

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Chairman

Greg Cox
Jim Desmond
Mark Kersey
Robert T. Lloyd
Paul Robinson
Johanna S. Schiavoni
Michael Schumacher
Mark B. West

EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE MEETING and SPECIAL BOARD MEETING *

AGENDA

Thursday, April 25, 2019
10:00 A.M.

San Diego International Airport
SDCRAA Administration Building -- Third Floor
Board Room
3225 N. Harbor Drive
San Diego, CA 92101

Ex-Officio Board Members

Cory Binns
Col. Charles B. Dockery
Jacqueline Wong-Hernandez

President / CEO

Kimberly J. Becker

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. If comments are made to the Committee without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law. ***Please note that agenda items may be taken out of order.***

Staff Reports and documentation relating to each item of business on the Agenda are on file in Board Services and are available for public inspection.

***NOTE:** This Committee Meeting also is noticed as a Special Meeting of the Board to (1) foster communication among Board members in compliance with the Brown Act; and (2) preserve the advisory function of the Committee.

Board members who are not members of this Committee may attend and participate in Committee discussions. Since sometimes more than a quorum of the Board may be in attendance, to comply with the Brown Act, this Committee meeting also is noticed as a Special Meeting of the Board.

To preserve the proper function of the Committee, only members officially assigned to this Committee are entitled to vote on any item before the Committee. This Committee only has the power to review items and make recommendations to the Board. Accordingly, this Committee cannot, and will not, take any final action that is binding on the Board or the Authority, even if a quorum of the Board is present.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Committee Members: Boling, Cox, Desmond (Chair), Kersey

NON-AGENDA PUBLIC COMMENT

Non-Agenda Public Comment is reserved for members of the public wishing to address the Committee on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Committee. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Committee.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the January 24, 2019 regular meeting.

2. COMPENSATION PHILOSOPHY GUIDING PRINCIPLES:

Presented by: Kurt Gering, Director, Talent, Culture & Capability and Andy Welt, Senior Consultant & Manager, Marsh & McLennan Insurance Agency LLC

CLOSED SESSION:

3. CONFERENCE WITH LABOR NEGOTIATOR: (Labor negotiations pursuant to Cal. Gov. Code §54957.6)

Authority Designated Negotiators: Kimberly Becker, Amy Gonzalez; Lee Kaminetz; Angela Shafer-Payne; Scott Brickner; Kurt Gering; Rod Betts, Paul, Plevin, Sullivan & Connaughton LLP.

Employee Organization: Teamsters 911

The purpose of this closed session meeting is to review the Authority's position and instruct the Authority's designated representatives in negotiations with the recognized employee organization on employee benefits.

REPORT ON CLOSED SESSION:

COMMITTEE MEMBER COMMENTS:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section of the agenda is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the Administration Building by using public transit via the San Diego Metropolitan Transit System, Route 992. The MTS bus stop at Terminal 1 is a very short walking distance from the Administration Building. ADA paratransit operations will continue to serve the Administration Building as required by Federal regulation. For MTS route, fare and paratransit information, please call the San Diego MTS at (619) 233-3004 or 511. For other Airport related ground transportation questions, please call (619) 400- 2685.

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE MEETING MINUTES
THURSDAY, JANUARY 24, 2019
BOARD ROOM

CALL TO ORDER: Chair Desmond called the Executive Personnel and Compensation Committee and Special Board meeting to order at 10:01 a.m., on Thursday, January 24, 2019, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Schiavoni led the Pledge of Allegiance.

ROLL CALL:

Present: Committee Members: Boling, Cox, Desmond (Chair), Kersey

Board Members: Schiavoni

Absent: Committee Members: None

Also Present: Kimberly Becker, President/CEO; Amy Gonzalez, General Counsel;
Tony R. Russell, Director, Board Services/Authority Clerk; Clotilde
Gandarillas, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the August 30, 2018 regular meeting.

ACTION: Moved by Board Member Boling and seconded by Board Member Cox to approve staff's recommendation. Motion carried unanimously, noting Board Member Kersey as ABSENT.

Board Member Kersey arrived to the meeting at 10:05 am.

2. EMPLOYEE STRATEGY UPDATE:

Kurt Gering, Director, Talent, Culture & Capability and Stephanie Alexander, Sr. Manager, Talent & Organizational Development, provided an update on the Employee Strategy which included, Employee Initiatives, Train and Develop, Attract a New Generation, Innovative Staffing, Diverse and Inclusive Environment, Cultural Engagement Series, Inclusive Growth Steering Committee, Compensation, and Employee Strategy Success Measures.

Board Member Schiavoni requested that the Board be informed of the different initiatives as members might want to participate.

3. EMPLOYEE BENEFITS OPEN ENROLLMENT RECAP AND MARKET UPDATE:

Joy Freeman, Manager, Safety & Wellness and Heather Hill, Associate Director, Willis Towers Watson, provided an Employee Benefits Open Enrollment Recap and Market Update presentation which included an overview of the health and welfare benefits programs available to employees and Retirees, medical plan employee and retiree enrollment numbers, Wellness Program participation, healthcare reform considerations, a summary of program expenses budgeted and paid for by the Authority, a 5-year trend analysis for healthcare benefit renewal increases, medical cost benchmarks, and dental plan enrollments.

4. AMENDMENT NO. 6 TO THE AMENDED AND RESTATED SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY RETIREMENT PLAN AND TRUST OF 2013:

Kurt Gering, Director, Talent, Culture & Capability, provided a presentation on the proposed Amendment No. 6 to the Amended and Restated SDCRAA Retirement Plan & Trust of 2013 which included, Plan History, Service Credit and Base Compensation calculation, Inactive Non-Vested Member Accounts, and Purchase of Service Credits.

Chair Desmond expressed concerned in regards to the service credit and base compensation findings, in that there could be abuse if employees who do not work 80 hours are credited for 80 hours. He requested that additional options for addressing this finding be provided when this item is presented to the Board.

RECOMMENDATION: Forward Amendment No. 6 to the Amended and Restated Retirement Plan Trust of 2013 to the Board for approval.

ACTION: Moved by Board Member Boling and seconded by Board Member Cox to approve staff's recommendation and directed staff to provide other options to address the finding: "The Airport Plan is silent on how to report Base Compensation when a Full-Time employee works less than his/her standard hours or has a portion of his/her standard hours as overtime" when this item is presented to the Board. Motion carried unanimously.

