

**COMPENSATION COMMITTEE REPORT
MEETING OF
THURSDAY, DECEMBER 13, 2018, AT 1:00 PM**

A regular meeting of the Compensation Committee was convened by Chair Mary Neff, at 1:33 PM, in the Board Room at the Gateway complex. Call to Order

Present, in addition to the Chair, were Committee members Birdsall, Brown and Roath. Also in attendance were Tim O'Keefe, CEO, Rick Chakoff, CFO, and Judith Perkins, Sr. Manager Human Resources. Attendance

The report of the Committee's meeting held on August 15, 2018, was reviewed and approved by the Committee as presented. Report of August 15, 2018 Approver

Board of Directors President Bob Kelso and Director Ken Anderson were present. No comments were offered at the Residents' Forum. Residents' Forum

Chairman Neff reminded the Committee members that this meeting was focused on a review of the Foundation's Compensation Philosophy, Compensation Management Structure concept, and the Foundation's 2019 compensation adjustments. In support of this focus, the Committee received several documents as pre-meeting reading, to help ensure all members had a shared understanding. Staff Report
a) CMS Status Report

Perkins presented a staff report which included both salary structure and salary movement information. Based on several salary structure surveys, the floors and caps included in the Compensation Management Structure (CMS) were increased by 3%. Based on the budget approved by the Board, the 2018 wages were increased by 3.2%. Combining the two, it appears that only a few positions may fall below their respective floors. More definitive information will be available at the February Compensation Committee meeting, after staff completes the 2019 salary adjustments.

Neff introduced the concept of setting goals for the Compensation Committee's work in 2019. Examples included developing a set of "look back" reports and tools to assess past salary program decisions and administration; deciding the base wage increase recommendation for the 2020 budget; determining if an additional wage increase pool should be part of the 2020 compensation program; and documenting the Committee's conclusions for future use. Other ideas suggested included developing a Rossmoor specific labor profile; capturing market target wage movement from year to year; and developing a rating distribution chart to potentially assist in determining salary adjustments. Committee members and staff were also asked to bring additional ideas for look-back reports to the January meeting for discussion. New Business
a) Committee Goals

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Perkins reviewed the list of proposed 2019 meeting topics. The proposed topics will be further reviewed, refined, and approved at the January meeting, as will a list of proposed meeting dates to ease scheduling. b) 2019 Meeting Topics

The next meeting of the Compensation Committee will be Friday, January 11, 2019, at 1:30 pm in the Board Room, Gateway Administration Building. Next Meeting

The meeting was adjourned at 3:00 pm. Adjournment



Mary Neff, Chair
Compensation Committee

JP/m