

Town of Richmond Water and Sewer Commission Meeting Minutes of May 2, 2022

Members Present: Bard Hill, David Sander, Fran Huntoon, Greg Tucker, Jay Furr

Members Absent: None

Staff Present: Josh Arneson, Town Manager; Kendall Chamberlin, Water and Wastewater Superintendent; Duncan Wardwell, Assistant to the Town Manager

Others Present: The meeting was recorded for MMCTV, Rachel Skaggs, Rod West

Call to Order: 5:30 pm

Welcome by: Sander

Public Comment: None

Additions or Deletions to the Agenda: None

Items for Presentation or Discussion with those present

Superintendent's Report

Chamberlin: The Purchase Order in the packet is for a mixer repair in reservoir. We looked at solar option and met with Tyler to look at other ways to mix. The best option of Liquid Engineering needs an answer before May 5th. COVID is hitting a few employees, so we are maintaining healthy procedures.

Sander: What is the service life of the mixer?

Chamberlin: It runs 24/7 so it doesn't have as long of a service life, and it is a different mixer than the one that failed. At least 10-20 years since it is a dived repair. We will look into seeing if we can avoid running it 24/7. The current mixer is out of warranty.

Huntoon: The tank won't be drained to install it.

Chamberlin: Yes, they have to dive in to fix it.

Sanders: Can we approve this purchase now?

Chamberlin: We will provide another PO if there needs to be any electrical work done. We don't know what needs to be done until they pull out the old mixer.

Furr moved to approve Purchase Order PO# 4347 to Liquid Engineering Corp LEC in the amount of \$15,000. Huntoon seconded.

Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.

Review of Compensation Study

Arneson: We looked at 50th percentile and 60th percentile based on two different comparable municipality groups.

Skaggs: There are four different options now. Some numbers may or may not change across the grid.

Arneson: Some of the pay bands end up being the same. Option 1 (75+ towns) & 3 (includes Chittenden County) are the same pay for some positions. Options 2 & 3 are the same for other positions.

*Option 1 is the top comparable municipalities (at 50th percentile)

*Option 2 is the top comparable municipalities (at 60th percentile)

*Option 3 is the top comparable municipalities including Chittenden County (at 50th percentile)

*Option 4 is the top comparable municipalities including Chittenden County (at 60th percentile)

For Water and Wastewater, we have four positions on the grid: Superintendent, Lead Mechanical Operator, Lead Process Operator, and Operator in Training.

Skaggs: The Step they are placed on the grid may be based on service time, certifications, licenses, etc.

Arneson: Those are outlined on the bottom of page 3.

Furr: The bottom of the spreadsheet shows the total Town wide cost to implement. The reason we brought in other Chittenden County towns like Burlington as the plant in Richmond is more like bigger Towns. If you look at Option #1 & #3 the difference is significant for Superintendent but not as much for Operators. We have less data to compare it to.

Hill: I find it challenging to look at all the different positions on the spreadsheet. I would like to see just an analysis for Water & Sewer.

Huntoon: Do we have a certain amount build into the budget to deal with this.

Arneson: If you look at FY23 budget, we have a regular salary line with no study and just a step and CPI adjustment. We put in \$6,000 as a contingency in Water and \$14,000 for Wastewater.

Hill: Financial management in Burlington is significantly different than that in Richmond. It is much more comparable at the lower pay grades where driving a truck is driving a truck. Do we use the same Options for the same jobs?

Arneson: The grid shows that some positions are very similar to others in Chittenden County.

Skaggs: It is interesting is that the higher grades go up and the lower grades do down, but the middle bands are very similar.

Hill: Total benefit compensation is 0% in Richmond where in other Towns employees pay 20%. In some of the higher wage Towns, the benefits are at higher costs to the staff. The taxpayer is thinking more than just total wage but also compensation.

Furr: I am looking at what employees are paying for premiums and opt-outs

Hill: It appears higher paying Towns expect higher contributions for benefits. Taxpayers would see some offsets.

Skaggs: It is less and less common for 100% contribution but usually 7-10% employee contributions.

Hill: I think if we are more competitive in health insurance then we more in the middle on other compensations. Yet, we have significant inflation.

Furr: The complexity of our Water & Sewer plant, I would hate to lose someone to another Town. The scoring system takes that into account. If we lost somebody now it would take a long time to fill that position in. I would like to go with Options #2, #3 or #4.

Hill: The financial performance and revenues of Water/Sewer also suggest that the total salary is modest compared to other Departments. What would we propose for a motion for today?

Furr: I think Option #3 (\$21,000) because compared to Option #1 (\$14,000) that is within the revenue we generate from Water & Sewer.

Hill: If you look at the cost to implement (Column AE) then that is just wages correct. It is not FICA, unemployment, and other secondary expenses.

Skaggs: Typically add 15-20% to the wage increase to find those other expenses.

Arneson: The Municipal Retirement, Social Security and those that are tied to wages would also go up.

