

**Dakota Communications Center
Executive Committee
Meeting Minutes: 12.05.07**

Members Present:

Tom Lawell – Apple Valley; Tom Hedges – Eagan; Peter Herlofsky – Farmington, Joe Lynch – Inver Grove Heights, Steve Mielke – Lakeville, Jim Danielson – Mendota Heights; Jamie Verbrugge – Rosemount, Stephen King – South St, Paul

Members Absent: Dave Osberg – Hastings; Craig Ebeling - Burnsville

Alternates Present: Melanie Mesko Lee - Hastings

Others Present: Kent Therkelsen – DCC, Diane Lind – DCC, Jen Hildebrandt – DCC

Call the Meeting to Order: Chair Mielke called the meeting to order at 1:35 p.m.

1. Announcements

2. Additions to the Agenda

Chair Mielke (Lakeville) added item 5a. to the agenda for discussion regarding the Executive Directors compensation.

Consent Agenda

3.

- a. Approve minutes from the November 7th, 2007 Executive Committee meeting.
- b. Approve October, 2007 Paid Claims.
- c. Receive October, 2007 Financial Report.
- d. Receive Minutes from Operations Committees.

4. 2007 Budget Adjustment. Consider approval of staff recommendation for adjustment to 2007 DCC operating budget.

Discussion:

Verbrugge (Rosemount) requested that item 4 be pulled from the consent agenda for further discussion. Chair Mielke (Lakeville) acknowledged that the item would be discussed as the first part of the regular agenda.

Action: Motion by Verbrugge (Rosemount) to approve items 3a, 3b, 3c and 3d of the consent agendy. Second by King (South St. Paul).

Regular Agenda

4. 2007 Budget Adjustment.

Verbrugge (Rosemount) asked the Executive Director to revisit the policy regarding the reserve fund and if there is a statement regarding such policy.

Therkelsen (DCC) responded that there was not currently a formal policy regarding the budget reserve but that it would be a topic for discussion at the upcoming strategic planning meeting. Therkelsen reminded members that there was a discussion during the 2008 budget process that the reserve should remain undesignated in view of the DCC's lack of experience with budget needs. Verbrugge (Rosemount) commented that he was a bit concerned about holding a

significant reserve. Chair Mielke(Lakeville) acknowledged Verbrugge's concern and suggested it be brought before the Board of Directors as members were looking at a significant dues increase the upcoming year. Mielke continued that the Board could be informed that the Executive Committee wanted to look at a fund balance as a policy matter prior to approval of the 2009 budget.

Lawell (Apple Valley) asked what the fund balance was currently and if the suggested adjustment was added to that, what the total would be. Therkelsen (DCC) commented that the final total would result in approximately a 1.2 million balance. Chair Mielke (Lakeville) added that it would calculate out to approximately 20%. Mielke then commented that the motion should reflect recommendation to inform the Board that the committee's intention was to establish a policy prior to the 2009 budget.

Action: Motion by Verbrugge (Rosemount) to approve the 2009 budget adjustment and to recommend a fund balance policy be established prior to the 2009 budget process. Second by Herlofsky (Farmington).

Further Discussion:

Chair Mielke (Lakeville) suggested Fiscal Agent representative Dennis Feller be present at the Board meeting to answer questions.

Motion passed unanimously.

5. 2008 Compensation Policy

Discussion:

Therkelsen (DCC) commented that according to the Compensation and Benefits Policies, the DCC is to undertake a review of the policies, consider organization changes, market factors or any other relevant circumstances and then come to the Executive Committee with recommendations for changes to the policies. Therkelsen informed that the review had been completed through a combined effort of DCC Staff, the HR Task Force and the Fiscal Agent and that results were in the agenda packet. Therkelsen clarified that the recommendation that accompanied the results referred to 3 different adjustments to the compensation policy and that all 3 were discretionary choices.

Annual General Adjustment – Therkelsen (DCC) informed members that the annual general adjustment would go into effect 1/1/08 for all employees who had satisfactory or better ratings on their previous reviews. Therkelsen added that working with the HR Task Force, staff looked at market factors and wage trends and arrived at their recommendation of a 3% general adjustment for 2008. Therkelsen explained that there were two employee scenarios that required increases other than just applying the increase to the hourly salary:

Employees who were already at the salary range maximum – Therkelsen (DCC) clarified that employees who were already at their salary range maximum would receive the increase in the form of a lump sum payment.

Employees who were below the salary range maximum – Therkelsen (DCC) clarified that employees who were below their salary range maximum but whose annual adjustment would result in an increase above the range maximum would receive the increase in two parts. An increase to the salary range maximum and then a lump sum for the rest of the increase.

Performance Based Adjustment – Therkelsen (DCC) informed members that the performance based adjustment was a means for employees whose wage was below the maximum base

wage to work their way to the top of the wage range. Therkelsen stated that staff was recommending a 3% adjustment for 2008. Therkelsen clarified that employees already at the maximum wage range were ineligible to receive this increase.

