

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting Minutes

May 19, 2020

Present:	David Westmoreland	Chairperson
	Maria Borges-Lopez	Vice Chairperson
	Harold Bonnet	
	Robert Burgess	
	Sandra Stokes	
	Martha Wooten-Dumas	
Absent:	Mary Mann	
Also Present:	Alan Huth	Interim General Manager / Director of Water Operations
	Lisa Roland	District Clerk
	Frank Murphy, Esq.	Tierney, Zullo, Flaherty & Murphy
	Scott Murphy	Director of Electric Operations
	Eric Strom	Director of Customer Care & Finance
	Steve Sax	Consultant
	Gwen Gonzalez	Collection Specialist
Public Present:	Gwen Stewart	

This meeting was recorded in its entirety.

Call To Order:

Commissioner Westmoreland called the Regular Meeting of The Second Taxing District to order at 7:02 p.m. on Tuesday, May 19th, 2020. The meeting was held via Web Video Conference Call originating in Fairfield County, Connecticut.

Public Participation: None.

1. Acceptance of the Minutes

1.1 Electors Annual Budget Meeting of March 17, 2020.

Commissioner Westmoreland moved to accept the minutes. Lisa Roland seconded. David Westmoreland and Lisa Roland approved the minutes. All other Commissioners abstained as they had not been present.

(2020-05-19-1.1)

1.2 Special Meeting of March 25, 2020.

Commissioner Borges-Lopez moved to accept the minutes. Commissioner Stokes seconded. The minutes were approved unanimously.

(2020-05-19-1.2)

1.3 Special Meeting of April 1, 2020.

Commissioner Borges-Lopez moved to accept the minutes. Commissioner Stokes seconded. The minutes were approved with abstentions from Commissioners Bonnet and Wooten-Dumas who were not present.

(2020-05-19-1.3)

1.4 Special Meeting of April 14, 2020.

Commissioner Borges-Lopez moved to accept the minutes. Commissioner Stokes seconded. The minutes were approved with one abstention from Commissioner Wooten-Dumas who was not present.

(2020-05-19-1.4)

1.5 Regular Meeting of April 21, 2020.

Commissioner Borges-Lopez moved to accept the minutes. Commissioner Wooten-Dumas seconded. The minutes were approved unanimously.

(2020-05-19-1.5)

1.6 Special Electors' Meeting of April 27, 2020.

Commissioner Borges-Lopez moved to accept the minutes. Commissioner Wooten-Dumas seconded. The minutes were approved unanimously.

(2020-05-19-1.6)

REGULAR AGENDA

2. Organizational Chart / Job Description Change

Alan Huth presented organization changes which have resulted from the effort initially put forth to organize the finance department. It became apparent that other changes in the organizational structure were in order.

The Director of Customer Care's implementation of the National Information Solutions Cooperative's (NISC's) enterprise system will organize SNEW's processes from customer payments, work orders, inventory and payroll under one interconnected system.

The current organizational structure was approved in 2015 under the then newly appointed General Manager, Paul Yatcko, and includes many positions that are not needed in an organization of SNEW's size.

The current organization chart includes fifty-eight (58) positions, of which thirty-seven (37) are currently filled. The organization is being streamlined down to 47 positions.

Historically, the position of Comptroller had existed prior to the position of Director of Finance. It has been decided that there is no need for a Director of Finance as the finance department can be streamlined to the role of financial support only. The position of Director will become Comptroller.

Other services currently falling under Finance will be either eliminated or moved to another department.

- Information Technology (IT) services (2 positions) will be moved to report under the Director of Customer Care.
- The position of Safety & Security Coordinator can be eliminated as these services are provided by a consultant.
- The position of Performance Improvement Specialist was never filled nor is it needed and will be eliminated.
- The position of Fleet/Inventory Specialist will be eliminated as fleet management can be performed under the NISC platform.
- Additionally, the position of Financial Analyst is not needed and is being eliminated.
- The position of Accounting Supervisor will be retained.
- The two Senior Accounting Clerk positions will be replaced with two Staff Accountants, slightly higher-level accounting professionals.
- The position of Accounting Clerk will be reclassified to a lower pay grade, while reducing the qualifications needed to obtain this job in order to open up this lower position to employees that would like an opportunity to grow with the company.

The whole point of these changes is to promote longevity and growth for our employees and reduce turnover.

Commissioner Stokes asked if the implementation of these changes would result in employees out of a job. Alan Huth replied that no current employees would be affected by any of the organizational changes. All of the employees in Finance right now are contracted temporary employees. We are trying to change that into full-time permanent employees.

