



TAHOE FOREST HOSPITAL DISTRICT

Personnel-Retirement Plan Committee Meeting

Jun 18, 2015 at 12:00 PM - 01:30 PM

Tahoe Conference Room

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Meeting Book - 2015 Jun 18 Personnel-Retirement Plan Committee Meeting

Agenda Packet Contents

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6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Fiduciary Education and Communication Plan Update

** No related materials

6.2. California Paid Sick Leave Program-New Benefit

** Materials may be distributed at the meeting

6.3. Employee Associations' Votes on Pay Increases

** No related materials



PERSONNEL/ RETIREMENT PLAN COMMITTEE AGENDA

Thursday, June 18, 2015 at 12:00p.m.
Tahoe Conference Room, Tahoe Forest Hospital
10054 Pine Street, Truckee, CA

1. CALL TO ORDER

2. ROLL CALL

Charles Zipkin, M.D., Chair; Dale Chamblin, Board Member

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

4. INPUT – AUDIENCE

This is an opportunity for members of the public to address the Committee on items which are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Committee cannot take action on any item not on the agenda. The Committee may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

5. APPROVAL OF MINUTES OF: 04/09/2015, 04/21/2014 ATTACHMENT

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Fiduciary Education and Communication Plan Update

An update will be provided related to the education and communication plan to inform the Plan’s participants about the new fund changes as well as the change in the way fees are paid.

6.1.1. Plan Record Keeping Fee Discussion

6.1.2. Investment Options

6.1.3. Investment Policy Statement

6.2. California Paid Sick Leave Program-New Benefit *ATTACHMENT

A review of the California Paid Sick Leave Program new benefit beginning July 1, 2015 will be provided.

6.3. Employee Associations’ Votes on Pay Increases

An update will be provided related to the votes of the Employees’ Association and Employees’ Association of Professionals related to pay increases.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

8. NEXT MEETING DATE

The next scheduled meeting of the Retirement Plan Committee, a Subcommittee of the Board Personnel Committee, is tentatively scheduled to take place Thursday, September 9, 2015.

9. ADJOURN

*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions.

Equal Opportunity Employer. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District’s public meetings. If particular accommodations for the disabled are needed (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.



PERSONNEL COMMITTEE

DRAFT MINUTES

Thursday, April 9, 2015 at 12:00 p.m.
Tahoe Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. CALL TO ORDER

Meeting called to order at 12:01 p.m.

2. ROLL CALL

Board: Charles Zipkin, M.D., Chair; Dale Chamblin, Board Member

Staff: Jake Dorst, Interim Chief Executive Officer; Crystal Betts, Chief Financial Officer; Jayne O'Flanagan, Chief Human Resources Officer; Alex MacLennan, Manager Human Resources and Education; Dee Dee Holmes, Benefits Coordinator; Patricia Barrett, Clerk of the Board; Barbara Wong, EA Representative; Tim Ryan, EAP Representative

Other: Brian Montanez, The Multnomah Group; Alex Svensen, Fidelity Investments

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

4. INPUT – AUDIENCE

Barbara Wong inquired about the issue of the requested funding for the Aquatic Center. Director Zipkin indicated that there has not been a poll of the employees and no plan to poll is planned. Ms. Wong shared she thinks a poll of employees should be done.

5. APPROVAL OF MINUTES OF: 10/08/2014, 12/04/2014, 03/09/2015

Director Zipkin requested clarification of the March 9, 2015 minutes specific to the referenced code sections in the last paragraph on page three. Verbiage will be edited to provide clarity.

ACTION: Motion made by Director Zipkin, seconded by Director Chamblin, to approve the minutes with recommended changes. Approved unanimously.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Results of Employee Engagement Survey

Chief Human Resources Officer (CHRO) provided a review of the 2014 Employee Engagement Survey and noted areas of improvement.

The data specifically identifies high and low performing areas which may be different for each department. Survey results specific to engagement were reviewed.

Discussion took place related to the number of hospitals participating in employee engagement surveys.

A review of the lowest performing areas from the Survey was provided. It was noted that the intent is to schedule employee meetings to discuss the topic of "trust" which was reflected in the survey results. Action plans have been developed for low performing areas and updates will be reported to the Personnel Committee on a regular basis and shared with employees once vetted.

Engagement Key Measure Scorecard distributed for review.

Discussion took place related to the percentage of the performance evaluations completed on time. Manager of Human Resources and Education provided a review of the work done to address the employee engagement pillars.

Discussion took place regarding public feedback that TFHD is not a good place to work; Director Chamblin inquired about working with Director of Marketing to share the positive stories of TFHD with the public. Interim CEO provided feedback and reviewed opportunities. Employees are the greatest marketing tool. Discussion took place related to use of advertising to promote positive stories related to the District. Quarterly TFHD magazine is a forum but may be perceived as self serving. Local newspapers would provide a more neutral resource.

