

AGENDA

COMPENSATION COMMITTEE

MEETING OF
FRIDAY, JANUARY 11, 2019, AT 1:30 PM.
BOARD ROOM, GATEWAY

1. MEETING CALLED TO ORDER: Chair Mary Neff.
2. ROLL CALL: Neff, Birdsall, Brown, Roath
3. APPROVAL OF REPORT OF DECEMBER 13, 2018 (Attachment)
4. RESIDENTS' FORUM
5. OLD BUSINESS
 - a) Discuss and agree on goals for the 2018-2019 Compensation Committee, such as:
 - Develop a set of "look back" reports and tools to assess past year's salary program and administration;
 - Decide what the base wage increase will be for 2020;
 - Determine if a pool over and above the base wage adjustment should be part of the 2020 program;
 - Document the Committee's conclusions for future use;
 - Develop a Rossmoor specific labor profile;
 - Track movement of the market target wage for a select number of positions;
 - Develop a rating distribution chart to assist with salary adjustment decisions.
 - b) Discuss and agree on meeting dates and topics for 2019 Compensation Committee (Attachment)
6. NEW BUSINESS
 - a) Define the list of "look back" reports to be prepared and reviewed at the March meeting.
7. NEXT MEETING: February date to be determined, 2019; 1:00 – 2:30 pm, the Board Room at Gateway
8. 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
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 Approved

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

Compensation Committee
December 13, 2018

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

2019 Meeting Dates and Topics

2019 Compensation Committee Meeting Dates and Topics

January	11, Friday 1:30-3	Develop look-back reports to evaluate effectiveness of compensation changes
February TIME CHANGE	21, Thursday 1-2:30	Discuss possible band expansion to include 2017, 2018 & 2019 floor/cap comparisons
March	21, Thursday 1:30-3	Review post-increase 2019 wages versus the calculated CMS floors and caps, and the market rates based on the Gallagher survey
April	18, Thursday 1:30-3	Discussion of appropriate index for base wage increase: CPI-U, ECI, etc.
May		no meeting
June	20, Thursday 1:30-3	Budget-facing items: base wage increase; wage adjustment pool
July	18, Thursday 1:30-3	Budget-facing items: non-represented benefit costs; union contractual costs; CEO compensation
August		no meeting
November	21, Thursday 1:30-3	initial review, 2020 wage calculations

NOTES: The Compensation Committee generally does not meet in May, August, or October, although meetings can be called if need be.

The Committee does not meet in September, due to budget meetings.

The date of the November meeting is somewhat flexible, dependent on the publication date of the Gallagher survey (the week of November 5 in 2018).

The Committee calendar is usually dark from the November meeting through the end of January, due to multiple holidays and family obligations. A January meeting can be called if needed.

Look-Back Report Format

Please use this format to suggest look-back reports for use by the Compensation Committee and the Board of Directors.

- All look-back reports are presumed required by the March 2019 meeting.
- The first row is a sample to illustrate what is needed.

Bring your suggestions to the January 11, 2019, meeting for discussion.

REPORT TOPIC	PURPOSE	RESPONSIBLE	FORMAT	COMMENTS
2019 Evaluation Ratings	Assess management's ability to differentiate performance in employees	Staff	Bar Chart	