University Medical Center of Southern Nevada
Governing Board Human Resources and Executive Compensation Committee
September 23, 2014

UMC Conference Room I/J
Trauma Building, 5th Floor
800 Rose Street
Las Vegas, Clark County, Nevada
Tuesday, September 23, 2014
4:00 p.m.

CALL TO ORDER

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 Tuesday, September 23, 2014, at the hour of 4:00 p.m. The meeting was called to order at the hour of 4:04 p.m. by Chair Laura Lopez-Hobbs and the following members were present, which constituted a quorum of the members thereof:

Committee Members:

Present:
Laura Lopez-Hobbs, Chair
Renee Franklin (by teleconference)
Harry Hagerty

Others Present:
Lisa Logsdon, Deputy District Attorney
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 August 19, 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]

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 Review and recommend that the Governing Board approve and recommend ratification by the Board of Hospital Trustees the collective bargaining agreement between UMC and SEIU Local 1107. [For possible action]

DOCUMENTS SUBMITTED:
Attachment 1: Amended Articles
Attachment 2: New and Deleted Language
Attachment 3: Collective Bargaining Agreement between UMC and SEIU Local 1107

DISCUSSION: John Espinoza, Chief Human Resources Officer, gave an update of the actions leading up to today's review of the Collective Bargaining Agreement (CBA) between UMC and SEIU Local 1107. In February 2014 the entire agreement was rejected by the Hospital Board of Trustees, noting their opposition to the two articles related to salary and longevity. Those two articles went to an Arbitrator for binding fact-finding. In September 2014 the Arbitrator decided in favor of the Union. County Counsel has determined that in order to move forward with implementing the CBA, the entire agreement must be approved by the Hospital Board of Trustees, which requires the recommendation of the Governing Board. Mr. Espinoza explained that, in theory, the Hospital is bound by the Arbitrator's findings on the two specific articles he ruled on, which include Salary and Longevity.

In response to inquiries from the Committee, Mr. Espinoza explained that employees covered by the CBA will receive retroactive pay for a 2% pay increase effective January 2014, as well as a 2% increase effective July 1, 2014. Another 1.5% cost of living raise is scheduled for July 1, 2015. The FY 2015 budget includes the estimated cost of this agreement, including the retroactive pay.

Mr. Espinoza also noted that the approval of the SEIU CBA will also affect the CBA with Local 501 Operating Engineers. Their contract has a term that states if the Operating Engineers receive a lesser value than the SEIU, that their covered members would be entitled to the difference. This Union represents a very small number of employees, and this minor expense was also included in the 2015 budget.

Member Hagerty asked if the $2.3 million attributable to the retroactive pay for the period of January 1 through June 30, 2014 would be expensed to the 2014 budget, since the FY 2014 audit is not yet complete. Mr. Espinoza was unable to answer this question, but will ensure that the Chief Financial Officer is prepared to address it at tomorrow's Board meeting.

Lisa Logsdon, Deputy District Attorney, clarified that while the actual terms of the agreement is July 1, 2013 through June 30, 2016, the CBA has an effective date of September 1, 2014 – the date of the Arbitrator's decision. The Agreement won't be potentially approved by the Hospital Board of Trustees until October 7, 2014.

ACTION TAKEN: A motion was made by Harry Hagerty that the Governing Board approve and recommend approval by the Board of Hospital Trustees the collective bargaining agreement between UMC and SEIU Local 1107. Motion carried by unanimous vote.

ITEM NO. 5 Review and recommend for approval by the Governing Board the same salary range increases provided to the members of the UMC/SEIU Local 1107 collective bargaining, to employees not covered by other collective bargaining agreements, by adjusting the salary ranges by the same percentage increase to all UMC classifications not covered by other collective bargaining agreements and extend the same salary and benefit changes to non-management employees (excluding Specialty Physicians), not covered by other collective bargaining agreements (any employee in non-bargaining unit status who received the 2% salary increase in August 2013 will not be eligible for the January 2014 salary increase) effective September 1, 2014. [For possible action]

DISCUSSION: John Espinoza, Chief Human Resources Officer, stated that approval of this recommendation by the Governing Board would extend to non-management non-Union employees the salary ranges by the same percentage as Union employees. While salary increases for non-management non-Union staff is discretionary, historically UMC has extended to those employees salary increases consistent with the SEIU Collective Bargaining Agreement (CBA), to ensure ranges are consistent for all classification within the organization. He noted that in August 2013, in an effort to leverage the SEIU negotiations, longevity was eliminated for newly hired non-management non-Union employees, and all non-management non-Union employees received a 2% pay increase. Included in this recommendation is an acknowledgement of that 2% pay increase, which would leave these employees ineligible for the January 2014 increase.

In response to inquiries from Committee members, Mr. Espinoza stated that while this expense was not budgeted for FY 2015, there are sufficient savings to offset this expense.

ACTION TAKEN: A motion was made by Renee Franklin to recommend that the Governing Board approve the recommendation. Motion carried by unanimous vote.

ITEM NO. 6 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]

DISCUSSION: Chair Lopez-Hobbs asked Mr. Espinoza to provide a brief update on the salary survey being conducted by Mercer. Mr. Espinoza reported that Mercer has submitted their findings on the C-suite salaries. Board members were briefed individually on those findings. Mercer has requested additional time for the management salary piece, due to the large number of classifications. The CEO salary and contract is in the hands of the Board Chair.

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 4:33 p.m. Chairman Lopez-Hobbs adjourned the meeting.

APPROVED:

Lauren E Hobbs

Laura Lopez-Hobbs, Committee Chair

ATTEST:

Cindy Dwyer

Cindy Dwyer, Board Secretary