ORANGE WATER AND SEWER AUTHORITY

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

TO: **Human Resource Committee**
Barbara Foushee, Chair
Yinka Ayankoya
Jeff Danner
John Young
Robert Morgan, Ex-Officio

THROUGH: Ed Kerwin

FROM: Stephanie S. Glasgow

DATE: October 13, 2017

SUBJECT: **Human Resource (HR) Committee Meeting**
Wednesday, October 18, 2017, 6:30 pm, OWASA Boardroom

Agenda

1) **Maternity/Paternity Leave**
   Discuss information and options to amend the current Maternity/Paternity leave policy to Parental Leave.
2) **Retiree Health Benefits for New Hires**
   Evaluate information and options for the health benefits provided to retirees.
3) **Deferred Compensation (457) Plan**
   Discuss information and options for the deferred compensation benefits.
4) **Position Reclassification**
   Discuss proposed changes to the Schedule of Employee Classification and Authorized Compensation.
5) **Compensation Strategies for Fiscal Year 2019**
   Continue discussion on employee compensation for next fiscal year.

Stephanie S. Glasgow, MESH, MPM, PHR, SHRM-CP
Director of Human Resources and Safety

Item 1

Maternity/Paternity Leave

Purpose

Provide information and options to the Human Resource Committee for discussion and recommendation to the full Board on November 9, 2017 to update the Maternity/Paternity Leave policy.

Background

The current policy supports employees and their families by offering full time, regular employees who have completed one year of continuous service six weeks paid leave to mothers (females) and three weeks paid leave for fathers (males) for the birth or adoption of a new born age 12 months or younger.

Staff believes this policy should be updated to remain fair and unbiased in the application of parental leave (same benefit for males/females) and to remain competitive in our local market.

Options

- Option #1 – Make no changes to the current Maternity/Paternity policy providing six weeks paid leave to females and three weeks paid leave to males for the birth or adoption of a newborn child.

- Option #2 – Provide six weeks paid parental leave to eligible employees (male and female) for the birth, adoption, foster care or guardianship of a child below the age of 18.

- Option #3 - Provide eight weeks (or other time period) paid parental leave to eligible employees (male and female) for the birth, adoption, foster care or guardianship of a child below the age of 18.

The table below shows Parental Leave policies for area organizations:

Entity	Parental Leave Weeks of Paid Leave per Year	Eligibility
City of Durham	Pregnancy – Paid Temporary Disability– 6 weeks paid leave Maternity/Paternity allows employees mothers and fathers to take up to 1 year's leave using accrued leaves such as vacation/sick/comp or use Leave without pay Pending approval of 12 weeks Parental Leave	Birth and adoption are covered by the Maternity/Paternity leave Parental leave (pending approval)
City of Mebane	None	n/a

Entity	Parental Leave Weeks of Paid Leave per Year	Eligibility
City of Raleigh	8 weeks	17 years or younger; birth, foster care, placement and/or in loco parentis
Durham County	12 weeks	Unknown
Greenville Utilities Commission	None	n/a
Orange County	6 weeks	Birth and/or legal placement of a child (adoption, foster care or legal guardianship)
Town of Carrboro	6 weeks Parental Leave pending approval (Dec. 2017)	Pending
Town of Cary	6 weeks	Leave must be taken within 12 months of birth or placement of a child
Town of Chapel Hill	6 weeks	Leave is granted following the birth of an employee's child or the placement of a child with an employee in connection with adoption or foster care. Adoption of stepchildren or a partner's children is excluded
Town of Hillsborough	6 weeks	A biological, adopted or foster child, stepchild, legal ward or a child of a person standing in loco parentis, who is under age 18
Cape Fear Public Utility Authority	None	n/a

Staff Recommendations

Staff recommends Option #2 which provides six weeks of paid Parental leave to eligible employees for the birth, adoption, foster care or guardianship of a child under the age of 18.

Should this or another recommendation be considered, an update to the OWASA Human Resource Policy would be required. Below is an excerpt detailing the recommended changes.

