
Drew Klumpp – Adm. Services Manager  
Lori Scharles – Executive Assistant  
Tammy Canupp  
Tim Patton – Volkert  
Melinda Immel – Volkert  
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 September 24, 2008:**

The Chairman asked if there were any additions, deletions, or corrections for the Minutes from the September 24, 2008, Utilities Board meeting and called for a Motion for Approval of said Minutes. Since Mr. Scott and Mr. Jenkins were not present for the vote and Mr. Johnston was absent from the September, 2008, meeting and was unable to vote on the Approval of the Minutes, it was decided to vote on the Approval of Minutes later during the meeting.

**MOTION BY Mayor Fred Small was withdrawn until the arrival of Board members Ron Scott and Fenton Jenkins to approve the Utilities Board of the City of Daphne minutes from the regular Board meeting conducted September 24, 2008.**

**V. OLD BUSINESS**

**a. 19 Acres – Daphne Utilities property**

Mr. McElroy updated the Board of a series of meetings with several groups. He stated that of those meetings, the most productive was with the Village Point Foundation and that a Motion is on the agenda to vote to enter into an agreement with the City of Daphne to purchase the entire 19 acres for use as a conservation project.

**b. Items in Abeyance**

- 1. **Gas Franchise Agreement** – no new information was reported.
- 2. **Capacity Fee Study** – no new information was reported.
- 3. **Park City Service Agreement** – tabled.

**VI. New Business**

**a. FY 08-09 Budget**

Mr. McElroy informed the Board that he and his staff conducted a recent Budget review meeting with the Finance Committee and called for any questions or comments at that time. Chairman Segalla stated that a Budget is a financial statement used for guidance and can be amended during any given year and requested any additional comments or questions. Mr. Johnston commented that at the October 15, 2008, Finance Committee meeting, all Board members were present and general consensus that the Budget as presented was acceptable and noted that any questions a Board member may have had was requested to contact Mr. McElroy; Mr. McElroy confirmed that he was not contacted with any questions or comments. Chairman Segalla called to entertain a Motion for Approval for the 2008/2009 Budget.

***MOTION BY Mr. Johnston to approve the 2008/2009 Budget as presented; Seconded by Mayor Small.***

**AYE: SEGALLA, SMALL, JOHNSTON      ABSENT: JENKINS, SCOTT      MOTION CARRIED**

**b. Adjustment to Payscale**

Deloris Brown delivered a corrected Job Classification Listing with the “existing” and “proposed” salary changes. Chairman Segalla asked how many employees were over the scale; Mrs. Brown answered none. Mr. Johnston questioned if any employee were at the maximum pay scale that would automatically benefit by an increase. Mrs. Brown responded there was not. Chairman Segalla reviewed that he understands this is a standard procedure every three years in order to keep salaries in proportion to the existing market.

Ron Scott arrived at 5:08 p.m.

Fenton Jenkins arrived at 5:09 p.m.

Mayor Small asked when the last revision to the pay scale was. Mrs. Brown replied in 2005. Mr. McElroy explained that this same Pay Scale Adjustment was presented to the Finance Committee and at a board meeting last year. Mr. Scott inquired as to the financial implications if passed. Mrs. Brown explained there are no financial implications because no employee will fall off the scale or salary adjustment. Mr. Johnston clarified that there are no employees at the existing maximum level and will be no impact to the budget.

***MOTION BY Mr. Johnston to approve the Job Classification Listing Pay Scale Adjustment as presented; Seconded by Mayor Small.***

**AYE: SEGALLA, SMALL, JENKINS, JOHNSTON, SCOTT      ABSENT:      MOTION CARRIED**

**VII. BOARD ATTORNEY’S REPORT**

Mr. Speegle had nothing further to add to his submitted report.

**VIII. FINANCIAL REPORT**

Teresa Logiotatos reviewed the financial report with the Board. She informed the Board that this is the last month for the year. She re-iterated the highlights of the Finance Committee that was held on October 15, 2008. Chairman Segalla asked for clarification of the FDIC relative to the Utilities’ Certificates of Deposit. She notified the Board that the end-of-the-year audit financials will be forthcoming. Mr. Johnston asked if the American Express credit is a rebate type of benefit to the cardholder. Mrs. Logiotatos stated that she has a meeting scheduled with the American Express representative for a new program that would provide the Utilities’ advantages. Chairman Segalla asked if we are purchasing at a “vendor” or “wholesale” rate. Mrs. Logiotatos will examine and report back to the Board.

**IX. GENERAL MANAGER'S REPORT**

**a. GM Report**

Rob McElroy highlighted the accomplishments of the Utilities over the past year, including a 44% increase customer load (a multi-year statistic) with only an 11% increase in staffing levels; refinancing the Utilities' certificate of deposit at an interest savings rate; a reduction in the Utilities' health insurance rates for the second year in a row with a savings of \$50,000; a reduction in the number of service cut-offs and continued participation in the Lend-A-Hand program. Mr. McElroy then presented the Board with a 3-minute trailer presentation of "Liquid Assets" produced by Penn State Public Broadcasting on water infrastructure and gave each Board a full-length dvd copy. Chairman Segalla expressed his satisfaction with the Safety Report and Man-hours without Accidents and the positive effect it has on the Utility's insurance rates. He also commented on the information provided on George Highsmith departing for active duty military and asked Mrs. Brown to check on the difference in pay he is given through the military and from the Utility and advised that the Utility offsets the difference in salary he may encounter.

