

# MINUTES OF THE SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF MANCHESTER WATER DISTRICT

October 30, 2018

## SPECIAL MEETING

**1.0 Call to Order** - Board Chair Steve Pedersen called the special meeting of the Manchester Water District Board of Commissioners (Board) to order at 5:32 p.m. Commissioners Paul Drotz and James Strode were also present. District staff members in attendance were Dennis O’Connell, General Manager and Erin Civilla, Accounting Specialist. Operations Foreman Scott Wolf and Attorney Ken Bagwell were excused. Manchester resident Carol Kowalski was also present.

**2.0 2018 Projected Retained Earnings** – Staff began the meeting by presenting a review of financial projections for the remainder of 2018. Staff will use these projections to develop a budget for fiscal year 2019 (FY 2019). If all current projects are completed before the end of 2018, it is projected that the District will retain \$638,749 in all funds to begin FY 2019.

**3.0 2019 Projected Revenue** – Utilizing historical data, our current rate structure, and the projected 2018 retained earnings figure; staff presented a projection of total revenue for FY 2019. Revenue projections are categorized by source as follows:

2018 Balance Forward	\$ 638,749
Water Sales	\$ 1,400,000
Street Light Billing	\$ 27,000
Interest	\$ 1,000
Satellite System Management	\$ 2,500
Port of Manchester	\$ 10,000
Communications Leases	\$ 40,000
Jobbing Labor	\$ 500
New Meter Sales (20)	\$ 176,400
Miscellaneous Revenue	\$ 5,000
<b>TOTAL PROJECTED REVENUE</b>	<b>\$ 2,301,149</b>

**4.0 2019 Human Resources Initiatives** – Staff presented data from the Bureau of Labor Statistics indicating a local inflation rate of 3.1-percent for the 12-month period from August, 2017 through August, 2018. This data is the Consumer Price Index for Urban (CPI-U) consumers in the Seattle-Tacoma-Bremerton area. It is the benchmark index that the District uses to determine the amount of a cost-of-living increase to wages. If a cost of living allowance (COLA) is granted, it would apply equally to all employees and is in addition to any merit increase in pay. For FY 2019, staff projected a total cost for human resources at \$817,000. This figure will be incorporated into the draft FY 2019 Budget to be presented at future Board meetings.

**5.0 Human Resources Policy Round Table Discussion** – Under current District policy, each employee accrues eight hours per month of sick leave, with a maximum accrual of 695 hours. Staff explained that the maximum accrual balance has the potential to become a significant liability for the District. Staff proposed reducing the maximum accrual rate and adding a 50-percent contribution to an employee's individual VEBA medical account for each hour accrued in excess of the maximum number of hours. The example given was a maximum accrual of 360 hours, or nine weeks paid sick leave. If at the end of a calendar year, an employee had a balance of 400 hours, the District would contribute 50-percent of the value of the 40 hours accrued over maximum to the employee's VEBA account. This proposal would accomplish two objectives; it would limit the liability of the District with regard to sick leave and it would provide an incentive for employees to accrue more hours. Following discussion, the Board directed staff to revisit the issue in 2019.

Effective in January of 2019, all employees will contribute to the Washington State Paid Family & Medical Leave program. This program will allow employees on extended medical leave to apply for paid leave through Washington state. There are many stipulations to this benefit, including the requirement to first exhaust all paid leave accruals through their employer. The District may choose to contribute a small percentage to the state fund as well, which will make the District eligible for grant assistance in the future for maintaining staffing levels during an employee's extended leave event. If the District chooses to contribute, the total cost for 2019 would be \$ 2,239.

*No formal Board action was taken during this planning session.*

## **6.0 Future Meeting Dates**

- 6.1 November 13, 2018, 5:30 p.m. – Regular Meeting, Manchester Library
- 6.2 November 27, 2018, 5:30 p.m. – Planning Session, Field Operations Office
- 6.3 December 11, 2018, 5:30 p.m. – Regular Meeting, Manchester Library

## **7.0 Adjournment**

There being no further business to come before the Board, the commissioners moved to adjourn the meeting at 7:42 p.m.

  
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Steve Pedersen, Chairman

  
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James Strode, Secretary

  
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Paul Drotz, Commissioner