

FOR BOARD ACTION

Agenda Item # 9

Meeting Date:

2/28/12

SUBJECT:

Review of Board Policies

PREPARED BY:

Susan Parker, Director of Corporate Services

ITEM DESCRIPTION:

Attached are the Board policies scheduled for review by the Board this month. There are four policy statements scheduled for review:

- Mission Statement (Policy #1)
- Board Responsibilities and Functions (Policy #2)
- Board Organization (Policy #4)
- Board Procedures (Policy #5)

Most of the changes are minor and are simply updating legal authority or statutory references. The *Mission Statement* policy has the most changes and those changes are underlined. The mission statement that has been used at the utility in strategic plans has been inserted into the document, along with the core values that were established by our employees and management.

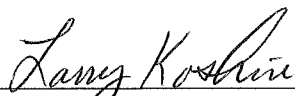
The policies have been reviewed by the City Attorney to ensure accurate interpretation of the Charter and Statutes.

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:


Not Applicable

UTILITY BOARD ACTION REQUESTED:

No action required this month.



General Manager



Date

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: Mission Statement

POLICY OBJECTIVE:

The RPU is a municipally-owned utility which exists solely to provide utility services to its ~~eonsumers~~ customer owners. The Board of the RPU believes that municipal ownership affords advantages to its ~~eonsumers~~ customer owners and the community which would not exist if utility services were provided by the private sector. Therefore, the - Board's ~~mission~~ objective is to perpetuate municipal ownership of the utility systems which it is authorized to manage, control and operate.

POLICY STATEMENT:

The Board of the RPU believes that municipal ownership can be perpetuated by ensuring that the RPU continues to be the most cost-effective long-term quality producer of the utility services needed by its consumers and the community. To accomplish its purpose the following mission statement has been established:

We serve our customers by providing the highest quality services and products. Our experience and resources are used to enrich the people's lives, help business prosper and promote the community's welfare.

To accomplish its mission, the Board and management of the RPU will endeavor to achieve the following strategic objectives:

1. Deliver, and assure long-term future delivery of, utility services with a level of quality and reliability which equals or exceeds industry standards.
2. Recover from consumers no greater revenues than are needed to pay all costs of ownership and operation, protect against unforeseen contingencies, and preserve equity.
3. Avoid rapid changes in revenue requirements by establishing financial plans which recognize long-range costs and maintain favorable access to other sources of capital.
4. Monitor, understand, and respond promptly to the changing needs of consumers. Educate consumers to understand and respond effectively to the cost impacts of their decisions to use utility services.
5. Maintain the right to exercise local control of utility services by effectively protecting the consumer and ownership interests of the people and organizations which it serves.

6. Seek out and implement cost-effective new technologies and other means to increase efficiency and prevent obsolescence.
7. Provide a working environment which attracts and retains qualified employees and encourages human productivity and development.
8. Recognize and act responsibly to reduce the adverse and enhance the beneficial environmental and social results of its actions.
9. Identify and measure key indicators of performance in achieving the foregoing objectives and carrying out the mission.
10. Retain the flexibility to respond to unexpected levels of performance or changes in the operating environment.
11. Provide a culture that embraces the core values of:

Safety

Protect every individual

Integrity

Demonstrate honesty, respect and good faith

Service

Leave every individual with a positive impression

Stewardship

Protect our environment through the wise use of resources

Accountability

Take ownership and responsibility for actions and outcomes

Skill

Improve our own and others' abilities and knowledge

RELEVANT LEGAL AUTHORITY: City of Rochester Home Rule Charter Chapter XV

EFFECTIVE DATE OF POLICY: May 8, 1984

DATE OF POLICY REVIEW: February 28, 2012

POLICY APPROVAL:

Board President

Date

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: Board Responsibilities and Functions

POLICY OBJECTIVE:

The Board intends to clearly state its responsibilities and the functions that it must perform to properly direct the affairs of the City utility systems which it controls.