Excerpt from the Human Resource Policy:

OWASA supports our employees and their families by offering six (or other) weeks of paid parental leave to eligible employee's ~~mothers (females) six weeks of paid Leave at~~ for the birth, ~~or~~ adoption, foster care or guardianship of a child under the age of 18. ~~and three weeks of paid Leave to employee fathers (males) at the birth or adoption of a child. The policy applies to newborn children only. For the purpose of this policy, newborn is defined as a child 12 months of age or younger.~~

This policy is for full-time, regular employees who have completed at least one year of continuous, uninterrupted service with OWASA. Leave is granted based on the employee's plan to return to work at OWASA for at least one year from the date the ~~Maternity/Paternity~~ parental leave ends. Employees who do not plan to return to work after the birth, ~~or~~ adoption, foster care or guardianship ~~of their child~~ are not eligible for this benefit.

An employee who fails to remain in active status for a minimum 12 months after returning from parental leave will be required to reimburse OWASA for any paid parental leave received. The value of the paid parental leave received will be deducted from the employee's final paycheck, including any vacation leave to be paid out, in compliance with the Fair Labor Standards Act. ~~Should an employee change his/her mind and decide not to return to work at OWASA after the birth or adoption of the child; or if the employee returns for less than one year, the time used for the Maternity/Paternity Leave will be deducted from their Annual Leave and if necessary from their remaining pay check(s) proportionate to the reduction in their one year post-leave work commitment. Should the employee be terminated for cause during the one year period after the Leave, he/she will be required to repay OWASA for the Maternity/Paternity Leave.~~

OWASA provides paid parental leave to ~~an employee (mother or father~~) begin immediately at the birth, ~~or~~ adoption, foster care or guardianship of a child. This benefit may not be duplicated through the use of Long Term Disability benefits, Compassionate Leave or ~~Family Medical Leave~~ other benefits such that the employee receives more than 100% of their income during their Leave. At all times, the parental ~~Maternity/Paternity~~ leave ~~shall~~ runs concurrent with Family Medical Leave. ~~Long Term Disability benefits, Compassionate Leave and remaining Family Medical Leave may be used in addition to the Maternity/Paternity Leave if additional Leave is needed due to complications with the pregnancy. The Maternity/Paternity Leave may be taken only once each calendar year by an employee.~~ While receiving paid parental leave ~~using the Maternity/Paternity Leave~~ ~~benefit~~, the employee shall not work a second job during hours for which OWASA is paying the employee salary and benefits through ~~the~~ this ~~Maternity/Paternity Leave~~ benefit.

Action Requested

Review and discuss options for modifying OWASA's Maternity/Paternity Leave Policy and provide a recommendation to the full Board at the November 9th Work Session.

Item 2

Retiree Health Benefits for New Hires

Purpose

Provide information for discussion to consider updates to the Retiree Health Benefits for New Hires. Information for discussion will be on the Board's agenda for the November 9, 2017 work session.

Background

In 2014, based on the recommendations in a report issued by consultants who analyzed OWASA's compensation and benefit programs, the Board considered changes to our Retiree Health Benefits for New Hires. The Board ultimately decided to defer action.

Current Plan

The current retiree health insurance plan includes OWASA paying a percentage of the health insurance for pre-65-year-old retirees and provision of a Medicare Supplement for post-65-year-old retirees. The calculation of years of service plus age to determine the percentage of premium paid by OWASA follows:

Years of Service	Age	Percentage of Premium (Pre-65) or Supplement (Post-65) Paid by OWASA
10 years	60	50%
15 years	60	75%
20 years	60	100%
30 years	Any age	100%

Pre-65-year-old retirees stay on OWASA's group health plan. The Fiscal Year 18 monthly premium is $1,097.46 per individual.

Post-65-year-old retirees receive a Medicare Supplement where costs vary based on the plan chosen by the retiree. These decisions are private with OWASA having no influence. The average cost for Medicare Supplement plans is $183.20 and $124.00 for Part D prescription coverage, bringing our average monthly cost per post-65-year-old retiree to $307.20.

Options Considered

In 2014, the Board considered a variety of options, including:

Option 1. **Cost-share applicable to employees hired after July 1, 2014.** The maximum benefit provided by OWASA would be 75% of health care premiums for pre-65-year-old retirees or Medicare supplement for post-65-year-old retirees as follows:

Years of Service	Age	Percentage of Premium (Pre-65) or Supplement (Post-65) Paid by OWASA
10 years	60	25%
15 years	60	50%
20 years	60	75%

30 years	Any age	75%

- Reduces future OWASA liability as employee turnover occurs.
- Brings this benefit to a similar level as other local agencies.

