

**MINUTES OF A MEETING OF THE
ADMINISTRATION COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON MARCH 12, 2009**

The meeting was called to order at 7:02 P.M. at the Commission's office located at 600 East Butterfield Road, Elmhurst, Illinois.

Committee members in attendance: E. Chaplin, T. Elliott, and W. Murphy

Committee members absent: J. Zay and L. Rathje (*ex officio*)

Also in attendance: R. Martin and M. Crowley

Commissioner Elliott moved to approve the Minutes of the January 8, 2009, Administration Committee meeting. Seconded by Commissioner Chaplin.

In response to Commissioner Chaplin's inquiry, Staff Attorney Crowley advised that the discussions held prior to the arrival of Commissioner Elliott at the January meeting were not reflected in the minutes because the meeting had not yet been called to order. After the Staff Attorney confirmed Commissioner Chaplin's recollection that both Commissioners Chaplin and Zay expressed reservations regarding the General Manager's proposed 3.5% budget increase for salaries during those pre-meeting discussions, the motion was unanimously approved by a Voice Vote.

All voted aye. Motion carried.

With respect to Online Financial Information, General Manager Martin advised that monthly financial reports are posted on the Commission's web site each month, including the Accounts Payable, Items Paid List, Unaudited Revenue and Expense Report, Balance Sheet, Income Statement, and Cash and Investment Report. Commissioner Chaplin stated that the Commission should also post a year-to-date check register, current income statement and balance sheet as recommended by the Financial Administrator. After Commissioner Elliott confirmed that implementing the Financial Administrator's recommendation would not result in any appreciable cost to the Commission, General Manager Martin advised that there would be a slight delay in implementation due to a pending web site software upgrade.

General Manager Martin next advised the Committee regarding his proposal to eliminate, beginning fiscal year 09/10, the \$4,000.00 per employee per fiscal year limitation on tuition reimbursement. Commissioner Murphy supported General Manager Martin's proposal, citing the three points identified in the General Manager's Memorandum dated March 6, 2009.

Commissioner Elliott confirmed with General Manager Martin that, prior to the Board's April 10, 2008, direction, there was no limitation on the amount of employee tuition that was reimbursable in any given year. Commissioner Elliott asked whether having three employees participating in degreed programs was typical. General Manager Martin responded it was not typical but, rather, on the high end.

Minutes 03/12/09 Administration Committee Meeting

After Commissioner Chaplin explained that she held no personal animosity or anything against the Commission's employees, Commissioner Chaplin noted her reasons for opposing the elimination of the limitation on tuition reimbursement: (1) Overly optimistic/ambitious expectations that full-time employees could handle more than one or two classes while working full time; (2) Doubt that most other employers would pay 100% of an employee's college/graduate/post-graduate education; (3) Potential for long-term employees using their degrees elsewhere after waiting out the two-year early termination pay-back period and retiring on a full Commission pension; (4) The need to be mindful that reimbursement is being made with taxpayer funds; and (5) The potential for differential treatment between employees raising questions of equity.

General Manager Martin responded to Commissioner Chaplin's concerns by noting (1) there are only three individuals presently pursuing their degrees; (2) knowing the three individuals presently pursuing their degrees, General Manager Martin doubted that they would retire as soon as they became pension eligible or that they would ever leave the employ of the Commission; and (3) eliminating the limitation on the amount of tuition reimbursement would be more cost effective for the Commission in the long-term.

Noting a five-year acceleration of expected graduation date for one employee if the Commission were to lift the cap, Commissioner Elliott inquired how many additional classes that individual would have to take per year to attain the five-year time saving. General Manager Martin responded that the additional classes would be spread over the entire year.

Commissioner Chaplin asked how General Manager Martin would deal with requests from other employees for similar funding to avoid claims of differential treatment. General Manager Martin responded that he would budget for such requests, noting that the other employees on the list are not pursuing degrees and were just taking one or two classes.

After Commissioner Chaplin stated that she could not support the elimination of the cap on annual reimbursement, Commissioner Elliott respectfully disagreed, noting that as a small business owner, he knew that the backbone of such an organization is qualified, educated, and loyal employees. Commissioner Elliott added that the best place for a company to invest is in its employees and that to lose employees or train them inadequately would be short-sighted.

Commissioner Chaplin responded that she thought it would be a tough sell to make given the amount of money involved. Commissioner Elliott countered that, though he was not sure he agreed with the General Manager regarding the cost savings, the Commission's organization is able to survive on a skeleton staff because its employees are highly educated and the Commission needs to continue giving its employees the tools of the job.

Commissioner Murphy echoed the sentiments of Commissioner Elliott and added that the Commission is a small organization where succession planning is very important.

Minutes 03/12/09 Administration Committee Meeting

Commissioner Murphy noted that he would vote differently if the Commission had 100 employees and that he would rather have someone with the additional expertise in year 2011 than in 2016 or 2014, much like a law or medical practice. Commissioner Murphy concluded his comments by noting that full time employees can manage taking more than one or two courses per year.

It was consensus of the Committee members to have Staff Attorney Crowley prepare a Resolution eliminating the \$4,000.00 per employee per fiscal year limitation on tuition reimbursement for action by the Board at its April meeting.

With respect to the question of whether to join the National Institute of Governmental Purchasing and engage them to perform a procurement management audit which was deferred from the August 14, 2008, meeting, Commissioner Elliott suggested that the matter be removed from the agenda or further deferred given the large measure of transparency that now exists at the Commission. It was the consensus of the Committee members to defer consideration of the matter for another six months.

With respect to the FY 2009-2010 Project Schedule, General Manager Martin advised that he submitted the schedule in response to Commissioner requests for suggested goals for the General Manager in the coming fiscal year. Commissioner Chaplin suggested, and Commissioner Elliott concurred with the suggestion, that the General Manager should submit an updated schedule to the Administration Committee for review on a quarterly basis. Commissioner Murphy stated that he had no objection so long as the Committee would be conducting informal reviews because, otherwise, the Committee would be duplicating the work of the other Committees without having the benefit of the detailed information and staff reports provided to the other Committees.

Commissioner Murphy inquired about the timing of the General Manager Review Process outlined in Commissioner Murphy's Memorandum dated October 1, 2008, and General Manager advised that he would follow-up.

Before the meeting was adjourned, the Committee agreed to accept comments from the members of the public that were in the audience. One audience member commented that he was surprised there was no discussion of what other communities do in relation to tuition reimbursement. Commissioner Chaplin responded that a survey had been conducted previously and no other community had a similar or comparable program. General Manager Martin disagreed, noting some were similar; some were not.

Another audience member commented that at a recent meeting of the Downers Grove City Council, the Downers Grove Tuition Reimbursement Program was eliminated in its entirety as only one of many austerity measures (pay freezes, and the like). Commissioner Murphy responded that there was a rational basis for eliminating the cap on the Commission's reimbursement program that could be easily defended, and that the Commission's financial condition was not as dire as others.

Minutes 03/12/09 Administration Committee Meeting

Commissioner Chaplin moved to adjourn the meeting at 7:35 P.M. Seconded by
Commissioner Elliott and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Board/Minutes/Adm0903.doc