CLOSED SESSION: The Committee recessed into Closed Session at 11:09 a.m. to discuss Items 5 through 7.

5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Cal. Gov. Code §54957

Title: President/Chief Executive Officer

6. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
Cal. Gov. Code §54957
Title: General Counsel

7. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
Cal. Gov. Code §54957
Title: Chief Auditor

CLOSED SESSION:

REPORT ON CLOSED SESSION: The Committee adjourned out of Closed Session at 12:40 p.m. There was no reportable action.

COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting adjourned at 12:40 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE THIS
25TH DAY OF APRIL, 2019.

KURT GERING
DIRECTOR,
TALENT, CULTURE AND CAPABILITY

ATTEST:

TONY R. RUSSELL
DIRECTOR, BOARD SERVICES/
AUTHORITY CLERK



WORLD CLASS. LOCAL TOUCH.

San Diego Regional Airport Compensation Project Overview

Discussion Document for Board of Directors

April 9, 2019

SDCRAA Five-Year Strategic Plan



Project Objectives

The following reflect the primary objectives of this project:

- ✓ Review the current Compensation Philosophy to ensure that SDCRAA is able to attract, retain and motivate the best talent
- ✓ Refine the approach to defining jobs and job levels
- ✓ Conduct a competitive assessment of cash compensation
- ✓ Assess the external competitiveness of the salary pay ranges.
- ✓ Assess impact of any potential recommendations and work with the Executive Team in developing effective implementation strategies

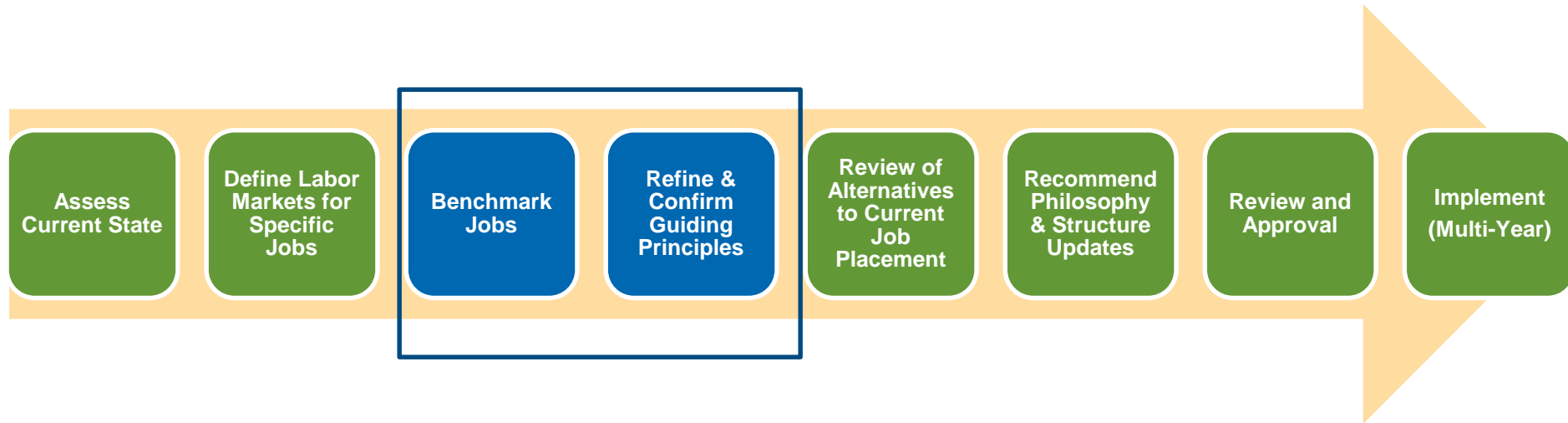
Why is This Important?

As SDCRAA continues to execute its strategic plan, it is important to ensure:

- Best practice review of the Compensation Philosophy to confirm alignment with:
 - Needs of the organization,
 - External market trends, and
 - Needs of our employees.
- Total cash compensation is appropriate compared to our competition:
 - Clearly define the labor markets in which we compete, and
 - Support our ability to attract, retain and motivate top talent.
- Consistent job leveling:
 - Facilitates clear performance expectations,
 - Clarifies methods used to categorize support, professional and management roles, and
 - Offers transparency on position requirements for recruitment and promotion.
- A career development tool which provides line of sight for career advancement.

Project Outline

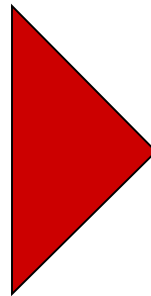
The following is the process and steps we are following:



Current State Executive Summary

Situation

- Compensation Philosophy has not been revised since 2008
- Limited job family structure across organization
- Current DBM doesn't appropriately distinguish/differentiate value of all roles
- Program structure is difficult for some leaders and employees to understand



