

**NASHVILLE UTILITY SERVICE BUDGET WORK SESSION
MONDAY, AUGUST 30, 2021**

Commission members present in person: President Roger Kelso, Secretary Alyn Brown, Member Bob Kirlin. Commission members in attendance via Zoom: Vice-President Bob Willsey (arrived at 6:06 pm). Commission member not present: Member Pam Gould. Also in attendance in person: Town Administration Manager Phyllis Carr, NMU Water/Sewer Utility Operator Robin Willey and Records Clerk Sandie Jones. Also in attendance via Zoom: Municipal Operations Consultant Dax Norton.

COMMISSION BUSINESS

1) CALL TO ORDER

President Kelso called the meeting to order at 6:02 pm and did the roll call.

2) BUDGET WORK SESSION

- President Kelso - Tonight – Work Plan – Like we did at the last budget meeting
- Put the total on the high side just to be safe.
- MOC Norton – Last set – Included the 3% increase, with highlights of some of the boxes.
- Council had discussion today with Treasurer, about the percentages. Starting at 3%
- President Kelso - Concern with Salaries –
 - How are the national increases in pay that we are seeing nationally going to remain high?
 - Employee L. Axsom is leaving on Monday for a new job (\$3.00 more per hour)
 - Columbus called Operator Willey – They are searching for a new person.
 - MOC Norton – Benchmarked salaries:
 - Average starting wage is between \$14 to \$16 per hour.
 - Median is between \$17 to \$20
 - High is \$25 to \$27
 - President Kelso -Skill set required to do the job is starting to level out.
 - Member Kirlin – What is it going to take to keep who we have or hire someone from someone else?
 - Water/Sewer Utility Operator Willey – To keep C. Bond, our most experienced, he has 6 to 7 years of experience, and performs wastewater lab, functions, mechanic work, etc. For him not to go to Trafalgar would be to raise him to \$20 per hour. Would he stay? That would take an update to the salary ordinance
 - Member Kirlin – what are we going to have to do to remain competitive?
 - What does it do to the other 2? Lower wages, lower time. They are new hires, and still learning.
 - We are losing people to Salary
 - We do 14% for retirement, they do 10%
 - Don't see bettering themselves there.
 - Oftentimes, the folks are looking more at the paycheck.
 - If they stay longer, the benefits can be decent
 - Water/Sewer Utility Operator Willey works at Helmsburg and Camp Moneto to help offset the salary.

NASHVILLE UTILITY SERVICE BOARD BUDGET WORK SESSION AUGUST 30, 2021

- President Keslo recommends that Water/Sewer Utility Operator Willey and Norton discuss the salary requirements, and the salaries going forward.
- President Kelso – Is concerned that the budget in general is not realistic' we are borrowing from depreciation.
 - If we lose employee C. Bond, it will be back to Water/Sewer Utility Operator Willey doing all of the training.
 - How do we keep him? Do we promise him more next year, or is there a way to give him more money now?
- MOC Norton – The waste side has a healthy reserve. We can juggle numbers around and see what happens.
 - The utility is not budgeted and does not have the revenue to run as it should.
 - Should be able to absorb a raise for the rest of the year.
 - Council would have to amend the salary ordinance.
- MOC Norton – Calculate what it would be until the end of the year, and then place on the Council agenda to amend the salary ordinance?
 - Chester is at \$18.60 – \$1.40 to get to \$20
 - If it gets passed on the 16th. Would not go in effect but could pay him retroactively to whatever date.
 - Market Adjustment to everyone's salary
- Vice-President Willsey – Suggests doing an equivalent percentage raise across the board.
 - We do need to protect our employees going forward
- MOC Norton will get us an impact statement for this.
 - Strange Time – really hard to keep employees now.
 - We do not give a range in the ad.
 - Vice-President Willsey – leave it to MOC Norton to see where we are, and circle back around to this.
 - President Kelso – We should get MOC Norton and the Operators to work together on this.
- Member Kirlin – What do we want to tell employee C. Bond?
 - Employee D. Fox has more time and is on the street department.
 - President Kelso asked how long will it take to replace L. Axsom?
 - Operator Willey thinks we have found a replacement.
 - Certain things you cannot get around
- Secretary Brown – We need to be competitive with our employees –
- President Kelso –
 - Putting together average numbers across the state –
 - Secretary Brown – Baseline on similar jobs around the area.
- President Kelso –
 - As you develop basic skill sets, here is what you get.
 - MOC Norton will start moving in a productive way
- President Kelso –
 - Remember the environment that we work in - Because of state property tax levies – We can't do anything want to do.
 - We have to figure out a good presentation mode to the Council.
 - In some cases, salaries are not comparable.