Commissioner Stokes why the title of Director was being changed to Comptroller considering all the issues we've had with skill set in obtaining [creating] the necessary financial reports, and also why it would be a dual role. Alan Huth replied that eliminating the Director of Finance would leave the company with three (3) Directors – Water Operations, Electric Operations, and Customer Care. The Comptroller position would be at a slightly lower grade than Director but still reporting to the General Manager. The Finance Department doesn't take on any projects and really just fills a support function for the critical businesses. We are

an electric and water company, rather than a financial services company. Eric Strom is only acting in the interim during the transition from Director to Comptroller. The position will eventually be filled by a permanent employee.

Alan Huth continued. The only position that has been posted thus far is Accounting Clerk. They have had over 100 applicants, one being an internal permanent employee and another a temporary contractor already working within the department. We are fulfilling the promise to replace temporary employees with permanent. Interviews will begin this Thursday.

Commissioner Stokes was pleased to hear that downgrading the qualifications for the accounting positions would allow for internal candidates to apply as she believes upward mobility is critical to tenure within a company. She asked if there was anyone within the company that could qualify [for the Comptroller] position. Eric Strom responded that one or two of the contractors could potential qualify for the Comptroller position. None of the permanent staff is qualified.

Commissioners Stokes and Wooten-Dumas asked for the accounting department hierarchy. Eric Strom and Alan Huth outlined as follows. The Accounting Clerk and two Staff Accountants (theoretically one for Water and one for Electric) would report to the Accounting Supervisor who, in turn, would report to the Comptroller. The Comptroller would be responsible for financial reports and for budgets.

Commissioner Borges-Lopez asked if the Comptroller position would require more than a bachelor's degree (such as CPA credentials or an MBA) in accounting? The response was a bachelor's degree in accounting or finance along with seven years of experience, 3 of which were required in a supervisory capacity. Commissioner Borges-Lopez implied that those qualifications may not be sufficient but was leaving it up to management. Eric Strom added that quite a bit of market research was done before they came up with the qualifications for the accounting positions.

Commissioner Stokes asked if qualifications from other utilities in the region were used for benchmarking purposes. Eric Strom answered that qualifications were benchmarked against three other utilities, with a similar number of customers as SNEW, that are also utilizing the NISC platform.

Commissioner Westmoreland added that he agreed the position of Comptroller was more appropriate than that of Director of Finance. When expertise is needed, as in for floating bonds as an example, it can be outsourced with the General Manager taking the lead.

Commissioner Westmoreland also agreed with the move of IT from Finance to Customer Care. He felt the move would allow the often cost-cutting, budget-conscious pressure put on IT to lessen, thereby allowing for much needed investment and upgrading. We are in the situation now that our financial systems are outdated and don't provide the reporting we need because we didn't invest in them. IT should enable business improvements. IT needs to be driven by the

business functions out there on the front lines.

Commissioner Westmoreland wanted to know when hiring for the Staff Accountants would begin. Eric Strom responded that the interviews for the Accounting Clerk would be wrapped up this week, and the ad for the Staff Accountants would be posted either next week or the week after, at the latest. Alan Huth added that hiring could proceed as soon as the Commission approved of the organizational changes.

Commissioner Stokes asked how interviews were being conducted. She assumed they were all virtual. Eric Strom responded that they were being conducted in person in the office, and that social distancing was being maintained.

Alan Huth stated that while looking at the organizational structure for Finance, it became apparent that some other changes were necessary. The position of Key Accounts Manager, reporting to the General Manager, was intended to handle the Mall, but was never filled and not necessary. It is being eliminated.

Commissioner Stokes asked if the positions being eliminated were budgeted. Alan Huth responded that any positions being eliminated were not budgeted for and are vacant.

Mr. Huth continued. The positions of Substation Engineer and Substation Technician are being eliminated and replaced by an Electric Operations Technician position at grade level 8. The new position will be junior level and will allow for career growth into the position of Electric Distribution Engineer, which has proven to be difficult to fill. Scott Murphy explained that the Electric Operations Technician position would make us more efficient and reduce costs in the future as some of the functions are currently being performed by contract personnel, and other functions need to be caught up on. SNEW would like all these functions to be performed in-house. The requirements (associate degree) for this position would allow a junior candidate to get their foot in the door and, with training, provide an opportunity for growth within the company.

Commissioner Stokes asked if salary range is normally disclosed in job postings. The answer was no. However, every job description has a predetermined salary range associated with it. The Commissioner added that she didn't have that kind of information [salary range] and although she may not necessarily need it, it was all relative. Lisa Roland provided the hourly rate for grade 8 - \$28.89 up to \$51.17. Eric Strom further clarified that the range is over the course of 10 steps and, in theory, it is one step per year.