Opportunities

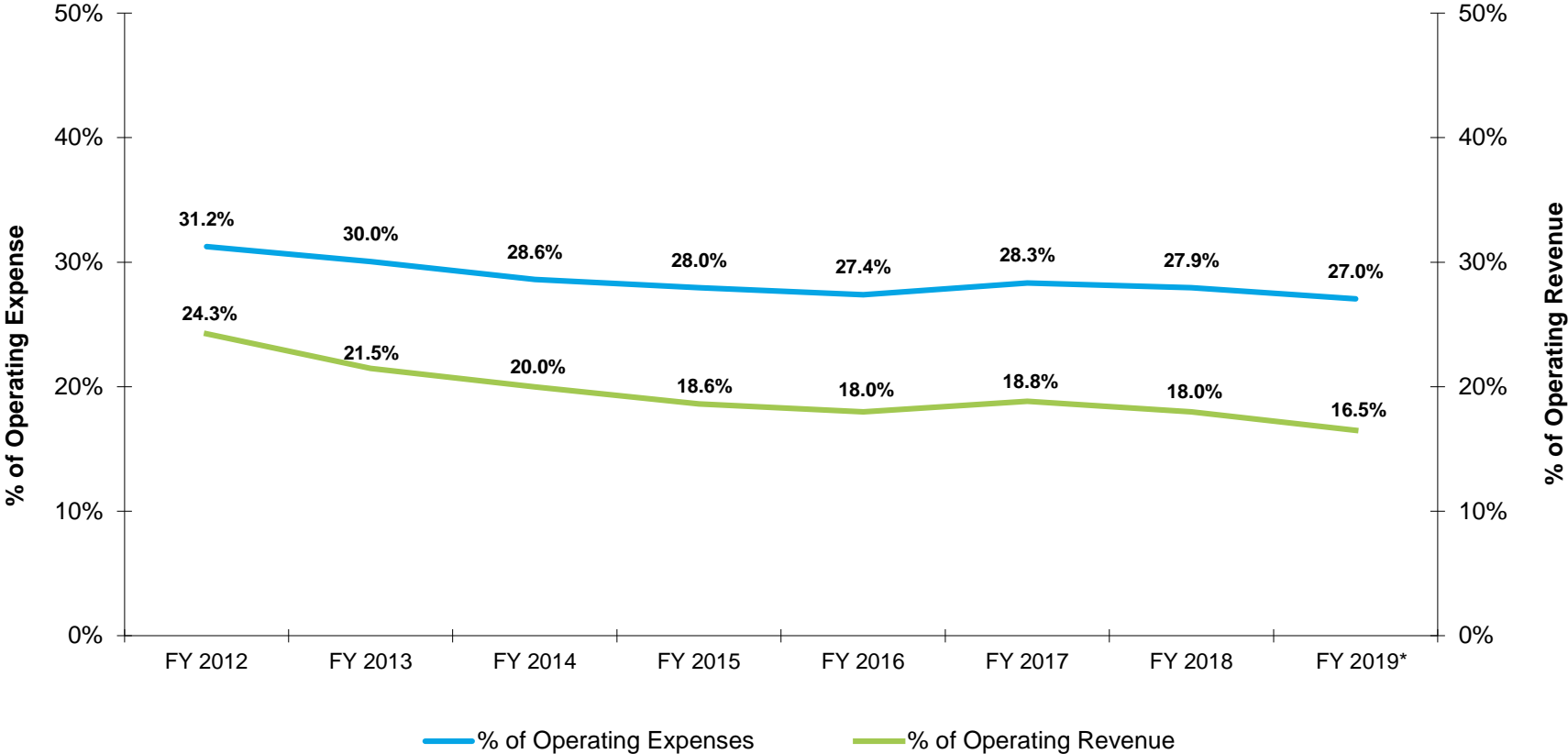
- Adjust compensation structures to better align to market
- Develop pay level framework of job families across SDCRAA
- Define pay ranges within specific job families
- Review target/goal setting of cash incentive program
- Increase program transparency and pay for performance differentiation

Assuring an Effective Compensation Philosophy

Guiding Principle	
#1	Striving to recruit, retain and motivate the highest caliber talent.
#2	Rewarding employees based on pay-for-performance.
#3	Ensure pay programs stay consistent and aligned with business objectives, the leadership style, and company culture.
#4	Guiding the design and administration of total reward program over the long-term and ensuring compliance with statutory requirements.
#5	Reviewing on a periodic basis to ensure that the pay programs are consistent with the reward, performance, and communication objectives.
#6	Articulating information on pay across the organization to ensure a high level of awareness and understanding by managers and employees.

