COMPENSATION COMMITTEE REPORT
MEETING OF
WEDNESDAY, JUNE 8, 2016, AT 1:30 PM

A regular meeting of the Compensation Committee was convened by Chair Les Birdsall, at 1:32 PM, in the Board Room at the Gateway complex.

Present, in addition to the Chair, were Committee members Sue Adams and Mel Fredlund. Also in attendance were Tim O'Keefe, CEO of GRF; Anthony W. Grafals, General Counsel and Director of Confidential Services; Judith Perkins, Sr. Manager Human Resources, and Marla Pascoe, HR Generalist.

The report of the Committee's meeting held on July 8, 2015, was reviewed and approved by the Committee as presented.

Directors Mary Lou Delpech and Ken Haley were present; neither offered any comments.

Chairman Birdsall offered a few comments regarding the importance of the work done by the Compensation Committee. His goal is that the actions of the Compensation Committee will help renew employee confidence in the Board of Directors.

Grafals introduced the agenda materials, with a brief description of the changes in resource materials for the Committee. Perkins reviewed the budget preparation timeline, which highlights the Committee meeting dates and duties in the context of the Board-approved budget timeline. After being moved, seconded and discussed, the Committee unanimously approved moving the July meeting from July 13 to July 20, to accommodate Director Fredlund's planned absence.

Grafals introduced the Compensation Committee Resource Manual and took the Committee through the Manual. Most questions were answered as they arose. Questions and concerns to be addressed by staff on or before the next meeting include 1) changing "undertaken" on page 9 (2016 Compensation Study Executive Summary) to "begun" to underscore that the study is not yet complete; 2) clarify if the numbers on page 11 (GRF Compensation History (Excluding MOD)) are actual or budget numbers; 3) clarify the information on page 4 (Compensation Background) regarding the dental and vision plans; and 4) include the information on GRF-paid benefits offered to employees. In addition, staff was requested to provide information regarding the compensation management structure, to include the number of bands and examples of titles within each band, and to include the number of employees in each classification that were in the band, above the band and below the band.

Grafals then introduced the Board-approved compensation philosophy and explained its role as the foundation for compensation and benefits decisions. The following discussion included: the philosophy is a tool used by the CEO in making compensation decisions; has a bearing on benefits offered; needs to be reviewed and affirmed by each Compensation Committee and Board at the beginning of the

Call to Order
Attendance
Report of DATE 201X Approved
Residents' Forum
President's Comments
New Business
a) Budget Preparation Timeline
b) Review of Compensation Committee Resource Manual
c) Review Compensation Philosophy
Compensation Committee
July 11, 2012

budget process to guide discussions. Although there were suggestions for tweaking the language, no motions were made and no votes taken.

The next meeting of the Compensation Committee will be at 1:30 p.m. on Wednesday, July 20, 2016; the location will be confirmed by email to the Committee members on Thursday, July 9, 2016.

The meeting was adjourned at 2:55 pm.

Leslie Birdsall, Chair
Compensation Committee

JP/m