NASHVILLE UTILITY SERVICE BOARD BUDGET WORK SESSION AUGUST 30, 2021

- Secretary Brown– Are there training Grants at the state level for this? MOC Norton advised there are very few – or are you giving them a ticket to get out.
- All about what they are bringing home.
- Water/Sewer Utility Operator Willey - Great employees and then they leave – We are supplying other utilities with great people.
- Moving on

Budget Review – By line item

- Review the budget –
 - Office supplies – Do we share?
 - Why do we have two line items for office supplies?
 - Maintenance – Can we set it at \$14,300
- Backhoe is new –
- Next one – Capital replacement plan - \$3500
- Dues and subscriptions – What is this?
 - To maintain certifications
- Misc. – Non Utility –
 - Computer Repair
 - IGA
- Ask the insurance carrier what the story is.
 - We budgeted \$6K and paid \$6K
- Cell Phones –
 - 6 Accounts
- Wastewater
- Loans –
 - We have vehicle Loans
 - We have the Vac Truck
- Is this what we pay RDAC out of?
 - 210
- Wastewater Depreciation – We do not use this – We used it in 2020
 - President Kelso - Shouldn't be a made up number. If you do not fund your depreciation, then you do not have a down payment for your next project.
 - Replacing things that are worn out.
 - On the water side, they called out the plant in place.
- Federal Loans provide some protection
 - 4% of 5 million, \$200K
 - Should we raise this to \$50K
 - When we go back through it, we need to start making our justification notes.
 - A major repair could cost that much.
 - Vice-President Willsey suggests we may need this for mainline replacements.
 - President Kelso – Some of the mains we are having problems with are 50 to 70% beyond their useful lifespan
 - With real water utilities, it is not unusual to see rate spikes every time they fix everything.
 - If we do not change the rates to accommodate this, there will be a big spike.
 - Saddle Clamp was put in in the 60's

NASHVILLE UTILITY SERVICE BOARD BUDGET WORK SESSION AUGUST 30, 2021

- Replaced one that had been leaking for years.
- Great example as to why our loss rates are high.
- Why did we only do \$24K in water?
- [Funding Report – review]

- Wastewater equipment and supplies
 - Fixing broken mains, and everything else.
 - We have new pumps in the lift stations
 - Do not need as much attention.
- Equipment Repair – Going well
- Rental – Keep it where it is?
 - Leave it as is.
- Chemicals –
 - Going well – About where they should be
 - MOC Norton suggests bumping to \$40K
 - Aren't we planning on treating more sewage?
- Purchase Water –
 - Water used at the treatment plants and such.
- Sludge Removal
 - Are we doing this correctly? It is down, but we have to keep after it.
 - We budgeted \$30K and only spent \$7K
 - Are we really doing what we were supposed to be doing?
- Wastewater Attorney –
 - Obviously, this will increase –
 - Anticipating a lawsuit on the wastewater side – Probably will not spend \$5K
 - Should we make it \$10K in case something happens.
- Wastewater Contract Services –
 - What is this? Hydro-vac and anytime we have SSI come in, and other contractors.
 - Is the majority of it... We are going to spend \$100K on outside contracting
 - Can some of this money be used on employees
 - Some of that could have been the storm water master plan –
 - May have been here instead
 - What number did MOC Norton have in mind for this
 - If we do not have the hydro vac, it should be brought down to the engineering line.
 - MOC Norton – Recommends \$60K
 - Water/Sewer Utility Operator Willey reported they have also stopped outsourcing water taps. Have not been contracting anything out, and as long as we can keep people, we will continue to do this ourselves.
- Purchase price for the Hydro-Vac was a quick turnaround.
- Engineering –
 - Spent some this year, but leave it at \$35K
 - For a big project we will roll it in to the project.