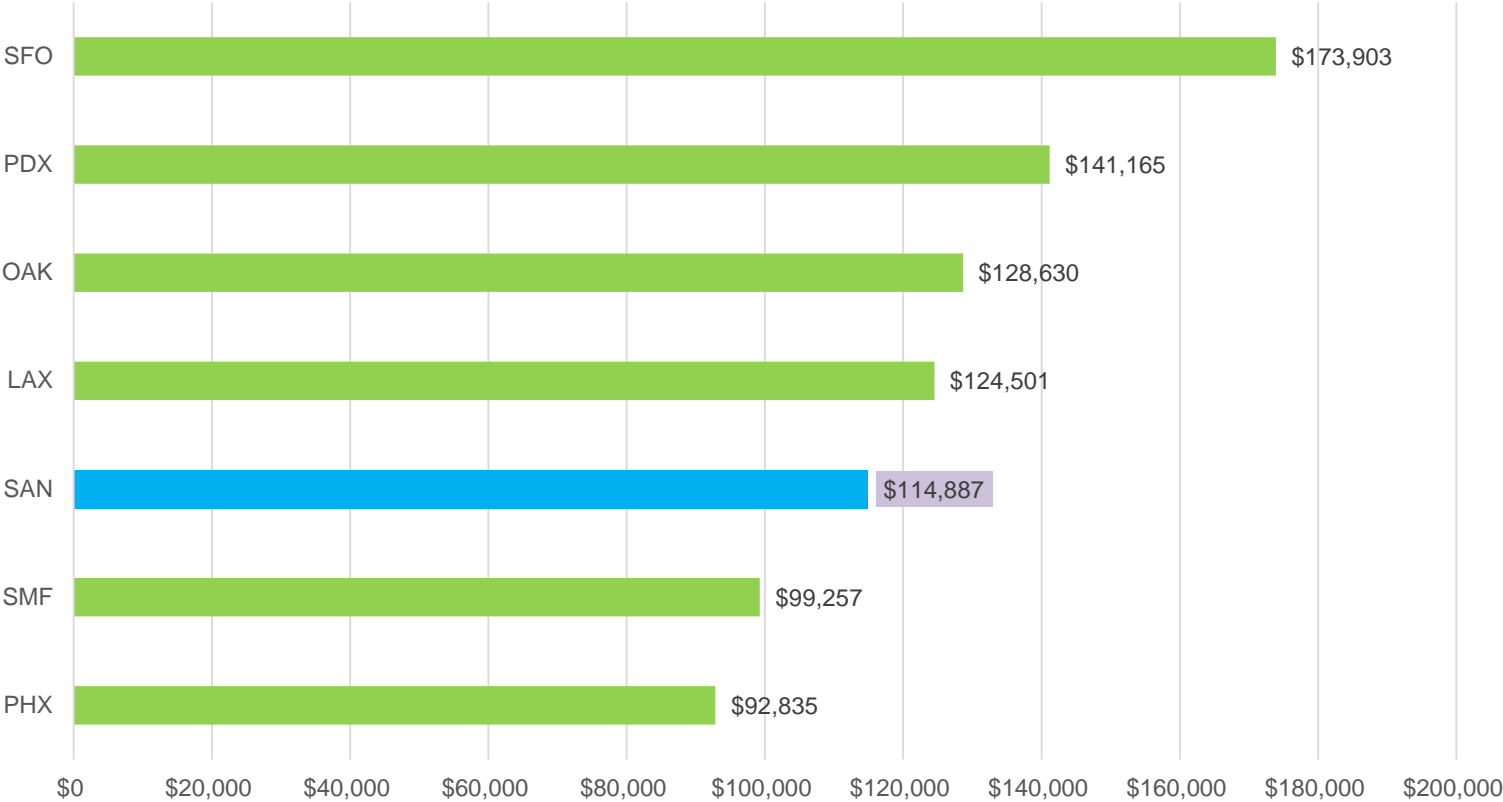
Benchmarks for Total Compensation

Personnel Costs as % Operating Expense / Revenue



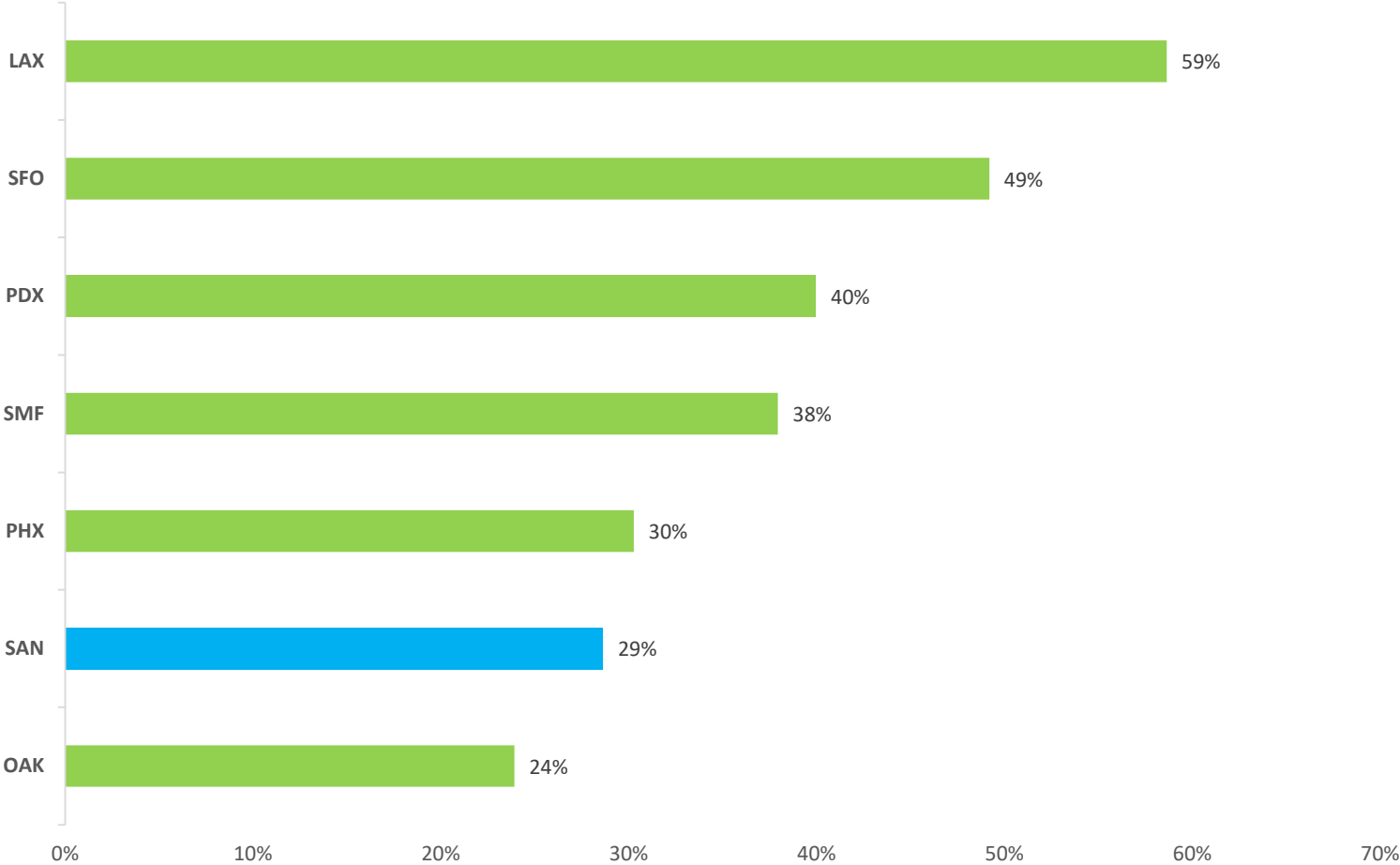
Benchmarks for Total Compensation

2017 Total Personnel Expenses by FTE



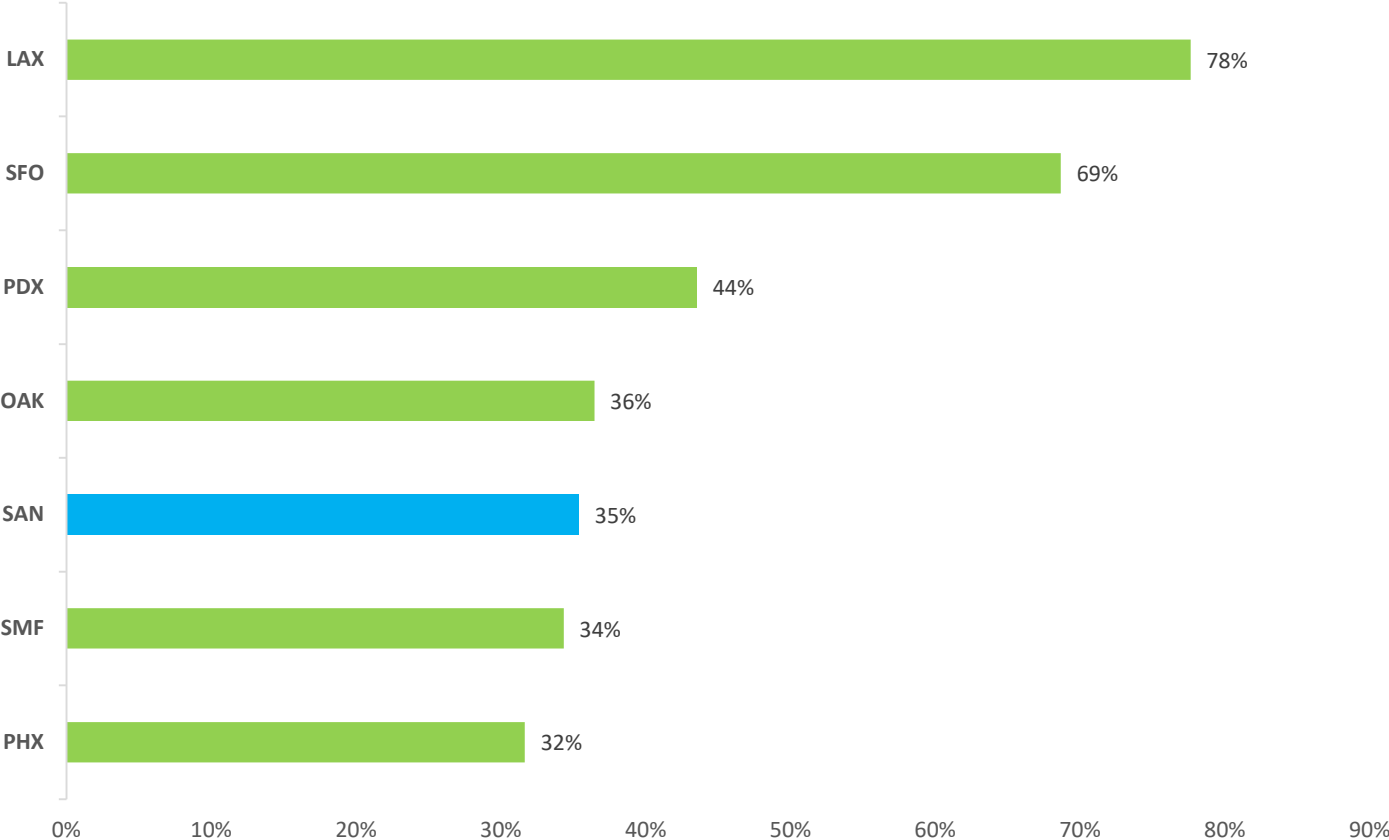
Benchmarks for Total Compensation

FY17 Personnel Expenses/Total Operating Expenses



Benchmarks for Total Compensation

FY17 Personnel Expenses/Total Non-Airline Revenue



Executive Considerations in Leveraging the Guiding Principles

- **What differentiates SDCRAA from its competitors?**
- **How should each component of compensation be aligned with the market?**
- **What behaviors or outcomes are the current plans intended to encourage and are they working?**
- **Is the current emphasis on each pay component (base salary, short-term incentive, benefits, etc.) appropriate going forward?**
- **How closely do you believe performance and pay should be tied at SDCRAA?**
- **What is an appropriate mix of corporate/department/individual performance measures?**

Confirm that the six guiding principles are comprehensive and aligned with Board expectations for a revised compensation philosophy.

QUESTIONS?



MARSH & MCLENNAN
AGENCY

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**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
COMPENSATION PHILOSOPHY AND STRATEGIES
Effective July 1, 2008**

MISSION

We will plan for and provide air transportation services to the region with safe, effective facilities that exceed customer expectations. We are committed to operating San Diego's air transportation gateways in a manner that promotes the region's prosperity and protects its quality of life.

VISION

World Class Performance

VALUES

- We recognize the needs of our customers come first
- We pursue excellence in all our business processes
- We conduct our affairs with honesty and integrity
- We provide a safe, secure, quality-oriented, highly efficient environment
- We foster an informed, productive, diverse, enthusiastic work force
- We believe that continuous learning and personal involvement are job responsibilities
- We believe that everyone counts and we count on everyone

PURPOSE AND PHILOSOPHY

The purpose of the San Diego County Regional Airport Authority's (Authority) classification and compensation system is to support the recruitment, success, and retention of qualified and productive employees and to encourage and reward activities that promote the Authority's vision, mission and goals as an organization. To that end, the Authority desires to recruit and retain individuals who are customer oriented, demonstrate initiative, are team players, and accept responsibility, authority and accountability for work performance. Once employed, the Authority believes that incentives are critical if the employees are to be successful in achieving the mission, goals and objectives of the Authority. The Authority will offer appropriate developmental and advancement opportunities and recognize performance with incentives for employee success, retention, and professional development. The Authority will administer this in an open, fair, and equitable fashion.

