

PUBLIC WORKS COMMISSION
MEETING OF WEDNESDAY SEPTEMBER 22, 2021
8:30 AM

Present: Wade R. Fowler, Jr., Chairman
Evelyn O. Shaw, Vice Chairwoman
Darsweil L. Rogers, Secretary
Ronna Rowe Garrett, Treasurer

Others Present: Elaina L. Ball, CEO/General Manager
Chris Davis, City Council Liaison
Telly Whitfield, Assistant City Manager (Virtual)
Jonathan Charleston, Charleston Group (Virtual)
Catherine Bamba, Charleston Group (Virtual)
Patrick Mieritz, Gallup (Virtual)

Absent: Michael Boose, Cumberland County Commissioner, Liaison
Scott Meszaros, Hope Mills Town Manager
Media

REGULAR BUSINESS

Chairman Wade Fowler called the meeting of Wednesday, September 22, 2021, to order

APPROVAL OF AGENDA

Upon motion by Commissioner Shaw, seconded by Commissioner Rogers, the agenda was unanimously approved.

CONSENT ITEMS

Upon motion by Commissioner Shaw, seconded by Commissioner Garrett, Consent Items were unanimously approved.

- A. Approve Minutes of meeting of September 8, 2021
- B. Adopt PWC Resolution - PWC2021.31 to declare personal property described as one (1) 2012 Kenworth T-370 45' Hybrid Bucket Truck VIN # 2NKHHM8A5CM315057, as surplus and sell by public auction.

COMMENTS: North Carolina General Statute 160A-270 permits the sale of personal property with an estimated value of \$30,000 or more by public auction upon authorization by the governing board.

Note: The following resolution was read aloud by Commissioner Darsweil Rogers, prior to approval.

- C. Adopt PWC Resolution - PWC2021.32 - Resolution Approving and Agreeing to the Terms of a Bond Order Authorizing the Sale and Issuance of Public Works Commission Revenue Bonds, Series 2021 by the City of Fayetteville, North Carolina, Requesting that the City Council of Said City Adopt Such Bond Order and Taking Certain other Actions in Connection with Such Bonds

D. Adopt PWC Resolution - PWC2021.33 – Resolution of the Fayetteville Public Works Commission regarding Unsolicited Purchase or Concession Offers

END OF CONSENT

STRATEGIC PRIORITY DISCUSSION – EMPLOYEE ENGAGEMENT

Presented by: Bobby Russell, Human Resources Officer

Patrick Mieritz, Gallup Market Leader

Ms. Ball stated this presentation continues our new approach to briefing elements of the Strategic Plan. Bobby Russell and Carolyn Justice-Hinson have been leading the initiative.

Mr. Russell stated one of our strategic initiatives this year is Employee Engagement. We are committed to attract, retain, and grow an engaged workforce that is equipped with the capabilities to deliver excellence.

The Gallup survey will help us measure the employees who are engaged, not engaged and totally unengaged, how to increase the engagement within the initiatives of our organization to continue to propel it forward.

The survey launched Monday, September 20th. Ms. Justice-Hinson has worked on a lot of the logistics of the survey. We have had great participation as of today. Mr. Russell presented Patrick Mieritz to introduce Gallup and discuss the Q12 Employee Survey, and how it will help us determine the engagement level of our employees and build a culture of our employee engagement going forward within the organization.

Mr. Mieritz provided his background and provided a brief overview of Gallup’s methodology for determining employee engagement.

Leaders and managers in organizations of all sizes must adapt to changing employee expectations. He focused on the need of employees to not simply have a boss, but a coach.

Mr. Mieritz compared employee engagement outside of the US to that within the US, and Gallup best practice organizations. He stated 70% engagement is directly affected by front line supervisors. If our managers or front line leaders are not engaged the odds are our teams’ engagement will be pretty low.

Being able to equip, empower and educate front line leaders and give them the information they need is important to this process. Mr. Mieritz went on to state that best-practice organizations have a ratio to 14 engaged employees to one actively dis-engaged employee.

He stated women are more engaged than men, and women are better managers. He stated based on their respondents, female leaders have higher engagement and better business outcomes. He went on to explain how the organizations grow in engagement. Discussion ensued.

Mr. Mieritz stated building a highly engaged organization is like building a skyscraper. He discussed the foundational aspects of engagement. He went on to discuss the elements and weights of the Q12 Survey.

