

# AGENDA

## COMPENSATION COMMITTEE

MEETING OF  
WEDNESDAY, JUNE 13, 2018, AT 1:30 P.M.  
BOARDROOM - GATEWAY

1. MEETING CALLED TO ORDER: Chair Mary Neff.
2. ROLL CALL: Neff, Birdsall, Brown, Roath
3. APPROVAL OF REPORT OF May 16, 2018 (Attachment)
4. RESIDENTS' FORUM
5. OLD BUSINESS
  - a) Market Adjustment Fund (Attachment)
6. NEW BUSINESS
  - a) Discussion of Board Recommendations
    - i) Wage Pool Budget Principle
    - ii) Market Adjustment Budget Principle
6. NEXT MEETING: Thursday, July 19, 2018, at 9:00 a.m. in the Board Room at the Gateway complex
7. ADJOURN

If an executive session is necessary, it will be announced during the regular meeting. Executive session topics are restricted to legal, personnel, and third-party contract matters.

cc: GRF Board

COMPENSATION COMMITTEE REPORT  
MEETING OF  
WEDNESDAY, MAY 16, 2018, AT 1:30 PM

A regular meeting of the Compensation Committee was convened by Chairman Steve Roath, at 1:30 PM, in the Board Room at the Gateway complex.

Call to Order

Present, in addition to the Chair, were Committee members Les Birdsall, Carl Brown, and Bob Kelso. Also in attendance were Tim O'Keefe, CEO of GRF; Anthony W. Grafals, General Counsel and Director of Confidential Services; Rich Chakoff, Chief Financial Officer; Judith Perkins, Sr. Manager Human Resources.

Attendance

The report of the Committee's meeting held on April 5, 2018 was reviewed and approved by the Committee as presented.

Report of  
April 5, 2018  
Approved

Board members Ken Anderson and Mary Neff, as well as former Board member Ken Haley, were in attendance. No comments were offered at this time.

Residents'  
Forum

Perkins summarized the staff report for the Committee. The ECI for private industry in the San Francisco Bay Area (San Jose-San Francisco-Oakland), for the 12 month period ending March 2018 was 4.9. Based on the 2018 salary budget for GRF operations-budgeted employees, and applying the ECI index of 4.9%, the estimated wage increase cost for non-represented employees is \$255,000. The estimated wage increase cost for represented employees is \$122,000, for a total wage increase cost of \$377,000 (all numbers are rounded by the nearest \$1000). For the 12-month period ending April 30, 2018, the comparable CPI-U was 3.2.

Staff Reports  
a) March 2018  
ECI

After a discussion including the value of the ECI versus the CPI-U, relative costs for the residents, the Foundation's compensation philosophy, and related topics, a motion duly made and seconded was passed 3 – 1 (Birdsall) to rescind the Committee's recommendation of April 5, 2018 and recommend to the Board of Directors that the CPI-U for the San Francisco Bay Area, for the 12 month period ending April 30, 2018, be used to fund a base wage adjustment increase in the 2019 budget.

A motion duly made, seconded and discussed, to modify the Committee's recommendation of April 5, 2018, to increase the market adjustment pool to \$130,000, resulted in a tie vote (Brown, Kelso) and thus failed.

The staff report was briefly discussed. As it utilized the funding recommendations of the April 5, 2018, meeting, Brown volunteered to update it to reflect the new recommendation. Perkins was asked to provide Brown with a de-identified spreadsheet for all non-represented employees funded by the GRF operating budget, for Brown's use developing prototype reports.

b) Variable  
compensation  
Tool Prototype

The Committee also agreed to present their recommendations to the Board of Directors as the June 28, 2018 Board meeting.

Compensation Committee  
May 16, 2018

The next meeting of the Compensation Committee will be Wednesday, June 13, 2018, at 1:30 pm, in the Board Room, Gateway Administration Building.

Next Meeting

The meeting was adjourned at 3:20 pm.

Adjournment

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Steve Roath, Chair  
Compensation Committee

JP/m

Meeting Date: 6/13/2018

**SUMMARY REPORT**  
**GOLDEN RAIN FOUNDATION COMPENSATION COMMITTEE**

**REPORT PREPARED BY:** Judith Perkins, Sr. Manager Human Resources

**REQUESTED ACTION/RECOMMENDATION:** Recommend to the Board of Directors that a Market Adjustment wage pool be established for fiscal year 2019, to be distributed as determined by the CEO and management staff.

**BACKGROUND:** The Committee has determined through discussions at previous meetings that wage adjustment funding, in addition to any general raise, is needed to maintain Foundation wage levels at the appropriate market-relative position, as defined by the Foundation's Compensation Philosophy. Rather than establishing separate funding for the various ways wages could be adjusted (merit, catch-up, promotion, etc.), establishing one Market Adjustment fund allows the CEO and management team to use the funds as best meets the needs of the organization while honoring the Compensation Philosophy.

At the April 5, 2018, meeting, the Committee approved a motion to recommend to the Board of Directors a Market Adjustment fund of \$60,000. Subsequent discussions at the May 16, 2018, meeting suggested the possibility of revising this number. This report is brought forward to confirm the dollar amount this Committee is recommending to the Board of Directors for inclusion in the 2019 budget.

<b>CRITERIA</b>	<b>Project:</b>
<b>Financial Impact</b>	Dependent on Committee recommendation and subsequent Board action
<b>Operational Efficiencies</b>	N/A
<b>Dependencies</b>	N/A
<b>Subsequent Actions</b>	Formal recommendation to the Board of Directors at the June 28, 2018, meeting.
<b>Alternatives/Options</b>	N/A
<b>Time-Frame</b>	Recommendation due to the Board of Directors at the June 28, 2018, meeting.
<b>Advantages/Benefits</b>	Supports GRF Compensation Philosophy, employee attraction and retention
<b>Disadvantages/Risks</b>	Coupon increase consideration