



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Brown, Carlson, Barofsky, McRae and Schlossberg  
FROM: Lena Kostopulos, Chief Workforce Officer  
DATE: May 26, 2022  
SUBJECT: Proposed Policy to Replace Current Board Policy EL-4  
OBJECTIVE: Review and Feedback

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## **Issue**

The attached draft policy is being submitted for the Board’s consideration and feedback as a proposed replacement for Board Policy EL-4, Compensation and Benefits.

## **Background**

Current Board Policy EL-4 has been in place since 2009. In as much as the replacement draft is a substantive departure in both content and format, it is not presented in the typical “red-lined” manner. Rather, the proposed draft and a copy of the existing policy are attached for the Board’s reference and review.

## **Discussion**

Recognizing that benefits and compensation plans are an important foundational aspect in attracting and retaining qualified and skilled employees, the proposed policy attempts to more accurately describe the means used to ensure EWEB plans and practices are such that EWEB maintains a competitive employment position among utility industry and other regional employers. The policy also attempts to demonstrate that disciplined, well-reasoned decision-making is required in all benefits and compensation matters to ensure the responsible stewardship of public funds. The intent of the policy is not to articulate or to govern the details of plan design, administration, or maintenance, other than to require adherence to sound business practices and legal or contractual compliance. The proposed policy addresses the authority of the General Manager as it pertains to benefits and compensation offered to EWEB employees, as well as the authority of the Board with respect to EWEB’s General Manager.

## **Conclusion**

The proposed replacement is an accurate representation of EWEB benefits and compensation plan design and management practices. The proposed policy is intended to provide sufficient guidance, without constraining EWEB’s ability to apply a range of benefits and compensation tactics as may be situationally necessary, or to implement plan changes to ensure continued employment-market relevancy and effectiveness.

**TBL Assessment** - N/A

**Recommendation** - N/A

**Requested Board Action** – Staff requests the Board’s review and feedback for incorporation into a final draft, to be included as a consent item in the July Board Meeting materials for the Board’s approval.



## Executive Limitations Policies (EL Policies)

EL4                                      Compensation and Benefits  
Effective Date                      July 5, 2022

### Policy Purpose and Authority

The Board authorizes the expenditure of funds for the purpose of creating, managing and updating compensation and benefits programs, which support EWEB's ability to attract and retain qualified and skilled workers. In accordance with Board Policy BL-4, the General Manager shall have authority to expend these funds as routinely necessary, and also as a strategic means to ensure sufficient staffing levels to maintain operational continuity and/or to advance the achievement of strategic objectives.

Overarching plans and plan management practices will be designed to maintain or enhance EWEB's position as a competitive regional employer, able to attract and retain workers who are qualified and skilled in utility-specific or supporting business occupations. Compensation and benefits plans, and associated practices shall be established, maintained, and managed in accordance with best practices, comply with all applicable laws and governing agreements, demonstrate responsible stewardship of public funds, and comport with established internal controls measures and financial audit standards.

Compensation and benefits plans and practices will be regularly reviewed and amended as necessary to ensure their continued employment market- relevance and effectiveness.

### Extraordinary Compensation and Benefits Practices

The Board recognizes there is competition among utilities for specifically skilled employees, and there may be labor market conditions, or particular circumstances under which standard benefits and compensation packages may not be sufficient to attract or retain workers skilled to perform specialized work. The Board therefore authorizes the General Manager's judicious use of extraordinary benefits and compensation strategies and measures in response to worker supply shortages and/or to ensure staffing continuity in positions requiring specific skills or knowledge, which have been identified as essential to the effective conduct of EWEB business or utility operations.

Extraordinary compensation and benefits measures may include but are not limited to occupationally-specific enhanced base-pay, pay premiums, sign-on premiums, limited-term objective-based pay agreements at hire, limited-term retention agreements, enhanced paid leave accruals, paid leave grants at hire, enhanced schedule flexibility, reduced standard work-weeks, etc.

### Decision-making Criteria and Guidance

Decision-making pertaining to both routine and extraordinary benefits and compensation matters will be supported by data obtained from multiple reliable sources including, but not limited to generally available published surveys, custom third-party surveys, public records, published governmental agency statistics and data, and information published by reputable occupationally-specific professional, trade, or craft organizations.



EWEB benefits and compensation plan designs, on-going management, and other related practices should be comparable to those of other regional utilities or corporate employers, including consideration of both established and emerging practices.

Criteria to determine comparability may include but will not be limited to regional water or electric utilities or corporate employers of a similar size, annual revenues within a specified range, similarly sized customer bases and categories, similarly sized workforces, organizational structures, represented or non-represented work groups.

Other factors informing benefits and compensation decision-making may include generally understood occupationally-specific practices, the geographic region from which workers are typically recruited, a relevant combination of both public and private employer practices, national and regional trends, upcoming or anticipated governing or related legislation.

#### Executive Compensation

In the event EWEB's General Manager position is vacant, the Board may elect to adhere to the practices described herein to establish an executive compensation and benefits package, basing the design of EWEB's package on those of comparable regional utilities. The Board Officers may enlist and direct the work of EWEB's Chief Workforce Officer or Workforce Services Manager with respect to determining the list of comparators, performing associated analysis, and recommending the details of an executive compensation package for the Board's consideration and adoption. In the alternative, the Board may choose to engage the services of a contracted compensation professional or hiring agent to determine an appropriate benefits and compensation package.

The Board may also choose to establish a salary range and basic benefits package as a framework to be used in the solicitation of candidates for the General Manager role, with the understanding that final salary and benefits package details will be determined through direction negotiation between the final candidate and the Board or its designee.

Once the General Manager's Employment Agreement has been executed, the specific terms of the Agreement shall govern the on-going management of the General Manager's compensation and benefits package for as long as the Agreement remains in effect.

Contingent upon mutual agreement by the Board and the General Manager, the General Manager's Employment Agreement, in its entirety or in any aspect, may be renegotiated and amended at any time.



### Executive Limitations Policies (EL Policies)

EL4                                      Compensation and Benefits  
Effective Date                      November 18, 2008

In order to protect the fiscal integrity and public image of EWEB, with respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the General Manager shall not:

- Change his or her own compensation and benefits.
- Promise or imply unconditional permanent or guaranteed employment.
- Administer compensation and benefits that fail to address individual accountability, motivate and reward for knowledge and skills, encourage organization flexibility and responsiveness, or are inconsistent with the geographic and professional markets for the skills employed.
- Establish compensation practices that fail to take into account the following parameters:
  - Data sources, which include comparably sized and situated utilities
  - Annual revenues, which typically fall within the range of EWEB's annual revenues
  - The inclusion of multi-service utilities, when appropriate
  - An appropriate balance of public and private organizations
  - A mix of custom market survey data and available published survey sources
  - Data sources, which include local and regional data, as appropriate
  - Non-discriminatory practices
- Establish benefits practices that fail to take into account the following parameters:
  - Data sources, which include comparably sized and situated organizations
  - An appropriate balance of public and utility organizations
  - Health care plan designs that emphasize prevention and consumer accountability
  - Consideration for ease of administration
  - The inclusion of emerging health care trends

**EXECUTIVE COMPENSATION:** Executive compensation market pricing studies shall also adhere closely to these guidelines as possible and shall be comparable to pricing studies used for other EWEB employees.

Additionally, all appropriate data sources may be used when such parameters are not clearly spelled out or vary slightly. The appropriateness of data sources will be evaluated to include sources that have good job matches or relevant industry data, using established criteria whenever possible.

**Source:** Christina Bennett, Board Approved 11/18/08, Resolution No. 0843.