University Medical Center of Southern Nevada
Governing Board Human Resources and Executive Compensation Committee
May 12, 2014

UMC Conference Room I/J
Trauma Building, 5th Floor
800 Rose Street
Las Vegas, Clark County, Nevada
Monday, May 12, 2014
3:00 p.m.

The University Medical Center Governing Human Resources and Executive Compensation Committee met in Conference Room I/J, UMC Trauma Building, 5th Floor, Las Vegas, Clark County, Nevada, on Monday, May 12, 2014, at the hour of 3:00 p.m. The meeting was called to order at the hour of 3:03 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
Renee Franklin
Harry Hagerty

Others Present:
John O'Reilly, Board Chair (by conference phone until 3:30 p.m.)
John Espinoza, Chief Human Resources Officer
Cindy Dwyer, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 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

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Human Resources and Executive Compensation meeting on April 15, 2014. [For possible action]

DISCUSSION: None.

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

ITEM NO. 3 Approval of Agenda [For possible action]

DISCUSSION: None.

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

SECTION 2. BUSINESS ITEMS

ITEM NO. 4 Receive an update on the Request for Quotes for a compensation market survey and direct staff accordingly. [For possible action]

DISCUSSION: Three major market consultants responded to the Request for Quotes for a compensation market survey. Proposals included:

Proponent A:
- No distinction between two compensation options of base salary and total direct compensation
- CEO - $3000
- C-Suite - $3500
- Management - $3500
- Staff - $3500
- Total - $14,000
- Timeline – 2 weeks from receipt of data from UMC

Proponent B:
- CEO - $1070 base salary compensation, $1400 total direct compensation
- C-Suite - $5350 base salary compensation, $7000 total direct compensation
- Management - $42,800 base salary compensation, $53,500 total direct compensation
- Staff - $107,000 base salary compensation and $117,000 total direct compensation
- Total - $156,220 base salary compensation or $178,900 direct compensation
- Timeline – 8 weeks

Proponent C:
- CEO - $3000 base salary compensation, $6000 total direct compensation
- C-Suite - $4000 base salary compensation, $8000 total direct compensation
- Management - $6000 base salary comparison, $12,000 total direct compensation
- Staff - $7,000 base salary compensation and $14,000 total direct compensation
- Total - $20,000 base salary compensation or $40,000 direct compensation
- Timeline – 9-12 weeks

The Chair noted the significant disparity in prices between Proponent B and the other two, and inquired if the level of service was significantly different. Discussion ensued about options for collecting data, i.e., whether the companies would be using existing market information for independent analysis, or using their own customized survey findings. In an effort to understand the differences between the three quotes, it was suggested that staff contact each of the respondents to garner additional information. After lengthy discussion, staff was directed to contact all three respondents to ascertain what is included in the quote, i.e.:

- Detailed explanation of where the salary studies and data will be obtained from
- Explanation of what services, reports or opinions will be provided in addition to data
- Which individuals in their organization will be assigned to the contract
- What interactions the company will have with UMC in obtaining data, providing services and rendering opinion
- Sample of what the end product will look like

Committee members were reminded that any recommended salary increases would likely receive public scrutiny. The purpose for obtaining the services of an independent outside expert is to maintain complete objectivity without internal influence. The original intent was to address CEO and C-Suite salaries initially, and look at management group and staff at a later point in time. With that direction, staff asked for quotes under the guidelines provided by this Committee.

There was frustration expressed among Committee members regarding the constraints imposed by Nevada Open Meeting Laws, making it difficult for the Board and Committees to discuss and review pertinent documentation prior to making decisions. Staff detailed the exceptions for closed sessions, and assured members that the District Attorney's Office has reviewed the law in detail to determine that the Governing Board and its Committees are all subject to the full extent of the law. Mr. Hagerty did inquire if in the future, such responses could be provided with propriety information being redacted, to make it easier for members to make informed decisions.

ACTION TAKEN: No action taken

ITEM NO. 5 Receive and discuss CEO employment contract and take action as deemed appropriate. [For possible action]

DISCUSSION: The Chair reminded the Committee that it was the original direction of the Board to pay the new CEO at the salary of the previous CEO, pending a salary survey to determine if there was basis for alternative salary structure, as determined by the Governing Board. Absent of the salary survey, the Board Chair has expressed a desire to move forward with a contract to capture some of the other benefits and incentives to provide security to both the incumbent and the Board that there is a contract in place. Presentation of the contract to this Committee is tabled, while the Board Chair, Committee Chair, and District Attorney's Office discuss details of the contract.

ACTION TAKEN: No action taken

ITEM NO. 6 Receive and discuss management dashboard metrics specific to Committee's oversight, and direct staff accordingly. [For possible action]

DOCUMENTS SUBMITTED: UMC Management Dashboard Human Resources Metrics

DISCUSSION: At the April Governing Board meeting, Chair O'Reilly requested that each committee review the dashboard metrics specific to their committee for appropriateness and usefulness. All Committee members were agreeable to the existing Human Resources metrics being reported.

ACTION TAKEN: No action taken

ITEM NO. 7 Discuss human resources issues that will impact the hospital strategic plan and take action as deemed appropriate. [For possible action]

DISCUSSION: This standing item has been added to all Committee agendas at the request of Chair O'Reilly. This will allow strategic planning objectives and initiatives to be discussed at the committee level, as well as the opportunity to identify initiatives discussed at Committee meetings that need to be shared with the Strategic Planning Committee. There were no items identified at today's meeting.

ACTION TAKEN: No action taken

ITEM NO. 8 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)*

John Espinoza gave a status report on staff layoffs resulting from the clinic closures. He explained in some detail the process of offering vacant positions, bumping by seniority within classification, and separation. Because this is still in process, we don't know yet the full impact in terms of the number of staff that will actually be separated.

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 4:21 p.m. Chairman Lopez-Hobbs adjourned the meeting.

APPROVED:

Laura E Hobbs

Laura Lopez-Hobbs, Committee Chair

ATTEST:

Cindy Dwyer

Cindy Dwyer, Board Secretary