

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY, FEBRUARY 26, 2014
8:30 A.M.

Present: Michael G. Lallier, Chairman
Wick Smith, Vice Chairman
Lynne B. Greene, Secretary
Darsweil L. Rogers, Treasurer

Others Present: Steve Blanchard, CEO/General Manager
John Ellis, Hope Mills Liaison
Karen McDonald, City Attorney
Kristoff Bauer, Deputy City Manager
Jay Reinstein, Assistant City Manager
PWC Staff

Absent: James Arp, Council Liaison
Billy King, County Liaison

Chairman Lallier called the meeting of February 26, 2014 to order.

Approval of Agenda.

Commissioner Greene requested the agenda be amended to add a closed session to consult with attorney as allowed under N.C. General Statutes 143-318.11(3).

Upon motion by Commissioner Greene, seconded by Commissioner Rogers, the agenda was unanimously approved as amended to add a Closed Session for the purpose of consulting with attorney as allowed under N.C. General Statutes 143-318.11(3).

Consent Items

Prior to approving the Consent Items, Commissioner Smith requested a change in wording for Consent Item II-B from “Approve ‘*cancelling*’ to “Approve ‘*rescheduling*’ the March 12, 2014 and March 26, 2014 Commission Meetings.

Upon motion by Commissioner Smith, seconded by Commissioner Rogers, the following Consent Items were unanimously approved as amended:

- A. Minutes of meeting of January 22, 2014.
- B. Approved rescheduling the March 12, 2014 and March 26, 2014 Commission Meetings.
- C. Approved scheduling Commission Meetings for March 19, 2014 at 8:30 a.m. and April 2, 2014 at 9:30 a.m.

General Manager Report

⇒ Discussed highlights of his presentation to City Council on Monday night regarding Phase V Annexation survey results and proposed construction sequencing for the remaining project areas and provided copies of this information to the Commission for their information.

Commissioner Smith noted that City Council was very receptive to the survey and the proposed accelerated construction schedule for Phase V. He stated staff explained the construction issues resulting in accelerating the installation schedule and that City Council understood why the number of lots could not increase to 1000 per year. Commissioner Smith noted it was a great presentation and very good response from the City.

Mr. Blanchard stated a meeting is planned with City Council next month (March) to discuss the financial piece of the project. Staff is working on this and will provide information to the Commission in advance for their feedback.

Commissioner Rogers stated he was surprised that we were able to add 200 lots this year. He stated this was a very significant shift in activity and how can PWC move that quickly. Mr. Blanchard stated these areas are already under design and staff talked with the engineer designing these areas and the engineer feels they could do this with minimal impact on scheduling. He noted the project has not yet been bid. Mick Noland, Chief Operations Officer – Water Resources stated one of the biggest obstacles in getting this completed is obtaining the 120 easements needed to install the sewer lines. He stated obtaining the easements is very time consuming and generally takes longer than getting

the design complete. Commissioner Rogers stated he is sensitive to a 200 unit jump for 2014 and if we can do this fine but he doesn't want to disappoint the customers. Mr. Blanchard stated he felt this could be accomplished using existing staff.

Chairman Lallier asked how many projects the 120 easements covered. Mick Noland stated these easements are for two projects, Areas 16 and 17. Chairman Lallier asked what is the typical number of easements acquired for an average project. Mr. Noland stated between 50-60 easements. Chairman Lallier stated it would be helpful for the Commission to understand the easement process, therefore, he asked if staff could provide an update at a future meeting on the process for acquiring easements, including statistics.

- ⇒ March 1st begins PWC's annual water treatment changeover when PWC stops adding ammonia to the water treatment process for one month (March 1-30). This is a state requirement. Numerous hydrants will be open, starting this weekend, flushing the system and signs are placed at hydrants noting system maintenance.
- ⇒ PWC recognized by the United Way of NC and received the Spirit of NC Award. This is the ninth time PWC received this award. The City of Fayetteville also received this award. The United Way of Cumberland County also presented PWC with the Spirit of Community Award and the Marquis Award for having the highest number of leadership givers.
- ⇒ PWC received the People's Choice Award for best booth at the Carolina Home Show.

Update on Customer Service Activities

Dwight Miller, Chief Financial Officer and Bevan Grice, Director of Customer Service reported on customer service activities. Mr. Grice stated Customer Service is all of PWC, not just the Customer Service Department. He stated the Customer Service Department motto for this year is "One Team, One Goal, No Limits. Mr. Grice stated customer services activities mainly include answering the telephone and assisting walk-in customers. He stated the Customer Service representative can serve customers quicker and more efficiently over the phone than in person and there is hardly any business at PWC that a customer

cannot handle over the phone. Mr. Grice stated the average call handle time is four (4) minutes, which is the goal. The average walk-in handle time for customers who come to the Customer Service Center is thirteen (13) minutes per customer. Mr. Grice commented all calls in the call center are recorded and monitored to ensure quality customer service is being provided. The agents are monitored on communication - are they listening and asking open-ended questions, establishing rapport, accuracy/efficiency, responsiveness and closing. The department average is 95.3% and less than 90% is below standard.

