Meeting Summary
Human Resources Committee
February 5, 2019 5:30 p.m.

Committee Members:	Robert Morgan (Chair), Ray Dubose
Other Board Members:	John Young
Staff:	Kelly Belcher, Mary Darr, Stephanie Glasgow, Ed Kerwin, Stephen Winters
Public:	None

The Human Resources Committee met on Tuesday, February 5, 2019 to discuss optional approaches to providing retiree health and deferred compensation plans. The purpose of considering alternatives to these benefits is to bring them more in-line with benefits provided by local peer-organizations.

Staff provided information about the cost and impact to employees of five alternatives to OWASA's current benefit offerings. Each option provided:

- New benefit plans for employees hired after a to-be-determined future date.
- For current employees, the option of choosing between packages of a combination of the retiree health and deferred compensation plans.

According to a consultant's study completed in 2014, OWASA's current retiree health benefit is more generous than the plans offered by peer-organizations and our deferred compensation (457) plan benefit is less competitive. The Committee wanted to analyze the costs and benefits of combining the two benefits into "option packages" to provide the flexibility for current employees to choose a plan that best meets their needs while keeping the costs of the benefits reasonable.

Committee Decisions

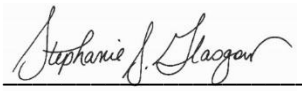
- Based on discussion of the analysis provided by staff, the Committee concluded that offering optional combinations of retiree health and 457 plans would be costlier than other options and would not adequately bring the benefits in-line with the market.
- For the retiree health plan benefit, the Committee favors continuing the current offering for current employees and, as of a to-be-determined date, provide new employees with a Retiree Medical Savings Account (RMSA). The latter would include an employer and employee contribution. Employees hired after the established date would not be eligible for the current benefit: only the RMSA.
- The Committee asked staff to analyze options for the 457 plan that makes the benefit more competitive, avoids reducing the benefit of any current employees, and is fiscally responsible.

Next Steps

The Committee continues to work thoughtfully to balance the Board's desire to fairly and competitively compensate employees while being mindful of fiscal responsibilities and plans to meet again in March 2019.

The meeting adjourned at approximately 6:30 p.m.

Prepared by:



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