POLICY STATEMENT:

1. The Board's principal role is to provide policy direction, to the RPU management and staff.
2. In providing policy direction, the Board will represent the interests of its ratepayers and will make timely policy decisions.
3. The Board will carry out its trusteeship and decision-making responsibilities by exercising the following functions:
 - a. Appoint a General Manager who is directly responsible for management of the RPU organization.
 - b. Adopt and maintain a mission statement or similar document which identifies the fundamental philosophy by which the Board intends to carry out its responsibilities.
 - c. With assistance from the General Manager, establish strategic goals which support the RPU mission, vision and core values and provide the direction needed by management to prepare operational plans.
 - d. Ensure that the RPU has a long-range operational plan and review and approve, each year, a plan which is presented by the General Manager.
 - e. With assistance from the General Manager, make broad policy decisions and prepare written policy statements to guide future Board decisions and provide the direction needed by management to prepare management policies and procedures.
 - f. Review, modify, and approve the capital and operating budgets presented each year by the General Manager.
 - g. Review, modify, and approve all rates and other published charges for services provided.
 - h. Review, modify, and approve all financing programs, including the borrowing of money, if necessary.

- i. Ensure that an independent audit of the RPU's financial statements is performed annually.
- j. Upon advice of the General Manager, review, modify, and approve organizational structure and, consistent with Section 15.05 of the Home Rule Charter, ~~with Council concurrence~~, staffing levels, personnel policies, labor agreements, salary administration and fringe benefit programs.
- k. Monitor and evaluate the performance of management, and through management, the performance of all employees. Formally evaluate the performance of the General Manager at least annually.
- l. Ensure that the RPU operates in accordance with the City Charter, specific directives of the Common Council, and all other applicable legal requirements.
- m. Serve as the body of appeal for persons and groups who desire to be heard on matters under consideration by the Board or on questions arising from the RPU's policies, operations, rates, or the actions of employees.
- n. Keep informed about matters which affect decisions facing the Board.
- o. Ensure the long-term usefulness of the RPU to the City of Rochester and its ratepayers by providing training for Board, management, and staff.

RELEVANT LEGAL AUTHORITY: City of Rochester Home Rule Charter Chapter XV

EFFECTIVE DATE OF POLICY: December 27, 1984

DATE OF POLICY REVIEW: February 28, 2012

POLICY APPROVAL:

Board President

Date

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: Board Organization

POLICY OBJECTIVE:

The Board's objective is to organize itself and to carry out its duties and responsibilities in an efficient and business-like manner in accordance with applicable provisions of the Rochester Home Rule Charter and other pertinent laws.

POLICY STATEMENT:

1. The Public Utility Board shall be organized in accordance with Sections 15.00 through 15.03 of the Rochester Home Rule Charter.
2. The Board shall, each year, elect a President from its membership and appoint a Secretary, as prescribed by the Rochester Home Rule Charter. The Board's election and appointment may be deferred to a subsequent regular or special meeting in the event of circumstances which prevent the attendance of at least four (4) members. The Board's President and Secretary shall take office immediately following their election/appointment and shall serve for the next ensuing year or until replaced by an election held or an appointment made when not less than four (4) members are present at a regularly scheduled meeting.
3. The Board President is responsible for calling special meetings of the Board, for establishing the meeting agendas, and for conducting the meetings. The President is also authorized to appoint Board members to ad hoc committees or to make other assignments as may be required.

At any time when the Board President is unavailable or otherwise unable to carry out his/her responsibilities, a President pro tem shall be appointed by a quorum of the Board at its next regular meeting. The President pro tem shall serve until the following regular meeting of the Board.

4. The Board President shall, each year at the first regular meeting after election, appoint each Board member to serve as Board-management liaison for the following functions:

Finance, Accounting, and Audit

Communications

Strategic Planning

Operations and Administration

Policy

The appointments shall be effective for the next ensuing year, unless changed earlier by the President.

RELEVANT LEGAL AUTHORITY: City of Rochester Home Rule Charter Sections
15.00, 15.01, 15.02, 15.03.

EFFECTIVE DATE OF POLICY: September 24, 1985

DATE OF POLICY REVIEW: February 28, 2012

POLICY APPROVAL:

Board President

Date

DRAFT

ROCHESTER PUBLIC UTILITIES
BOARD POLICY STATEMENT

POLICY SUBJECT: Board Procedures

POLICY OBJECTIVE:

The Board's objective is to establish procedures governing the conduct of its meetings so that public input is encouraged, each Board member has equal opportunity to participate in decision-making, and the official actions of the Board are properly executed and recorded.