After reviewing the General Manager's report, the Board then voted on Approval of the Minutes since all Board members were present.

***MOTION BY Mayor Fred Small to approve the Utilities Board of the City of Daphne minutes from the regular Board meeting conducted September 24, 2008; Seconded by Mr. Scott.***

**AYE: SEGALLA, SCOTT, SMALL, JENKINS ABSENT: ABSTAIN: JOHNSTON MOTION CARRIED**

**b. Operations Report**

Danny Lyndall had nothing further to add to his submitted report. Mr. McElroy clarified a previous question from the September Board meeting relative to CarQuest financial entries. Chairman Segalla noted the continuing exceptional job performance by Kenneth Johnson. Mr. Lyndall elaborated and agreed.

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

HMR's Ray Moore reminded the Board of the comment deadline relative to the Corps of Engineers and the 19 acres.

**X. BOARD ACTION –**

**a. Motion to Adopt FY 08-09 Budget as presented at the September 15, 2008 Finance Committee meeting**

Addressed above under "a - New Business".

**b. Motion to Negotiate with the City of Daphne for the Sale of the 19-Acres Property for the Purpose of Environmental Conservation.**

Chairman Segalla commented that this issue has been under discussion for a few years. He stressed that contrary to some erroneous statements, Mayor Small nor anyone else on the Utilities Board was ever in favor of filling Campbell's Swamp and clarified that Mayor Small suggested that this Utilities Board present to the Daphne City Council a proposal for Village Point Foundation to purchase the entire 19 acres.

***MOTION BY Ron Scott to offer the Utilities Board of the City of Daphne Property known as Campbell's Swamp to Village Point Foundation to be preserved as a park area continent upon the outside appraisal of the property. Seconded by Lon Johnston.***

**AYE: SEGALLA, SCOTT, SMALL, JENKINS, JOHNSTON ABSENT: ABSTAIN: MOTION CARRIED**

**c. Motion to Approve the Proposed Payscale Adjustment**

Addressed above under "b - New Business".

**XI. PUBLIC PARTICIPATION – none**

**XII. BOARD COMMENTS –**

Fenton Jenkins asked about the Utilities’ current Privacy Act. Mr. McElroy and Mrs. Brown explained that there has always been a policy in place as part of our operations and is currently being updated as required by ADEM. Mr. Jenkins also mentioned the comment boxes again and that he feels the comment boxes should be management implemented in lieu of board implemented. Chairman Segalla stated that procedures would have to be written in the Policies and Procedures Manual and that only signed comments would be addressed. Chairman Segalla discussed the current grievance policy and the differences between a comment box and the grievance policy. Mr. McElroy stated that when the comment box suggestion was raised, he discussed at length with Mr. Speegle and the pitfalls of unsigned, unsolicited comments. Mr. Scott commented that anyone can send the Board an anonymous letter, and an investigation would be conducted if the Board felt that the comments warranted such to make sure that the Board would not have any liability. He also expressed that the employees should not be discouraged from being a whistle-blower on issues that would be harmful to the Utilities and at the same time not encourage back-biting and lying from employees. He inquired as to the educational training for employees to use their judgment to notify of dangerous safety issues. Mrs. Brown explained that various training is conducted throughout the year.

On a separate issue, Mr. Johnston commented that he would like to review at the next Board meeting the Utilities’ properties on which the City of Daphne has facilities, as well as the Daphne-owned properties in which Utilities’ facilities are situated and to seek progress toward a resolution to rectify this situation. Mr. McElroy expressed that he would like to have a grand consolidation along with the 19 Acres.

Chairman Segalla revisited the comment box and unsigned suggestions issue and asked for Mr. Speegle’s opinion. Mr. Speegle stated that he would rely on the Human Resources department for procedures and what to look for what’s going on as to the comment box as a complaint box as opposed to suggestions. He stated if any kind of harassment is happening, there is a procedure in place to follow; if a complaint is put in a comment box, he stated that there are procedures that could be written to address such issues and it would need to be investigated. He also commented that there have been complaints in the past since he has been representing the Utilities and there has never been bias in his dealings with Mrs. Brown and the Human Resources department in handling such complaints. Mr. Speegle also stated that a comment box could be of benefit to the Utilities but a comment box would be more harmful to employees than helpful. Chairman Segalla stated that he felt there is a better way to handle a comment box and that he is against unsigned complaints. Mr. Scott stated that implementing a comment box along with the procedures to file a complaint would be more helpful.

**XIII. ADJOURNMENT–**

**MOTION BY Mr. Scott to adjourn the meeting. Seconded by Mr. Johnston.**

**AYE: SEGALLA, SCOTT, SMALL, JENKINS, JOHNSTON                      ABSENT:                      MOTION CARRIED**

**The meeting adjourned at 6:16 p.m.**