

MINUTES FROM THE ADVANCE RETIREMENT NOTICE INCENTIVES WORKSHOP OF THE UTILITY BOARD OF THE CITY OF KEY WEST, FLORIDA, HELD AT 5:00 P.M. ON WEDNESDAY, MARCH 29, 2017 AT THE KEYS ENERGY SERVICES BOARD ROOM LOCATED AT 1001 JAMES STREET, KEY WEST, FLORIDA

The above referenced workshop of the Utility Board of the City of Key West, Florida, convened at 5:00 P.M., on the above date and location was called to order by Chairman Batty.

Utility Board Members Present

Peter Batty, Chairman
Mona Clark, Vice Chair
Charlie Bradford, Member
Timothy Root, Member
Steven Wells, Member

Staff Present

Lynne Tejeda, General Manager & CEO
Jack Wetzler, Assistant General Manager & CFO
Edee Delph, Executive Assistant to GM/CEO & UB
Julio Torrado, HR & Communications Director
Dale Finigan, Engineering & Control Center Director
Dan Sabino, Generation Director
Stan Rząd, Compliance Administrator
Heather Arencibia, Human Resources Supervisor
Terry Beeman, Information Technologies Supervisor
Cindy McVeigh, Finance Supervisor
Jeff Partington, Control Center Supervisor
Kim Free, Exec Assistant & Pension Administrator
Gricel Owen, HR Specialist & Records Coordinator
Bobby Burchett, Power System Coordinator
Catherine Nix, Customer Programs Representative

Other Present

Larry Wilson, Pension Actuary
Greg Daniels, Advisory Committee, District 2
Carol Schreck, Attendee

Mrs. Tejeda stated that today's workshop is to address the Utility Boards Strategic Plan, Goal#3: Maintain a highly effective workforce and foster a positive working environment, Strategy #1: Develop and implement a plan regarding the aging workforce and pending retirements and Action Plan #1: Identify options to incentivize employees to provide advance retirement notice.

Mrs. Tejeda said KEYS employees were surveyed and suggested various options to address KEYS aging workforce and encourage advance notice of retirements that are expected in the coming years.

Mr. Torrado reviewed the employee suggestions, financial analysis and pros/cons based on specific assumptions as listed:

- KEYS provides payout equivalent to one year's salary
- KEYS provides sick leave payout for employees 55+ years of service
- KEYS provides \$2,500 (flat amount) for every month of advance notice
- KEYS provides \$20,000. Lump sum cash payment
- KEYS allows employees to cash out additional SL beyond their maximum pay out (one day for every day notice)
- KEYS matches funds into 2nd retirement fund (i.e. 457 or 401a) up to 10% of salary
- KEYS provides health insurance for those not eligible for 1 year
- KEYS doubles longevity payout
- KEYS offers one year DROP program
- KEYS provides time off to employees beyond time currently accrued
- KEYS allows employees to use excess SL, beyond their max payout, during last 6 months (no more than one day per week)

Mr. Wilson explained what a Deferred Retirement Option Program (DROP) is and provided DROP Parameters and Financial Information to the Board.

The Utility Board discussed the various options and it was the consensus of the Board that due to the associated cost of [all the](#) options it was in the best interest of the ratepayers to not proceed further and keep current benefits as is.

(A copy of the power point presentation is available upon request)

ADJOURNMENT

Chairman Batty adjourned the Advance Retirement Notice Incentives Workshop of March 29, 2017, at 5:57 P.M.

APPROVE:

Peter Batty, Chairman

ATTEST:

Lynne E. Tejeda, General Manager/CEO & Secretary

/ed