GOAL 1 – ORGANIZE THE WORK

To provide for a simplified classification system that defines the general scope and complexity of the work required. The classification system will also facilitate internal equity across all jobs within all departments of the San Diego County Regional Airport Authority. *(While not part of this initial review of the Authority's compensation program for non-represented positions, this Goal is included to reflect a longer term vision as to what the classification should look like in the future.)*

OBJECTIVE 1 – Develop broad job classes.

To establish a classification structure that reflects meaningful and measurable differences in the level of work within each occupational group.

STRATEGIES

- a) The classification system will consist of broadly defined classes that reflect the essential duties and responsibilities performed by incumbents in each class. This approach will facilitate flexibility in the assignment of duties to individual employees within the job classification.
- b) Where practical and feasible within each occupational group, there will be an opportunity for career advancement opportunities. The differences in job levels will be clearly defined and legally defensible.

OBJECTIVE 2 – Develop and maintain a classification structure with job descriptions.

The classification plan will meet the current needs of the departments while providing maximum flexibility to manage and organize the work in a changing environment.

STRATEGIES

- a) The existing classification system will be reviewed to identify current requirements that may inhibit management flexibility. Recommendations will be made to make the system consistent with the

Authority's goals and objectives and will position the Authority to be responsive to change.

- b) The job descriptions, including the statements of essential duties, minimum qualifications, and physical requirements, will be written to reflect the current needs of the Authority. The goal is to ensure that new hires are qualified and capable of performing the work required and that the work being performed is reflected by an appropriate title. Incumbents who currently do not meet the minimum qualifications may be grandfathered into their current classes. However any incumbent not meeting the new minimum requirements will be encouraged to acquire the required knowledge and/or skills within a reasonable time period so that they will be qualified for other positions within the Authority as opportunities arise.