Alan Huth continued. It has been very difficult to fill the position of Electric Distribution Engineer. A consultant has been filling the role and will continue to do so on an as-needed reduced schedule basis. This has been working out well.

Commissioner Burgess wanted to know if the consultant receives benefits in addition to salary, and how the cost of a contractor compared to that of a permanent

employee. Alan Huth explained that contract employees do not receive benefits and are typically billed at a greater rate per hour than what a permanent employee would be paid. Scott Murphy added that his particular consultant is working for less than the market rate because the job was the perfect fit for him. A replacement contractor would cost more.

Commissioner Stokes asked why a contractor was needed in this role. Why not a permanent employee? Alan Huth answered that this was a particularly difficult position to fill and SNEW hasn't been able to fill it for some time now. Our goal is to have the new position of Electric Operations Technician grow into the position. Scott Murphy added that the closest SNEW had gotten to filling the position was to make an offer of \$104,000, with the full compensation package, but with only two weeks of vacation. The offer was turned down because additional vacation time could not be negotiated beyond the two weeks set forth in the Union contract. The position is a Union position. In any case, the consultant is fulfilling the needs of the company at a cost less than having a full-time permanent employee, and there is no need to change what is working. The position would probably have to be taken out of the Union in order to be able to fill it.

Commissioner Borges-Lopez added that she surmised a full-time position was not required if this consultant was able to fulfill the needs of the company on the reduced work schedule of 16 – 20 hours per week, and that the cost of a permanent employee would include not only salary, but benefits as well, at an additional cost of 35% - 40% of salary.

Alan Huth continued with the electric organization changes. The position of Mechanic would be eliminated as we don't have a big enough fleet to employ a full-time employee. Currently, vehicle maintenance is performed by outside vendors.

Commissioner Burgess asked if we go out for bid for the best service to service the whole fleet. Alan Huth responded that he would like to work on obtaining a general agreement/purchase order for a particular mechanic to service all the vehicles.

Finishing up the changes to electric include a title and job description change for Electric Distribution Engineer to Lead Electric Distribution Engineer, and the addition of a third line worker apprentice. The third line worker position was already funded in the approved FY 2020 - 2021 budget.

Other changes include changing the title of Office Manager/Executive Assistant to Human Resource/Office Manager to better match the duties the incumbent employee, Lisa Roland, performs, as well as be more respectful of her position. Additionally, the title Customer Service Supervisor would be changed to Customer Service and Billing Supervisor to reflect the position's duties more accurately.

Commissioner Westmoreland asked Mr. Huth to speak to the budget impact of all of these changes.

Alan Huth explained. A spreadsheet prepared by Eric Strom was handed out to show the labor costs of the Finance department from FY 2018-2019 through FY 2020-2021. The budgeted labor costs for the Finance department alone were \$550,000 in 2018-19, \$473,000 in 2019-20, and \$654,000 in 2020-21 with the Director of Finance budgeted at \$162,000. The current proposal with the changes amount to labor costs of \$391,000. We are looking at well over \$200,000 in savings in the accounting department.

Commissioner Borges-Lopez asked if that was for the permanent hire versus the contracted labor. Alan Huth answered that the numbers he presented were budgeted costs. Eric Strom added that he was unsure of how the projected labor costs for 2020-21 were arrived at, but actual 2018-19 and 2019-20 numbers were shown on the spreadsheet. For 2020 the projected actual labor cost comes in at \$514,000 which is already over the budgeted amount. The accounting department was very top heavy.

Commissioner Westmoreland asked for Steve Sax's comments on the changes. Steve Sax commented that anytime you can streamline or consolidate in an organization as small as we [SNEW] are, it's movement in the right direction. He applauded the leadership Alan Huth and Eric Strom have taken and he endorses it. Commissioner Burgess also commented that the changes were more effective while cutting costs and was also in agreement with the direction being taken.

Commissioner Westmoreland added that he believed the changes had been discussed pretty openly and would not be a surprise. Alan Huth responded that it was a collaborative effort, it has complete buy-in and everyone is on board for these changes.

Commissioner Westmoreland asked if anything had to be done with the Union in terms of the changes. Alan Huth responded that he had spoken with the attorneys, who are on the call, and doesn't anticipate any trouble with the Union. In fact, he added, it is a net gain for the Union [because contractors will be replaced with permanent employees].