Salary Structure Adjustment – Therkelsen (DCC) informed members that staff was recommending a 1.49% increase to the wage ranges for all DCC Positions. Therkelsen commented that the salary structure adjustment was an adjustment to the full range for the 5 different points on the compensation schedule. Therkelsen commented that there were 6 different positions but that the dispatchers and executive assistant were on the same range.

Therkelsen (DCC) directed attention to the external salary comparisons and stated that comparisons were fairly easy to locate for dispatchers and supervisors but harder for Operations and Executive Directors acting in the same capacity as staff at the DCC. Therkelsen commented that in looking at the job classifications the DCC was very competitive for dispatchers. Therkelsen informed that in looking at the supervisors, staff was a bit concerned that the range was not keeping up with that of different supervisors throughout the region in larger centers. As a result, Therkelsen stated that staff was recommending a structure adjustment of 1.49% on all positions. Therkelsen clarified that it didn't translate into a pay increase for anyone, but more of a schedule for advertising the position.

Therkelsen (DCC) informed members that in light of the 3 recommendations staff had done a budget analysis that reflected a \$96,000 expense to the DCC for the 3% General Adjustment and a \$122,000 expense to the DCC for the Performance Adjustment for a total of \$218,692. Therkelsen informed that the budget for 2008 allowed for approximately \$275,000 for salary increases in 2008.

Chair Mielke (Lakeville) commented that he was questioning the structure adjustment stating that the comparable organizations were not necessarily as comparable as was thought for the supervisors because some of them were exempt employees and some were not. Mielke added that he would like to leave the structure unchanged for 2008.

Chair Mielke (Lakeville) commented that it needed to be kept in mind during this discussion that Dispatchers were in negotiations so those ranges may or may not be where they end up.

Lawell (Apple Valley) asked if performance reviews were all satisfactory in 2007. Therkelsen (DCC) responded that there was an administrative determination made at the beginning of the 2007 year that was also discussed at the governance level. Due to the fact that staff wasn't all on the same platform, everyone would default to a satisfactory review unless there was very strong information that confirmed otherwise. Therkelsen confirmed that with the exception of a handful of employees who's performance led to departure from employment, everyone received performance raises. Lawell (Apple Valley) commented that everyone, then received 6%. Therkelsen (DCC) responded that with the exception of a few employees who were at the top of their ranges, everyone received 6%. Mielke (Lakeville) reminded the committee that the performance adjustment results in a similar compensation adjustment as the more typical step system, but with the added benefit that it is contingent upon performance.

Verbrugge (Rosemount) questioned with the performance base approach, if the governance was making the range determination annually. Chair Mielke (Lakeville) clarified that the DCC ranges only specify a minimum and a maximum and that the movement through the range is based upon the performance adjustment. He directed attention to the chart showing the various grades on page 2 of the memo from Kent Therkelsen. Mielke stated that the chart showed the grades and below the chart stated the positions that fell into those grades. Mielke reminded that since the Dispatchers range was being negotiated, the real issues are grades 13, 15, 25 and 29. Mielke added that the performance adjustment was based on the 3rd quartile.

Lawell (Apple Valley) asked where the data for 2008 was drawn from. Therkelsen (DCC) responded that staff worked with the HR Task Force, specifically Will Volk from Dakota County to arrive at the numbers. The survey data was provided by Dakota County Employee Relations and the League of Minnesota Cities salary survey. Therkelsen added that it was in those discussions that Staff and the HR Task Force noted that the supervisors range may be a bit lower than it should be but that the other groups were probably right where they should be. Therkelsen then reviewed the chart comparisons with the group.

Therkelsen acknowledged that the DCC supervisors would average about \$4000 in overtime in 2007, which was due to the implementation efforts. Therkelsen commented that staff was fairly confident that number would decrease once supervisors moved into their shift settings.

Chair Mielke (Lakeville) commented that one goal the Committee had was to maintain an equal amount between the grades, if one moved, they all moved. Mielke also commented that it was maybe not necessary. Mielke then asked staff if they were comfortable with the comparables used in the material. Therkelsen (DCC) acknowledged that they were difficult. Lind (DCC) commented that the Minneapolis/Hennepin model was probably the closest comp as Carver/Ramsey had recently changed and Scott had made some manager position changes. Danielson (Mendota Heights) asked why the DCC had the lowest actual low and the highest actual high in the comparison. Therkelsen (DCC) clarified that it was because about ½ the supervisory staff was new and one of the staff was at the top of the scale.

Chair Mielke stated that the memo recommends making a schedule shift of 1.49% to recognize the data. Mielke then asked members if they were comfortable with making that recommendation. Hedges (Eagan) asked what sort of data the committee should be looking for to make that determination. Mielke (Lakeville) responded that he would like to see more than just the survey data such as, are the comparables overtime eligible. Hedges (Eagan) asked staff if they saw any logic in the near future for changing the overtime eligibility. Therkelsen (DCC) responded that the DCC has a stronger case for supervisors being eligible for overtime than the predecessor agencies because if a supervisor is sick or in training, another supervisor has to be called in to cover the shift as there is no other authority figure present.

