Meeting Summary
Human Resource Committee Meeting
Tuesday, April 15, 2014, 5:30 p.m. – 7:00 p.m.
OWASA Boardroom

Board Committee:	Will Raymond, Michael Hughes, John Young, Alan Rimer (ex-officio)
Other Board Members:	Amy Witsil
Staff:	Ed Kerwin, Stephanie Glasgow, Stephen Winters, Todd Taylor, Mary Darr, Ruth Rouse, Michael Smith

1) **Deferred Compensation (457)**

The Committee received and discussed options regarding OWASA's Deferred Compensation plan. Committee members supported the importance of maintaining a competitive plan and providing benefits to employees with six months of service which would be a change from the current four years of service. The Committee also favors contributing a fixed amount per pay period to employees' accounts, subject to a maximum annual limit. Additionally, Committee members would like to include an option that includes an employer match of an employee's contribution, also subject to an annual cap. Should the Committee select an option where benefit levels are below what current employees receive, the Committee expressed interest in grandfathering current employee's benefit levels.

Additional discussion took place regarding loan provisions within the 457. We can amend our current plan to allow loans; the IRS maximum loan amount is 50% of the individual account. The Committee requested information on whether the 50% is appropriate and considered average.

Committee members requested additional information regarding a match of contributions. Should the Committee decide on a 2% match of employee contributions, the total annual cost for that option would be approximately $145,000 should all employees elect to participate. The Committee requested benchmark information on the average number of employees that typically participate in matching plans.

In general, it appears that OWASA's annual investment in its employee retirement plan is below market. The Committee charged staff with developing options for addressing the plan components discussed above while increasing the annual investment to a competitive level.

2) **Employee Performance Review and Compensation System**

The Committee received a presentation on the current Employee Performance Review System and how the review is tied to the Compensation System.

3) Next Meeting

The next meeting is scheduled for May 8, 2014 where discussion will continue on the Deferred Compensation (457) plan as well discussion of the renewal of the Health and Dental Insurance plans.

Prepared by:

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