OBJECTIVE 3 – Create a process for requesting reclassification of jobs.

The reclassification process will be administered by the Human Resources Department in an efficient, cost effective, responsive, fair, and equitable manner to meet the needs of both the Authority and its employees. Because the Authority has adopted the concept of broad job classifications, the number of reclassifications should be minimal since the differences between classifications will be clearly defined.

STRATEGIES

- a) Timetables will be established which will set the time the reclassifications will be reviewed and acted upon.
- b) Responsibilities for each step of the reclassification process will be established to include the employee, department head, and the Human Resources Department.
- c) Employees will be notified in writing of the results of the reclassification process and the reasons for approval or denial.

- d) Employees who are reclassified will not receive any adjustment in their base compensation unless the salary range for the class into which they are reclassified has a minimum salary that exceeds the employee's current salary. Reclassification should not be used to circumvent promotions into a higher job classification.

OBJECTIVE 4 – Develop a process for creating new job classes

The classification system will be responsive to organizational and environmental change through the creation of new classes and redefinition of job responsibilities as defined by the Authority and its departments.

STRATEGIES

- a) The job descriptions will be reviewed by the departments on an annual basis to ensure they meet current needs. The Human Resources Department will facilitate the review process.
- b) The Human Resources Department will respond to department requests for individual reclassification, and will assist with the revision of class specifications and development of new class specifications within the broad class concept, as necessary to meet the on-going operational requirements of the San Diego County Regional Airport Authority.

GOAL 2 – DISTRIBUTE PAY

The San Diego County Regional Airport Authority will develop and maintain a competitive Total Rewards Program for non-union classified and at-will employees to include Base Pay (wages for a job performed, Variable Pay (pay that is tied to a person and not a job and will vary from year to year), and Employee Benefits (Health and Welfare) in order to:

- Provide a level of competitive total rewards aligned with the Authority's goals, objectives, and financial operations and targeted results.
- Offer a total rewards package to attract qualified candidates to meet staffing requirements
- Support the retention of motivated employees and enhance productivity by providing a total rewards package that recognizes performance excellence
- Facilitates employee career growth and development

The compensation system will reflect both internal equity and external parity within the various labor markets in which the Authority must compete. The system will also reward employees who perform at "consistently exceeds standards" levels within their respective job class.

OBJECTIVE 1 – Determine the competitive market and benchmark positions.

Compensation levels will reflect the multiple and varied labor markets in collaboration with Public and Private sector positions covering all Authority jobs.

STRATEGY

- a) For management level classes, the labor market will include similar-sized Airports (approximately 50%-200% of the Authority's size) and public sector organizations with which the Authority competes for labor throughout California. Participants will be similar in character as the San Diego County Regional Airport Authority (located in a metropolitan area and be rapidly growing). In 2008, this could include the following airports and

selected private sector recommended by Fox Lawson & Associates, as well as senior management:

Orange County Airport (John Wayne), CA (County owned and operated)

Las Vegas McCarran International Airport, NV (County owned and operated)

Ontario International Airport, CA (Owned and operated by Los Angeles World Airports – City of Los Angeles)

Pasadena/Burbank Airport, CA (Authority owned and operated)

San Jose International Airport, CA (City owned and operated)

Oakland International Airport, CA (Port owned and operated)

Metropolitan Washington Airport Authority (DC) (Authority owned and operated)

Tampa International Airport, FL (Authority owned and operated)

Portland International Airport, OR (Port owned and operated)

Sea-Tac International Airport, WA (Port owned and operated)

Sacramento County Airport, CA (County owned and operated)

Salt Lake City International Airport, UT (City owned and operated)

The Port of San Diego, CA

The City of San Diego, CA

San Diego County, CA

The San Diego County Water Authority, CA

- b) For non-management level classes, the labor market will include airports and other public sector organizations with which the Authority competes for labor in Southern California including San Diego County and Orange County. There may be exceptions and it is understood that there may be case-by-case instances where the Authority may look outside this defined labor market, including the use of published sources (For example, jobs such as those in information technology) when necessary to achieve recruitment objectives.

OBJECTIVE 2 – Determine job value.

To define and determine different levels of job value using a formal method of job evaluation.

STRATEGY

The Decision Band Method™ of job evaluation (DBM) will be used to establish the relative internal value and relationship of all jobs within the Authority.

DBM involves three basic steps: First, jobs are classified into one of six different “decision bands” based on the characteristics of the decisions that the job requires. This classification process reflects the level of responsibility of the job within the organization. The second step involves classifying the jobs within each decision band into “grades” based on the supervisory relationships of jobs within the same band. The third and final step involves further subdivision of jobs within the same grade into “sub-grades” based on the difficulty, complexity, and skills required in relation to other jobs that have been classified into the same band and grade.

OBJECTIVE 3 – Develop pay ranges for each broad class.

Pay grades will approximate the third quartile of the defined labor market for each job as reported in salary survey results in order to recruit and retain qualified employees as outlined in the

purpose and philosophy statement. This means that the Authority will pay, on average, within a range at a level where anywhere from 25% of the labor market may pay more and 50% of the labor market may pay less. Pay range minimums and maximums will be established from survey results and as determined by Human Resources and approved by the President/CEO.

STRATEGIES

- a) The salary structure will provide sufficient breadth to recognize the increased value to the Authority based on performance that meets or exceeds standards for the job. Accordingly, range spans will progress from approximately 30-80%, depending on the level of job and salary range for the job classification. Job rate progression between salary ranges will be at least five percent.
- b) The length of time for progression from the bottom of the salary range to the job rate of the established salary range will increase as jobs move up the salary grade structure. Progression above the job rate may be based solely on performance that is above standard. Merit compensation may or may not be added to the base compensation.
- c) The hiring range will be from the range minimum for minimally acceptable qualified candidates to the job rate for well-qualified individuals. Appointment above the mid-point, but not to exceed the maximum, will be allowed subject to the approval of the President/CEO.
- d) Option: When a market comparison rate for a specific job/class exceeds the defined job rate by at least 15%, a market premium bonus structure may be applied to the specific job/class and paid to all employees in the job/class. The market premium bonus amount shall be applied to the full salary range for the job/class. The market premium shall be subject to review, no less frequently than every six months, and shall be adjusted as appropriate based on the market review. At such

time as the market differential becomes less than 15%, it will be eliminated.