Option 2. **Cost-share applicable to all employees hired after July 1, 2014.** Employees retiring with 30 years or more of service with OWASA would receive 100% of their health insurance premiums or Medicare supplement paid by OWASA. Employees with 15 years of service and age 60 are eligible for 50% and then an additional 5% increase in OWASA contribution for each additional year of service.

Years of Service	Age	Percentage of Premium (Pre-65) or Supplement (Post-65) Paid by OWASA
15 years	60	50%
16-25 years	60	5% additional contribution for each year of service after 15 years
30 years	Any age	100%

- Reduces future OWASA liability as employee turnover occurs.
- Brings this benefit to a similar level as other local agencies.

The following table shows Retiree Benefits for local entities.

<table>
<tr><th>Entity</th><th>Retiree Benefits</th></tr>
<tr><td>Cape Fear Public Utility Authority</td><td>If hired prior to July 2008, eligible for individual health polices until age 65. If hired after July 2008, no retiree benefits available.</td></tr>
<tr><td>City of Durham</td><td>Employees who were hired prior to July 1, 2008 are eligible to participate in the medical benefits up to age 65. Those hired after July 1, 2008 contribute 2% each pay period to a Health Savings Retirement Account (HSRA) and a $35.00 contribution from the City with a vested schedule for employer contributions.
<table>
<tr><th>Hire Date</th><th>10 Years of Service</th><th>15 Years of Service</th><th>20+ Years of Service</th></tr>
<tr><td>Prior July 2008</td><td>Active Employee Cost + 50% of City Cost</td><td>Active Employee Cost + 25% of City Cost</td><td>Pays Active Employee Cost</td></tr>
<tr><td>After July 2008</td><td>50% Vested</td><td>75% Vested</td><td>100% Vested</td></tr>
</table></td></tr>
<tr><td>Greenville Utilities Commission</td><td>Pre-65 Benefits:
<table>
<tr><th>Years of Service</th><th>Base Plan Contribution Percentage Age 55 - 59</th><th>Base Plan Contribution Percentage Age 60 - 64</th></tr>
<tr><td>20 – 24 Years</td><td>50% for retiree</td><td>65% for retiree</td></tr>
<tr><td>25 Years or more</td><td>75% for retiree</td><td>95% for retiree</td></tr>
</table>
After age 65, employer pays for Medicare Supplemental Plan and Medicare Part-D at the same percentage.</td></tr>
</table>

<table>
<tr><td>Orange County</td><td>If hired on or before June 30, 2012 retirees must have worked 10 years as permanent employees for Orange County (exceptions for those age 65 at retirement or disability retirees). If hired after, retirees must have worked 20 years as permanent employees (exceptions for those age 65 at retirement or disability retirees). After age 65, Orange County pays for Medicare Supplemental Plan and Part D.</td></tr>
<tr><td>Town of Carrboro</td><td>If hired before July 1, 2007 then retiree may remain on the group health plan until age 65 and then participate in Medicare Supplement Plan based eligibility schedule. If hired after July 1, 2017 the same schedule applies but retiree receives a monetary stipend to defray cost of health insurance.

<table><tr><th>Years of Service</th><th>Percentage
Insurance Premium or Stipend Amount</th></tr><tr><td>10 – 14 Years</td><td>50%</td></tr><tr><td>15 – 19 Years</td><td>75%</td></tr><tr><td>20 or more Years</td><td>100%</td></tr></table></td></tr>
<tr><td>Town of Cary</td><td>Employees with 15 or more years of service, can qualify for a subsidy towards their health insurance or Medicare; 15 years of service receive 50% subsidy; 20 years of service receive 75% subsidy; 25 years of service receive 100% subsidy.</td></tr>
<tr><td>Town of Chapel Hill</td><td>For pre-65, hired prior to July 1, 2010 receive health insurance on a vested schedule based on their service, up to full insurance coverage. For post-65 retirees hired prior to July 1, 2010, a Medicare Supplement paid on the same vesting schedule for Pre-65 retirees. If hired after July 2010, a Health Savings Retirement Account (HSRA) that the employee contributes 1% of pay to and the Town puts in $35 each pay date. The employee contributions and Town contributions on a vesting schedule like above have to be used in medical expenses upon retirement.

