Meeting Summary
Human Resource Committee Meeting
Tuesday, May 20, 2014, 5:30 p.m. – 7:00 p.m.
OWASA Boardroom

Board Committee:	Will Raymond, Michael Hughes, Alan Rimer (ex-officio)
Other Board Members:	None
Staff:	Ed Kerwin, Stephanie Glasgow, Stephen Winters, Todd Taylor
Other:	None

1) Deferred Compensation (457) Plan

The Committee discussed additional options for modifying the current plan and will put forth the following recommendations at the May 22, 2014 Board meeting:

The HR Committee met four times and carefully considered about 10 different options to improve the competitiveness of our deferred compensation benefit (457 plan) for our employees. It has been 13 years since the Board has made a substantive review of the program.

While we made important progress, this is a very complex issue involving a number of important values for our organization and for our employees. We have concluded that additional time is needed to more fully consider alternatives within the context of our employees total compensation before we recommend significant changes to our current program.

We are recommending Board approval at our June 12th meeting of several improvements in our deferred compensation program for Fiscal Year 2015 as follows:

Amend the current 457 plan to include a loan provision that will allow employees to borrow up to 40% of their account balance. This provision does not add to the cost of administering the program and will benefit employees who face fiscal challenges. About half of our peer employers offer a loan provision.

Add a new tier for employees with six months of service to less than four years of service to receive $20 per pay period contribution to their 457 account. Under our current program, employees must complete four years of service to begin receiving the benefit. Most all of our peer employers offer a retirement benefit for employees with less than four years of service. The cost for this benefit is about $20,000 and can be absorbed into the proposed FY 2015 budget.

Effective July 1, 2014, provide all employees that have completed six months of service a one-time $750 contribution to their 457 account. The current 457 benefit levels have not been adjusted for inflation since 2001. This one-time contribution improves our competitiveness in the job market and serves as a bridge until we can more fully consider future improvements and alternatives. The cost for this one-time contribution is about $100,000 and can be absorbed into the proposed FY 2015 budget.

We recommend that further discussions consider the deferred compensation plan within the greater context of total compensation and ask the Board direct the HR Committee to work with staff to develop a plan and a process for the Board's approval that will result in a specific deferred compensation recommendation no later than May 1, 2015.

2) Next Meeting

The next meeting date has not been determined.

Prepared by:



Stephanie S. Glasgow, MESH, PHR
Director of Human Resources and Safety