

**NORFOLK COMMUNITY SERVICES BOARD
AD HOC COMMITTEE ON EXECUTIVE DIRECTOR PERFORMANCE
EVALUATION & COMPENSATION**

**MINUTES
October 27, 2011**

225 W. Olney Road, Norfolk, Virginia

Members Present:

Lewis J. Taylor, Ph.D., Chair
Kathy Weaver, Secretary
Capt. Henry Conde, Ret.
Capt. Neil Walsh, Ret.

Staff Present:

Robert Horne, Corp. Compliance Officer/Board Clerk

Advisors Present:

Comprising a quorum of the members of the Ad Hoc committee of the board

Absent:

Call to Order

The meeting of the Ad Hoc committee was called to order by the Chair at 8:05 a.m.

The minutes for the prior meeting of the Ad Hoc committee were reviewed and the committee gave preliminary approval for the minutes as written pending approval by the board (per Norfolk Community Service Board Policy 1.6.2.).

The Chair opened the meeting with a review of the tasks assigned from the previous meeting. He reviewed the information presented for the committee's review of executive compensation at other community services boards as prepared by Joseph Shorter.

The chair reviewed with the committee the pay bands for the department director level positions within the current City of Norfolk salary structure. There was general discussion on the pros and cons of considering the development of a basic compensation package along with the ability to provide recognition through pay-for-performance and/or bonus for exceptional meritorious service. The main points were:

- Maintaining independence as an operating board while maintaining our alignment with the City of Norfolk's compensation structure;
- Creating a pay band structure for compensation of the executive director consisting of a minimum/maximum salary with 10 co-equal pay bands;
- The ability to provide meritorious compensation for extraordinary performance.

There was discussion of aligning the contract period for the executive director to the State Fiscal Year and how best to do this. The committee discussed proposing that the board adopt a multi-year contract, renewable annually.

The committee discussed the monitoring of executive director performance per Board Policy 2.4 (Monitoring CEO Performance). The committee discussed using a scoring of the performance of the executive director based on current board policy. The chair agreed to craft a draft of the proposal to go to the board and circulate that to the members.

Adjournment

The committee discussed completing the remaining work of the development of a final proposal to the board via e-mail correspondence. As a result, there was no additional next meetings scheduled at this time.

The Chair adjourned the meeting at 9:45 a.m.

Respectfully submitted,

Kathy Weaver
Secretary

KW/rah

Attachment: Background document (1 page)

To: Dr. Jay Taylor. Chairman of the Board. NCSB.

From: Joseph Shorter, JD. Director of HR. NCSB

Subject: Executive Compensation Policy and Practice

Date: October 21, 2011

Over the course of the past week I have been in contact with the CSBs you identified, in order to gather information related to Executive Compensation. I have summarized the information below and found it a worthwhile read. The project reminded me that we can do more to improve our compensation offerings within the NCSB, without incurring additional costs. Specifically, a deferred compensation or 457 Plan. The 457 Plan would help staff plan for retirement by allowing pretax contributions up to a limit of \$16,500 per year. With additional amounts allowed for staff over 50 years of age and for staff approaching retirement. A 457 Plan also enables staff to borrow funds from themselves at a low interest rate for very specific purposes as defined in IRS regulations. In closing, I expect to receive some information updates early in the week and will forward on to you. Please let me know if I can be of further assistance or you have any questions.

Arlington County Community Services Board

All management staff for the county are placed into "broad bands" based on level of responsibility and job title. Common practice in state and county governments. The Executive Director is treated as a Division Director and participates in a pay for performance plan. The plan is titled Senior Management Accountability Program. Calls for competitive hiring, negotiated salary and benefits package. Plan defines working conditions such as changes to assignment, transfer, and separation or severance which are set on a case by case basis. Performance plans are set annually and signed as agreements with performance goal input from county management at the department and division levels. Plan also includes defined competencies and 360 degree performance feedback element where subordinates are provided an opportunity for input. Annual plan includes professional development and performance expectations.

Pay range is \$59,696 - \$156,582. Total salary increase is set by County Manager each year but typically includes a cost of living increase and average county step pay increase. Increases are given annually based on calendar year and performance agreement success. Usually paid as lump sum and/or base increase. Benefits. Up to 10 days of annual leave "front loaded" at the start of employment. Provide a 457 Deferred Compensation Plan retirement plan with room to negotiate up to ¼ of IRS base maximum for the first 5 years of employment (approximately \$4,125 per year). Flexible to give increase as employer contribution to 401a retirement plan. Supervisor recommends the increase but County Manager approves. Market Surveys are conducted periodically to remain competitive. Eligible also for additional merit awards, equity pay adjustments, and assignment pay adjustments at the discretion of the County Manager

Alexandria Community Services Board.

Preliminary information, additional information next week. Executive Director Compensation. Pay Range is \$81,700.72 - \$152,070.88 annually. Participates in the Virginia Retirement System with employee contribution set at four percent of base salary. City offers a deferred compensation 457 Plan. This allows the employee to defer income towards retirement up to \$16,500 per year. With additional amounts that can be contributed during the year for staff over age 50 under catch up provisions and for staff pre-retirement.

Hampton Newport News Community Services Board

No executive compensation plan. Receives same benefits as other HNNCSB employees.

Executive Director is a contract employee with the same compensation, benefit and leave package as other employees.

However, do provide higher leave accrual rates for Director level management. The director earns 30 days of paid annual leave per year. Current salary of Executive Director is \$142,000. HNNCSB participates in the Virginia Retirement System. Currently the Board contributes 10.24% of annual base salary. All staff received a 2% cost of living increase October 1, 2011. No bonus.

Henrico Area Mental Health & Development Services

No executive compensation plan. Executive Director receives same benefits as other county employees.

Salary range is \$109,701 to \$197,125. Mr. O'Conner is salaried at \$159,628.

Leave accrual of 234 hours per year. Sick leave 104 hours per year.

16 hours of floating holiday leave.

Loudoun County Community Services Board.

No executive compensation plan. Receives same benefits as other county employees.

Provide up to 5 days of leave in advance to help new staff relocate. Work week is 37.5 hours. Staff earn 84 hours of leave per year but earn 1 day per year each year that remain with the County up to a 12 day max. Provide relocation package from \$2,000 to \$10,000.

Virginia Beach. Department of Human Services.

Have common employee benefits but Director level staff participate in compensation package for department heads managed through the City of Virginia Beach hr department. Department Heads receive car allowance of \$6,000. Yearly physical exam up to \$500. 5 administrative leave days. 3 months of severance leave regardless of length of service for separation at the request of the City.

Rappahannock Area Community Services Board

No executive compensation plan. The Executive Director receives the same benefits as other RACSB employees. No HR Department and were not very helpful with information.