

COMPENSATION COMMITTEE REPORT  
MEETING OF  
WEDNESDAY, FEBRUARY 12, 2014, AT 1:30 PM

A regular meeting of the Compensation Committee was convened by Chair Ken Haley, at 1:30 PM, in the Board Room at the Gateway complex. Call to Order

Present, in addition to the Chair, were Committee members Richard Hurley and Alice Lau; Jim Giffin was absent. Also in attendance were Warren Salmons, 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 December 10, 2013 was reviewed and approved by the Committee as presented. Report of  
Dec 10, 2013  
Approved

Two members of the Board of Directors, Don Liddle and Diane Guilfooy, and three residents were present, as were senior staff members Rick Chakoff and Paulette Jones. No comments were offered. Residents'  
Forum

To facilitate the discussion, the Committee combined the Old and New Business items, reviewing and discussing the bonus redistribution suggestions from the staff report and Director Hurley, as well as one presented at the meeting by Director Lau, Old Business:  
a) Staff Report  
regarding  
bonus  
redistribution  
suggestions

Director Hurley voiced an objection to the way in which his suggestion was reformatted in the staff report. He also objected to Director Lau presenting a written suggestion at the meeting rather than with the meeting packet.

Discussion points included agreeing to focus on the philosophy behind the bonus program first; to investigate and consider redistribution scenarios that moved bonus money 'down' the chain of command; and to evaluate the current and potential programs. New Business  
a) Director  
Hurley's bonus  
distribution  
suggestions

While concern was expressed regarding the administration of the bonus program, specifically the number of employees receiving 100% bonuses year over year, the focus of discussion remained on the structure of the bonus program. Bonus program history, current compensation practices and various bonus program models were discussed, as was the need for performance goal-bonus criteria.

The CEO's earlier suggestion (budget process 2013) was revisited. This suggestion adds one-half the maximum current bonus amount to the employee annual salary as a one-time event, and ends the bonus program. After some discussion, staff was directed to prepare a report for the March meeting exploring this suggestion, the resulting Foundation costs and savings, and the pros and cons for 2014 vs 2015 implementation.


Compensation Committee  
July 11, 2012

The next meeting of the Compensation Committee will be at 1:30 p.m. on Wednesday, Mach 12, 2014, in the Board Room at the Gateway Administration Building.

Next Meeting

The meeting was adjourned at 3:40 pm.

Adjournment

  
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Kenneth Haley, Chair / PJ  
Compensation Committee

JP/m