

PUBLIC WORKS COMMISSION  
MEETING OF WEDNESDAY, MAY 14, 2014  
8:30 A.M.

Present: Michael G. Lallier, Chairman  
Wick Smith, Vice Chairman  
Lynne B. Greene, Secretary  
Darsweil L. Rogers, Treasurer (Via Conference Call)

Others Present: Steve Blanchard, CEO/General Manager  
Karen McDonald, City Attorney  
Kristoff Bauer, Deputy City Manager  
Jay Reinstein, Assistant City Manager  
Erica Hoggard, Assistant HR Director – City of Fayetteville  
Chip Lucas, Executive Director for Career & Technical  
Education, Cumberland County Schools  
PWC Staff

Absent: James Arp, Council Liaison  
Billy King, County Liaison  
John Ellis, Hope Mills Liaison  
Mike Bailey, Hope Mills Liaison

Chairman Lallier called the meeting of May 14, 2014 to order.

Presentation of the “High School-to-Work Partnership Award”

Mr. Bobby Russell, PWC Human Resources Officer introduced Mr. Chip Lucas, Executive Director for Career and Technical Education for Cumberland County Schools. Mr. Lucas presented to the “High School-to-Work Partnership Award” to the Public Works Commission from the Cumberland County Schools for Providing Work-Based Learning during the 2013-2014 School Year.

Approval of Agenda.

Commissioner Greene requested the agenda be amended to add a closed session for personnel matters as allowed under N.C. General Statutes 143-318.11(6).

Upon motion by Commissioner Greene, seconded by Commissioner Smith, the agenda was unanimously approved as amended to add a Closed Session for personnel matters as allowed under N.C. General Statutes 143-318.11(6).

Consent Items

Upon motion by Commissioner Smith, seconded by Commissioner Greene, the following Consent Items were unanimously approved:

- A. Minutes of meeting of April 30, 2014.
- B. Adopted PWC Resolution No. PWC2014.02 to declare personal property described as “Proposed Substation Surplus Equipment-May 2014” as surplus and authorize sale of property by public auction. (See Resolution No. PWC 2014.02 on Page \_\_\_\_ of Minutes)

Update on City Call Center Consolidation

Mr. Mark Brown, PWC Senior Customer Programs Officer and Mr. Jay Reinstein, Assistant City Manager presented this item. Mr. Brown stated he and Mr. Reinstein will be presenting on behalf of the Best Practices Call Center Consolidation Project Team (the Team) their plan for implementing the transition and seek the Commission’s approval to implement the plan. Mr. Brown stated he appreciates the combined effort that the City and PWC staff has put in to make this project a success. He stated the Team was formed on March 11, 2014 and is a Best Practices staff driven project team working with Karen McIssac, Project Manager. Mr. Brown stated a status report was provided to City Council on March 31, 2014 and a recommendation to the Steering Committee on April 24, 2014. The Steering Committee recommended an update be presented to the Commission and City Council regarding the Call Center Consolidation and to seek approval of the Team’s recommendation to implement the plan. The objectives for consolidation are to (1) take advantage of core competencies, (2) improve citizen’s access to city services, (3) increase efficiency, (4) quickly leverage existing and new technology and (5) increased collaboration.

Mr. Brown stated the initial idea of this project was split into two phases. He stated Phase 1, which is being presented today, involves moving the City Call Center responsibility to PWC with the ability to effectively answer citizen calls and route the requests to the appropriate department. Mr. Brown stated Phase 2 of the project, which is to integrate the PWC and City Call center functions and leverage technology to enhance citizen and customer service, has been separated since it is a longer term and more involved project that will require a separate charter. For clarity, Chairman Lallier requested Mr. Brown define the separate charter so not to confuse it with the official PWC Charter adopted by the General Assembly. Mr. Brown explained the charters for Phase 1 and 2 of the Call Center Consolidation are internal charters. The charter related to Phase 1 would move the City Call Center function to incorporate it with the PWC Customer Programs call center. This would provide the ability to answer citizen calls and route the requests to the appropriate department at the City so this function can continue to operate at an enhanced level. Mr. Brown stated the charter related to Phase 2 involves substantially more technology and looking at how to enhance the role of the IVR (Integrated Voice Response system) to provide enhanced services and other technology and to fully integrate what we do from a call center perspective.

