

COMPENSATION COMMITTEE REPORT
MEETING OF
WEDNESDAY, January 24, 2018, AT 1:30 PM
REVISED

A regular meeting of the Compensation Committee was convened by Chair 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; and Judith Perkins, Sr. Manager Human Resources. Attendance

The report of the Committee's meeting held on July 10, 2017, was reviewed and approved by the Committee as presented. Report of July 10, 2017 Approved

Directors Mel Fredlund and Mary Neff, as well as Ken Haley were present. No comments were offered at the Residents' Forum. Residents' Forum

Chairman Roath opened the meeting by inviting comments regarding the GRF Compensation Philosophy. The Committee agreed that there was no need to reword the Philosophy as currently stated. Chair's Comments

A discussion followed regarding the Compensation Management Structure, the tool used to set pay ranges for GRF employees. A number of suggestions were made regarding possible changes or additions to the adjustment methodology currently in place. These included establishing a target compensation figure for each title; using publicly available salary data in the adjustment process; developing a process for adjusting ranges that includes look-back as well as forecast; modifying the upper range limit to the *higher* of 1.2 of median or 75th percentile; using a wider variety of salary sources to adjust bands; clarifying how staff chooses the data and metrics to be used for adjustments. Committee Discussion

The discussion also touched on concerns regarding use of the CPI-U, whether or not to change the compensation funding (i.e., COLA, merit, catch-up pools) in 2019; and the appropriate timing of using external consultants to validate pay ranges.

Staff was requested to provide at the next meeting:

- a summary of the results of the new performance management evaluation tool as well as the application of the compensation pools approved for use in 2018;
- a document clarifying the band adjustment process, including a timeline of when surveys are available, to allow for possible mid-year tweaking of floors and/or caps;
- a summary of the various grading levels used to evaluate 2017 performance and the distribution by department of the scoring;
- a summary of the number of employees receiving merit recognition and the average amount of such recognition;
- a count of the employees above and below the 2018 range, prior to and post COLA raise.

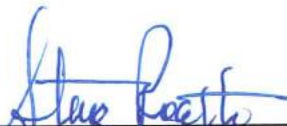
Compensation Committee
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The next meeting of the Compensation Committee will be at 1:30 p.m. on Wednesday, March 21, 2018, in the *Board Room* at the Gateway Administration Building. (Note: location is tentative, waiting for Paulette to confirm.)

Next Meeting

The meeting was adjourned at 3:21 pm.

Recess or
Adjournment



Steven Roath, Chair
Compensation Committee

JP/m