Attorney Frank Murphy added that while there are some Union positions that are affected, we don't have to specifically bargain for these changes but we do have to notify them of the changes once you [Commission] have approved them. If the Union wishes to discuss the changes, we will discuss them, but we don't have to reach an agreement specifically with them. We are also into the last year of the contract so it may come up again if the Union seeks a successor contract for 2021.

Commissioner Borges-Lopez moved to accept the organizational changes presented by Alan Huth. Commissioner Burgess seconded. The changes were approved unanimously.

(2020-05-19-2)

3. Management Update

Alan Huth provided the management update.

Reservoirs:

The reservoirs remain at 100% capacity, with more rain expected later this week.

Water Main Breaks:

No water main breaks have occurred since the last meeting.

Electric Outages:

4 unplanned outages, 1 planned outage -

- Faulty primary connection on Fairfield Avenue affected 324 people for 3 hours. A 130' length of primary wire was dragged down the road by a tractor trailer. The line had to be replaced.
- 4/22 – 3-phase underground secondary affected 7 customers for just a few minutes.
- 4/24 – bad connection in the service wires affected 4 people for 2.8 hours
- 4/26 – bad transformer connection affected 19 people for 1.7 hours
- 4/28 – a planned outage affected 10 people for 30 minutes

Flushing:

Flushing is complete for 2020 and there were very few complaints. SNEW pushed through the COVID-19 pandemic and went ahead with flushing whereas many other water companies did not flush this year. If we hadn't flushed, there would be a buildup of sediment and additional discoloration.

COVID-19 Update:

Water operators and laboratory personnel remain on rotation, and we will continue to meet guidelines from the Department of Public Health.

Electric line workers remain on a shift rotation and will continue to follow industry standards.

The lobby remains closed to the public. We don't know when it will reopen. A second payment kiosk has been purchased. Permission was obtained from the City of Norwalk to permanently attach one kiosk in the train station lobby. The other kiosk will be located within the SNEW lobby.

Commissioner Stokes added that she has received great feedback from constituents regarding the kiosk. Both she and Alan Huth expressed gratitude for the great job Eric

Strom did with the kiosks.

Alan Huth continued. All of the Customer Service staff will return to the office after this coming weekend (Memorial Day). There will still be a phased in approach, however. There are a couple of employees working from home. One has a doctor's note and since the guidance encourages those that can continue working from home, we will let that be for now.

Safety Manual

We have a comprehensive safety manual, which we have never had before, in the final stages of being wrapped up. We are waiting for comments from the Union and then it will go live. The manual encompasses every department. Alan Huth and Scott Murphy have been diligently working on this since it was initiated last year under Paul's direction.

Employee Manual

Kara Murphy has been working on our Employee Manual and it will be brought forth to the Commission for approval at a future date.

Staff

We have a new Laboratory Manager, Dana Dessereaux, at the Wilton Filtration Plant. She came over from First District Water, and has a degree from Cornell University. She is working out terrifically.

A candidate was hired for Grounds Maintenance I. He begins after Memorial Day.

Job postings for permanent accounting positions will proceed shortly.

Finance

Monthly financials for December 2019, and January through April 2020 are now complete and attached to the Board Book.

An overdue financial report has been submitted to CMEEC.

A contract has been signed with the auditors so work can begin for the 2019-2020 FY audit.

A contract with NISC has been signed in order to proceed with the accounting and project management modules of the enterprise software.

Commissioner Westmoreland commented on the significance of completing the financial reports. The last Director left less than a month ago at which time not even December's books had been closed yet. Since that time, Alan Huth and Eric Strom and the team have worked to complete five months' worth of closings, as well as prepare financial reports

which haven't been provided since last April (2019). Thanks to both of them.

Commissioner Burgess asked what the capacity of our water plant is, and also for an update on the membrane replacement project. Alan Huth responded that the plant is rated for treatment of 10 million gallons per day and that the capacity of our reservoir system is 521 million gallons. Phase I of the filter membrane replacement was completed approximately four months ago. The remaining membranes will be replaced over a six-year time frame. It is a long and expensive project.

Commissioner Westmoreland asked if there had been any customer feedback regarding the credits that had been extended to electric customers. Eric Strom responded that we have had a handful of written thank you notes as well as a couple of phone calls.

Alan Huth and Eric Strom have discussed what affect, if any, COVID-19 has had on receivables. The response was that we don't have enough data to say anything specific at this time, but it doesn't appear we have any significant impacts. Eric Strom added that there has been a greater impact on water than electric, but nothing significant as of yet.

Adjournment

Commissioner Borges-Lopez moved to adjourn. Commissioner Burgess seconded.

The meeting adjourned at 8:05 p.m.

Attest:

Lisa G. Roland
District Clerk