NASHVILLE UTILITY SERVICE BOARD BUDGET WORK SESSION AUGUST 30, 2021

- New Equipment –
 - Buying new equipment – We bought the bobcat last year.
 - Put this at \$30K
 - For new equipment
 - We have what we need for now.
- What is being spent on Capital improvements?
 - We did some capital improvements with Pine Tree Hill -
 - More of something we would fund out of depreciation –
 - If we have funded depreciation and Capital Outlay, is it different or a transfer between funds.
- Town Administration Manager Carr reported things that were paid out of Capital: Pumps, raised Manholes, upgrading manholes, professional services, additional materials, locating water main. Some of this was part of our agreement.
- Need to be proactive before these things break.
- Bring in a firm that can tell us what we need to do?
 - Historically this number is created on what we spent last year.
 - Why did we not hear the leak that Water/Sewer Utility Operator Willey found?
 - If they had more in depth in their search, it would have been much more expensive.
 - There are saddles rotting away on Jefferson
 - Pipes on Jefferson and Artist Drive are AC pipes – And all the same age, and similar soils.
 - 40 to 50 years at best – 10 to 15 years beyond their life span.
 - Vice-President Bob Willsey – Suffering from death by 1,000 cuts – with the water lines.
 - Plan to start slowly replacing them per year... for the next ten years. First big job is to get started.
 - Come up with a capital improvement plan for the whole grid.
 - Can't solve with band aids.
 - 5 gallons per minute.
 - MOC Norton - Figure out what it would cost to come up with a plan to fix this. CIP, Baker Tilley did this back in the old days. Not willing to raise the rate. Runs out in 2022.
 - Member Kirlin – Do we see the Monthly Loss Percentage – Shown in the monthly meeting report
 - Water/Sewer Utility Operator Willey will include it in reports
 - President Kelso - We could be losing between \$150K to \$200K per year.
 - By the time you stop doing all of the repairs, and you will have more water supply. Has an effect on your supply at some point.
 - AS the old bond retires, it is good time to tack another one on.

President Kelso – MOC Norton – Can you have a revised version by Wednesday ?

- For the Capital Improvements let's leave it at \$100K for now and see where the numbers are.
- When will Council know the percent for salary?

NASHVILLE UTILITY SERVICE BOARD BUDGET WORK SESSION AUGUST 30, 2021

- MOC Norton is not sure, but we will try to get them some info tomorrow. Their budget is right around the corner too.
- Their overall budget can only grow by about 3% anyway.
- President Kelso – We owe it to the public, to tell them what we think we need.
- If we put in 3%, but they only allow 1.5%...
- President Kelso - Which is exactly why we need to tell them why we need the money.
 - Once we tell them, it is what it is.
 - But we do not want to second guess a decision because we were afraid to say what we thought.
- Who will address Council – Tell them through the documents –
 - They need to see our budget first.
 - They likely will not finish salary ordinance until December.
 - Final is set for October Council Meeting.

President Kelso - So we have two really rough drafts on the budget –

- Still a few question marks on the water
- Plan for Wednesday is to go through both water and sewer in detail.
- Also, a reason why we need to expedite things where we can get additional revenue –
- One of the low hanging fruits is the state park relationship
- We have a willing buying...

MOC Norton will dig out the old plan.

3) ANY OTHER BUSINESS

Vice President Willsey – Thanked everyone


President Kelso – First time we had a dedicated group for this.

Records Clerk Jones advised that the Town Council had the first reading of the water and sewer hook-on fees increase ordinances. MOC Norton commented that the tracker fees will also be rolled in.

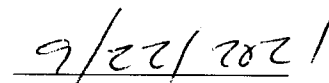
4) ADJOURN

Member Kirlin made a motion to adjourn the meeting. President Kelso adjourned the meeting at 8:16 pm.

The audio recording made at the Nashville Utility Service Board meeting on 8-30-2021 is retained in the office of the Town Clerk-Treasurer.



President Roger Kelso



Date