

## APC COMMITTEE MEETING MINUTES

May 17, 2011

Present: APC Committee members: Chair Linda Wishard, Don Paczkowski, Jan Neese, and Lois Willis; Board Representative: Allan Hitchcock; and General Manager, Earl Foster. Guests included Katherine Ray from Ray Associates (a consulting firm with data on Salary Trends and adjustments in the market); and Loyd Smith, Chair of the Finance Committee.

Not present: Judy Wallace, but she sent her comments by email

Linda Wishard opened the meeting at 5:05. She began by introducing Katherine Ray, and asking her to walk us through the report prepared for the APC Committee regarding salary adjustments.

There was a lot of discussion around the data and the methodology used to develop the recommendation for 2012 salary adjustments. A significant point of clarification revolved around the proposed 2% increase in salary structure inasmuch as this is a technical adjustment to salary ranges and has historically been referenced to as a COLA adjustment to maintain market competitiveness. Mrs. Ray's recommendation is that all employees should receive a 2% increase in base pay consistent with the structure adjustment. Earl shared current pay and pay range data, indicating that the District has 13 pay grades currently in use. Discussion followed and the APC Committee accepted the recommendation for the structure adjustment, but did not agree to the automatic 2% COLA increase for employees. The Committee also approved Mrs. Ray's recommendation for a 2% merit pool for 2012. There was agreement that only those employees whose performance excels should be eligible for a merit increase. Earl proposed that the official personnel policy on pay should be revised to reflect this change in philosophy the last two years. The Committee agreed to put this on the Agenda for the next regular Committee meeting.

There was some discussion regarding the timing and process of performance reviews. Earl indicated performance reviews are normally completed in April each year, but were delayed and currently in progress. Earl shared that five managers give performance reviews and he reviews his direct reports; the President of the Board of Directors prepares and conducts the General Manager's performance review. Earl indicated that the performance review process was one area that could be improved and would appreciate any assistance the Committee could provide.

Linda recommended and the Committee agreed that next year, we will distribute a Request for Proposal ("RFP") and solicit bids from at least three compensation consultants, as per the District's policy. Earl suggested this process would probably need to begin in the February timeframe.

Linda asked for an explanation as to how the budget timeline is developed since it appeared that the APC Committee would not be able to provide input or a recommendation on the medical plan before the projected date for Board approval. Loyd indicated the Finance Committee meeting next week would provide him an opportunity to clarify, but he agreed that the information on

medical and other welfare benefits expense was critical to the process and should be accommodated. Earl indicated the budget must be completed in order to determine the rates for 2012 and therefore the budget timeline reflects the August 10<sup>th</sup> board meeting for final numbers to be approved but the budget timeline could be changed as needed and that the Board would need to approve the budget sometime in August. Allan Hitchcock mentioned, the Board likes to keep the Board meetings on the second Wednesday as publicized, but there could be a special Board meeting to accommodate the budgeting process. The APC Committee will await guidance from the Finance Committee, as it is apparent the information regarding potential medical plan increases will not be available until some time in mid-August.

There was a brief discussion about “other welfare benefits” expenses.

Linda asked Earl whether the Ethics Policy had been addressed at the Board meeting. Earl said that Jerry Hieptas recommended that the Committee watch the video if they have any question regarding the guidance from the Board, but would provide the information the Board asked to be passed along to the APC Committee before the next APC meeting so that the Committee can address this policy.

The next APC meeting will be June 28 at 5:00 p.m. in the Board room.

The meeting adjourned at 6:20 p.m.