5 years - 25% of either Town paid of premiums or of Town invested money in HSRA; 10 years - 50% of either Town paid of premiums or of Town invested money in HSRA; 15 years - 75% of either Town paid of premiums or of Town invested money in HSRA; 20 years and above - 100% of either Town paid of premiums or of Town invested money in HSRA.</td></tr>
<tr><td>Town of Hillsborough</td><td>The retiree may continue to receive health insurance coverage comparable to that being provided for regular employees without cost - for the life of the retiree or until such time as the retiree becomes eligible for Medicare.

<table><tr><th>Hire Date</th><th>Minimum
Age</th><th>Continuous service
with Town</th></tr><tr><td>Before Feb. 2009</td><td>55</td><td>20</td></tr><tr><td>After Feb. 2009</td><td>60</td><td>30</td></tr></table></td></tr>
</table>

Action Requested

Review and discuss options for modifying OWASA's Retiree Benefits for New Hires and provide guidance to staff.

Item 3

Deferred Compensation (457) Plan

Purpose

To discuss options for making our Deferred Compensation Plan more competitive in the marketplace and more meaningful to employees. Information for discussion will be on the Board's agenda for the November 9, 2017 work session.

Background

In 2014, based on the recommendations in a report issued by consultants who analyzed OWASA's compensation and benefit programs, the Board considered changes in our Deferred Compensation Plan. The Board ultimately decided to defer action.

At the time, the Human Resources Committee established the following goals for improving the Plan:

- No reduction in the amount of benefit currently provided to employees.
- Expand the benefit to include employees with six-months to less than four years of service.
- Improve the competitiveness of OWASA's Plan (benefit not to be less than 4% of wages).
- Implement an employer matching contribution whereby OWASA will match an employee's voluntary contribution.

Current Plan

OWASA currently makes biweekly contributions to eligible employees' Deferred Compensation Plan accounts. The contributions begin after an employee has reached four years of service. The amount of the contribution increases as employees reach certain anniversary milestones, as shown below. The amounts of the contributions have not been changed since going into effect in 2001. As a result, the value of this important employee benefit has declined. The annual inflation rate between 2001 and 2017 was 2% making the $40 contribution now worth under $29 today.

	Employee Tenure				
	6-months to <4 years	**4-9 years**	**10-14 years**	**15-19 years**	**20+ years**
OWASA Biweekly Contribution	None	$40	$60	$80	$100
OWASA Annual Contribution	None	$1,040	$1,560	$2,080	$2,600
Examples of Benefit Percentage at Certain Salary Levels					
$34,000	0	3.1%	4.6%	6.1%	7.6%

$70,000	0	1.5%	2.2%	3%	3.7%
$100,000	0	1%	1.6%	2.1%	2.6%

Options Considered

In 2014, the Board considered a variety of options, including:

Option 1	Maintain current plan elements but add an employer contribution of $20 per pay-period for employees with six-months to less than four years of service, and an employer matching contribution of up to 2.5%.
Option 2	Increase each employee's salary by the amount of their current Plan contribution and convert the Plan to a percentage-based matching plan.
Option 3	Convert the Plan to a percentage-based matching program with no provision to maintain each employee's current benefit level.
Option 4	Convert the Plan to a percentage-based employer contribution with no requirement for an employee matching contribution.

The Board also considered variations of the above options.

The table below summarizes some of the key elements and observations of the four options.

Key Elements/Observations	Option 1	Option 2	Option 3	Option 4
Current biweekly benefit maintained	Yes	Yes, but done so through salary increases	No but includes a percentage-based employer contribution (2%) not dependent on employee match	Only 50% of current benefit and done so through salary increases
Benefit provided to employees with 6-mos to < 4-years of service	Yes	Yes	Yes	Yes
Employer matching contribution	Yes	Yes	Yes (up to 3% in addition to above	Yes (up to 5%)
Accomplishes goals	Yes	3 of 4	3 of 4	3 of 4
Eliminates deflationary aspect of current benefit	No	Yes	Yes	Yes
Market competitive	Yes and No (benefit less than 4% for certain employee groups)	Yes and No (benefit less than 4% for certain employee groups)	Yes (benefit is up to 5%)	Yes (benefit is up to 5%)
Requires employee match	Biweekly fixed amount – no Additional 2.5% - yes	Yes	2% - no Additional 3% - yes	Yes

Local Entity Comparison

The table below list benchmark data for other local entities.