- e) Reclassification/promotion policies will be administered so that resulting salaries are competitive with average salaries in the relevant labor market.
- f) Ensure and apply internal value based on recommendations from Fox and Lawson

OBJECTIVE 4 – Ensure equity.

Classifications not used in development of the salary structure will be placed in the salary structure based upon their internal relationship as determined through the Authority’s standardized job evaluation process.

STRATEGY

The compensation structure will be based on market salary data for benchmark job classifications compiled through a salary survey. Placement of individual job classifications within the overall salary grade structure will be based on their relative internal value using the Decision Band Method™ of job evaluation.

OBJECTIVE 5 - Link performance management plan to compensation.

Salary advancement shall be based on competent performance in the job class as determined through a valid job related performance appraisal system.

STRATEGIES

- a) All salary increases should be granted annually, assuming 12 months of continuous full-time service within the same position and satisfactory performance. Employees should receive salary increases until they reach the maximum rate of the salary grade for satisfactory performance. Employees who perform at less than standard should not receive any in-range adjustment. Option: Advancement beyond the midpoint (for those jobs where the midpoint of the range is the

job rate) should be based solely on performance that exceeds defined standards for incumbents in the job class.

- b) Option: Employees who have reached the midpoint of the salary range (for those jobs where the job rate is the midpoint of the salary range) for their job classification and whose performance exceeds the standard for the job class shall be eligible for compensation advancement or merit awards. Salary advancement shall be granted to those employees whose performance is rated as consistently exceeds standards, on-going and their long-term performance indicates that such above standard performance is the norm. For those employees who demonstrate above standard performance for a single year but prior years performance has been at standard, the employee will receive a merit award that will not be added to the employees' base pay for subsequent years.

Where necessary and appropriate, skill and/or competency based pay may exist in lieu of specific performance criteria.

- c) Option: Increases in base compensation will normally be given to those employees who are compensated at a level at, or above, the midpoint of the salary range and up to the maximum rate for the position range when their performance is rated as consistently exceeds standard through the Authority's performance appraisal process. The amount of the increase will be determined through the Authority's approved salary increase plan in effect at the time and will be awarded to the employee through $\frac{1}{2}$ of the increase being added to the employee's base salary and $\frac{1}{2}$ of the increase being awarded to the employee in the form of a one-time payment or stipend.

This differential in rates is based on the fact that the standard for performance should be higher for someone above the job rate than for someone below the job rate. This requires that the operating department clearly define job expectations for an

employee at the job rate. Normally, this level will require that the employee be a fully performing contributor and meets, on an on-going basis, all of the performance expectations for the job. This is a necessary step since a consistently exceeds standards rating cannot be achieved and awarded until basic expectations are understood by all parties.

- d) Any employee whose salary reaches the maximum pay rate for their position, and achieves an On Target rating is eligible for merit compensation paid out as a lump sum bonus. Option: For any employee whose salary reaches the maximum pay rate for their position, and achieves a Consistently Exceeds Standards rating on their annual performance appraisal is eligible for merit compensation paid out as a lump sum bonus not more often than every other year.
- e) Two intermediate term objectives that are not accomplished through this document are:
 - i. This Authority compensation philosophy is subject to update and revision to, whenever possible, align organizational work groups pay components (e.g., represented, classified, at-will, as well as contract employees). In the pursuit of this objective, it may be necessary to modify/amend this document to gain alignment. This component is with the understanding that the Authority's preferred method of compensation is pay for performance.
 - ii. To introduce a gain sharing component to compensation for all non-represented employees in fiscal year (FY) 2010. The intention is to utilize FY 2009 as an interim year to educate employees as to the components of the gain sharing program with no monetary compensation actually being awarded, as specified by the program, until the conclusion of FY 2010.

OBJECTIVE 6 – Communicate the compensation package to employees.

To keep employees informed regarding their compensation and benefits.

STRATEGY

The Human Resources Department will annually issue a statement to all employees reflecting the total value of the compensation and benefits package.

Note: The goals, objectives and strategies set forth in this plan are subject to budgetary limitations. Nothing contained herein is to be construed as a binding contract.

GLOSSARY OF TERMS

Advancement Opportunity

An opportunity for an employee to earn additional compensation beyond the level of his/her current position. Advancement can result either from a change in job classification or an increase in salary within an established salary range.

Career Ladder

A number of classes to which an employee may progress based on increasing knowledge, experience, skill and/or competencies. The progression may be either vertical or horizontal.

Class Series

A group of jobs that are related in terms of work performed but differ in terms of level of work and minimum qualifications. In a class series, an individual employee will typically have the opportunity to progress to the higher level or levels as (s) he develops increased capabilities and the organization has the need for work at the higher level. Not all jobs are part of a series. Some jobs are very narrow and the Authority does not need more than one level.

Gain Sharing

A variable, at-risk, component of compensation that provides financial awards to all eligible employees contingent upon achieving quantifiable benchmarks in operating performance directly related to the success of the Authority.

Job Evaluation

A process to determine the relative value of jobs within the organization. There are different approaches to job evaluation ranging from informal methods such as whole job ranking and market pricing to formal approaches such as point factor, factor comparison, scored questionnaires and the Decision Band Method™. The informal methods do not use any specific or structured criteria in determining job value. The formal approaches use pre-established criteria and all jobs are measured against the same set of standards resulting in a job hierarchy that is normally more understandable and defensible. Assuming the Authority concurs with the broad class concept, The Decision Band Method™ is recommended, as the other formal methods require a high level of detail regarding each position. Given the Authority's desire to

use broader, more generic job descriptions in order to have flexibility in assignment of personnel and to simplify the Authority's classification plan and processes, the Decision Band Method™ is the most appropriate tool since it is based on the essential duties of the job as set forth in the Americans with Disabilities Act and the level of decisions made by job classification incumbents, not the specific tasks that are performed by each individual employee.

Market Premium

A differential that is paid to employees within a specific job/class when the labor market value of the job exceeds the Authority's established salary range midpoint by at least 15%.

