

The Owatonna Public Utilities Commission met in regular session in the Morehouse Room at the Owatonna Public Utilities. Present were Commissioners Cosens, Stansberry, Kottke and Rossi. Absent was Commissioner Simon. Also present were General Manager Fritsch; City Administrator Busse; Chief Financial Officer Fondell; Director, Engineering Johnson; Director, Field Operations Warehime; Manager, Human Resources Madson; Supervisor, Operations and Building & Grounds Krogh; Executive, HR, & Administration Coordinator Schmoll; Accountant LaVonne Sedivy; and Waterworks Operators Myron Volker and Roger Noble. Other guests included customer Roger Wacek; several representatives from American Water Works Association (AWWA); and several of Myron Volker's family & friends.

Commissioner Cosens led the Pledge of Allegiance.

Presentation of the Leonard N. Thompson Award

Director, Field Operations Warehime introduced several representatives from AWWA who were present at the meeting to present Water Works Operator, Myron Volker with the Leonard N. Thompson award. The Leonard N. Thompson award is the highest Section award presented by the Minnesota Section of AWWA. The Award is presented annually to one section member for their distinguished service to the water supply field in commemoration of Leonard N. Thompson. Mr. Thompson worked for the City of St. Paul for 52 years and served as their General Manager for nearly 34 years. Mr. Thompson stands alone in the Minnesota section in longevity, service to his community and service to the water industry. He loved his work and to it he devoted his life. This award is given annually to a Minnesota section member who typifies the standards that were emblematic of Mr. Thompson's contributions to the section and water industry. This year the committee felt Myron Volker's performance exemplifies these traits and expressed their honor in presenting the award to Myron.

Minutes

The Minutes from the OPU Commission special budget meeting of November 1, 2016 and the minutes from the regular OPU Commission meeting of October 25, 2016 were presented to the Commission. Commissioner Kottke noted in the special budget meeting minutes regarding the inventory building on Walnut Ave. the sentence should read "...it has been discussed to get rid of the project altogether due to how it would **decrease** reserves..." instead of increase reserves. Commissioner Kottke moved to approve the Minutes with the above noted changes. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Personnel Committee – Commissioner Stansberry reported the Personnel Committee met, and received an update on staffing, succession planning and employee engagement. Tammy's Tidbit discussed the history of daylight savings time.

Finance Committee – Commissioner Kottke reported the Finance Committee met, reviewed and approved Vouchers in the amount of \$4,581,843.56.

City Administrator's Report

City Administrator Busse reported they presented the proposed 2017 Budget to the City Council. She further reported the proposed budget includes a 5.73% levy increase. The increase will add money to the Housing & Redevelopment Authority (HRA), Economic Development Authority (EDA), safety equipment for the Fire Department, and the compensation study results to name a few. The

formal presentation to the public will be December 6th and the final approval will be done at the December 20th meeting.

2017 Budget, 2018-2021 Forecast

Chief Financial Officer Fondell discussed changes that were made to the final budget after the special budget meeting of November 1st. These changes included removing some duplicate PDO expenses that were included in other benefit costs as well as some changes in the vehicle area. The original vehicle presentation to the Commission had accurate numbers; however, these numbers were not reflected in the draft budget. The decrease in the PDO expenses offset the increases in the vehicle budget so there was no significant impact on the cash flow. She noted the rate changes stayed the same at 1.5% increase in electric; a 4% increase in water and an 8% decrease in natural gas. She noted the average decrease to an average residential customer will be about \$3 per month. After discussion, Commissioner Stansberry moved to approve the budget as presented. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of October 31, 2016 was presented to the Commission. The Commission signed the report.

Operations/Scorecard

Staff updated the Commission on changes to the October 2016 scorecard. Notable changes included another water main break bringing the total up to 14 for the year, and for the 5th year in a row staff has realized cost savings of over \$100,000.

General Manager/Staff Report

General Manager Fritsch presented to the Commission on Employee Engagement and the Q12 survey results. He noted each department will be reviewing their results individually and will be coming up with ways to address any areas of concern within their department.

Mr. Fritsch updated the Commission on OPU's United Way drive. He discussed the different fund raisers employees were able to participate in. Some of these included mini golf, air plane toss, and bean bag toss.

Commission Roundtable

Commissioner Kottke and Commissioner Cosens expressed their appreciation of all the work that went into putting together the budget and how great it was to have one of our employees presented with such a prestigious award.

Audience Comments

Customer, Roger Wacek, discussed conversations he has had with utility managers around the state regarding energy conservation and the challenges confronting the energy future.

Adjournment

There being no further business to come before the Commission. Commissioner Stansberry moved to adjourn the meeting. Commissioner Rossi seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:05 p.m.

Respectfully submitted,

Tammy Schmoll
Executive, HR & Administration Coordinator