



TAHOE FOREST HOSPITAL DISTRICT

2017-10-03 Board Personnel Committee Meeting

Tuesday, October 3, 2017 at 1:00 p.m.

Human Resources Conference Room - Tahoe Forest Hospital

10024 Pine Street, Truckee, CA 96161

Meeting Book - 2017-10-03 Board Personnel Committee Meeting

10/3/17 Personnel Committee

AGENDA

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ITEMS 1-4: SEE AGENDA

5. APPROVAL OF MINUTES

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6. CLOSED SESSION

7. ITEMS FOR COMMITTEE DISCUSSION

7.1. Employee Relations
No related items.

ITEMS 8-10: SEE AGENDA



BOARD PERSONNEL COMMITTEE AGENDA

Tuesday, October 3, 2017 at 1:00 p.m.
Human Resources Conference Room - Tahoe Forest Hospital
10024 Pine Avenue, Truckee, CA 96161

1. **CALL TO ORDER**
2. **ROLL CALL**
Alyce Wong, R.N., 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: 7/24/2017..... ATTACHMENT**
6. **CLOSED SESSION**
 - 6.1. **Conference with Labor Negotiator (Government Code § 54957.6)**
Name of District Negotiator(s) to Attend Closed Session: Alyce Wong
Unrepresented Employee: Chief Executive Officer
7. **ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION**
 - 7.1. **Employee Relations**
Chief Human Resources Officer will review any open items related to employee relations and Employee Associations.
8. **REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS**
9. **NEXT MEETING DATE**
Personnel Committee will discuss its next meeting date.
10. **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.



BOARD PERSONNEL COMMITTEE- RETIREMENT SUBCOMMITTEE

DRAFT MINUTES

Monday, July 24, 2017 at 1:00 p.m.
Eskridge Conference Room - Tahoe Forest Hospital
10121 Pine Avenue, Truckee, CA

1. CALL TO ORDER

Meeting was called to order at 1:00 p.m.

2. ROLL CALL

Board: Alyce Wong, R.N., Chair; Dale Chamblin, Board Member

Staff in attendance: Harry Weis, Chief Executive Officer; Judy Newland, Chief Operating Officer; Alex MacLennan, Chief Human Resources Officer; Juan Abarca-Sanchez, EAP President

Other: Brian Montanez, The Multnomah Group; Sarah Kelly, Fidelity Investments; Phil Haslam, Fidelity Investments

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

No changes were made to the agenda.

4. INPUT – AUDIENCE

Public comment was received from Juan Abarca-Sanchez.

5. APPROVAL OF MINUTES OF: 5/16/2017

Brian Montanez recommended to strike "Generally it is 1.5%" under item 6.1.2. This was a passing comment made in reference to retail.

Director Chamblin moved approval of the May 16, 2017 Personnel Committee minutes with the change noted above, seconded by Director Wong.

6. ITEMS FOR COMMITTEE DISCUSSION AND/OR RECOMMENDATION

6.1. Multnomah Group Retirement Plan Review

6.1.1. Status of Healthcare Service Plan

Brian Montanez of Multnomah Group noted the rollover of Tahoe Forest Healthcare Services' 401(k) plan to 403(b) plan is under way.

TFHCS is not subject to ERISA so it cannot have a 401(k) plan.

Final paperwork will be filed.

6.1.2. Plan Investment & Plan Asset Review

Multnomah Group reviewed the investments and plan assets for the District's retirement plans.

There are no investments on the watch list or recommended for removal at this time.

Since all investments scored in the top two-thirds of their respective peer groups, Multnomah Group had no additional formal comments.

Mr. Montanez reviewed the last quarter returns of blend large, mid and small in the U.S. equity markets.

Under fixed income, high yield investments have done well in the last year.

Discussion was held on the Vanguard FTSE Social Index investment.

This index is screened for social causes. It received a red rating for risk and its peer group percentile ranking of 48 is misleading. Performance of the investment is doing well. It had higher than average risks and higher than average returns. Vanguard FTSE Social Index is at the top of the charts for Manager Skill Metrics – Excess.

Vanguard Target Retirement 2055 and Vanguard Target Retirement 2060 under performed because they are newer funds.

Mr. Montanez reviewed the fund scorecard and plan asset detail for the 457b Deferred Compensation Plan.

At the end of March 31, 2017, the plan had total assets of \$44,071,100.45 and at the end of June 30, 2017, the plan had total assets of \$45,109,618.62. The record keeping looks correct.

Mr. Montanez reviewed the fund scorecard and plan asset detail for the Money Purchase Plan.

At the end of March 31, 2017, the plan had total assets of \$34,666,865.62 and at the end of June 30, 2017, the plan had total assets of \$36,101,536.03. The plan record looks correct at the fund asset level.

6.2. Fidelity Investments Retirement Plan Auto Enrollment Update

Personnel Committee discussed the timing of the change to auto enrollment for employees.

Discussion was held about what happens to the retirement plan match for employees that cancel the auto enrollment.

The unwind feature is not currently turned on but it will be active on January 1.

Mr. Montanez confirmed on the IRS website that the match is forfeited if the employee cancels their auto enrollment into the retirement plan.