Mr. Brown discussed the estimated transition costs, which are one time, upfront costs to physically move the City Call Center to PWC. He stated the estimated cost is between \$10,000 to \$11,000 per employee and is based on a five person staff. Mr. Brown noted these cost to be recovered in the annual operating cost of the Call Center. He reviewed the annual cost estimates for operating the Call Center. Mr. Brown stated these budget estimates were separated into two years. The first year estimate includes onetime costs such as phone changes and tracking software licenses and the second year is based on a normal operating budget. Based on estimated costs, the first year operating budget cost is \$345,000 and the second year cost is \$331,000. Mr. Brown noted salaries for the second year cost were escalated by 2%. He stated the Team also performed a risk assessment and identified the highest ranked risks, which fall in three categories – Schedule Risks, Operational Risks and Employee Morale Risk. Mr. Brown stated the Schedule Risks center around the two major software implementation programs for City (CityWorks) and PWC (NavIgate Phase 2). To mitigate this risk, the Team has delayed the implementation of the transfer of the City Call Center until after both CityWorks and NavIgate Phase 2 are successfully implemented. From an Operational Risk perspective, Mr. Brown commented with the transition to new processes we expect initial lost productivity and will be actively managing

this issue. Other Operational Risks include communications with operational departments and the employee transition cost. Mr. Blanchard discussed the employee transition cost (i.e. benefits - accrued vacation, sick leave, health insurance, etc.) and stated there will be further discussion regarding these transition costs. There was a lengthy discussion regarding employee transition costs, in particularly employee health related insurance costs, and staff responded to questions from the Commission regarding this subject. Mr. Blanchard stated at some point a document will be prepared that defines everything we plan to do and this document will come back to the Commission and City Council for final approval. He stated at this point, staff needs the Commission's permission to continue to move forward since expenses are being incurred as it relates to the consolidation of the call center. Chairman Lallier commented this is an example of the 'cart before the horse' issue. He stated we are doing things but where is the plan. Chairman Lallier stated the Commission needs a plan which they can approve and then submit to the Council for approval. Once approvals are in place, the plan can then be implemented. Discussion ensued. Mr. Brown continued his discussion on the risk assessment and noted the third risk is Employee Morale and that the employee transfer process will be closely watched.

Mr. Reinstein highlighted the timeline. He stated we are currently in the 2<sup>nd</sup> quarter. Mr. Reinstein commented the City is researching customer payment options. He noted the City uses Point of Sale (POS) and PWC uses a 3<sup>rd</sup> party vendor. He said the City does not currently charge a convenience fee, but are looking into this matter. PWC does charge a \$3.50 convenience fee to process credit card payments. Mr. Reinstein stated it is important to get customer feedback and this can be accomplished by gathering information from PWC's Customer Advisory Committee. During the 3<sup>rd</sup> quarter, job descriptions, compensation details, employment options and expectations for all existing call center employees will be reviewed. He stated training will be offered to PWC Call Center leads and City Call Center staff on CityWorks software. Also during this quarter, a determination will be made which City Call Center employees will move to PWC. Mr. Reinstein stated in the 4<sup>th</sup> quarter cross training of PWC and City Call Center staff on CityWorks and NavIgate Phase 2 features and functions will begin. During this quarter, any City Call Center staff will transition to PWC as planned and the City Customer Call Center transition goes live. The City Call Center will be discontinued. He stated the 4<sup>th</sup> quarter timeline is dependent on the two major software installations (both NavIgate and CityWorks).

Mr. Reinstein discussed the employee options for City call center staff. He stated Option 1 would transition City employees to PWC's Customer Programs Division. Mr. Reinstein explained under this option, employees would be placed under PWC payroll and benefits, they would maintain their date of hire and seniority, accrue vacation based on years of service and there would be no probationary period. He stated compensation would be adjusted, if needed, to compensate employees within the PWC pay range. Mr. Reinstein stated under Option 2 eligible employees may voluntarily retire from the City.

Mr. Reinstein stated staff had originally planned to ask the Commission to approve the Best Practices team's plan to discontinue the City Call Center and move the City of Fayetteville Call Center function to the PWC Customer Programs Call Center but he understands there are questions that the Commission would like answered before making a final decision. He stated staff will get the answers to these questions and report back to the Commission. It was decided to give staff four weeks to respond back to the Commission. Discussion ensued.

Following discussion, it was the consensus of the Commission that staff is moving down the right path and to continue moving forward and provide answers to questions from the Commission related to employee transition costs.

#### *Presentation on the 2013 Sustainable Activities Report*

Carolyn Justice-Hinson, Communications/Community Relations Officer presented the 2013 Sustainable Activities Report to the Commission. PWC began compiling their sustainable efforts since 2007 to go along with the Commission's strategic goal and each year the report is updated as a reference and resource for the community. The report is broken down into various categories including Operations, Facilities, Customer Partnerships, and Community Initiatives, along with PWC staff contact information for each category. Ms. Hinson highlighted some of PWC's sustainable efforts for 2013 as listed below:

⇒ Developed PWC's AMI (Advanced Metering Infrastructure) plan – Connect. PWC selected Sensus USA as our partner to install new infrastructure changes & install advanced meters beginning in 2014.

