

[ANNOTATED VERSION\*]

[\*NEAR VERBATIM / DETAILED VERSION POSTED ON UCNSB WEBSITE – UCNSB.ORG]

MINUTES OF A SPECIAL MEETING OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA, HELD MONDAY, FEBRUARY 28, 2022, AT 2:30 P.M., AT 200 CANAL STREET, NEW SMYRNA BEACH, FLORIDA  
(NOTE – THIS SPECIAL U.C. MEETING WAS HELD ON-SITE)

Chairman Davenport opened the Special U.C. Meeting.

Roll Call:

Chairman Davenport requested Mrs. Simmons to call roll for this meeting.

A roll call was taken, with all U.C. Commissioners in attendance as follows:

Chairman James Davenport  
Commissioner Richard Hawes  
Commissioner Lawrence Kelly, Jr.  
Commissioner James Smith  
Commissioner Lillian Conrad

Others in attendance were as follows: J. Bunch, General Manager/CEO (initially – then left); E. Chavez, Director, Finance/ CFO and Interim Director, Central Services; L. Green, Help Desk Technician; M. Spellers, Sr. Help Desk Technician; J. Michel, IT Mgr., Infrastructure (initially); D. Simmons, Exec. Mgr./ Recording Secretary; General Counsel Thomas Cloud Esquire – Gray| Robinson Attorneys at Law; and no members of public in attendance on site.

1. General Manager/CEO Merit Reward Determination – for FY2021 Performance:

Mr. Chavez, Director of Finance/CFO and Interim Director of Central Services, provided some opening comments about the purpose of this Special U.C. Meeting. Also indicated that the Chairman will discuss how much time each U.C. Commissioner has for discussion related to Mr. Bunch’s performance. Then we’ll have a presentation as to a recommendation and vote on that. Mr. Chavez then requested Mr. Bunch to leave the meeting for this discussion and vote.

Mr. Bunch requested a call on his cell phone upon completion, would be in his office, and then left the DeBerry Room.

Chairman Davenport requested the U.C. Commissioners to discuss Mr. Bunch’s performance, their bullet points, for about three to five minutes each. Added he thought that should be sufficient, can all get to the point and agree to agree based on such outstanding performance.

Mr. Chavez proceeded to briefly discuss the content of two informational emails provided to the U.C. Commissioners related to the minimum and maximum market referent point, based on the last compensation study. Also indicated current ranges increased 5% and part of the current compensation study is to have the GM-CEO current salary benchmarked. For now,

1. General Manager/CEO Merit Reward Determination – for FY2021 Performance (cont.):

this is based on review of information received from other utilities and indicated this was a good starting point. Also stated the second email forwarded contained information of where Mr. Bunch's salary was in relation to other municipal utility CEO's. Purely informational; and pointed out the other utilities where CEO has a higher salary, those utilities are substantially larger.

There being no initial questions, Chairman Davenport stated very good information Mr. Chavez for all of us.

Mr. Chavez stated okay.

Chairman Davenport then commenced with Commissioner discussion / comments.

Commissioner Hawes opened the discussion regarding the provided recommended merit reward ranges of 5% to 7%. Stated merit reward should be within that range as Mr. Bunch had done an outstanding job, and also to stay competitive.

Commissioner Smith added I think he's doing a great job and concurred we've got to make sure we're competitive with his salary. I think trying to reward him for his great efforts and putting together an excellent team is well worth it.

Commissioner Kelly stated took the provided data from municipal utilities to discuss some of the averages for CEO salaries, inclusive of consideration for the size of the utility. Commented he believed the 7% recommendation, would be pretty accurate. Added there's also the consideration this is a great area to come and live and work, and the cost of living. Cautioned however, you surely wouldn't want somebody to come in at the time when you've got momentum going and snatch him out.

Chairman Davenport stated no.

Commissioner Kelly continued that he would think the upper end, especially based on the economy and current market. And mentioned the medical field is crazy right now, they're buying people from other places. Added he would not hesitate to give Mr. Bunch the 7% that Mr. Chavez had on the information.

