

# HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

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## FOUNDATION

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TO: FINANCE COMMITTEE  
FROM: KATHA KISSMAN, PRESIDENT & CEO  
RE: FY18 COMPENSATION & BENEFITS  
DATE: April 7, 2017

### **PRESIDENT & CEO**

FY17 base salary is \$165,119. After reviewing the results of the CEO performance review from the Chair, the Finance Committee will determine adjustments, if any, to the President & CEO's compensation as part of the FY18 Projected Operating Budget recommendations.

### **DIRECTOR OF OPERATIONS**

When developing the FY17 budget, we took into consideration the transition in this position. As you recall, Colleen Brennan had been with HBOIF since April 2013 after having served as a volunteer at Harbor Branch for over 2.5 years including the Foundation-supported Gift Shop as well as with the 2012 and 2013 **Love Your Lagoon** events. At her retirement at the end of FY16, she was earning a base salary of \$76,275 as Director of Operations. Her original base salary had been recommended in consideration of her extensive past service as well as benchmarked according to like positions in like organizations according to Guidestar's Compensation Guide.

In order to ensure a smooth and effective transition, we worked to keep Colleen on as an external consultant with a minimum impact to the budget and brought on the new Director of Operations (Debbie Dutton). In addition to training and transition, we anticipated Colleen's active oversight of audit, SLP monitoring, and **Love Your Lagoon** planning and implementation (spreadsheet attached) as well as special needs and projects. We reduced the Director of Operations base salary from \$76,275 to \$60,000 and raised the Professional Services budget line from \$10,000 to \$35,600. The net impact to the budget at the time was projected to be about \$7,600. It has been less due to Debbie's ability to handle the audit without significant oversight by Colleen and due to Cyndi Permenter taking on more of the routine needs of **Love Your Lagoon**.

It is anticipated the functions performed by Colleen in FY17 will be performed by Debbie Dutton in FY18. Based on this re-alignment of the above mentioned functions from an external contractor to the Director of Operations position, and because this will be Debbie's second year in the role, I recommend the FY18 base salary for this position to go up from \$60,000 to \$67,594.

I further recommend an additional 1.3% COLA of \$780 based on the FY17 base salary bringing Debbie's total FY18 **base salary to \$68,374**.

### **PROFESSIONAL SERVICES**

Concurrently, the FY18 Budget will include a reduction in **Professional Services** from \$35,600 down to the FY14/FY15/FY16 historic amount of **\$10,000** to be drawn upon as may be needed.

### **ADMINISTRATIVE ASSISTANT**

As a reminder, our Administrative Assistant, Cyndi Permenter, is a part-time employee (25 hours per week). Her salary history has been:

FY16: \$24,700 base (calculated at \$19.00 per hour for 25 hours per week.) This was Cyndi's first year.

FY17: 1.3% COLA increase & 1.7% merit increase for a total of 3% to \$25,441 base.

For FY18, based on my performance evaluation of Cyndi's work this year, I recommend a 1.3% COLA and 3.7% merit increase to **\$26,713 base salary**.

### **HEALTH INSURANCE**

Health insurance stipends would remain the same as approved at the FY17 Mid-Year Budget Revision for all positions.

### **401K CONTRIBUTIONS**

Every 401K plan year is monitored to determine if a plan is "top-heavy" which refers to a percentage range between highest and lowest paid salaries in an organization. This is the first year our plan is considered "top-heavy". To remedy and be compliant, an increase "above" the Foundation's 3% policy match dollar for dollar by employees needs to be made. Based on the formula rules the below amounts will be paid in July 2017 and thus, have included an extra \$2,000 in the 401K line from \$10,000 to \$12,000 for the FY 18 Budget.

Additional Amounts Due:

Cyndi	\$848.12
Debbie.	\$994.12

Note: As a reminder, our 401K policy states the employer matches with the first employee's contribution up to 3%, but an employee will not vest the employer's match until after three years of employment. We will continue to monitor the plan through our Paycheck system.