



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Carlson, Barofsky, McRae and Schlossberg
FROM: Lena Kostopulos, Chief Workforce Officer
DATE: July 05, 2022
SUBJECT: Policy to Replace Current Board Policy EL-4, Compensation and Benefits
OBJECTIVE: Adoption

A proposed draft replacement for the current Board Policy EL-4, Compensation and Benefits was included as correspondence in the packet of June Board Meeting materials for the Board's review, feedback and consideration.

In as much as Commissioners did not direct any changes to the proposed replacement draft, the attached final version of Board Policy EL-4, Compensation and Benefits along with Board Resolution 2215 are respectfully submitted for the Board's adoption at the July, 2022 Board Meeting.



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 direct 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.

**RESOLUTION NO. 2215
JULY 2022**

**EUGENE WATER & ELECTRIC BOARD
UPDATE TO BOARD POLICY EL4 – COMPENSATION AND BENEFITS**

WHEREAS, the Eugene Water & Electric Board (EWEB) maintains a Board Policy Manual that contains governing policies for the Board of Commissioners; and

WHEREAS, the Board of Commissioners periodically reviews said policies and identifies required modifications or amendments to those policies; and

WHEREAS, the Board of Commissioners periodically determines that new policy is required to adequately document the work or intention of the Board with regard to governance, Board-staff linkage, strategic direction, or executive limitations; and

WHEREAS, the Board of Commissioners has reviewed a proposed replacement for Board Policy EL4, Compensation and Benefits, and has determined the new policy is appropriate and necessary to reflect the Board’s desired operating procedures. The amended policy shall be reviewed periodically as necessary to ensure the policy is achieving the desired effects.

NOW, THEREFORE, BE IT RESOLVED the Eugene Water & Electric Board hereby approves the new Board Policy EL4 – Compensation and Benefits. .

DATED this 5th day of July 2022.

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 July 5, 2022 Regular Board Meeting.

Assistant Secretary