# ORANGE WATER AND SEWER AUTHORITY

*A public, non-profit agency providing water, sewer and reclaimed water services to the Carrboro-Chapel Hill community.*

**MEMORANDUM**

**TO:** **Human Resources (HR) Committee**
Steve Dear
Ruchir Vora
Amy Witsil
John Young, (ex-officio)

**FROM:** Michael Hughes, Chair HR Committee

**DATE:** December 5, 2014

**SUBJECT:** **HUMAN RESOURCES (HR) COMMITTEE MEETING**
**TUESDAY, DECEMBER 9, 2014, 6:00 PM, OWASA BOARD ROOM**

## Agenda

1) **Discuss the Executive Director's performance review schedule**
See attached brief from Ed Kerwin.

Digitally signed by Michael M. Hughes, PE
DN: cn=Michael M. Hughes, PE, o=City Of Durham, ou=Public Works Department, email=michael.hughes@durhamnc.gov, c=US
Date: 2014.12.04 17:24:41 -05'00'

Michael Hughes, Chair
Human Resources Committee

Attachment
c: OWASA Board of Directors

**Schedule for Executive Director Performance Review**
**December 9, 2014**

On October 23, 2014, the OWASA Board of Directors requested that I work with Michael Hughes, Chair of the Human Resources Committee to propose the rating period and schedule for the Board's Annual review of my performance. I have made observations about the two alternatives that were briefly discussed by the Board on October 23rd.

Option 1: July 1st - June 30th (Fiscal Year); annual review May/June; interim review November/December

- Continuity of all nine Board members during rating period (assuming no midyear appointments).
- Follows the Fiscal Year (though the annual accomplishment report would probably be through end of April or mid-May to provide sufficient time to complete annual review process before the end of June).
- Board is typically very busy during May/June (especially May for budgets and rates).
- Board typically meets only once a month in November and December (could impact scheduling of interim review).
- If additional compensation is provided the Executive Director at the end of the annual rating period, he/she receives same before OWASA employees pay increases are normally implemented.
- Possible action on Executive Director compensation at essentially the same time the Board makes decisions about budgets and rates may not be perceived favorability by some customers.

Option 2: October 1st - September 30th; annual review August/September; interim review March/April

- Very similar to current annual and interim review schedule for all OWASA employees (Executive Director's review period completed one month before all employees). Also similar to the review schedule for General Counsel.
- Provides Executive Director time to establish performance objectives consistent with the Board's expectations with his/her direct reports within the current schedule for annual reviews for all employees.

- If additional compensation is provided the Executive Director, it would be on a similar schedule when pay increases are normally implemented for all employees.
- Up to three new Board members would have limited experience observing the Executive Director's work as part of the annual review.

Executive Director's Recommendation

I think either schedule would work well and I'm certainly open to considering other alternatives with the Board. What's important is having the benefit of timely and specific feedback from the full Board regarding my performance and future expectations.

I favor the advantages of option 2. The biggest downside to option 2 is some loss of continuity with up to three new Board members. However, I think this would be partially addressed assuming the Board documented my interim review.

Submitted by:



Ed Kerwin
Executive Director