October 18, 2011

To: Planning and Strategy Committee Members
From: Phil Nelson
CC: Members of the Columbia Association Board of Directors, Chick Rhodehamel
Subject: Discussion of an Employee Compensation Framework

This item was originally discussed by the Planning and Strategy Committee at the September 8, 2011 Board of Directors Meeting. The Board suggested that the phrase “team members” be changed to employees, and that the language in then number 6 be incorporated into the language in number 3. Number 6 would be eliminated and the proposed policy would contain 5 items.

The following revised policy statements are presented for Board consideration and disposition:

1. Columbia Association provides fair, consistent and competitive compensation and benefits to all employees, in a manner that is financially responsible and economically and humanly sustainable.

2. Columbia Association is an employer that compensates employees on the basis of the employee’s job performance.

3. The Board of Directors is responsible for determining a maximum compensation and maximum incentive compensation percentage increase (if any) each fiscal year as part of the budget process, which will be communicated to employees when the budget is approved by the Board. Granting compensation and incentive compensation will be distributed in a fair, consistent and equitable way using specific and measurable criteria that are based on the achievement of the Board’s strategic goals.

4. Columbia Association employees will receive periodic, timely performance appraisals from their team leader. The performance appraisal will be documented in a format approved by the Human Resources Department. The performance appraisal is the basis for determining the team member’s eligibility for a compensation increase (if any) and the amount of that increase.

5. Columbia Association allows for compensation based on revenue-generating activities (i.e., commissions for classes taught, personal training sessions conducted, etc.) when such compensation structures are a standard industry practice, and to not do so would be to place the organization at a competitive disadvantage.