University Medical Center of Southern Nevada
Governing Board Human Resources and Executive Compensation Committee
March 24, 2015

UMC Conference Room I/J
Trauma Building, 5th Floor
800 Rose Street
Las Vegas, Clark County, Nevada
Tuesday, March 24, 2015
9:00 a.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, March 24, 2015, at the hour of 9:00 a.m. The meeting was called to order at the hour of 9:05 a.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
Harry Hagerty

Others Present:
Mason VanHouweling, Chief Executive Officer
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 January 27, 2015. *(For possible action)*

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 Discuss the development of a compensation philosophy; and direct staff accordingly. *(For possible action)*

DISCUSSION: As requested at the January meeting, a quote was received from Mercer for a brief one page summary of the results of their previous market data analyses, and to assist staff with developing a compensation philosophy for a reasonable approach for ongoing compensation. Mercer quoted a price of $20,000 to $25,000, with the larger portion of the engagement covering the cost of the consultants coming to town to interview various stakeholders for input into the Plan. Mercer did suggest that in an effort to save money, UMC staff could conduct the interviews with an interview tool developed by Mercer.

CEO VanHouweling suggested that utilizing the Mercer analysis, UMC staff could determine the fiscal impact on the organization, recommend changes in compensation, and develop a compensation philosophy without the expense of outside consultants. Chair Lopez-Hobbs expressed concern of having an objective third party opinion, and suggested that once the philosophy is developed by staff perhaps Mercer could review it. This would reduce the risk of criticism for bias. There was discussion about the Compensation Philosophy document. It was suggested that the document reflect an aggregate compensation for the organization, that it include a target percentage of the national average, and that the plan include the frequency at which the institution should review compensation compared to market.

The Committee also gave direction to staff to prepare executive summaries for all levels of market compensation analysis, utilizing data provided by Mercer. Additionally, Mr. Espinoza was asked to re-send to Committee members the Mercer results and summaries for each group, and brief Committee members individually as needed.

FINAL ACTION: No action taken

ITEM NO. 5 Receive a follow-up report on benefits analysis; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- Paid Time Off Benefit
- UMC Covered Lives CCSF & Premiums Paid
- High Cost Claims

DISCUSSION: In response to additional information requested at the January meeting, Mr. Espinoza provided follow-up on employee benefits.

A comparison of UMC’s paid time off compared to Mercer data was provided. At the Committee’s suggestion, management will resurrect previous benefit summaries sent to employees on an annual basis.

A summary of covered lives and the cost to employer and employee for healthcare insurance premiums was presented. There was discussion about the discrepancy in employee premiums for the two plans. Mr. Espinoza reminded the Committee that premiums are established through collective bargaining, and noted that UMC does have a seat on the County's Self-Funded Executive Committee.

A summary of high cost claims for the past five years was presented. Member Franklin suggested that while the hospital is unable to control the Plan design, they can look at wellness initiatives to help prevent disease and keep related healthcare costs in line.

FINAL ACTION: None taken.

ITEM NO. 6 Receive a follow-up report on Human Resources 2014 Performance Metrics; and direct staff accordingly. (For possible action)

DOCUMENTS SUBMITTED:
- Turnover by Type of Termination
- 2014 Layoff Recall Summary

DISCUSSION: In response to additional information requested at the January meeting, Mr. Espinoza provided further clarification of the Human Resources Calendar Year 2014 Performance Metrics.

A breakdown of turnover was provided to differentiate between voluntary and involuntary terminations and retirement. The Committee noted that number of voluntary, non-retirement, terminations of management speaks to the need for a comprehensive compensation plan to help with retention.

A more detailed breakdown of displaced employee recalls was provided to differentiate between internal movements and recalls from the outside. Although 343 employees were affected by the lay-offs, only 91 of those were actually separated from employment; 31 of which have been recalled and able to return to original FTE status.

FINAL ACTION: None taken.

ITEM NO. 7 Receive a report on recruitment initiatives and results to date; and direct staff accordingly. *(For possible action)*

DOCUMENTS SUBMITTED:
- UMC Human Resources Metrics – 2014

DISCUSSION: Brenna Leising, Recruitment Manager, gave an overview of recruitment initiatives for the past year. She described the increased efforts in job advertisement and exposure, both locally and nationally, which has had a significant impact on recruitment, as demonstrated in comparison of statistics to last year. There have been 276 hires year-to-date 2015, compared to 208 hires during same time period in 2014.

There was a brief discussion about recruitment for management positions. Ms. Leising noted that 55 management positions were filled in calendar year 2014, and nine have been filled year to date. To ensure market-comparable salary offers, until the compensation strategy is addressed hospital-wide, as management positions become vacant, salary adjustments are being made within the existing pay grades, based on the Mercer study results.

FINAL ACTION: None taken.

ITEM NO. 8 Review and recommend for approval by the Governing Board the revised UMC Equal Opportunity/Affirmative Action Plan; and take action as deemed appropriate. *(For possible action)*

DOCUMENTS SUBMITTED:
- UMC Equal Opportunity/Affirmative Action Plan

DISCUSSION: Anna Caputo, Equal Opportunity Program Manager, was introduced. She has been at UMC through an interlocal agreement with Clark County for the past few years. As a result of the County's recent restructuring of their Equal Opportunity program, UMC's program is now an internal process and Ms. Caputo is now a UMC employee. This change will allow management and staff to have in-house access 40 hours a week. In addition to investigations, Ms. Caputo will be actively involved in educating staff and management to ensure a culture of equal opportunity and diversity.

Ms. Caputo reviewed with the Committee the recommended changes to the Affirmative Action Plan which reflect the change from the County to an internal process. Once approved by the Governing Board, the Plan will be distributed and signed off by all employees, as mandated by the Department of Justice.

FINAL ACTION: A motion was made by Harry Hagerty to recommend approval of the Equal Opportunity/Affirmative Plan by the Governing Board.

ITEM NO. 9 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)*

- Staff to provide a report on employee wellness efforts at the May meeting

- Utilizing Mercer analysis, staff to prepare executive summaries for all levels of market compensation analysis and draft philosophy document. Copies to be distributed to Committee members and briefed individually, as needed.

- Draft CEO performance metrics to be distributed to Committee members for future meeting agenda; any comments or input will be directed to the CEO or Committee Chair.

- The next Human Resources Committee meeting will be rescheduled from May 26, 2015 to May 19, 2015

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 11:50 a.m. Chairman Lopez-Hobbs adjourned the meeting.

APPROVED: May 19, 2015