He described three types of employees

- Engaged
- Not Engaged
- Actively Disengaged

Mr. Mieritz described the hierarchy for the Gallup Q12 Statements.

The first two statements describe our basic needs.

1. I know what is expected of me at work
2. I have the materials and equipment I need to do my work right

He stated, then we transition in to our individual needs.

3. At work, I have the opportunity to do what I do best every day
4. In the last seven days, I have received recognition or praise for doing good work
5. My supervisor, or someone at work, seems to care about me as a person
6. There is someone at work who encourages my development

He went on to state this statement is critical in creating an environment of inclusion.

7. At work, my opinions seem to count

People need to feel they are respected, and they need to feel that we really want their feedback. There needs to be a robust conversation and communication strategy, before, during and after the survey.

Seven through ten speaks to the needs we have from our team

7. At work, my opinions seem to count
8. The mission or purpose of my company makes me feel my job is important
9. My associates or fellow employees are committed to doing quality work
10. I have a best friend at work

Eleven and twelve are around development and growth.

11. In the last 6 months, someone at work has talked to me about my progress
12. This last year, I have had opportunities at work to learn and grow

Discussion ensued on the weights of the above statements; the needs of the differing generations; and the corporate cultures.

As of today, we've reached 50% for taking the survey. The goal is 90%, and we are well on our way. Mr. Russell stated once the survey is completed, we will know the results within 24 hours. We will be working with Gallup over a three-year period.

Ms. Ball stated we are setting goals that are stretched. We picked the top utilities in the US to benchmark ourselves against. We are not going to settle for mediocrity. And the only way we are going to get there is to get our organization up. It will take everyone in the room to get in the ring and get going. Mr. Russell stated we are bringing on an Organizational Development Manager, which is perfect timing. This person will help us drive this initiative throughout the initiative.

GENERAL MANAGER REPORT

Bond Issuance

We are preparing for our bond issuance this fall. We have meetings coming up with all three ratings agencies (this week and next). Ms. Ball shared some of the key messages we intend to convey.

- PWC expects to see consistent but modest customer growth.
- For our Financial forecast thru 2026

- We are seeing a stable revenue outlook with total operating revenues ranging from \$346M to \$365M over that time-period.
- We have modest O&M growth in our operating costs; we have a sharp reduction in power supply costs in 2024. As a result of the revenue and operating costs outcome, we expect our operating income to be positive and improving over that time-period, ranging from a net operating income of \$19M upward to \$64M.
- This comes together showing our forecast has sufficient income available for debt service coverage to support debt service coverage ratios 2.69 to 2.84 range.

Customer Satisfaction Survey

We are concluding our customer satisfaction surveys. We have hit all our residential targets, and we are working on some non-residential targets. As soon as we have the information and results available, we will disseminate it.

Ms. Balled thanked Mr. Brown and the team. We received more than 24 specific requests from customers who self-identified. He and his team went to each individual customer to address their needs.

COVID

As of Friday, we have two positive cases and six quarantines. We have no employees in the hospital. This is down from 11 positive and 20 in quarantine in the two perspective previous weeks. We are evaluating the implementation process of the Federal order of mandatory vaccination and testing. More to come.

Mayor's Coalition Meeting

Ms. Ball, and team members in Water Resource and Customer Care attended the Mayor's Coalition meeting on September 10th. The focus of the meeting was to meet with mayors in the region (mainly Cumberland County), with a focus of identifying growth corridors. Ms. Ball stated they identified five corridors that they will begin to evaluate. The majority of the limiting factors in infrastructure are water and sewer. They will develop infrastructure needs to support likely development in these corridors, with costs and timelines. Mr. Noland's team is assisting with this effort. We will not commit resources of the utility without bringing those specific needs forward to the Commission for consideration.

This is consistent with the Economic Development section of the Strategic Plan. We want to make sure our infrastructure is there so when businesses consider our region, we are not the limiting factor that cause them to select other communities.

Audit

External Financial Audit is underway. We are targeting a presentation to the Commission on October 27th.

Fayetteville Observer Article

The Fayetteville Observer ran an article about our participation on wastewater monitoring for COVID-19. We are doing so in conjunction with DHHS and UNC. We are another data point to have a sense of how much COVID is in the community. Reminder, you cannot get COVID from wastewater, but it is another datapoint and this is a reminder why having a hometown utility is a great thing. These are things we get involved in and help out the health department and other agencies.

