

As voted by the Board of Trustees and in accordance with the notice of the meeting, the monthly Workshop Meeting of the Board of Trustees of the Portland Water District was held in the Nixon Training Center at the general offices of the District, 225 Douglass Street, Portland, Maine on Monday, January 9, 2023. In attendance from staff were S. Garrison, C. Crovo, D. Kane, S. Firmin, J. Wallace, D. Katsiaficas and M. Demers.

All Trustees were present except Trustee Shattuck-Heidorn and President Douglas.

Vice President Lunt convened the workshop at 6:31 p.m.

**1. Non-Union Salary Structure**

David Kane, Executive Director of Administration, and Mary Demers, Director of Employee Services, provided information on the history of non-union compensation adjustments at PWD and recent employment data to support potential changes to the Non-Union Salary Structure.

David Kane began the presentation explaining why Trustees were discussing the pay band issue for non-union employees. He noted several people at PWD can not receive their full Cost of Living Adjustment (COLA) in January 2023 because the pay bands are not wide enough.

The non-union compensation policy presently in effect was effective in January 2022. PWD moved from 7 pay bands to 8 pay bands. Pay bands create an upper limit and a lower limit for compensation. Historically, pay bands are adjusted every 2 years. Pay bands are separate from what PWD employees are actually paid. When pay bands are adjusted, an employee's compensation is not automatically adjusted.

Major reviews of the pay structure have traditionally taken place every 10 years, and every other year, there has been a "mini" review. All pay band changes are approved by the Board.

COLA adjustments are typically given January 1 of every year. They usually follow what the union is getting per their contract. In addition, the General Manager has discretion to give some bonuses based on special circumstances. The Board does not approve the COLA or bonuses granted by the General Manager by separate vote; the COLA is built into the yearly budget which the Board does approve.

In January, 2022, pay bands and employees' pay were adjusted to market. A 3% COLA was also given in January 2022. This was approved by the Board. It was done because of the difficult hiring environment. In September 2022, the Board authorized an additional 3% increase due to inflationary pressures.

The 2023 budget, approved by the Board, had a 4% COLA in it for non-union employees effective January 1, 2023. Pay bands were not adjusted at that time for 2023. Four employees at PWD can not receive their 4% COLA unless the pay bands are increased, due to exceeding the top of the pay band.

Mary Demers explained market conditions and hiring. In 2022, PWD posted 66 jobs—this is double what it usually does on an annual basis.

The Water Department has been especially hard hit with job vacancies. Supervisors in the department who used to stay for long periods, are now leaving the District on a yearly basis, for more pay. The departure rate in general, has doubled in 2 years.

The labor market is very tight. It is a very “hot” market for engineers and CDL drivers. More people are leaving PWD for higher pay. There are larger numbers of retirees and fewer working age people. Most employees are now in the 457 retirement plan—that is a portable plan that can be taken to a new employer. PWD is also seeing more diversity in its work force.

Ms. Demers stated that PWD needs to be competitive in hiring as well as retaining the employees it has. PWD is bringing people in, but is having a hard time keeping them. This results in disruption in services, more time from managers and increased costs in training.

Turnover is taking place within the engineering staff and many other departments. PWD’s strategy has to be to pay near market pay and it has to have good benefits in order to keep employees. PWD will explore career ladders. It also seeks to attract more women and minorities.

Trustee Cote asked where water system employees were going for more pay. Ms. Demers, while not answering this question directly, responded those employees left due to working conditions. He also asked about adjusting the bands. He asked if there is a reason to adjust the low end of the pay band. Mr. Kane said no one is at the bottom of the pay band. Staff is recommending that the pay bands be adjusted every year along with the COLA. Ms. Demers reiterated that it should be looked at annually—that some years adjustments may need to be made, and other years adjustment may not be needed. She emphasized we need to quickly act in filling positions.

Mr. Garrison noted increases had been dealt with in the budget discussion in the past. The Board might consider doing non-union adjustments separately; that could impact union negotiations.

Trustee Cote asked if people ask for part time work. Ms. Demers said in the past, people haven’t asked for part time work, but it is a good retention tool and PWD would consider it.

Trustee Beck asked about putting a defined benefit plan back in place and whether it was worth taking another look at. Ms. Demers said the 457 plan now has an annuity option as of two years ago. PWD has not looked into reinstating a defined benefit plan. Trustee Beck said the portability of the benefit plan of an employer in NH was an issue, with the company deciding to reinstate the defined benefit plan.

Ms. Demers stated that PWD just implemented a flexible work arrangement in hopes of retaining employees.

Trustee Levinsky said Mindi Pelletier’s efforts at working with new employee hires and attracting them to PWD was appreciated. Mr. Crovo recognized her efforts as well in the hiring of a new engineer.

Ms. Demers noted that PWD's mission of supplying clean water is a good recruitment tool. She emphasized that keeping the pay structure current is extremely important. We need to retain our good employees and attract good employees.

A discussion ensued about the water employees and the difficulties of being short handed with more people being needed to cover leaks. Employees are working hundreds of hours of over time a year. It is difficult to continue to find young employees with that level of commitment.

Trustee Willett asked about engineering interns. Mr. Crovo said having interns has been very helpful and PWD has hired many engineers from that program. Of 14 employees working in AMAP, 7 of them have been with PWD 2 years or less.

Trustee Lunt asked about expedited CDL training. Mr. Wallace said it is more efficient to use outside firms to train employees for CDL.

Trustee Cote asked if private contractors have been called upon to assist PWD in its day-to-day operations. Mr. Crovo said private contractors don't have the staff to assist either.

Trustee Cote wanted to see 4% increase for all pay bands - with no variation of percentage increases among the bands.

Mr. Kane asked if pay band adjustments should be done with the budget and COLA, or left the way it is. The consensus of the Board was to leave the process the way it is, with the Board reviewing the pay band adjustments on an annual basis, separate from the budget.

Staff recommends the pay bands be revisited annually, instead of every other year. Consensus appears to be an annual review of the pay bands.

## **2. Storm Response**

Staff provided a brief overview of severe weather preparations and response practices at PWD, using the December 23, 2022 storm as a case study.

This item will be addressed at the next workshop.

## **3. Other Business**

Trustee Garrison informed the Board that 9 legislators came to tour the District's facilities in Standish. He thanked Trustee Willett for coming out.

## **4. Adjourn**

The meeting was adjourned at 7:35 p.m.

Submitted by,

Donna M. Katsiaficas  
Clerk