6.3. Fidelity Investments Retirement Plan Review and Education Planning

Sarah Kelly of Fidelity Investments introduced her colleague Phil Haslam. Mr. Haslam oversees on-site representatives.

Ms. Kelly reviewed the District's plan statistics data as of March 31, 2017. June data was not yet available.

Total assets were \$78,737,966 with 1,758 total participants.

Year to date employee contribution were \$997,100 and year to date employer contributions were \$402,084. Year to date withdrawals were \$3,097,201.

The average balance of the plans was \$44,788.

Director Chamblin inquired if the withdrawals are retirement payouts or loans. Fidelity confirmed they are payouts and loans. CHRO asked if there is a trend of people retiring. Ms. Kelly can look at second quarter data for trends.

Ms. Kelly reviewed the Asset and Participant Count Trends chart on page 139 of the packet. The chart shows a steady increase of assets against a fluctuation in participant numbers.

Fidelity noted 161 participants are holding MIP CL 1 as a single investment. This is a conservative fund that is not keeping up with inflation.

Ms. Kelly showed on page 142 in the Participant Allocation to Equities graph for the 457b plan where the dots on the bottom line are participants invested 0% in equities and not within the preferred equity band (shown in green on the graph). CHRO asked if were possible to reach out to these participants. Fidelity noted they can offer education to participants that would like it but that it is a fine line the District does not want to cross.

Juan Abarca-Sanchez, EAP President suggested scheduling some Spanish speaking Fidelity representatives to assist employees.

CHRO will ask Fidelity to do a lunch and learn session for staff.

Mr. Haslam reviewed new features of the financial wellness program which include enhanced digital capabilities, expanded programs and education to address top needs and enhanced reporting capabilities.

Fidelity reviewed the 2017 Communication and Education Calendar. The calendar has been consolidated to a quarterly check-in with participants.

Mr. Haslam stated TFHD's Fidelity onsite representative Dave Schaft had been replaced by Isaac Green. Isaac has been a retirement planner for 6 years and has worked for Fidelity for 10 years.

Participants have access to Fidelity through one-on-one appointments, the benefits fair, workshops, and help desk. It was noted the helpdesk has worked well at IVCH in the past.

Areas of focus for the 2017 pre-retiree program are retirement income, Social Security and Medicare.

6.4. Employee Engagement Survey Results

Personnel Committee discussed the results of a recent employee engagement survey.

Alex MacLennan, Chief Human Resources Officer (CHRO), reviewed the Press Ganey 2017 Employee Engagement Survey Executive Overview.

The engagement score for 2017 was 4.20, an increase over 4.17 in 2014.

Action Planning Readiness improved by one point.

Top Key Drivers were:

- Sense of belonging
- Employees treated with respect
- Respect for manager's abilities

High Performing Items were:

- Fairness of pay
- Adequately staffed work units
- Satisfaction with benefits

Low Performing Items were:

- Career development opportunities (this is always a struggle)
- Confidence in senior management's leadership
- Senior management's actions support mission

Personnel Committee would like a progress report, possibly on a quarterly basis.

Press Ganey will give managers a focused report on what they need to do to improve.

6.5. CEO Incentive Compensation Criteria

Personnel Committee discussed CEO Incentive Compensation Criteria metrics.

CEO reviewed his proposed incentive criteria. All metrics would be scored "met" or "not met".

The finance section should have the most weight at 60%. The main financial goal will be to meet or exceed net income. Every year the board will do a detailed review of the budget.

Discussion was held about the gain sharing program which is activated at a net income of \$4,000,000. The patient satisfaction criteria ties into the gain sharing program as a baseline score of 93.76 must be met.

The quality criteria was proposed to maintain or show improvement in the sepsis bundle.

This should be reviewed. Director Chamblin assumed the quality metrics would change every year.

Janet Van Gelder, Director of Quality and Regulations, indicated the District does well overall in core

measures. She supported using the sepsis bundle for the quality metric as it falls out of compliance at times. The sepsis bundle can be a challenge due to the low number of patient encounters.

Director Chamblin commented the service/people/growth metrics are very narrow and only focus on one item which could result in other important areas being overlooked.

CEO proposed the overall framework of the CEO Incentive Compensation Criteria stay the same but specific elements would change annually.

Personnel Committee made a recommendation to bring the following CEO Incentive Compensation criteria to the next board meeting:

Finance 60%

-Meet or exceed budgeted net income of (comes from FY18 budget once approved)

Service 10%

-Meet or exceed 93.76 Patient Satisfaction Scores as highlighted in gain sharing program.

Quality 10%

-Maintain or improve core measure in sepsis bundle

Growth 10%

-Meet or exceed 59,226 annual patient visits

People 10%

- Meet or exceed last employee engagement survey score of 4.20.

*Next year will use the physician survey metric. Odd years will be employee survey and even years will use physician survey results.

7. REVIEW FOLLOW UP ITEMS / BOARD MEETING RECOMMENDATIONS

-add CEO incentive comp to board meeting agenda

8. NEXT MEETING DATE

Personnel Committee will meet as needed.

9. ADJOURN

Meeting adjourned at 2:40 p.m.