Occupational Group

A group of jobs that fall within a single occupation. Occupational groups may include one or more class series and individual job classes that are not part of a series. The various series and jobs are normally related by the type of work performed, such as administrative, but each series or job will have unique requirements. Typically, jobs in an occupational group fall within the same employment category and would, therefore, be treated in a similar manner.

Salary Range

The minimum and maximum dollar value of a job or group of jobs that have similar economic value to the Authority. Each job classification will be assigned to a salary range. Each position within the job classification will be paid at a rate that is no less than the minimum of the salary range and no more than the maximum of the salary range assigned to the job classification. The salary range is based on a combination of internal equity as determined through job evaluation ratings and external (market) value of the job.

DBM **Job Title**
President/CEO
General Counsel
Chief Auditor

Salary Range
Minimum Mid-point Maximum
Per Contract

E83	Vice President, Finance/Treasurer	\$123,035	\$172,249	\$221,464
E82	Vice President, Administration Vice President, Development Vice President, Marketing & Communications Vice President, Planning/Operations	\$117,984	\$165,178	\$212,371
E81	Vacant	\$112,933	\$158,106	\$203,279
D72	Vacant	\$108,545	\$149,250	\$189,954
D71	Vacant	\$100,823	\$138,631	\$176,440
D63	Director Counsel Services Director, Terminal Development Program Director, Airport Planning Director, Facilities Development Director, Facilities Management Director, Financial Planning & Budget Director, Human Resources Director, Information Technology Director, Real Estate Management Senior Director, Executive Office	\$96,130	\$129,775	\$163,421
D62	Director, Accounting Director, Airside Operations Director, Aviation Security & Public Safety Director, Procurement Director, Public, Community & Customer Relations Senior Program Manager	\$90,891	\$122,703	\$154,515
D61	Director, Airport Noise Mitigation Director, Business Planning Director, Corporate Services Director, Environmental Affairs Director, Intergovernmental Affairs Director, Landside Operations Director, Marketing Director, Small Business Development Director, Training & OD Program Manager Attorney	\$85,653	\$115,631	\$145,610

C52	Database Administrator Deputy Director, Marketing Deputy Director, Public & Community Relations Manager QHP Manager, Airport Finance Manager, Airport Planning Manager, Aviation Security Manager, Audit Services Manager, Aviation & Landside Property Manager, Benefits & Safety Programs Manager, Concession Development Manager, Contract Services Manager, Human Resources Manager, Emergency Preparedness & Public Safety Manager, Risk Management Manager, Technical Services Senior Manager, Facilities Management	\$73,773	\$97,750	\$121,726
C51	Accounting Manager Contracts Manager Manager, Applications Development Manager, Customer Relations Manager, Environmental Affairs Network Manager Real Estate Manager Senior Auditor Senior Financial Analyst Senior Project Mgmt Systems Analyst	\$68,164	\$90,317	\$112,470
C45	Capital Project Manager Construction Manager Construction Manager, QHP	\$73,773	\$97,750	\$121,726
C44	Construction Safety Program Manager Manager, Program Controls Manager, Route Service Development Senior Project Architect	\$68,164	\$90,317	\$112,470
C43	Manager, Ground Transportation Manager, Landside Operations Project Architect	\$61,696	\$80,229	\$98,762

Project Engineer
Senior Applications Development Analyst

C42	Airport Art Program Manager Administrative Services Manager Airport Planner II Airside Operations Duty Manager II Applications Development Analyst Assistant Authority Clerk II Associate Real Estate Manager Financial Analyst II Fleet Manager Government Relations Specialist Human Resources Analyst Maintenance Supervisor Project Mgmt Systems Analyst Risk Management Analyst Senior Cost Analyst Senior Accountant Senior Public Relations Specialist Senior Purchasing Analyst Senior Web Developer Small Business Development Program Manager Senior Airport Noise Mitigation Specialist Senior Environmental Specialist Senior Marketing Specialist	\$58,430	\$75,982	\$93,533
C41	Accountant Administrator, Contract Services Administrator, Board Offices Air Service Analyst Airport Art Program Coordinator Airport Planner I Airside Operations Duty Manager I Associate Environmental Specialist Auditor Benefits Analyst Business Systems Analyst Cost Analyst Customer Relations Coordinator Employee Safety/Workers' Compensation Analyst Ethics Compliance Coordinator/Auditor	\$55,164	\$71,734	\$88,305

HRIS Analyst
 Management Analyst
 Public Relations Specialist
 Quieter Home Program Coordinator
 Records Management Coordinator
 Security & Public Safety Analyst
 Small Business Development Program
 Coordinator
 Systems Support Analyst
 Terminal Operations Coordinator
 Training & OD Analyst
 Web Developer
 Webmaster

B32	Executive Assistant, President Senior Engineering Technician Strategic Planning Coordinator	\$56,777	\$70,971	\$85,166
B31	Airport Noise Mitigation Specialist Financial Analyst I Labor Compliance Analyst Purchasing Analyst Assistant Environmental Specialist	\$50,382	\$62,978	\$75,573
B25	Airport Operation Specialist II	\$56,777	\$70,971	\$85,166
B24	Airport Operations Specialist I Capital Project Assistant Document Control Coordinator Executive Assistant, VP Ground Transportation Specialist Human Resources Assistant Operations Support Technician Paralegal Public Relations Assistant Purchasing Card Program Analyst Security Specialist II Senior Construction Inspector Senior Construction Inspector, QHP Senior Maintenance Project Inspector	\$50,382	\$62,978	\$75,573
B23	Assistant Authority Clerk I Construction Inspector	\$43,424	\$52,129	\$60,835

	Construction Inspector, QHP Engineering Technician Help Desk Technician Procurement Coordinator Senior Administrative Assistant Telecommunications Technician			
B22	Accounting Technician Administrative Assistant II Marketing Assistant Payroll Technician Security Specialist I Staff Assistant Treasury Assistant	\$39,619	\$47,561	\$55,504
B21	Accounting Assistant Administrative Assistant I Airport Operations Assistant Corporate Services Assistant Storage & Distribution Technician	\$35,814	\$42,993	\$50,173
A13	Office Assistant	\$32,099	\$36,895	\$41,692