Organization	Deferred Compensation
Town of Chapel Hill	401K - employer 5% contribution as of hire
Town of Hillsborough	401K - employer 5% contribution as of hire
Town of Carrboro	401K - employer 3% contribution as of hire
Greenville Utilities Commission	401K - Flat Amount ($40) contribution per pay period ($1040 annually) to 401K effective at hire
Cape Fear Public Utility Authority	401K and 457 offered, employer 2% contribution, plus another 2% match if the employee contributes 2% or greater begins first of the month following 30-days.

Town of Cary	NC 401k plan and a 457/401a plan offered. Employer will contribute 5% to the employee's choice of 401k or 401a eligible at hire.
City of Durham	We offer both a 457 and 401(k). Employees may contribute upon hire. There is a 6% match on the 401(k) and a 5% match on the 457.
Orange County	County will contribute to either 457 or 401K for a total of $715 per year ($27.50 per pay). If an employee contributes, the County matches up to $63 for 24 payrolls for $1512/year maximum.

Action Requested

Review and discuss options for modifying OWASA's Deferred Compensation Plan and provide guidance to staff.

Item 4

Position Reclassification

Purpose

To obtain the Human Resource Committee's support to amend the Schedule of Employee Classification and Authorized Compensation to reclassify the vacant Accounting Technician I position to the position of Occupational Health and Safety Specialist at the November 9, 2017 Board work session.

Background

Over the past year, three long-term employees in the Finance Department retired. As a result, Jose Durant was hired to fill one of the vacant Accounting Technician positions, Kelly Satterfield, CPA was promoted into the Finance and Procurement Manager Position, and Glorija Gladney was hired to fill the Financial Analyst position vacated when Kelly was promoted. The remaining Accounting Technician position remains vacant.

The change in Finance Department personnel provided the opportunity to make improvements to the assignment of responsibilities and more efficient processes among the Finance and Human Resources Departments.

We also determined that rather than fill the vacant Accounting Technician position, OWASA would be better-served by reclassifying this position to Occupational Health and Safety Specialist in our Human Resources Department. This new position will be devoted full time to safety. Having a designated full time professional will enhance our safety initiatives and allow existing Human Resources staff to allocate more time to our diversity and inclusion program, compensation and benefits strategies, and recruitment and retention.

New Occupational Health and Safety Specialist

The position will perform professional work developing and administering various safety management programs to include compliance with local, state and federal regulations. Qualifications for the position are detailed in the attached job description (Attachment 1). Occupational Health and Safety position tasks include:

- Plan, coordinate and/or conduct safety training sessions for employees.
- Conduct physical job site audits for all facilities and temporary job sites.
- Conduct investigations for personal and vehicle accidents.
- Manage, schedule, and maintain compliance regarding workers compensation.
- Manage, schedule and maintain compliance with DOT physicals, Safety Sensitive Physicals, drug and alcohol tests, hearing tests and inoculations, etc.
- Prepare, audit and update safety policies and manuals to include DOT regulations, confined space, lock out/tag out, respiratory protection, excavation and other pertinent programs.
- Develop and implement emergency preparedness and crisis response planning to include drills.
- Conduct Employee Safety Committee and Senior Safety Committee meetings, After Action Reviews and the annual Employee Safety Meeting.

When determining the salary grade for the position, as per our Pay Administration Guidelines, we applied our Job Evaluation procedure which assigns a salary range utilizing a *point factor evaluation* methodology. In addition to the internal evaluation, we did an external evaluation by surveying other entities. The responses are shown below.

Entity	Position Title	Salary Range
Town of Hillsborough	Safety and Risk Manager	$52,543 - $84,069
City of Whiteville	Safety and Risk Management Officer	$47,189 - $68,620
Alamance County Government	Safety Coordinator	$44,578 - $71,321
Town of Boone	Safety and Risk Manager	$47,746 - $71,619
City of Goldsboro	Safety Coordinator	$47,699 - $75,364
Orange County	Safety and Risk Manager	$53,764 - $88,099
Chapel Hill	Occupational Health and Safety Officer	$47,117 - $76,329
Town of Wake Forest	Safety and Risk Management Manager	$52,678 - $84,180

Staff Recommendation

The Human Resource Committee's support for amending the Schedule of Employee Classification and Authorized Compensation to reclassify the vacant Accounting Technician I position (Salary Grade 610, $33,621 - $52,777) to the newly created Occupational Safety and Health Specialist position (Salary Grade 619, $57,839 - $89,070).