Mr. Grice reviewed statistics of the calls offered, which are calls that come into the call center, versus calls answered over a twelve month period. He stated about 530,000 calls were answered last year. Mr. Grice discussed the types of call activities that come through the call center. He stated 39% of the calls are for bill extensions, 31% for general/bill inquiry, 21% are to start/stop services and 9% are miscellaneous calls.

Mr. Grice discussed customer activity at the Customer Service Center. He stated for the period January 2013-December 2013 the total number of customer contacts was 221,836, which included 101,560 walk-in payments, 82,170 drive-thru payments, 11,259 depository payments and 26,847 customer contacts with the Customer Service Representative. Mr. Grice reviewed the various payment options available to PWC customers and a cost analysis of the payments by category. He informed the Commission that 14.6% of the total payments received are handled at the Customer Service Center, 30% are made by mail, 11.6% online banking, 3.9% through Western Union, 29.6% Speed Pay and 10.3% Bank Draft. Mr. Grice also stated another payment method customers can use is Pay-By-Text. Commissioner Smith asked if PWC processes the mail payments or if this is handled by a third party. Mr. Grice stated PWC processes the mail payments. Commissioner Smith commented on the cost per transaction for mail payments at \$0.28 compared to bank draft at \$0.29. Mr. Grice stated both transactions are labor intensive and also there is a maintenance cost for the mail remittance processor. Mr. Miller stated for bank drafts, the set up and all maintenance is done manually and that is where the cost is involved. Chairman Lallier asked if PWC periodically looks at a third party to handle mail for cost comparison. Mr. Grice stated PWC has talked about using a third party for processing the mail. Mr. Miller stated the issue of using a third party for the mail is that there is not a local company that can provide this service and everything would go to Charlotte. Chairman Lallier said if there is a cost savings he did not have a problem with the mail going to

Charlotte as long as all the security issues are in place. Mr. Miller stated the equipment that processes the mail is aging and PWC will look into possibly outsourcing the mail if there is not a problem with having the payment go to another city and not processed locally. He stated Cumberland County outsources the tax payments and these go to Charlotte for processing. Commissioner Smith commented if there is not a qualified local vendor to do the work he did not see an issue. Chairman Lallier stated it would be beneficial for PWC to piggyback on the County to find out who is processing their payments in order to see if there is a savings as a result of bringing PWC processing with the County processing. Mr. Grice stated it would be very beneficial to PWC to outsource the mail since the peak mail volume is when the customer volume (drive thru and walk in) is high. Mr. Miller stated staff can look at changing (outsourcing) in FY 2016. Chairman Lallier requested staff contact the County Finance staff to inquire what their cost is per transaction. Commissioner Rogers stated since banks provide this service, he recommended staff also contact our banking resource to see what they would charge to do this process. Mr. Blanchard noted PWC requires payments be posted the same day to the customer's account.

Mr. Grice reviewed other payment options available to customers such as Pay-By-Text and PWC E-Bill. He stated in 2013 over 9,500 Pay-by-Text payments were received. Mr. Grice commented PWC has approximately 27,611 customers signed up for E-Bill and of that number; up to 6,500 payments per month are received from customers using the E-Bill link. He highlighted the collections activities over the past year. On average last year 30,374 telephone notices were given to customers and 16,140 disconnect notices issued. Mr. Grice stated there were 2,449 non pay disconnects and the bad debt monthly average is \$67,978.

Discussion ensued. Chairman Lallier inquired about the calls offered versus the calls answered. He commented on the gap for these calls in November 2013. Chairman Lallier asked if staff could provide on an average month what the gap is between calls offered and calls answered. Mr. Grice stated every Monday is a high volume call day and most Fridays, therefore, this will skew the data for the other days. He stated there are no additional resources to pull from to help on the peaks days (Mondays/Fridays). Chairman Lallier commented outsourcing or training additional staff to help during peak days could be a solution as well as to educate customers on when to call.

The Commission thanked Mr. Grice for the update on Customer Service activities.

Human Resources Personnel Update

Bobby Russell, Human Resources Officer reported on this item. Mr. Russell informed the Commission that at the end of 2013, PWC had a total of 604 employees (427 male and 177 female). He stated the total number of authorized positions is 629. Mr. Russell stated due to the construction departments in both water and electric divisions; the number of male employees is greater than female. He did state PWC has increased the number of female employees over the years, particularly in administrative areas. Mr. Russell reviewed the breakdown of workforce by division and commented the larger numbers of employees are located within the Electric Systems and Water Resources Divisions mainly due to the engineering and construction groups in these divisions. He also commented that PWC currently has 131 exempt employees (86 male; 45 female) and 473 non-exempt (341 male and 132 female).