6.2. **Human Resources Update**

6.2.1. **Policy Review**

CHRO provided an overview of the Personnel Committee policy review practice. CHRO presents for review new or revised policies to the Personnel Committee if the policy will increase cost to the District or change practices in the bargaining agreements.

6.2.2. **Meet and Confer Sessions**

A meet and confer session was held with the Employee Association (EA) to review staff changes in the Accounting Department. The position of Accounting Clerk is being eliminated to be replaced by a new AP Clerk position. One employee will be laid off at the time of this change. The employee was offered the new position but declined.

6.2.3. **Staffing**

The position of Medical Physicist was eliminated in the Cancer Center. Services will be provided on a contracted, as needed, basis.

6.2.4. **Increase in Educational Benefits for all Nurse Practitioners and Physician Assistants**

The Employee's Association of Professionals (EAP) filed a grievance related to benefits offered to a new job classification of Orthopedic Physicians Assistant. The Association felt that this benefit should be offered to all Nurse Practitioners and Physician Assistants covered by the bargaining agreement.

ACTION: Motion made by Director Zipkin, seconded by Director Chamblin, to recommend approval by the full board the implementation of educational reimbursement of up to \$1,500 per year to Nurse Practitioners and Physicians Assistants.

It was noted that as this requires a change to the bargaining unit agreement, the Personnel Committee is involved to make a recommendation to the Board. The recommended change to increase the education reimbursement is a common practice with other facilities.

6.2.5. **MOU Negotiations**

Human Resources will begin meeting with representatives from both bargaining units in April to review the current MOU's to identify articles that may be subject to discussion during negotiations. The current bargaining agreements expire on June 30, 2016.

6.3. **Retirement Plan Subcommittee Update**

CHRO provided a summary of the presentation provided by Brian Montanez at the prior Retirement Committee Meeting.

6.3.1. **Plan Record Keeping Fee Discussion**

Mr. Montanez initiated a discussion regarding the manner in which fees are paid to Fidelity for Plan services. Currently the Plans pay for services out of the revenue sharing that is a part of each funds expense ratio. This practice limits the investment universe the Committee can choose from to only revenue paying funds. Mr. Montanez and Mr. Svensen explained an alternate method which would charge everyone the same rate. Mr. Svensen informed the Committee that that rate would be 0.17% which is a further reduction from the actual fees being paid, as determined by Multnomah Group, of 0.18%. CHRO and Mr. Montanez both noted that this fixed and level fee would be more a more equitable way to assess fees as well as open the universe of investments the Committee may consider to the entire mutual fund universe. The Committee agreed and will change to the paying method to the fixed basis point model.

Mr. Svensen is to coordinate the necessary agreement changes with CHRO.

ACTION: Committee recommends for Board approval changing to a fixed basis point fixed fee option at 17 percent. Approved unanimously.

6.3.2. **Investment Recommendations**

The Committee received Mr. Montanez' attached Tahoe Forest District Hospital Fund Recommendations presentation. Mr. Montanez made several investment recommendations including the replacement of the Fidelity Freedom funds and the addition of new asset classes the associated investments to the Plans. The Committee considered the risk/return characteristics of each investment, as well as the investment sophistication of Plan participants, and the ability to incorporate the asset class into a prudent, diversified portfolio.

After these considerations, the Committee agreed to replace the Fidelity Freedom Funds with the Vanguard Target Date funds and add as new investments the Fidelity Spartan Global ex US Index fund, the Fidelity Total Bond fund, the Northern Small Cap Value fund, the Wells Fargo Advantage Small Company Growth Fund and the Causeway International Value fund. There was discussion about the hospital offering investments that invested in Tobacco. Mr. Montanez noted that the only way to effectively excluded tobacco from the investments is to offer a social fund who excluded tobacco from its investment thesis. Ms. Holmes noted that the Plans do offer the Domini Social Equity fund which excludes tobacco. The Committee did not accept the international small cap recommendation as they were not comfortable with the risk attributes and participant us of this asset class.

6.3.3. **Investment Policy Statement**

The Plans Investment Policy Statement was reviewed, approved and executed.

6.3.4. **Plan Change Communications/Education**

Mr. Svensen will work with Benefits Coordinator to create an education and communication plan to inform the Plans participants about the new fund changes as well as the change in the way fees are paid

Meeting recessed at 2:02 p.m.

Meeting reconvened at 2:06 p.m.

6.4. Chief Executive Officer Recruitment Process

CHRO provided a review of the outside recruitment firms under Board consideration to assist with recruitment of the Chief Executive Officer.

Once the Board makes its selection, the selected firm (Recruiter) will request to meet with the Personnel Committee or full board to receive feedback on what criteria being sought and to identify how they will obtain feedback from physicians, employees, and community.