Commissioner Hawes asked what the 7% number was again?

Chairman Davenport stated \$274,900.

Mr. Chavez then stated or \$275,000. So in the first email that I sent at the bottom it has for comparison, what we did was we looked at the various scenarios of A, B, or C. You know considering Mr. Bunch's performance results, and the recommended merit award for 2021 is 6% to 7%. So then I had here 5%, 6%, 7%, the 7% would be \$274,990 or as the Chairman had indicated \$275,000 even. So that's where we, based on the comparison and our size and the level of performance that was performed, my initial was the 7%, the recommendation.

1. General Manager/CEO Merit Reward Determination – for FY2021 Performance (cont.):

Commissioner Conrad stated it was important to remember to position the pay of our CEO so if anything happens, to keep that level of a CEO's salary somewhere in that mid-range. If you have to go out and find somebody and we're not competitive, then we're not going to attract anybody unless we pay \$150,000 to \$200,000 more than current. So I do believe its very important for us to stay in the mid-range and I also believe this is merited for Mr. Bunch because of performance.

Chairman Davenport commented Mr. Bunch has brought the city together, the comradery with the City Manager and City Hall. Also brought the U.C. into the community, community involvement when it wasn't before. Also expressed concern when looking at the municipal utility salaries because where Mr. Bunch came from, had 750,000 residential customers he was responsible for and his degrees, after analyzing the info. a head hunter would probably be all over Mr. Bunch.

Commissioner Kelly added I would too.

Chairman Davenport added, he loves it here, he likes it, he's proud of it. And in Mr. Chavez' report, for an employee with a performance rating of an A, exceeds expectations and proximity (MRP) recommend merit reward of 5% to 6% and you put 7%. I think he's done an A++ and I personally, the number I would like to see is a minimum for Mr. Bunch to be \$275,000. Also stated that for new people, it's a contractual situation, we agree on salary, doesn't mean we have to go with this in the future. So my recommendation would be \$275,000 for him based on what I've seen and I feel comfortable with it, I don't think it's outrageous. I think with inflation going on, we could even go a little more for what's happening to him, all of us today. So that being said, I don't know, Counsel can I make a motion?

Mr. Cloud stated yes.

Commission Action

Chairman Davenport stated then I'd like to make a motion of \$275,000 salary for Mr. Bunch. Specifically, an approximate 7% merit reward for the General Manager/CEO's FY2021 work performance.

Commissioner Hawes stated I would second that.

Chairman Davenport stated asked if there was further discussion. Commissioner Smith?

Commissioner Smith stated in his philosophy in his past management positions and added if you want to keep a great employee on board, part of that formula is salary, there are other things to consider like you say this is a great place to live and work; no question about it. But I agree with the \$275,000, I think that's a reasonable and fair number to go with at this point.

Commissioner Kelly commented I'm glad everybody saw it that way because I really do think the price of really talented and good people is going up all over the community.

1. General Manager/CEO Merit Reward Determination – for FY2021 Performance (cont.):

After a few more comments, Chairman Davenport requested roll call to be taken on the motion.

Chairman Davenport’s prior motion then passed unanimously on a roll call vote.

Chairman Davenport then concluded the Special Meeting by commending the Utilities Commissioners, we’re getting along pretty good, it’s just great to sit here and work with you, knowing we’re all different business people, different fields, some good solid heads up here. Then stated I’ll say our Special Meeting will be adjourned – right Counsel?

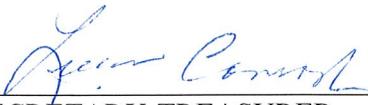
Mr. Cloud stated yes.

There being no further business to come before the Commission, the Special U.C. Meeting closed at 2:42 p.m.

APPROVED:

ATTEST:

  
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CHAIRMAN

  
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SECRETARY-TREASURER

These minutes were formally approved by the Utilities Commission at their March 28, 2022 meeting.