POLICY STATEMENT

1. Regular Meetings. The regular meeting of the Board will be scheduled for the last Tuesday of each month beginning at 4:00 p.m. Central Time. Unless otherwise established, all regular meetings of the Board will be held in the Board Room of the RPU Service Center located at 4000 East River Road N.E., Rochester, MN.
2. Special Meetings. Special meetings of the Board may be called for one or more purposes by the Board President. A special Board meeting may be requested by any member of the Board, by the General Manager, or by the President of the Common Council, and the Board President shall not unreasonably refuse to call such meeting. Board members and members of the public will be given at least three days notice before the date of the meeting. For an emergency meeting, good faith efforts will be made to provide notice of the meeting (by telephone or by any other method used to notify the members of the public) to each news medium that has filed a written request for such notice, as defined by Minnesota Statute 471.705 13D.04, subd 21e (e).
3. Meeting Agendas. The form and content of meeting agendas is essentially that of the Board, even though the agendas and supporting documentation are prepared by the management staff. To the greatest extent practical, agenda items initiated by any Board member or by the General Manager shall be submitted to the Board President at least one week in advance of any regularly scheduled Board meeting. The Board President and General Manager shall review all meeting agendas prior to their final preparation and distribution. The General Manager shall cause the agendas and supporting information to be distributed to the Board members by no later than three (3) days in advance of a regularly scheduled meeting. Distribution to City Council members and City staff will be in accordance with procedures established by the General Manager and City Administrator. To the greatest extent practical, additional agenda items will not be introduced after distribution of the final written agenda.
4. Meeting Notices. Notices of all regular and special meetings of the Board, including agenda, shall be posted at City Hall and at the Utility offices at least three days prior to the scheduled meeting time. The notice shall specify the starting time and location of the meeting.

5. Notification of News Media. The General Manager shall cause a copy of each Board meeting notice, including agenda to be mailed or delivered to the local news media, including newspaper, radio and television at least three days prior to the scheduled meeting time, to the extent that it is practical to do so.
6. Executive Sessions. All meetings of the Board shall normally be open to the public. Under certain circumstances, as set forth in Minnesota law, the Board may convene in executive session. The Board shall, before convening in executive session, request and receive the opinion of the City Attorney regarding legality of the session and procedures to be followed.
7. Conduct of Meetings. All Board meetings will be convened and presided over by the Board President, or in his/her absence by the President pro tem. Meetings will normally be conducted following the written agenda and in accordance with Roberts Rules of Order.
8. Public Participation. A copy of all written material presented and/or discussed during the board meeting will be made available for inspection by the public or by representatives of the news media. Members of the public or other interested parties may be recognized and given the opportunity to speak at the discretion of the Board President.
8. Public Comment Period. At all Board meetings an opportunity for the public to speak will be provided during the first fifteen minutes of the meeting. Comments are limited to 4 minutes. Any speakers not having the opportunity to be heard will be the first to present at the next Board meeting.
9. Quorum. Three members shall constitute a quorum, and except as specifically provided in written policies of the Board, a unanimous affirmative vote of the quorum shall be empowered to act for and commit the Board.
10. Voting. The normal method of taking a vote at Board meetings will be by voice. The President shall be responsible for announcing or declaring the vote. The President will judge silence by a member to be a yes vote unless a specific no vote or abstention is registered. All votes will be considered unanimous unless there is a clearly announced no vote or abstention by a member of the Board. Any Board member who is absent from the meeting room at the time a vote is taken will be recorded as absent and not voting.
11. Meeting Minutes. The Board Secretary shall cause minutes of all Board meetings to be taken. Copies of the minutes, signed by the Board President and Board Secretary, shall be maintained in the permanent files of the Board. Minutes of Board meetings shall be available for public review.

RELEVANT LEGAL AUTHORITY: City of Rochester Home Rule Charter Sections
15.03 & 15.09

EFFECTIVE DATE OF POLICY: September 24, 1985

DATE OF POLICY REVISION: February 10, 1998

DATE OF POLICY REVIEW: February 28, 2012

POLICY APPROVAL:

Board President

Date

DRAFT