

September 9, 2019 - 12:30PM
13805 58th Street North, Clearwater, FL.
Conference Dial: 1-844-815-8411
Conference Code: 268-750#

Compensation Committee

Agenda

- I. Welcome and Introductions** Candida Duff, Chair
- II. Action/Discussion Items**
 - 1. Approval of Minutes – July 16, 2019 Meeting.....Page 2
 - 2. Health and Wellness Plan.....Page 6
- III. Public Comments**
- IV. Committee Members Comments**
- V. Adjournment**

Board of Directors – September 18, 2019



Action Item 1

Approval of Minutes

In accordance with Article VII, Section 1(H), of the approved WorkNet Pinellas By-Laws: Minutes shall be kept of all Board and Committee meetings. Minutes shall be reviewed and approved at the next CareerSource Pinellas Board or Committee meeting as appropriate.

The official minutes of meetings of the Board and Committees of the Board are public record and shall be open to inspection by the public. They shall be kept on file by the Board Secretary at the administrative office of CareerSource Pinellas as the record of the official actions of the Board of Directors.

The draft minutes from the July 16, 2019 Compensation Committee meeting have been prepared and are enclosed.

RECOMMENDATION

Approval of the draft minutes, to include any amendments necessary.

**CareerSource Pinellas
Joint Compensation & Ad Hoc CEO/Counsel Committees Minutes**

Date: July 16, 2019 – 11:00 A.M.

Location: 13805 58TH Street North, Clearwater, FL, 33760

Call to Order

Board Chair Karla Leavelle called the joint meeting to order at 11:01 am. The following members participated, from both the Compensation Committee and the newly established Ad Hoc CEO/Counsel Selection Committee.

Committee Members in attendance

Candida Duff, Jack Geller, Commissioner Pat Gerard, Karla Leavelle, Russell Leggette, Mike Meidel, Debbie Passerini.

Committee Members absent

Amy Van Ness.

Staff Present

Jennifer Brackney, Dawn Evans, Steve Meier and Luna Clarke.

Discussion Item 1 - Note from the Board Chair to the Joint Committees

At the request of Chairwoman Leavelle, an email was forwarded to the members of the CSPIN Compensation Committee, and the newly formed Ad Hoc Chief Executive Official/Executive Director and Legal Counsel Selection Committee. The email was an invitation for both groups to hold a joint meeting, to discuss whether or not the CEO should receive the benefits performance stipend that is currently awarded to all employees. Those committee members are as follows:

Ad Hoc CEO/Legal Counsel Selection Committee*

1. Karla Leavelle
2. Commissioner Pat Gerard
3. Michael Meidel
4. Russell Leggette (Board Chair Appointee)
5. School Board Member (Pending)

Compensation Committee

1. Karla Leavelle
2. Candida Duff
3. Jack Geller
4. Debbie Passerini
5. Amy Van Ness

*As outlined in the Board approved by-laws of June 5, 2019

Action Item 2 – CEO Mid-Year Performance Stipend

On April 3, 2019, the Board of Directors approved aligning staff evaluations to the Program Year, July 1 through June 30. To achieve this, the Board of Directors approved a mid-year performance stipend to be given for the six-month period from January 2019 - June 2019, allowing for a maximum of 2.5% of an employee's base salary to be earned, determined by his/her overall rating on the staff evaluation. The Board of Directors completed a leadership assessment for Ms. Brackney mid-way through her contract. The survey was administered by HR Edge Consulting firm and completed by 15 board members. Ms. Stephanie Lacy of HR Edge gave an overview of the results in the April 3, 2019 Board Meeting.

Discussion: There was extensive and varied discussion among the group, regarding the CEO's employment contract, evaluation and performance. Additionally, board members specified that Ms. Brackney's performance should be based on measurable goals, which were given to the CEO at the onset of her employment contract.

After much discussion, the joint committees recommended to meet at a subsequent date to do the following:

1. Conduct a performance evaluation for Ms. Brackney in August 2019. This performance evaluation would be based on the measurable goals that were given to Ms. Brackney at the start of her term as CEO.
2. Discuss performance stipend for Ms. Brackney.
3. Discuss re-negotiation and/or renewal of a CEO employment contract for Ms. Brackney.

All of these items will consequently be presented to the full Board of Directors at the September 18, 2019 meeting.

Motion:	Jack Geller
Second:	Russell Leggette

The Compensation Committee recommended the above items. The motion carried unanimously.