We are continuing to watch the Atlantic. Thankfully, recently hurricanes have not made landfall. There are two named storms sitting in the Atlantic. Both trajectories have shown the pattern of turning north and staying away from the east coast.

EV Club

We held in conjunction with Sustainable Sandhills an EV Club informational meeting at our campus. Ms. Ball stated there was good information. There was good dialogue, information on charging habits and limitations in the community around EV infrastructure. Conversation moved into areas of self-generation, as well as storage. The team took away a lot of good information. The next meeting will be October 2nd on the PWC campus.

Volunteer Opportunities

Ms. Ball thanked the community team members who assisted on the Fayetteville Beautiful Community Cleanup; those who helped to install the field of honor flags at ASOM; and those who volunteered at the Woodpeckers games to support the Alzheimer's Society. We are about to kickoff the UW campaign.

Upcoming Meetings

At the next Commission meeting, we will brief Commissioners on our next Strategic Priority category, Operational Excellence, we will discuss the Integrated Resource Plan (IRP). We will also have a briefing on the Facilities Master Plan.

COMMISSIONER/LIAISON COMMENTS

Commissioner Ronna Rowe Garrett

Commissioner Garrett thanked Commissioner Rogers for all he has done on the PWC Board and all he will continue to do in the community. She looks forward to developing their professional relationship together.

Commissioner Wade Fowler

Commissioner Fowler stated approximately eight years ago, while he was on City Council, he nominated Darsweil Rogers to be on the PWC Board and it was one of the best decisions he made while sitting on the Council. He had to lobby hard for the nomination, but it was the best decision for the City of Fayetteville to have him here. Commissioner Fowler went on to state Commissioner Rogers has made such a change in this organization; his intelligence, and financial knowledge and vision have been so important. He appreciates Darsweil Rogers being here and calling him his friend.

Commissioner Evelyn Shaw

Commissioner Shaw stated she appreciates the value added Commissioner Rogers has brought to the board and his genuine interest in this community. She believes everyone in the room recognizes he could have been a lot of other places, but he chose to serve, and she appreciates his service, as well as the community. Even when he asks all the hard questions, the staff comes locked and loaded, ready to address his questions because they know he is so engaged and will ask them.

Commissioner Darsweil Rogers

He appreciates to have served his entire eight years. It has been a mutual appreciation. He now has an interest in utilities, and understands the utility industry. He believes in the value of public power. For a community to control its utility and the value it brings in so many intangible ways are profoundly important as opposed to an investor owned.

REPORTS AND INFORMATION

The Commission acknowledges receipt of the following reports and information.

- A. PO Report – August 2021
- B. Position Vacancies

CLOSED SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTES 143-318.11(A)(1), 143-318.11(A)(3), 143-318.11(A)(4), AND 143-318.11(A)(6), IN ORDER TO REVIEW AND APPROVE CLOSED SESSION MINUTES FROM COMMISSION MEETINGS ON THE FOLLOWING DATES: DECEMBER 1, 2020, JANUARY 13, 2021, JANUARY 27, 2021, FEBRUARY 10, 2021, FEBRUARY 24, 2021, MARCH 10, 2021, APRIL 28, 2021, JUNE 16, 2021, AND AUGUST 11, 2021.

Commissioner Rogers motioned to go into closed session pursuant to North Carolina General Statutes 43-318.11(a)(1), 143-318.11(a)(3), 143-318.11(a)(4), & 143-318.11(A)(6), In Order To Review And Approve Closed Session Minutes From Commission Meetings On The Following Dates: December 1, 2020, January 13, 2021, January 27, 2021, February 10, 2021, February 24, 2021, March 10, 2021, April 28, 2021, June 16, 2021, & August 11, 2021. Motion was seconded by Commissioner Shaw, and unanimously approved at 9:35 am.

There being no further discussion, upon motion by Commissioner Rogers, seconded by Commissioner Shaw and unanimously approved. The Commission returned to open session at 9:45 a.m.

ADJOURNMENT

There being no further business, upon motion by Commissioner Rogers, seconded by Commissioner Garrett, and unanimously approved, the meeting adjourned at 9:45 am.