

Minutes of the Compensation & Governance Committee Meeting
of

The Natomas Basin Conservancy

April 20, 2017

Offices of the Natomas Basin Conservancy

2150 River Plaza Drive, Suite 460

Sacramento, CA

4:00 p.m.

**COMMITTEE
MEMBERS
PRESENT:**

Chandra Chilmakuri
 Jeff Norton

= attended
 = did not attend

STAFF PRESENT: John Roberts and Kim Burns

OTHERS PRESENT: Ed Quinn, Best, Best & Krieger

CALL TO ORDER

Chilmakuri called the meeting to order at 4:00 p.m., noting a quorum was present. In announcements Chilmakuri moved Executive Session to the top of the agenda.

PUBLIC COMMENT

There was no public comment.

ACTION

Approval of Minutes. Chilmakuri requested approval of the minutes of the April 5, 2017 Compensation & Governance Committee meeting.

On a motion by Norton and a second by Chilmakuri, the committee approved the minutes of the April 5, 2017 Compensation & Governance Committee.

Committee members

Chandra Chilmakuri
 Jeff Norton

Vote symbols

= "aye" vote
 = "no" vote
 = not present
◆ = abstain or recuse

The committee asked staff to excuse themselves from the meeting.

Executive Session. The committee reviewed the results of the Executive Director performance evaluation.

No report was issued.

Roberts reentered the meeting.

Executive Director performance evaluation results. The committee reviewed with Roberts the results of the Executive Director performance evaluation.

Executive Director employment agreement recommendation to the Board.

Chilmakuri made a motion that the committee recommend the Board approve the amendment to the Employment Agreement between the Executive Director and the Conservancy that includes a 3.04 percent cost of living increase, a 3.0 percent merit increase and provisions for a “gross up” on health insurance not to exceed \$125.00 per month upon the Executive Director’s severance from the Conservancy’s health insurance plan. Motion failed for lack of a second.

On a motion by Norton and a second by Chilmakuri, the committee agreed to move the matter of the acceptance of the amendment to the Employment Agreement between the Conservancy and Executive Director to the Board of Directors without committee recommendation.

Committee members

- Chandra Chilmakuri
- Jeff Norton

Vote symbols

- = “aye” vote
- = “no” vote
- = not present
- ◆ = abstain or recuse

Determination of “just and reasonable” for the Executive Director and Chief Financial Officer.
The committee reviewed the “just and reasonable” information for the Executive Director and Chief Financial Officer.

On a motion by Chilmakuri and a second by Norton, the committee voted on the “just and reasonable” determination for the Conservancy’s Chief Financial Officer, Kim Burns and will recommend the Board of Directors accept this determination.

Committee members

- Chandra Chilmakuri
- Jeff Norton

Vote symbols

- = “aye” vote
- = “no” vote
- = not present
- ◆ = abstain or recuse

Chilmakuri made a motion to declare that the proposed revisions to the Employment Agreement between the Conservancy and the Executive Director be determined to be “just and reasonable” and that the committee recommend the Board of Director’s accept the declaration. Motion failed for lack of a second.

On a motion by Norton and a second by Chilmakuri, the committee voted that the matter of the “just and reasonable” determination be forwarded to the Board of Directors for its action without committee recommendation.

Committee members

- Chandra Chilmakuri
- Jeff Norton

Vote symbols

- = “aye” vote
- = “no” vote
- = not present
- ◆ = abstain or recuse

Messaging to appointing bodies. Legal counsel Quinn noted that the issue before the committee is really about whether the Conservancy should communicate with the Board’s appointing

bodies that when appointees have a potential for conflict of interest and recuse themselves, that they (the appointing bodies) could be under-represented on important matters.

On a motion by Chilmakuri and a second by Norton, the committee recommends that the Board of Directors instruct staff to communicate with the Board's appointing bodies, pointing out that when Board appointees are in a position of a potential conflict of interest, the appointing body may be under-represented on the Conservancy's Board of Director on key matters.

Committee members

- Chandra Chilmakuri
- Jeff Norton

Vote symbols

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Bylaws clarification. Legal counsel advised the committee that a Board member who recuses does not lower the quorum standard.

Proposed Bylaws effective date. Roberts was asked by Chilmakuri to introduce the matter. Roberts noted that the Board of Directors approved an amendment to the Bylaws contingent upon approval from the Wildlife Agencies as to the acceptance of Board representation by Metro Air Park. Conservancy staff noted it had multiple communications with the Wildlife Agencies on the matter, and that they seemed reluctant to accept this because it is not spelled out in the NBHCP and that the "Parties to the NBHCP" need to make some sort of representation that they agree with the inclusion of Metro Air Park on the Conservancy's Board. Roberts noted that unless the Conservancy was willing to spend time with legal counsel and others on the matter, it might be best to have the Board reconsider the amended Bylaws, removing the provisional inclusion of Metro Air Park and ratifying the Bylaws changes it made previously without it. Roberts noted that the balance of the Bylaws amendments contain legal counsel-recommended changes to bring the Bylaws in compliance with new laws and standards.

Roberts also requested that with the Bylaws amendment recommended, the Board's action also instructs staff to continue to keep the matter of Metro Air Park Board representation on the Board in play, and if and when the Wildlife Agencies accept the inclusion of Metro Air Park on the Board, the matter be brought back to the Board for a Bylaws amendment for that purpose.

On a motion by Chilmakuri and a second by Norton, the committee recommended to the Board that it re-approve the Bylaws it previously approved with contingent approval for Metro Air Park Board representation removed, as well as instructions that staff be tasked with keeping the matter active until it is resolved.

Committee members

- Chandra Chilmakuri
- Jeff Norton

Vote symbols

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- = "no" vote
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- ◆ = abstain or recuse

ADJOURNMENT

On a motion by Norton and a second by Chilmakuri, the committee adjourned the meeting of the Compensation & Governance Committee at 5:30 p.m.

Committee members

- Chandra Chilmakuri
- Jeff Norton

Vote symbols

- = "aye" vote
- = "no" vote
- = not present
- ◆ = abstain or recuse

ATTEST:

Committee member

Date