

Detroit Water and Sewerage Department

HUMAN RESOURCES COMMITTEE CHARTER

The Human Resources (HR) Committee, on behalf of the Board of Directors, will; 1) oversee and monitor the Department's human resource policies, plans, and procedures, 2) review and recommend for Board approval, decisions relating to the fair and competitive compensation of executives, directors, and other key employees, and 3) oversee the preparation of the annual compensation discussion and analysis and other disclosure obligations to be included in the Department's disclosure statements.

Composition

The HR Committee shall have at least three members in accordance with the DWSD bylaws. The Board shall appoint one member as Committee Chair.

- The Committee shall designate an official Secretary of the Committee.
- A quorum shall be a majority of the members of the Committee.

Meetings

The HR Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair.

- Effective agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.
- Minutes of each meeting shall be prepared by the **Board** Secretary, reviewed by the Committee and made available to the Board.
- Any Board of Water Commissioner not a member of the Committee may attend a Committee meeting on a non-voting basis. The Director of DWSD may be present at all meetings of the Committee, excluding performance review of the Director.

Human Resources and such other staff as appropriate to provide information to the Committee shall attend meetings upon the invitation of the Committee Chair.

Duties and Responsibilities

The duties and responsibilities of the Human Resources Committee shall include, without limitation and subject to BOWC:

- 1 Establish an annual calendar of Committee activities including which activities will be addressed at which meetings.
- 2 Review, annually, the Department's human resource policies, procedures, programs compensation and benefits plans for all employees, recommending changes, as appropriate to the Board.
- 3 Review and approve policies on compensation, benefits, including and long term incentive plans. This includes the compensation strategy and philosophy.
- 4 Annually conduct an external market assessment comparing DWSD's executive compensation levels and programs to its peer group and other applicable survey

information. This review should include a review of general trends and emerging issues that should be considered in making decisions about executive compensation.

- 5 Review, quarterly, the goals and objectives relevant to Director compensation, evaluate the Director performance against those goals and objectives, and determine the Director compensation level based on this evaluation. In determining the long term incentive component of Director compensation, the Committee will consider DWSD's performance, the value of the incentive awards to Directors in comparable organizations, and the awards given to the Director in past years.
- 6 Make recommendations to the Board for Directors for Director compensation, benefits, and perquisites.
- 7 Review and assess management's plans and programs for attraction, retention, business and development of human resources to achieve Department objectives.
- 8 Review and approve the hiring and termination of officers of the Department, including the terms of any employment contract. Review and approve the hiring of any employees outside of the scope of the authority granted the Director or who are designated as key employees to receive enhanced separation benefits. Review and approve consulting arrangements outside the scope of authority granted the Director. Periodically review with management all consulting arrangements entered into by DWSD.
- 9 Receive any reports or complaints concerning actual or threatened retaliatory actions against employees for filing complaints or making reports concerning violations of the Department's Code of Business Conduct and Ethics including, without limitation, complaints regarding questionable accounting or auditing matters.
- 10 Annually, the committee reviews DWSD's compensation practices and the relationship among risk, risk management and compensation in light of the Department's objectives, including its safety and soundness and the avoidance of practices that would encourage excessive risk.

Reporting/Authority

Following each meeting the Committee will report to the board on key issues, recommending items for approval and/or remedial action when required.

- Copies of the minutes of all Committee meetings will be filed with the Board at the next Board meeting after a meeting is held (these may still be in draft form).
- Supporting schedules and information reviewed by the Committee shall be available for examination by any Director upon request to the Secretary of the Committee.

The Committee shall have the authority to investigate any human resource activity of the Department. All employees are to cooperate as requested by the Committee. The Committee has full access to all Department human resource information. The committee has the authority to create subcommittees for special projects or ongoing activities.

Subject to BOWC approval, the Committee shall have the authority to recommend, retain and terminate a consulting firm to assist and advise on Committee matters, including evaluation of director, officer and employee compensation, including the fees and other terms of the consulting retainer. The Committee shall also have the authority to retain other professional assistance, including independent counsel and actuaries. DWSD will provide the Committee adequate funds to cover consulting fees and other costs incurred in carrying out its duties and responsibilities. The Committee has the responsibility to verify that any consultant to the Committee does not have a conflict of interest prior to the engagement.

The Human Resources/Organizational Development Officer will be the key contact for the Committee and will assign the staff resources appropriate to assist the Committee to carry out its responsibilities.

This Charter may be modified from time to time at the sole discretion of the Board of Water Commissioners.

Revised and Approved as Written on December ____, 2016