

COMPENSATION COMMITTEE REPORT
MEETING OF
WEDNESDAY, APRIL 5, 2018, AT 1:30 PM

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 Birdsall and Brown; member Kelso attended via speaker phone. Also in attendance were Tim O'Keefe, CEO of GRF; Anthony W. Grafals, General Counsel and Director of Confidential Services; Rick Chakoff, Chief Financial Officer; and Judith Perkins, Sr. Manager Human Resources. Attendance

The report of the Committee's meeting held on March 21, 2018 was reviewed and approved by the Committee as presented. Report of March 21, 2018 Approved

Resident Ken Haley was in attendance, and offered no remarks. Board President Geri Pyle joined the meeting as Old Business item 5 a) was presented. Residents' Forum

As requested at the March 21, 2018 meeting, Grafals presented a Summary Report detailing his review of potential alternate indices for determining the percentage increase for the base wage adjustment funding. After a motion duly made, seconded and discussed, the Committee voted unanimously to recommend to the Board of Directors that the Board approve use of the Employment Cost Index (ECI) for private industry, in the San Francisco Bay Area, for the 12 month period ending March (available in late April/early May). Old Business: a) Alternate Indices

Grafals then presented bar charts, also requested at the March 21, 2018 meeting, depicting the relative position of GRF wages for current positions within current and market wage bands. These or similar charts could be a useful tool for assessing the status of GRF pay ranges as compared to external market ranges. b) Relative position of GRF jobs within market bands

In discussing the Compensation Management Structure (CMS), the appropriate positioning of individuals within their CMS range came up. The Committee agreed to defer to a future meeting a discussion of the relative placement of individual wages within the assigned band, as well as potential funding mechanisms to move individuals as appropriate within the bands. In addition, staff was asked to develop an estimate of the amount needed to move current employees to the mid-range of their market bands (i.e., 1.05% of the external market midpoint), for discussion by the Committee. c) Compensation Management Structure

A motion was duly made, seconded and discussed regarding additional funding for appropriate movement of wages within the CMS bands. The Committee voted unanimously to recommend to the Board of Directors that a second funding pool for market adjustments to current wages, in addition to the base wage adjustment pool,

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be included in the 2019 budget.

Following a third motion duly made, seconded and discussed, the Committee voted 3-1 (Brown) to recommend to the Board of Directors that the 2019 budget include \$60,000 to fund the market adjustment pool. The Committee agreed that they hoped the Board of Directors would incorporate these recommendations in the Budget Principles used by Staff to develop the annual budget.

The Committee also briefly discussed the State-mandated increases in the minimum wage (\$1.00/hour increase effective 1/1/2019, and \$1.00/hour each year thereafter to \$15.00/hour) and the impact this has on recruiting, retention, and general employee wages; the duties and skill requirements for Custodian/AV Techs; the general description and duties of fitness trainers. No actions were needed or taken on these topics.

The next meeting of the Compensation Committee will be at 1:30 p.m. on Wednesday, May 16, 2018, in the Board Room at the Gateway Administration Building.

Next Meeting

The meeting was adjourned at 3:35 pm.

Recess or
Adjournment



Steve Roath, Chair
Compensation Committee

JP/m