

The Owatonna Public Utilities Commission met in regular session in the Commission Room. Present were Commissioners Truelson, Mayhew, Schreiner, Noyce and Emanuelson. Also present were General Manager Shurts, City Administrator Sparks, Finance Manager Bruno, Field Services Manager Morgan, HR/Administrative Supervisor Madson, Marketing/Energy Conservation Analyst Roger Warehime, Accountant Teresa Hottman and Executive/HR Assistant Tammy Schmoll.

Mr. Shurts led the Pledge of Allegiance.

Minutes

The Minutes from the regular meeting of November 23, 2004 were presented to the Commission. Commissioner Mayhew moved to approve the Minutes as presented. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Committee Reports

Finance Committee – Commissioner Mayhew reported the Finance Committee met, reviewed and approved the balance sheet, income statement, and vouchers.

Personnel Committee – Commissioner Schreiner reported the Personnel Committee met and discussed the hiring of the new Transportation Maintenance Technician. Mr. Schreiner reported Martin Kern has been offered, and has accepted, the position. Another item discussed by the Personnel Committee was salary increases for non-union employees. Commissioner Schreiner moved to approve a 2.5% salary increase for non-union employees. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed. The last issue discussed by the Personnel Committee was a salary compression problem between supervisors and union employees. Mr. Schreiner reported management proposed a 2.6% increase for six supervisors. The Personnel Committee is recommending a 1.3% increase for the six supervisors with a directive to management to address and reduce overtime. Commissioner Schreiner moved to approve the 1.3% increase for six supervisors along with management reducing overtime. Commissioner Emanuelson seconded the motion. After discussion, all Commissioners voting Aye, the motion passed.

Commissioner Mayhew inquired if we have an affirmative action plan. HR/Administrative Supervisor Madson reported yes, we are included with the City of Owatonna. An update will be presented at the January meeting.

Policies

Energy Acquisition Adjustment

Finance Manager Bruno presented the Energy Acquisition Adjustment Policy, #501.09, for approval. Mr. Bruno discussed the factors considered in setting the EAA for the year. After discussion, Commissioner Emanuelson moved to approve the Energy Acquisition Adjustment policy as presented. Commissioner Mayhew seconded the motion. All Commissioner voting Aye, the motion passed.

Mileage Reimbursement Policy

Finance Manager Bruno presented the Mileage Reimbursement Policy, #301.00, for approval. Mr. Bruno reported the policy is updated every year to conform with the IRS rules. This year the rate for reimbursement will be 40.5¢ per mile versus 37.5¢ in 2004. Commissioner Mayhew moved to

approve the policy. Commissioner Emanuelson seconded the motion. All Commissioners voting Aye, the motion passed.

Tower #7 Bid Tab

The attached bid tabulation was presented to the Commission for approval. Finance Manager Bruno reported the bids received were well above the budgeted amount and management is recommending rejecting all bids. Mr. Bruno continued, we would like to rebid in 2005 for work to begin in early 2006. Some funds will be spent in 2005 for consulting fees but the majority of the project will be in 2006. Therefore, we are also recommending to increase the amount on the work order. Commissioner Mayhew requested footnotes be included on the work order specifying how much will be spent in each year for this project. Commissioner Mayhew moved to reject all bids due to being over budget. Commissioner Schreiner seconded the motion. All Commissioners voting Aye, the motion passed.

Contributed Services

The Contributed Services report as of November 30, 2004 was presented to the Commission. The Commission signed the report.

General Manager/Staff Report

General Manager Shurts reported the SMMPA Board of Directors voted to deny Rochester Public Utilities' request for a dual rate.

General Manager Shurts reported the bids for the Building Project are due January 19, 2005 for recommended approval at the January meeting.

Finance Manager Bruno reported the Auditors will be in house on January 4, 2005 for one day to do inventory and then back the week of February 23, 2005 for 3 days.

Marketing/Energy Conservation Analyst Roger Warehime distributed graphs and a copy of a power point presentation to the Commission regarding the evaluation of Conservation Investment Programs. Discussion ensued.

City Administrator's Report

City Administrator Sparks reported the City Council approved a 2.5% increase for non-union employees. He further reported the contract for the Street Department and Park and Rec has been settled as well and the Fire Department contract is close to being completed. The City Council will have a study session on January 10th to review the sanitary sewer study as well as other issues regarding flooding. Mr. Sparks further reported he will be interviewing 8 candidates for the administrative assistant position.

Commission Roundtable

Commissioner Noyce – Nothing

Commissioner Mayhew – Nothing

Commissioner Schreiner – Nothing

Commissioner Truelson – I would like to see customer survey results at the January meeting. Happy New Year to the staff and thanks to the Commission for their attendance and hard work.

Adjournment

There being no further business to come before the Commission, Commissioner Schreiner moved to adjourn. Commissioner Noyce seconded the motion. All Commissioners voting Aye, the meeting adjourned at 5:36 p.m.

Respectfully submitted,

Tammy Schmoll
Executive/HR Assistant

BID TABULATION

Project: Tower #7 Repair & Repaint

WO #: 23205

Budget #: 05-2120-0015

Date/Time of Opening: 12/21/04 1:00 p.m.

Budget Amt: \$380,000.00

WO Amt: \$380,000.00

Acct. Number: 2362.000

Vendor	Bid Security	Signed Contract	Amount Bid
Odland Protective Coatings	Yes	Yes	\$488,500.00
Classic Protective Coatings	Yes	Yes	\$489,055.00
TMI Coatings, Inc.	Yes	Yes	\$412,000.00 **
Leadcon Inc.	Yes	Yes	\$449,000.00

** - Apparent Low Bidder

Bidders List

Project: Tower #7 Repair & Repaint

List of Firm Furnished Bid Documents:

**Classic Protective Coatings, Inc.
Odland Protective Coatings, Inc.
TMI Coatings, Inc.
Leadcon, Inc.
Champion Coatings, Inc.**

List of Ineligible Bidders:
