



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Helgeson, Mital, Brown and Carlson
FROM: Sue Fahey, Chief Financial Officer; Susan Eicher, Accounting and Treasury Supervisor
DATE: December 23, 2016
SUBJECT: Supplemental Retirement Plan Committee Reappointment
OBJECTIVE: Approval of Resolution No. 1701

Issue

EWEB maintains a Supplemental Retirement Plan (SRP) that requires the annual appointment of a committee to make certain decisions.

Background

The EWEB SRP was created in 1968 and closed to new participants in 1988. The plan currently has 37 participants or beneficiaries, with an average age of 89 years, to whom payments are made. In 2015 EWEB paid \$233 thousand in supplemental retirement benefits. The plan is closed and there have been no recent changes in the design or terms of the plan.

Discussion

EWEB funds the plan on a “pay as you go” basis, and staff monitor and administer the plan. A contracted payroll service prepares monthly checks and tax documentation for plan participants. The terms of the plan include a cost of living adjustment (COLA) based upon the rate used by the Oregon PERS plan.

Recommendation

Management requests that the Board approve the appointment of Susan Eicher, Assistant Treasurer; Diane Krause, Payroll Administrator, and Karen DeChellis, Benefits Consultant, to the Supplemental Retirement Committee.

Requested Board Action

Approval of Resolution No. 1701

**RESOLUTION NO. 1701
JANUARY 2017**

**EUGENE WATER & ELECTRIC BOARD
ANNUAL APPOINTMENT OF SUPPLEMENTAL RETIREMENT PLAN COMMITTEE**

WHEREAS, the Eugene Water & Electric Board maintains a Supplemental Retirement Plan in effect since January 1, 1968, which was last amended and restated in July 1988, with an objective to provide a benefit on retirement which supplements Oregon PERS benefits;

WHEREAS, the Supplemental Retirement Plan is a single-employer plan providing retirement, death and disability benefits to a closed group of EWEB retirees and their beneficiaries;

WHEREAS, a Trust was created in accordance with the Pension Trust Agreement effective May 16, 1975, for the benefit of funding the Supplemental Retirement Plan;

WHEREAS, funding of the plan since is provided by Board contributions, deposited to the existing trust account as needed to meet obligations to retirees, together with earnings on plan assets;

WHEREAS, the Supplemental Retirement Plan provides for annual appointment and reappointment by the Board of a Retirement Committee of three to seven members charged with the general administration of the Plan, subject to the consent and approval of the Board of Commissioners;

WHEREAS, management recommends the Board reappoint Susan Eicher (EWEB Assistant Treasurer), Karen Dechellis (EWEB Human Resources Benefits Consultant), and Diane Krause (EWEB Payroll Administrator), as EWEB personnel without rights in or to the Supplemental Retirement Plan funds, be appointed to the Retirement Committee;

NOW, THEREFORE, BE IT RESOLVED by the Eugene Water & Electric Board that:

The Board continues the Supplemental Retirement Plan without amendment, and hereby reappoints the Retirement Committee to be comprised of Susan Eicher, Karen Dechellis, and Diane Krause.

The Retirement Committee shall continue to administer the Supplemental Retirement Plan in accordance with its terms, and remain as trustee fulfilling applicable duties under the 1975 Pension Trust Agreement. The trust account may be maintained at a zero or minimal balance within the discretion of the Retirement Committee. Based upon the closed membership in the Supplemental Retirement Plan and the anticipated budget requirements to cover benefit payments in the future, the Board does not require the Supplemental Retirement Plan to be pre-funded. The Board will continue to fund the Supplemental Retirement Plan contributions as a budgetary item on a prospective basis.

Dated this 10th day of January 2017.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, ANNE M. KAH, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its January 10, 2017 Board Meeting.

Assistant Secretary