Mr. Russell talked about the aging workforce. He stated of the 604 employees, 17% are in the 55 to 64 age range; 37% in the 45 to 54 range; 26% fall in the 35 to 44 age range; 14% in the 25 to 34 range; 5% in the 18 to 24 age range. He said we have 1% or 8 employees in the 65 and over age range. Mr. Russell stated PWC's oldest employee is 72 years old. He stated the average age for PWC employees is 45 years old. Mr. Russell provided information to the Commission on the breakdown of PWC employees by race. There are 73% non-minority and 27% minority employees as follows: 332 (55%) white male, 109 (18%) white female, 95 (16) minority male and 68 (11%) minority female. Mr. Russell stated from an affirmative action standpoint PWC needs to get the minority market up. He stated PWC is trying to search out and recruit minority candidates. Mr. Russell stated this effort is hindered due to the fact that when a person is hired they tend to stay with PWC and there are not those opportunities to replace them. He did state with the aging workforce, this has given PWC the opportunity to hire minority and female candidates over the past few years. Mr. Russell stated in 2013, PWC recruited 60 employees (22 female/38 male). He stated from a turnover/termination standpoint, PWC had 24 retirees in 2013. Mr. Russell state, including retirees PWC's turnover rate was at 8.6%. He stated excluding retirees, the turnover percent was 4.6% (13 voluntary terminations and 11 involuntary terminations). PWC had four employees to die in 2013.

Mr. Russell updated the Commission on the EEOC case status. He stated in 2013 there were five (5) EEOC filings. Currently there are two open cases – one for race discrimination and the other wrongful discharge. The other three cases have been closed in favor of PWC.

Discussion ensued. Chairman Lallier asked if PWC conducts exit interviews and Mr. Russell stated yes. Commissioner Rogers stated it would be beneficial to him if the next time Mr. Russell does a presentation he could provide a three year trend instead of a snapshot. The Commission thanked Mr. Russell for providing the update on Human Resources personnel.

Reports and Information: The Commission acknowledges receipt of the following reports and information:

- A. Monthly Incident Summary for January 2014
- B. Personnel Report for January 2014
- C. Position Vacancies
- D. Approved N.C. Department of Transportation Encroachment Agreement(s):
 - ⇒ Encr. #17778: sewer lateral installation –SR-1104 (Strickland Bridge Road)
 - ⇒ Encr. #17779: sewer lateral installation – NC 59 (N. Main Street)
 - ⇒ Encr. #17781 – installation of gate to provide access to maintain water main (US 301 Water Main Replacement)
 - ⇒ Encr. #17596 – water and sewer main installation – SR-1404 (Morganton Road)
- E. Approved Utility Extension Agreement(s):
 - ⇒ NQC2013-400, LLC – water and sewer utilities to serve Zaxby’s – Cliffdale Road
 - ⇒ Highcroft of Fayetteville, LLC – water and sewer utilities to serve Highcroft Phase 2
- F. Approved NC DOT Relocation Agreement(s):
 - ⇒ PWC Utility Agreement #17780 - water main relocation improvement project to the Fayetteville Outer Loop from south of SR1400 (Cliffdale Road) to east of SR-1415 (Yadkin Road); NC DOT Project #U-2519CB; WBS Elements: 34817.3.S8
- G. Actions by City Council during meeting of January 27, 2014, related to PWC:
 - ⇒ Approved revisions to Council Policy 105.2 – Assessments
 - ⇒ Approved Bond Counsel
- H. Actions by City Council during meeting of February 3, 2014, related to PWC:

⇒ Tabled action on PWC Budget Guidelines until February 24, 2014 Council Meeting

Comments:

- Chairman Lallier: Welcomed John Ellis, Town Manager of Hope Mills who will serve as the Hope Mills Liaison to the Public Works Commission.

Closed Session, as allowed under N.C. General Statutes 143-318.11(3)

Chairman Lallier entertained a motion to go into closed session for the purpose of consulting with an attorney as allowed under N.C. General Statutes 143-317.11(3).

Upon motion made by Commissioner Greene and seconded by Commissioner Rogers, the Commission unanimously voted to go into closed session at 9:57 a.m. as allowed under N.C. General Statutes 143-317.11(3).

Following discussion, upon motion made by Commissioner Greene and seconded by Commissioner Rogers, the Commission voted to return to open session at 10:13 a.m.

There being no further business, upon motion by Commissioner Smith, seconded by Commissioner Greene and unanimously approved, the meeting was adjourned at 10:13 a.m.