

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



Steve Roath, Chair
Compensation Committee

JP/m