University Medical Center of Southern Nevada
Governing Board Human Resources and Executive Compensation Committee
March 19, 2014

UMC Conference Room I/J
Trauma Building, 5th Floor
800 Rose Street
Las Vegas, Clark County, Nevada
Wednesday, March 19, 2014
2:00 p.m.

The University Medical Center Governing Human Resources and Executive Compensation Committee had its first meeting in Conference Room I/J, UMC Trauma Building, 5th Floor, Las Vegas, Clark County, Nevada, on Wednesday, March 19, 2014, at the hour of 2:00 p.m. The meeting was called to order at the hour of 2:18 p.m. by Chair Laura Lopez-Hobbs and the following members were present, which constituted a quorum of the members thereof:

CALL TO ORDER

Committee Members:

Present:
Laura Lopez-Hobbs, Chair
Harry Hagerty (left at 3:19)
Renee Franklin

Others Present:

John O'Reilly. Governing Board Chair
John Espinoza, Chief Human Resources Officer
Lisa Logsdon, Deputy District Attorney
Cindy Dwyer, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 Approval of Agenda *[For possible action]*

DISCUSSION: None.

FINAL ACTION: A motion was made by Harry Hagerty that the agenda be approved as recommended. Motion carried by unanimous vote.

ITEM NO. 2 PUBLIC COMMENT

Chair Lopez-Hobbs asked if there were any persons present in the audience wishing to be heard on any item on this agenda.

Speaker(s): None

<u>SECTION 2. BUSINESS ITEMS</u>

ITEM NO. 3 Discuss and determine Committee goals and work plan. ***(For possible action)***

<u>DISCUSSION</u>: In an effort to provide the Committee with a baseline of where salaries are, so that the conversation about the Committees goals and work plan could be discussed, Chair Lopez-Hobbs requested that John Espinoza provide data on compa-ratios for all management positions. Mr. Espinoza also provided a brief history on management salaries. The current management salary ranges were established in 1998, as the result of a market salary survey. Traditionally, management received the same COLA's as the staff covered by the collective bargaining agreements. However, during the economic downturn, salaries were either frozen or reduced and no COLA's were given. Additionally, whenever there is an increase in the PERS contribution that translates to a salary reduction as well, and also a reduction in the salary range. Other than specific internal reviews requested by the CEO, there has been no formal review of management salary ranges in relation to market since 1998.

Chair Lopez-Hobbs reminded the Committee that the Board has directed this Committee to embark on a market salary study for the CEO, and suggested this should be one of the Committee's first goals. There was much discussion about the market salary study. The Committee came to a consensus on several items. They all agreed that the establishment of management salaries must be objective, and therefore an outside reputable firm should be tasked with the compensation survey. It was noted that compensation data is also available through some of the hospital's memberships, which might help to establish a framework. The scope of the survey should include: national (for CEO and possibly C-Suite only), western region, public hospitals, teaching hospitals and comparable bed size. Data could then be aggregated for average compensation. Staff was directed to initiate a Request for Information (RFI) to determine the cost of a salary survey, as well as a list of possible firms. It was noted that we could request information in stages, starting with the CEO and C-Suite, and then address each from a budget standpoint. The Chair noted that she would like to see total compensation in the comparison, including longevity.

Other Committee goals were discussed as well, including the identification of gaps, vacancies, turnover, and other indicators of the hospital's competitiveness in the job market. There was also discussion about working closely with the Strategic Planning Committee and Clinical Quality Committee to anticipate staffing needed in the future as we develop a Strategic Plan and expand lines of service. There was consensus that the Committee have a long term goal of understanding the education and training of staff. A suggestion was made that one of the goals be the review of the hospital's succession plan. The succession plan will be placed on a future agenda following a discussion with the CEO to determine if this would be at the discretion of the CEO or the Board.

Staff was directed to provide the Committee with data on turnover, position vacancies, tenure, age of employees, and any other information that might assist the Committee in understanding the hospital's work force.

The Committee came to a consensus on the following goals:

1. Undertake a compensation market survey for the CEO
2. Undertake a compensation market survey for the C-Suite
3. Undertake a compensation market survey for management
4. Undertake a compensation market survey for staff
5. Embark on demographic study to include turnover, position vacancies, tenure, age of employees
6. Understand Internal Training and Education

ITEM NO. 4 Receive and review initial data on management compensation, and direct staff accordingly. ***(For possible action)***

DOCUMENTS SUBMITTED:
- Comparison of Management to Union Increases
- Compa-Ratio Mid-point of Salary Grade
- Compa-Ratio Within Salary Grade
- M-Plan Compa-Ratio

DISCUSSION: In addition to review of the Compa-Ratio data (referenced in Item No. 3 above) Mr. Espinoza reviewed the Comparison of Management to Union Increases. The Union employees have continued to see base pay increases totaling 51.75%, while during the same period management saw a 22.99% change. This document was presented to start to demonstrate the impact of internal compression on our ability to promote staff into management positions, which is then compounded by the difficulty in hiring from the outside due to salaries being 30% behind market.

ACTION TAKEN: No action taken

ITEM NO. 5 Identify emerging issues to be addressed by staff or by the Human Resources and Executive Compensation Committee at future meetings; and direct staff accordingly. ***(For possible action)***

Ms. Franklin requested that at a future meeting, the Committee review the results of the recent Employee Engagement survey.

ITEM NO. 4 Determine preferences for future meeting dates and times of the Human Resources and Executive Compensation Committee for Calendar Year 2014. ***(For possible action)***

DISCUSSION: It was the consensus of the Committee that they initially meet on a monthly basis. Their preference would be to meet the week preceding the Governing Board meeting. The Board Secretary will coordinate individual calendars to determine a meeting schedule.

ACTION TAKEN: None taken

COMMENTS BY THE GENERAL PUBLIC:

At this time, Chair Lopez-Hobbs asked if there were any persons present in the audience wishing to be heard on any items not listed on the posted agenda.

SPEAKER(S): None

There being no further business to come before the Committee at this time, at the hour of 3:45 p.m., Chair Lopez-Hobbs adjourned the meeting.

APPROVED:

Laura E Hobbs

Laura Lopez-Hobbs, Committee Chair

ATTEST:

Cindy Dwyer

Cindy Dwyer, Board Secretary