University Medical Center of Southern Nevada
Governing Board Human Resources and Executive Compensation Committee
September 24, 2018

UMC ProVidence Suite
Trauma Building, 5th Floor
800 Hope Place
Las Vegas, Clark County, Nevada
Monday, September 24, 2018
2:00 p.m.

CALL TO ORDER

The University Medical Center Governing Board Human Resources and Executive Compensation Committee met at the time and location listed above. The meeting was called to order at the hour of 2:00 p.m. by Chair Jeff Ellis and the following members were present, which constituted a quorum of the members thereof:

Committee Members:

Present:
Jeff Ellis, Chair
Laura Lopez
Renee Franklin – via phone
Barbara Fraser – Ex-officio

Absent:

Others Present:
Mason VanHouweling, Chief Executive Officer
James Conway, Assistant General Counsel
Kurt Houser, Chief Human Resources Officer
Terra Lovelin, Board Secretary

SECTION 1. OPENING CEREMONIES

ITEM NO. 1 PUBLIC COMMENT

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

None present.

ITEM NO. 2 Approval of minutes of the regular meeting of the UMC Governing Board Human Resources and Executive Compensation meeting on July 16, 2018. *(For possible action)*

FINAL ACTION: A motion was made by Member Lopez-Hobbs that the minutes be approved as recommended. Motion carried by unanimous vote.

ITEM NO. 4 Approval of Agenda *(For possible action)*

FINAL ACTION: A motion was made by Member Lopez-Hobbs that the agenda be approved as amended. Motion carried by unanimous vote.

SECTION 2. BUSINESS ITEMS

ITEM NO. 5 Review CEO performance accomplishments for FY 2018 based on the performance objectives established by the Governing Board. (For possible action)

DOCUMENTS SUBMITTED:
- CEO Presentation on FY18 Goals

DISCUSSION: Mr. VanHouweling provided a summary of the following goals and objectives set by the HR Committee.

1. Conduct a baseline employee engagement survey and develop action plans related to employee feedback that improves results relating to UMC's mission and vision.

Mr. VanHouweling stated than an employee survey was conducted in May 2018 and there was a 30 percent completion rate. The results are in and have been discussed by the HR staff and Chiefs. The results of the survey will be announced at the next CEO Town hall. Some of the feedback listed was improving communication, manager and supervisor professionalism and employee recognition.

Employee feedback is welcomed and placed in the employee newsletter, *The Pulse*, so employees know their voices are being heard. Staff is doing their best to meet these requests and suggestions.

The objective was achieved.

2. Ensure 2018 performance objectives are cascaded to all leadership levels in the organization for measureable performance assessment.

All M Plan employees have goals aligned to their evaluations and staff is in the process of looking at merits for those individuals. Additional education is also being conducted.

There has been a slight issue with getting non-management employees aligned to a common review date, because of the Union contract.

This objective was achieved.

3. Implement an employee performance evaluation system, aligned to fiscal year, for review by Sept. 2018.

Staff is in the process of doing all the staff evaluations and conducting merit increases based on their performance. This was discussed in number two as well.

This objective was achieved.

4. Establish a succession development process that incorporates business needs, leadership competencies and individual development plans.

Goal was to post at least 33 percent of upward positions as "Internal Only" based on participation in the Employee Development Program.

Member Franklin and Member Lopez-Hobbs commented that succession development is an ongoing process and would like to see it develop more. She would also like to see an evaluation of performance potential to identify who are the leaders in the organization.

Chair Ellis stated that he is comfortable giving 20 percent out of the 20 percent that comes from the HR portion of the goals, so 100 percent of the FY2018 goals stated. Member Lopez-Hobbs and Member Franklin agreed.

Mr. VanHouweling reiterated how important ICARE is and stated that if we get that right, the rest will fall in line. People and the culture are the most important and UMC has come a long way in pride and ownership from just a few years ago.

Barbara Fraser commented that if the clinicians feel that you support them and care about them, you will get good outcomes.

Chair Ellis commented that he is a bit worried whether or not UMC is effectively doing the ICARE training and that perhaps the program is evolving so fast that the program is not moving the needle.

Member Lopez-Hobbs agreed with Chair Ellis and stated that she does not see the needle moving enough. She believes there is a disconnect between the program they are giving and what the employees are hearing.

<u>FINAL ACTION TAKEN</u>: A motion was made by Chair Ellis to recommend that Mr. VanHouweling be awarded 20 percent of the 20 percent for a total of 100 percent, which comes from the Human Resources committee. Motion carried by unanimous vote.

ITEM NO. 5 Review the feedback received from Governing Board subcommittees regarding the CEO performance accomplishments based on the performance objectives established by the Governing Board and recommend a bonus percentage to the Governing Board for approval. *(For possible action)*

DOCUMENTS SUBMITTED:
- None submitted

DISCUSSION: The following are the percentages each committee agreed on.

A&F	18/30
CQPS	25/30
HR	20/20
Strategy	17/20

Collectively 80 percent was met out of 100 percent for the FY2018 CEO Goals and Objectives.

Chair Ellis then recommended a 9 percent merit increase and Members Lopez-Hobbs and Member Franklin agreed.

Member Lopez-Hobbs would like the record to reflect that Mr. VanHouweling achievements have been admirable.

FINAL ACTION TAKEN: A motion was made by Member Lopez-Hobbs to recommend to the Governing Board that Mr. VanHouweling met 80 percent of the goals for FY2018 and that Mr. VanHouweling be awarded a 9% merit increase. Motion carried by unanimous vote.

ITEM NO. 5 Discuss and provide a final set of objectives as it relates to the Human Resources and Executive Compensation Committee for recommendation to the full Governing Board for approval for Fiscal Year 2019. *(For possible action)*

DOCUMENTS SUBMITTED:
- None submitted

DISCUSSION: It was suggested that this item be held over until the November 4 meeting.

FINAL ACTION: Place on the November 4, 2018 HR agenda.

ITEM NO. 7 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)

HR Staff will draft a list of CEO goals and objectives for FY2019 and provide them to the committee for review.

Chair Ellis suggested adding to the list:

-How UMC will drive the culture with ICARE
-Succession planning

Member Franklin suggested bringing up compensation in a future discussion.

COMMENTS BY THE GENERAL PUBLIC:

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

There being no further business to come before the Committee at this time, at the hour of 3:14 p.m. Chairman Ellis adjourned the meeting.

Approved: December 3, 2018
Minutes Prepared by: Terra Lovelin