Sander: If we were in a situation to hire new staff then we need to consider these figures to get people in the door.

Furr: A good reason to go with Option #3 or #4.

Hill: Option #3 is disproportionate benefit to the Superintendent. Option #2 & #4 are more balance to the other staff.

Huntoon: Can we do the Superintendent from a different pay grid than other employees?

Arneson: We could but it would make multiple pay grids within the Department.

Skaggs: We could change the range for the other staff. It is about \$1,000. The cost to implement would be \$23,947.

Hill: How do we think this has an impact on other staff.

Furr: Do we want to keep Kendall? I think there a lot of reason to make the other ranges higher for the other staff.

Arneson: If you look at Option #4, it isn't an exponential jump for Superintendent (increase about \$1,000 per Step on pay bands). It is a big jump for the other staff. We could move to go to Option #4.

Huntoon: I would like to see a revised budget that shows the proposed wage increases with benefits.

Hill moved to adopt Option #4 from the Compensation Study. Furr seconded.

Hill: If we go with Option #4 then let's look into it embedded into the budget so that we see full FICA, unemployment, Workers Comp so we see full implementation. So maybe we table this this motion into the next budget materials.

Sander: The will of the Commission is to go with Option #4 but we want to see full breakdown of total costs before implementation.

Furr moved to table the motion until 2 weeks from now. Hill seconded.

Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.

Discussion of next steps for the Gateway expansion project and review of bond payback for Phase I

Arneson: Phase I is the public expansion and the other Phases would be privately expanded. We show two different size options for the bond payback. The Town would deal with some sort of Association related to the private users. There would be a meter pit at the end of the line, and we would bill the association for any water or wastewater beyond that pit. On the sewer side, they would bring everything to a new municipal pump station. The Town could bill the Association or individual users. Would the new private users be a special district for payback for potential further public expansion. Future vote based on unanimous consent would define how the private users would be part of the bond payback. If there are multiple connections to a property, then they might deal with State regulations. Typically, the State tries to consolidate.

Hill: The old Commission ended the public system at the equivalent of the curb stop. This is for historical context.

Arneson: It is doable, but it does get complicated. Everyone beyond the Reap's would be mandated to connect.

West: It doesn't work unless we have ARPA funds. There is precedence of individual meters within a private system. There is no reason that payments and metering cannot be done on a private line.

Hill: We talked about for years expanding out to the mobil homes. If there is a leak, then whose problem is it. There is process in place for ARPA funds. The Selectboard is waiting on timelines associated with Congressional and ARPA funds,

Sander: Do we want to take any further action tonight?

Furr: As Chairman of ARPA Committee, we are soliciting Town feedback, focus groups, and whatever we decide it has the support of the Town. We are trying to brainstorm

different ways to use it instead of just putting into Water. The ARPA Committee is only making recommendations.

Review of Draft FY23 budget and rates

Arneson: The Draft Budget for FY23 there were questions about how to use unassigned funds. This is what is left over in Water (\$224,000) and Wastewater (\$471,000) after FY2. The mid-year of FY22 is not as accurate as the fiscal year has not ended. Kendall recommended looking at something that has a finite life span. We looked at the Water Reservoir Gap Loan on Water side and RFL-101, Phosphorous, Project 7a Loans on the Wastewater side. We plug that into the rate sheet which would decrease most of the rates by 6-7% (exception of fixed rate increase for residential).

Hill: When we think of paying down debt, pay off higher interest first. Do we have a sense of the interest rates in these loans?

Arneson: The Water Tank Gap is at 1.91%.

Sanders: Is there any early payoff penalty?

Arneson: I think we could pay off the Union Bank Loan on the Water side. This is preliminary discussion so we can put this together for the Annual Meeting.

Hill: Consider tweaking numbers to represent the increase to reflect Compensation Study Option #4. Be accurate but a bit higher. CPI forecast at a possible 6-8.5%

Review of Draft Annual Meeting Agenda

Arneson: Our annual meeting is coming up in 2 weeks. The agenda is similar to last year. We will discuss

- *Accomplishments of Past Year
- *FY23 Budget & Rates
- *Upcoming Projects and Capital Projects
- *Appointments to the Water and Sewer Commission

Approval of Minutes, Warrants and Purchase Orders

Purchase Orders

See previous approval of PO# 4347

Minutes

Huntoon moved to approve the Water & Sewer minutes of 4/25/22 as written. Tucker seconded.

Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.

Warrants

Huntoon moved to approve the warrants as presented. Tucker seconded

Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.

Discuss Items for Next Agenda and Adjourn

Next Meeting Agenda

*Gateway Expansion

*Compensation Plan Tabled Motion

Adjournment

Huntoon moved to adjourn. Hill seconded.

Roll Call Vote: Hill, Huntoon, Furr, Sander, Tucker in favor. Motion passed.

Meeting adjourned at 6:50 pm

Chat None