The Recruiter will complete the initial vetting and will present to the Personnel Committee 5 – 6 candidates for consideration. The Personnel Committee would then identify the top 2-3 candidates for full Board consideration.

The interview process will be very structured and an evaluation tool will be provided to assist with compiling how everyone involved in the interview process responds to each candidate.

It was noted that at the upcoming special board meeting, information related to internal candidates that have applied for the interim CEO position will be presented to the Board along with one external candidate [with no name provided] provided for comparison purposes. Contract consultants are not being considered as internal candidates.

Meeting adjourned to Closed Session at 2:19 p.m.

7. CLOSED SESSION APPROVAL OF MINUTES OF: 10/08/2014

Discussion held on a privileged matter.

8. OPEN SESSION

Open session reconvened at 2:25 p.m.

Meeting adjourned at 2:25 p.m.

9. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

Fixed BP Agreements - Alex Svensen

Send Fund Change Paperwork - Alex Svensen

Committee recommends for Board approval changing to a fixed basis point fixed fee option at 17 percent

10. NEXT MEETING DATE

The next meeting of the Board Personnel/Retirement Committee is tentatively scheduled for Thursday, May 14, 2015.



PERSONNEL COMMITTEE

DRAFT MINUTES

Tuesday, April 21, 2015 at 12:00 p.m.
Tahoe Conference Room, Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. CALL TO ORDER

Meeting called to order at 12:03 p.m.

2. ROLL CALL

Board: Charles Zipkin, M.D., Chair; Dale Chamblin, Board Member

Staff: Jayne O'Flanagan, Chief Human Resource Officer; Crystal Betts, Chief Financial Officer; Jake Dorst, Chief Information Officer/Interim Chief Executive Officer; Judy Newland, Chief Nursing/Operations Officer; Barbara Wong, EA Representative; Patricia Barrett, Clerk of the Board

3. CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA

None.

4. INPUT – AUDIENCE

None.

5. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

5.1. **Recruitment of Chief Executive Officer**

Chief Human Resource Officer (CHRO) introduced Don Whiteside with HFS Consulting who has been engaged to conduct the recruitment of the Chief Executive Officer.

Mr. Whiteside reviewed the recruitment process which includes, gathering input from the following stakeholders:

- Management staff (specifically those reporting to the CEO and perhaps a level below),
- Channel for feedback from everyone that works for the District (email, forums)
- Community
- Medical staff

Discussion took place related to the make up and involvement of the CEO search group identified by the Personnel Committee. It was noted that the group will be made up of a diverse demographic to ensure feedback is provided by various stakeholder groups. Director Zipkin shared that Mr. Whiteside will be making a presentation to the medical staff at their offsite meeting on May 14th.

It was noted that the recruitment process will take a while.

Mr. Whiteside will create a job specification/description based on the feedback provided from the stakeholder groups in addition to the District's formal position description that will speak to the community and soft skill sets required in the position. A Board approved draft of the job specification will be used to communicate with the candidates.

Discussion took place related to the pool of candidates and whether they are currently employed; it was noted that the majority of placements have come from Mr. Whiteside's personal contact list or referrals from that list.

Discussion took place related to consideration given to those potential candidates previously placed into positions by Mr. Whiteside. Mr. Whiteside shared that he has a personal lifetime off limits practice for candidates he has previously placed.

A draft engagement letter was provided for review and consideration. The engagement letter needs to be signed before work can begin. Discussion took place related to fees for recruitment. Fees are based on the CEO's salary, either as a percentage or as a flat fee. To attract the best candidate for TFH, the salary will be in the upper range -- revenue, housing market, etc. will force this amount up.

Mr. Whiteside recommends conducting the search on a flat fee of \$100k paid in three, 1/3 installments. There is a 1 year guarantee with certain exclusions.

It was noted that Moonshine ink is a perceived deficit to this facility and this community.

Discussion took place related to the criteria for determining the salary range for the CEO. CHRO provided background related to determining compensation.

Next steps:

CEO Search Group will hold an initial meeting on May 14th at 4:00 p.m.

5.2. **Interim Leadership Transition Update**

CHRO provided the Committee with an update related to the status of the transition of Interim CEO. CHRO met with Jake Dorst to review compensation for his additional duties as interim CEO. An information report outlining the agreement was distributed for review and consideration.

ACTION: Motion made by Director Zipkin, seconded Director Chamblin, to recommend the interim CEO agreement to the full board for approval. Approved unanimously.

The CIO indicated an interest in being included in the succession plan.

6. **OPEN SESSION**

7. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**

8. **NEXT MEETING DATE**

The next meeting of the Board Personnel/Retirement Committee is tentatively scheduled for Thursday, May 14, 2015.

Adjourned at 1:24 p.m.