

COMPENSATION COMMITTEE REPORT
MEETING OF
WEDNESDAY, AUGUST 15, 2018, AT 1:00 PM

A regular meeting of the Compensation Committee was convened by Chair Mary Neff, at 1:00 PM, in the Board Room at the Gateway complex.	<u>Call to Order</u>
Present, in addition to the Chair, were Committee members Birdsall, Brown and Roath. Also in attendance were Tim O'Keefe, CEO of GRF, and Judith Perkins, Sr. Manager Human Resources.	<u>Attendance</u>
The report of the Committee's meeting held on July 19, 2018 was reviewed and approved by the Committee as presented.	<u>Report of July 19, 2018 Approved</u>
Board of Directors President Bob Kelso and resident Ken Haley were present. No comments were offered at the Residents' Forum.	<u>Residents' Forum</u>
Chairman Neff reminded the Committee members that this meeting was focused on a review of Director Brown's compensation analysis tool, and that no decisions would be made. Neff then reviewed the key concepts of the Compensation Management Structure (CMS) and the current organizational practice of paying for performance through merit increases based on employee performance against goals and manager evaluation.	<u>New Business a) Review of Key Concepts of CMS</u>
CEO O'Keefe and Sr. Manager HR Perkins provided a brief history of performance and compensation management from 2006 through 2018. O'Keefe provided a brief presentation explaining how changes in the external market affect the salary ranges of the CMS, how wage increase changes affect positioning within the pay range, and what happens when wage changes are greater than or less than the market change.	<u>b) GRF 2018 Evaluation Process</u>
Director Brown then explained his compensation analysis tool, which is designed to numerically calculate a target wage for individual employees, based on their performance evaluation rating, current wage, and pay range (CMS). The tool also provides a numerical summary of the number of employees whose current wage varies from the theoretical target wage. The ideal outcome of using this tool would be the ability to accurately forecast wage change requirements earlier than the current system allows, thereby allowing for more accurate budgeting.	<u>c) C Brown's Compensation Analysis Tool</u>
The next meeting of the Compensation Committee will be Wednesday, October 10, 2018, at 1:00 pm in the Board Room, Gateway Administration Building.	<u>Next Meeting</u>
The meeting was adjourned at 3:00 pm.	<u>Adjournment</u>

Compensation Committee
August 15, 2018



Mary Neff, Chair
Compensation Committee

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