



NORTH TEXAS MUNICIPAL WATER DISTRICT

**501 E. Brown Street • Wylie, Texas 75098
(972) 442-5405 – Phone • (972) 295-6440 - Fax**

**POLICY COMMITTEE MEETING MINUTES
JUNE 17, 2020**

In accordance with the COVID-19 public health threat and the related March 16, 2020, action by the Office of the Governor, temporarily suspending certain provisions of the Texas Open Meetings Act, NTMWD will hold its meeting by telephonic conference call.

In lieu of physical attendance of the meeting, the public may teleconference in to the Policy Committee meeting by calling toll free (1) (844)-621-3956 and entering the following access code: 928 587 040. Members of the public wishing to make public comment during the meeting should follow the instructions for on-line registration listed under Item II. below no later than the start time of the meeting. The meeting will be recorded and the audio recording will be available on the NTMWD website after the meeting.

I. CALL TO ORDER

Chairman Larry Parks called the meeting of the North Texas Municipal Water District (NTMWD) Policy Committee to order at approximately 8:02 a.m. on Wednesday, June 17, 2020. The meeting was held by teleconference. He provided general information on how the meeting would be conducted.

Policy Committee members present included Chairman Larry Parks, Directors Jack May, Richard Peasley, Blair Johnson, Chip Imrie, and Marvin Fuller. Director Phil Dyer was absent. A quorum of the Policy Committee was present. Any references to unanimous votes refer to a unanimous vote of the Committee members present.

Members of the Executive Committee were present as well as other Board members. Lauren Kalisek and Sheila Gladstone with Lloyd Gosselink Rochelle & Townsend, and Lewis Isaacs with Saunders Walsh & Beard were present. Interim Executive Director Rodney Rhoades along with other members of the NTMWD management team were also in attendance.

At 8:05 a.m. Chairman Parks called an Executive Session to discuss Agenda Item Nos. V. A., and B. on the agenda pursuant to the Texas Government Code, Section 551.071, Consultation with Attorney, and Section 551.074, Personnel.

Chairman Parks confirmed with staff that the public access line was disconnected and that the audio recording was disabled.

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V. DISCUSSION ITEMS

- A. Discuss Executive Director search process
- B. Discuss issues and legal ramifications identified by Committee members that should be taken up by Policy Committee over the coming year

Open Session was reconvened at 9:53 a.m. No action was taken in Executive Session. The public access line was reconnected, and the audio recording resumed.

II. PUBLIC COMMENTS (FOR TELECONFERENCE COMMITTEE MEETINGS ONLY)

INSTRUCTIONS FOR PUBLIC COMMENT ON-LINE REGISTRATION: Prior to the start of the Policy Committee meeting, members of the public wishing to provide public comment must submit via email to PublicRelations.Info@ntmwd.com their first and last name, organization, comment topic, mailing address and email address. During the public comment portion of the meeting, speakers will be recognized by name and asked to provide their comments. The time limit is five (5) minutes per speaker, not to exceed a total of thirty (30) minutes for all speakers. The Committee may not discuss these items, but may respond with factual or policy information. Public comment is provided for committee meetings held by teleconference during the COVID-19 health threat to confirm the opportunity for two-way communication with the public during the meeting.

There were no public comments.

III. OPENING REMARKS

- A. Chairman/Executive Director/Committee Champion Status Report concerning legislation and regulatory matters, budgets, current projects and ongoing programs of the District

There were no reports.

IV. ACTION ITEMS

- A. Consider approval of Policy Committee meeting minutes – May 19, 2020

Upon a motion by Director Chip Imrie and a second by Director Jack May, the Policy Committee voted unanimously to approve the May 19, 2020 Policy Committee minutes as presented.

- B. Review and possible action on amending Board Policy Manual, Section VII, Board of Directors Committee Policy

Interim Executive Director Rodney Rhoades advised the Committee that this item is to consider recommending to the Board of Directors that the Insurance Committee be combined with the Finance/Audit Committee and be called the Finance Committee. Another recommendation being considered is the creation of a new Real Estate Committee for the purpose of evaluating real estate and lease matters of the District. In response to Committee member remarks, Mr. Rhoades

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added that if the Board approves this new committee, staff will meet with the Chairman to develop parameters of the committee.

Upon a motion by Director Blair Johnson and a second by Director Chip Imrie to recommend amending the Board Policy Manual, Section VII. as described by staff, the Policy Committee voted unanimously to approve.

V. DISCUSSION ITEMS

~~A. Discuss Executive Director search process~~

~~B. Discuss issues and legal ramifications identified by Committee members that should be taken up by Policy Committee over the coming year~~

Discussion Items A and B were discussed in Executive Session.

C. Discussion of a potential retirement incentive program

Rodney Rhoades advised the Committee that this concept was presented last week to the Personnel and Finance/Audit Committees.

Process Improvement Advisor Brian Brooks presented this item. Mr. Brooks reviewed that a Retirement Incentive Program is a voluntary program offering additional incentives to employees who are currently eligible to retire or will be eligible by December 31, 2020. In order to qualify for this program, employees must be eligible to retire, either based on age 65 or satisfying the Rule of 80 (age plus prior years of service). Since last week's meetings staff is recommending an additional qualification of having five years of pensionable earnings with the District. Based on this added criteria, 78 people qualify, down from the 97 people previously reported.

This program is designed to meet the following goals:

- Create immediate opportunities for realignment and reorganization.
- Reduce personnel costs.
- Reduce operational budgets (long term)
- Provide a positive outcome for our employees and organizational relationships by offering incentives to retirement eligible employees creating opportunities for advancements within the organization.

The retirement incentive program is made up of two elements:

- Three months' salary payable upon retirement date.
- Aging retirement accounts by five years. This would allow a retiree's pension to be based on total retirement earning, plus 5 additional years of earnings at their current rate.

Mr. Brooks provided an example of possible salary savings over a 12-month period. He added that eligible employees must opt for the incentive program by December 1, 2020.

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Mr. Brooks provided information on potential financial impacts of such a program, noting that the increased expense for the pension fund only would be \$600,000. The overall cost would be dependent on how many eligible employees take advantage of the program. Mr. Brooks added that new employees now contribute 5% toward their retirement plan and most employees eligible for the early retirement program have not contributed anything to their retirements since they were grandfathered when the new retirement contribution plan took effect.

Mr. Brooks stated that based on input from the previous committee meetings, staff is consulting the District's pension plan managers and its auditing firm to provide an analysis of the proposed program.

Chairman Parks directed Mr. Rhoades to set up a joint meeting of the Personnel and Finance/Audit Committees to review the program further.

Remarks from Committee members included concern about the timing of doing this prior to the District appointing a new Executive Director, and particularly regarding the Wastewater staff, many of whom were hired specifically for their expertise. Chairman Parks responded that careful consideration will be given before any action is taken on this matter.

- D. Opportunity for Committee members to provide feedback on Policy Committee meeting

There were no follow up comments.

- E. Opportunity for Committee members to request potential future agenda items
(No substantive discussion of items will take place at this time)

Chairman Parks advised that he would like the District to research creating a Benevolence Fund that would allow employees to contribute to others in need.

VI. ADJOURNMENT

The meeting adjourned at approximately 10:18 a.m. The Chairman will call the next meeting with proper notification to the members.

APPROVED:

DocuSigned by:
Director Larry Parks
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LARRY PARKS
Chairman