After further discussion Therkelsen (DCC) acknowledged that there was maybe not a strong need for the adjustment considering the overtime opportunities. Hedges (Eagan) agreed. Chair Mielke (Lakeville) then asked if the topic could be readdressed in the 1st quarter of 2008 to allow for some time to try and locate better comparables.

Action: Motion by Herlofsky (Farmington) to recommend approval of the Annual General Adjustment and the Performance Based Increase as presented by Staff but to hold the Salary Structure Adjustment until the first quarter of 2008. Second by Hedges (Eagan). Motion Passed unanimously.

Action: Motion by Herlofsky (Farmington) that staff revisit the Salary Structure Adjustment recommendation after the facility had been in operation for 2 to 3 months. Second by Danielson (Mendota Heights). Motion passed unanimously.

5a. Executive Director's Compensation

Discussion:

Chair Mielke (Lakeville) briefed the committee on issues relating to the Executive Committee's compensation for 2008. The committee provided direction and input to the Chair for his discussion with the Board Chair on future steps.

Action: No action. Update only.

6. Nominations Committee Report

Discussion:

Hedges (Eagan) informed members that the nominations committee, made up of Craig Ebeling, Steve Mielke and himself met with some different committee members who expressed their interest in holding the Chair and Vice-Chair positions of the Executive Committee. Hedges then stated that after a couple of nominations committee meetings, the group had voted to recommend Jamie Verbrugge (Rosemount) and Dave Osberg (Hastings) as chair and vice-chair for the 2008 two-year term. Hedges thanked membership for their participation and commented that that committee is fortunate to have numerous members willing to take leadership roles.

Chair Mielke (Lakeville) reminded members that the elections would be held in January and that there was no further action needed at the current meeting.

Action: Motion by Lawell (Apple Valley) to receive the recommendation from the nominations committee. Second by Herlofsky (Farmington).

Motion passed unanimously.

7. Collective Bargaining Update

Discussion:

Lind (DCC) updated that there were 24 outstanding issues still needed to be discussed and that the next meeting was scheduled for Thursday, December 6th at 2:00 pm.

Action: No action. Update only.

8. Director's Report

a. Conversion Schedule

Discussion:

Therkelsen (DCC) revisited the fact that the conversion schedule had been delayed and cited a number of justifications for making the decision. Therkelsen stated that the contract negotiations with the phones vendor was more prolonged than expected. Therkelsen added that the phone system was shipped directly to the DCC facility instead of going to Hutchinson for staging resulting in more time necessary for trouble shooting on-site. Therkelsen also stated that there were some significant performance issues that staff was also concerned about. Therkelsen then reassured that they had all been addressed as of this meeting. Therkelsen informed that along with the phone issues there was an issue with the DCCs responsibility as it relates to the Prairie Island plant and getting the correct certifications from FEMA. Finally, Therkelsen stated that the connectivity between the facility and the radio tower had not been resolved at the time of the decision but had been since that time.

Therkelsen (DCC) acknowledged that staff was fairly confident that the facility and technology would be ready for the December 9th date but was very concerned that dispatch staff would not be prepared for the conversion. Therkelsen added that from the staff perspective the delay allows for compression of the time between training and conversion.

Therkelsen (DCC) assured that staff still anticipated that Law Enforcement zone 3 would convert on the morning of Thursday, December 27th, Law Enforcement zone 1 would convert on the

morning of Friday, December 28th and Law Enforcement zone 2 would covert on the morning of Saturday, December 29th.

Therkelsen (DCC) requested that agencies who were currently running dispatch centers be very cautious when decommissioning their centers in terms of continuing needs as there are some public works folks that may have radio capabilities that need to stay in tact at the agencies. Therkelsen added that staffing would continue at the existing centers for much of the 1st day of each cutover to allow for paging on both systems.

Lawell (Apple Valley) acknowledged that making the decision to delay the conversion was a difficult one but that the extended contracts with phone companies, etc. is a small price to pay. Chair Mielke (Lakeville) asked how the operations committees received the message. Therkelsen (DCC) acknowledged that there was a lot of feedback regarding frustration because people have plans for at their local agencies as well as the excitement for the conversion. Therkelsen stated that being 95% ready isn't good enough and staff was erring on the side of caution. He stated that in spite of the frustration, he believes that Member agencies recognize the need to be absolutely certain that the DCC can fully function when the 1st cutover takes place.

Action: No action. Update only.

9. Miscellaneous

Discussion:

Chair Mielke (Lakeville) commented that the May 7th, 2008 meeting conflicted with a conference and suggested April 30th.

Action: Motion by Verbrugge (Rosemount) to reschedule the May 7th meeting to April 30th. Second by Lynch (Inver Grove Heights). Motion passed unanimously.

10. Adjournment

Action: Motion by Mesko Lee (Hastings) to adjourn. Second by King (South St. Paul). Motion passed unanimously. The meeting adjourned at 3:06 pm.

Next Regular Meeting:

Wednesday, January 2nd

1:30 pm – 3:00 pm

Location: DCC

2860 160th Street W

Rosemount, MN 55068