If the Human Resources Committee supports this item, it will be presented to the full Board at their November 9th Work Session.

Orange Water and Sewer Authority

Occupational Health and Safety Specialist

FLSA Status: Exempt
Pay Grade 619: $57,839 - $89,070

BRIEF DESCRIPTION:

Performs professional work developing and administering various safety management programs to include compliance with local, state and federal regulations. Work includes managing worker's compensation programs, drug and alcohol testing, DOT and safety sensitive physical examination procedures, hazard assessment audits, personal and vehicle accident investigations, hearing conservation, confined spaces entry program, lock-out/tag-out, respiratory protection, hazard communication to include spill response, excavation safety as well as all other employee safety and training programs. Serves as facilitator for the Employee Safety Committee (ESC) and Senior Safety Committee (SSC). Coordinates with internal and external partners to develop and implement emergency response and crisis management preparedness. Develops and maintains comprehensive policies, reports, memos and correspondence.

Work is generally performed in an office environment with some time spent at facilities and in the field. Fieldwork may require visiting a variety of locations and exposure to seasonal weather conditions, noisy and hazardous traffic situations, moving equipment, chemicals, etc.

ESSENTIAL FUNCTIONS:

Note: This information is intended to be descriptive of the key responsibilities of the position. The list of essential functions below does not identify all duties performed by any single incumbent in this position. Additionally, please be aware of the legend below when referring to the physical demands of each essential function.

(S) Sedentary	(L) Light	(M) Medium	(H) Heavy	(V) Very Heavy
Exerting up to 10 lbs. occasionally or negligible weights frequently; sitting most of the time.	Exerting up to 20 lbs. occasionally; 10 lbs. frequently; or negligible amounts constantly; OR requires walking or standing to a significant degree.	Exerting 20-50 lbs. occasionally; 10-25 lbs. frequently; or up to 10 lbs. constantly.	Exerting 50-100 lbs. occasionally; 10-25 lbs. frequently; or up to 10-20 lbs. constantly.	Exerting over 100 lbs. occasionally; 50-100 lbs. frequently; or up to 20-50 lbs. constantly.

#	Code	Essential Functions	% of Time
1	L	Schedule, maintain and review reports regarding workers compensation, employee physicals, drug and alcohol tests, hearing tests and inoculations, etc.	15
2	S	Conduct research in order to review, prepare, audit and update safety policies and manuals.	15
3	M	Plan, coordinate and/or conduct training sessions for employees.	20
4	L	Conduct physical job site audits for all locations and facilities and conduct accident investigations.	20
	S	Assist in the development and implementation of emergency preparedness and crisis response planning to include drills.	15
5	L	Conduct ESC and SSC meetings to include agenda, meeting minutes and follow up on action items. Conduct After Action Reviews for organizational incidents. Organize and implement annual safety meeting for all employees	15

JOB REQUIREMENTS:

-Description of Minimum Job Requirements-	
Formal Education	Work requires broad knowledge in a general professional or technical field. Knowledge is normally acquired through four years of college resulting in a Bachelors Degree or equivalent.
Experience	Over three years up to and including five years.
Supervision	Work requires functioning as a lead worker performing essentially the same work as those directed, and includes overseeing work quality, training, instructing, and scheduling work.
Human Collaboration Skills	Interactions result in decisions regarding implementation of policies may be made. Contact may involve support of controversial positions or the negotiation of sensitive issues or important presentations. Contacts may involve stressful, negative interactions with the public requiring high levels of tact and the ability to respond to aggressive interpersonal interactions.
Freedom to Act	Receives Limited Direction: The employee normally performs the duty assignment according to his or her own judgement, requesting supervisory assistance only when necessary. Special projects are managed with little oversight and assignments may be reviewed upon completion. Performance reviewed periodically.
Technical Skills	Skilled: Work requires a comprehensive, practical knowledge of a technical field with use of analytical judgment and decision-making abilities appropriate to the work environment of the organization. Considerable knowledge of farm management, agriculture and soils science is essential.
Fiscal Responsibility	This job title does research for documents, compiles data for computer entry and/or enters or oversees data entry. Has responsibility for monitoring fiscal expeditures for a work unit of less than a department size (programs, activities, projects or small organizational units) or responsible for fiscal management of capital projects.
Working Conditions	Occasional exposure to unpleasant environmental conditions and/or hazards. Occasional outside work.
Reading	Intermediate - Ability to read papers, periodicals, journals, manuals, dictionaries, thesauruses, and encyclopedias. Ordinarily, such education is obtained in high school up to college. However, it may be obtained from experience and self-study.
Math	Advanced - Ability to apply fundamental concepts of theories, work with advanced mathematical operations methods, and functions of real and complex variables. Ordinarily, such education is obtained in at the college level or above. However, it may be obtained from experience and self-study.
Writing	Basic - Ability to write simple sentences containing subject, verb, and object, and/or series of numbers, names, and addresses. Ordinarily, such education is obtained in elementary school up to high school. However, it may be obtained from experience and self-study.

Certification & Other Requirements	Required: NC Driver's License Preferred: Advanced Safety Certificate (ASC), Certified Safety Professional (CSP), Manager of Environmental Safety and Health Certificate (MESH)

OVERALL PHYSICAL STRENGTH DEMANDS:

-Physical strength for this position is indicated below with "X"-				
Sedentary	Light	Medium **X**	Heavy	Very Heavy
Exerting up to 10 lbs. occasionally or negligible weights frequently; sitting most of the time.	Exerting up to 20 lbs. occasionally, 10 lbs. frequently, or negligible amounts constantly OR requires walking or standing to a significant degree.	Exerting 20-50 lbs. occasionally, 10-25 lbs. frequently, or up to 10 lbs. constantly.	Exerting 50-100 lbs. occasionally, 10-25 lbs. frequently, or up to 10-20 lbs. constantly.	Exerting over 100 lbs. occasionally, 50-100 lbs. frequently, or up to 20-50 lbs. constantly.

PHYSICAL DEMANDS:

C	F	O	R	N
Constantly	Frequently	Occasionally	Rarely	Never
2/3 or more of the time.	From 1/3 to 2/3 of the time.	Up to 1/3 of the time.	Less than 1 hour per week.	Never occurs.

Note: This is intended as a description of the way the job is currently performed. It does not address the potential for accommodation.

-Physical Demand-	-Frequency-	-Brief Description-
Standing	F	communicating with co-workers, observing work duties, observing work site
Sitting	F	driving
Walking	F	around work site, to other departments/offices/office equipment
Lifting	F	equipment, supplies
Carrying	O	equipment, supplies
Pushing/Pulling	F	equipment, hose
Reaching	F	for supplies
Handling	F	paperwork
Fine Dexterity	F	calculator, computer keyboard
Kneeling	R	
Crouching	R	
Crawling	O	under equipment
Bending	R	
Twisting	F	getting inside vehicle
Climbing	R	onto equipment
Balancing	R	on equipment
Vision	C	computer screen, driving, observing work site, reading
Hearing	C	communicating with co-workers and public and on telephone, listening to equipment
Talking	C	communicating with co-workers and public and on telephone
Foot Controls	C	driving, operating heavy equipment
Other (specified if applicable)		

MACHINES, TOOLS, EQUIPMENT, SOFTWARE, AND HARDWARE:

Tractor and trailers, pick up truck, TerraGator, hoses.

ENVIRONMENTAL FACTORS:

C Continuously	F Frequently	O Occasionally	R Rarely	N Never

D Daily	W Several Times Per Week	M Several Times Per Month	S Seasonally	N Never

-Health and Safety Factors-	
Mechanical Hazards	F
Chemical Hazards	R
Electrical Hazards	R
Fire Hazards	R
Explosives	R
Communicable Diseases	R
Physical Danger or Abuse	R
Other (see 1 below)	N

(1) N/A

-Environmental Factors-	
Respiratory Hazards	S
Extreme Temperatures	S
Noise and Vibration	S
Wetness/Humidity	S
Physical Hazards	S

PROTECTIVE EQUIPMENT REQUIRED:

Hearing protection, fall protection, and safety shoes.

