

ROCHESTER PUBLIC UTILITIES  
BOARD POLICY STATEMENT

POLICY SUBJECT: Board Relationship with the Common Council

POLICY OBJECTIVE:

The Board intends to state its relationship with the Common Council and the relationship of its management and staff with the staff of other City departments. This policy is intended to establish the limits of Board authority and accountability to the Common Council.

POLICY STATEMENT:

1. The Board recognizes the Common Council as the elected body of the City of Rochester to whom the Board is accountable for the performance of the City utility systems which it controls. The Board's accountability extends only to the limits of authority which have been delegated to the Board by the Council or provided by the Home Rule Charter to the Board.
2. The Board, by authority of the City's Home Rule Charter, was created "to control, manage, and operate the electric, water, and steam district heating systems of the City." The Board's principal role is to provide policy direction for the RPU management and staff. The Board's responsibilities and functions are covered in a separate policy statement.
3. The Board will delegate certain responsibility and authority to its management and staff employees, who are accountable directly to the Board. The Board's delegations to management are covered in a separate policy statement.
4. The Board will cooperate with the Council in a manner consistent with the policies adopted by the Board and the City's Home Rule Charter, and with the implementing policies and procedures of its management and staff employees.

The Board will direct its employees to cooperate and coordinate their activities with the staff of other City departments in a manner consistent with the established policies and procedures of the Board and its management, and the City's Home Rule Charter.

5. The Board recognizes that certain actions which are essential to the sound management of its utility systems are, by law or Charter, reserved for the Common Council, upon recommendations of the Board. These actions include:
  - a. Approval of the annual budget.
  - b. Authorization to expend in excess of \$ 100,000 to any one person, firm, or corporation for the purchase of goods or services which is not contained within the board's approved annual budget.

- c. Authorization to purchase or sell real and personal property or an interest in such property where the value exceeds \$100,000.
  - d. Concurrence of hourly wages or salary ranges for all employee positions authorized by the Board.
  - e. Establishment of procedures for the appointment, employment, and termination of the General Manager and other employees.
  - f. Authorization to issue revenue bonds or in any way to contract indebtedness.
  - g. Authorization to transfer monies from the City General Fund into the utility enterprise funds.
  - h. Concurrence in rates and charges for utility services, as established by the Board.
  - i. Authorization to provide utility service to areas outside of the City corporate limits or other legally assigned service area.
  - j. Authorization to establish or discontinue any City utility system.
  - k. Assignment to or removal from Board control of a City utility system.
  - l. Authorization for the electronic transfer and disbursement of monies from the Utility enterprise funds
  - m. Authorization to acquire real property or property rights by condemnation.
6. The Utility Board has full authority to act and is accountable, in the following respects:
- a. Establishment and application of approved rates and charges as well as the billing and recovery of amounts due.
  - b. Quality and reliability of services provided.
  - c. Authorization of expenditures and contracts provided the Board's approved annual budget contains an appropriation to pay the expenditure.
  - d. Authorization of expenditures and contracts less than \$100,000 when the Board's approved annual budget does not contain an appropriation to the contract or expenditures.
  - e. Authorization to purchase or sell real and personal property or an interest in such property where the value is \$100,000 or less provided advance notice to the City Administrator is given.
  - f. Payment of all approved financial obligations resulting from the purchase of goods and services and the borrowing of funds.
  - g. Protection and preservation of all physical and financial assets of the utility systems controlled by the Board.
  - h. Organizational structure and, with Council concurrence, staffing levels, personnel policies, compensation and fringe benefit programs.
  - i. Employee conduct.
  - j. Financial accounting, reporting, and periodic auditing, according to generally accepted procedures for municipal utility enterprises.
  - k. Planning, budgeting, and controlling the use of human, physical, and financial resources.
  - l. Customer and public relations programs including the scheduling and conduct of meetings or hearings to obtain public comment regarding utility operations
  - m. Scheduling and conduct of hearings and the issuance of rulings related to customer or employee appeal of Board or management policies and decisions.
  - n. Conformance with applicable law and regulations.

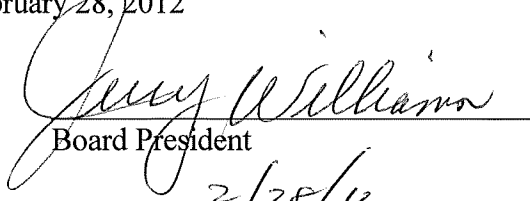
7. The Utility Board expects the Common Council to provide public policy direction on the following items which are relevant to the Board's utility system operations:
  - a. The short and long-term growth policy of the City and the role of the Board in implementing such policy.
  - b. The extent to which each revenue producing utility is expected to be financially self-supporting.
  - c. The extent to which service will be provided, on a non-preferential basis, within or beyond the assigned service area.
  - d. The extent to which rates and charges will differentiate among customers with respect to the costs of serving them.
  - e. The extent to which the Board should provide customer services beyond those customarily required to deliver the utility capacity or commodity.
  
8. The Board will advise the Council of any action related to the utility systems which must or should be taken by the Council. Such notification will set forth the need for action, the specific action requested, and such supporting information as will reasonably inform the Council of prevailing circumstances and the expected results of the requested action. The Board will prepare or assist the Council in preparing all documentation required for the requested action.
  
9. The Board will routinely furnish to the Council copies of all annual reports, audit reports, Board agendas and minutes, financial statements, and other reports and information as may be appropriate to keep the Council reasonably informed.
  
10. The Board will endeavor to establish and maintain good working relations with the Council through the practice of personal interaction. To this end, the Board will encourage the scheduling of a joint meeting as needed. The purpose of this meeting is to exchange information relating to utility operations and to discuss any matter of mutual interest. The Board will also designate one of its members and/or management employees to attend any meeting of the Council, when requested, to answer questions or furnish additional information which the Council may require, regarding utility operations, or requested Council actions.

RELEVANT LEGAL AUTHORITY: Rochester City Charter Chapter XV

EFFECTIVE DATE OF POLICY: October 14, 1988

DATE OF POLICY REVIEW: December 20, 2011

POLICY APPROVAL: February 28, 2012

  
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 Board President  
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 2/28/12  
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 Date