- ⇒ Conducted an LED (Light Emitting Diode) Street Light Pilot Project in 2013 as part of a small-scale test of converting street lights city-wide to LED lighting. LEDs provide higher quality light and will reduce energy use & operational costs as well as help PWC meet State mandates for Renewable Energy (Senate Bill 3). The pilot was a success.
- ⇒ Utilized funding from the NC Forest Service's Urban and Community Forestry Grant Program to initiate the Tree Power program - Focusing on increasing awareness of the importance of planting and protecting trees in urban areas. PWC supported local tree planting projects; provided free seedlings & sponsored educational seminars to teach planting the 'right tree in the right place' to avoid tree and utility lines conflicts.
- ⇒ PWC has over 3,000 acres known as our Watershed area which helps settle out storm water pollutants before it reaches our source water. A highlight in 2013 was the addition of 6.4 acres of land at Carver Street that adjoins the existing PWC watershed and protects Glenville Lake. PWC restored the property and dedicated it to former property owner, Mr. Charles Lebanon Easley. Mr. Easley was a WWII Veteran, member of the Triple Nickel Brigade, & a long time community member.
- ⇒ PWC continues to work on reducing the impact our fleet has on air quality. In 2013 PWC replaced 10 older vehicles and pieces of equipment with units that have significantly reduced emission discharge or are more economical/fuel efficient including five older heavy duty diesel trucks, three full sized pick-up trucks, a farm tractor & construction backhoe. PWC currently operates seven hybrid vehicles including two Hybrid electric bucket trucks and five hybrid cars/SUVs.
- ⇒ Reached 24% participation in PWC's electronic billing (eBill). As of December 2013, over 27,000 customers are enrolled in eBill, receiving their bill electronically, reducing printing & mailing cost.
- ⇒ New Customer Incentive Programs were introduced that assist residential customers with saving energy, water and money throughout their homes. These programs include the High Efficiency Toilet (HET) Program, the Refrigerator Incentive Program (RIP) the LED Seasonal Light Program and Heat Pump and Rain Sensor Incentive programs.

- ⇒ Began the Home Efficiency Audit Program (HEAP) that provides customers a professional home efficiency check-up that shows them where they are losing or wasting energy. PWC now has two (2) certified Home Efficiency Rating Specialists that perform the audits.
  
- ⇒ Partnered with Douglas Byrd High School's Green Academy to teach students about the utility industry and the role it plays in sustainability. The Academy is the only Program of its kind in NC and focuses on teaching students about sustainable energy, solar power, green technology, energy conservation and ways to make clean energy with a minimal impact on the environment.
  
- ⇒ Partnered with Cumberland County governmental organizations and the Environmental Protection Agency on Ozone Advance, a county-wide collaborative effort to encourage expeditious emission reductions in ozone attainment areas. This helps Cumberland County continue to meet the National Ambient Air Quality Standards for ground-level ozone.
  
- ⇒ Distributed 7,000 Energy Saver Calendars, over 1,000 Compact Fluorescent Light bulbs (CFLs) and participated in over 10 community events that help educate residents on conservation of our natural resources & sustainability.

Ms. Hinson stated PWC's Sustainability Report will be available on PWC's website. She also commented that PWC promotes our sustainable initiatives on our TV show and newsletters and that several had articles written about them in the Fayetteville Observer last year. Discussion ensued. The Commission thanked Ms. Hinson for the update on PWC's sustainability efforts.

#### General Manager Report

- ⇒ Reminder – PWC will host the Chamber Breakfast tomorrow, May 15<sup>th</sup> at 7:30 at Highland Country Club.
- ⇒ PWC to sponsor the Plant Managers' Association Luncheon on June 10<sup>th</sup> at the Butler-Warner Generation Plant.

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

- A. Monthly Incident Summary for April 2014
- B. Personnel Report for April 2014
- C. Position Vacancies
- D. Actions by City Council during meeting of May 5, 2014, related to PWC:
  - ⇒ Received update on consideration of annexation and/or provision of water services to the Bullard Circle neighborhood
  - ⇒ PWC FY 2015 Budget Presentation

Closed session pursuant to N.C. General Statutes 143-318.11(a)(3) and N.C. General Statutes 143-318.11(6).

Chairman Lallier entertained a motion to go into closed session as allowed under N.C. General Statutes to discuss the following items:

- 1) Legal Consultation as allowed under N.C. General Statutes 143-318.11(a)(3).
- 2) Personnel Matter as allowed under N.C. General Statutes 143-318.11(6).

Upon motion made by Commissioner Greene and seconded by Commissioner Smith, the Commission unanimously voted to go into closed session at 9:47 a.m.

Following discussion, upon motion made by Commissioner Greene and seconded by Commissioner Smith, the Commission voted to return to open session at 11:05 a.m.

There being no further business, upon motion by Commissioner Greene, seconded by Commissioner Smith and unanimously approved, the meeting was adjourned at 11:05 a.m.