NON-PHYSICAL DEMANDS:

F Frequently From 1/3 to 2/3 of the time	O Occasionally Up to 1/3 of the time	R Rarely Less than 1 hour per week	N Never Never occurs

-Description of Non-Physical Demands-	-Frequency-
Time Pressure	F
Emergency Situation	R
Frequent Change of Tasks	O
Irregular Work Schedule/Overtime	O
Performing Multiple Tasks Simultaneously	O
Working Closely with Others as Part of a Team	F
Tedious or Exacting Work	O
Noisy/Distracting Environment	O
Other (see 2 below)	

PRIMARY WORK LOCATION:

Office Environment	X	Vehicle	X
Warehouse		Outdoors	X
Shop		Other (see 3 below)	
Recreation/Neighborhood Center			

Item 5

Compensation Strategies for Fiscal Year 2019

Purpose

To discuss compensation strategy options for Fiscal Year (FY) 2019.

Background

OWASA's Pay Administration Guidelines provides a strategy for the Board to follow when determining annual cost of labor and merit pay adjustments for employees. The guidelines for setting the amount of the adjustments include:

- Cost of labor adjustments increase each of OWASA's salary ranges as well as employee pay.
- Merit adjustments increase employees' pay, not salary ranges.
- Employee performance ratings include, Exceptional, Successful, Needs Improvement and Unsuccessful.
- Eligibility for cost of labor and merit adjustments are as follows:

Performance Rating	Cost of Labor	Merit
Exceptional (limited to 10% to 15% of workforce)	Yes	Yes (2 times rate for Successful ratings)
Successful	Yes	Yes
Needs Improvement	No	No
Unsuccessful	No	No

The Board discussed strategies for providing employees the opportunity to advance more quickly through their respective pay ranges. Analysis shows that for OWASA employees who start at the minimum of the salary range and receive annual Successful performance ratings, it can take as long as 18 years of time-in-position to reach the midpoint of their salary ranges.

One strategy the Board considered is to ensure the difference between the adjustments for cost of labor and merit is sufficient to meet the Board's objectives for employees advancing through the pay ranges. Using the following information as a guide for the FY 2018 salary adjustments, the Board chose a merit adjustment percentage that supports an employee advancing to the salary range midpoint in nine years.

Years to Reach Salary Range Midpoint from Minimum	Years to Reach Salary Range Maximum from Minimum	Percentage by which Merit Adjustment must Exceed Cost of Labor to Reach Salary Range Midpoint and Maximum in Number of Years Indicated
9	15	2.9%
11	20	2.2%
14	25	1.8%
16	30	1.5%

For salary adjustments going into effect as of the first pay period ending in November 2017, the Board approved:

Performance Rating	Cost of Labor	Merit	Total
Exceptional (limited to 10% to 15% of workforce)	1%	6%	7%
Successful	1%	3%	4%
Needs Improvement	None	None	None
Unsuccessful	None	None	None

Strategies for FY 2019

Timing

OWASA's performance review period runs from October 1 to September 30. While the amount of any salary adjustments is dependent on OWASA's budget and financial condition, it is important that employees know the framework of how they will be compensated for their performance during the period from October 2017 to September 2018.

Employee Feedback

Through a survey as well as informal feedback, employees have expressed dissatisfaction with OWASA's performance rating system having only two categories being eligible for compensation increases.

Options and Recommendations

Based on previous Board discussions, it seems there is consensus to shorten the time it takes for employees to advance to the midpoint of the salary range to from seven to nine years. This means the annual merit increase should be at least 2.9 percentage points higher than the cost of labor adjustment.

Based on employee feedback plus the experience of working with the current system since 2014, staff recommends changing the performance rating categories and the corresponding compensation adjustments. The following is one option.

Performance Rating	Cost of Labor	Merit
Exceptional (limited to 10% to 15% of workforce)	X%	Y% * 2
Successful	X%	Y%
Needs Improvement	X%	None
Unsuccessful	None	None

Staff believes there are other strategic opportunities to improve our compensation system to encourage and reward high performance. However, it is unlikely that the needed research and development could be completed during the current review period for employees.

Action Requested
Review and discuss options for modifying OWASA's compensation strategy and provide guidance to staff.