Information Item 1 – Employment Contract – Jennifer Brackney

Jennifer Brackney's CEO employment contract was enclosed in the packet as informational item, to be referenced to throughout the meeting.

Public Comments: There were no public comments nor committee members' comments

Adjournment: The joint meeting was adjourned at 11:27 a.m.

Call to Order

Newly appointed Compensation Committee chair, Candida Duff, called the meeting to order at 11: 29 am. The Ad Hoc Selection Committee members did not participate in this meeting.

Action Item 1 – Approval of Minutes

The minutes of the May 30, 2019 Compensation Committee meeting were presented for approval.

Motion:	Jack Geller
Second:	Debbie Passerini

The minutes were approved a presented. The motion carried unanimously.

Action Item 2 – Vendor Recommendation: HRMS, Payroll & Benefit Broker Services

On February 6, 2019, the Board of Directors approved the issuance of a Request for Proposal (RFP). This RFP solicited quotes from Professional Employer Organizations, Payroll companies, and Insurance Brokerage firms with the technical expertise and an established track record in providing benefit brokerage consulting services. Interested parties were asked to submit a quote for any and/or all group health and welfare benefit plans and 401(k) plans. These services would include assisting CareerSource Pinellas with strategic benefit and 401(k) planning to obtain the best coverage and cost for employee benefit programs. In addition, the RFP solicited quotes and ongoing support for current Human Resource Management Systems (HRMS) and Payroll platforms services that provide cost effective and efficient solutions. In response, seven companies submitted a proposal. On July 10, the staff review committee, met to discuss their independent assessment and ranked each proposal.

Proposer by ranking order	Ave. Score
Hub International	90.1
USI Insurance Services, LLC	87.4
Gallagher Benefits Services	69.9

Hartin Dynamics	72.6
Alltrust Insurance	74
Jarred Bunch Consulting 401(k) only	61.6
ProVise Management Group 401(k) only	79.3

Based on the scores, the review committee contacted Hub International and USI to gather information for consideration. With consideration to the additional information, the committee recommends entering into contract negotiation with Hub International for the following reasons:

- Leading global insurance brokerage firm
- Robust offering of insurance options and plans
- Dedicated support team comprised of subject matter experts
- Cost savings for HR and payroll platforms due to purchase power
- Customer Centric Carrier strategy providing opportunity to leverage relationships that offer best in class value
- Approach is designed to help solve immediate, short-term challenges while developing a multi-year strategic plan based on CSPIN's goals and objectives.

Motion:	Jack Geller
Second:	Karla Leavelle

The Compensation Committee recommends approval of the contract award to Hub International for the provision of benefit brokerages and a comprehensive analysis of current payroll and HR platforms, upon a successful contract negotiation. The motion carried unanimously.

Other Administrative Matters: None

Public Comments: None

Committee Members Comments: None

Adjournment

The meeting was adjourned at 11:38 a.m.



Action Item 2

Health and Wellness Plan

CareerSource Pinellas has invested a significant amount of time to better understand the collective voice of our workforce. We have accomplished this through the Employee Engagement Survey conducted by People Element, opening lines of communication and hosting regular Town Hall meetings. Through these venues, three specific areas of focus have been identified for our employees, 1) reviewing total compensation (salary and benefits), 2) improving communication, and 3) providing training opportunities. In February 2019, hrEdge Consulting conducted a Comprehensive Salary Review. The review was designed to focus on salary range equity externally, as well as internal structure of position titles. One result of this review was the development of a new Job Title Family Structure with aligning Pay Grades implemented on July 1, 2019.

Throughout the process of listening to our employees, we have heard their call for a more equitable approach to offering health and wellness benefits. The current benefit plan offers a 28% Benefit Stipend to select from a cafeteria plan of various categories of health and wellness. Employees shared that overall they were satisfied with the benefit choice offerings and their ability to customize a plan that meets their specific needs. However, they also shared their concern that the stipend based on salary is inequitable. As we move forward with a benefit plan for 2020, it is important that we listen to the concerns of our employees and adopt a plan that takes into consideration their concern about equity, while providing for continued choice and customization to meet their individual needs.

At CareerSource Pinellas, we believe employees are a valued asset. To remain competitive within the labor market, it is critical that we offer a compensation package that includes comprehensive health and wellness benefits. To assist with this process, on July 17, 2019, Hub International was selected as the new benefit broker. As the benefit broker, Hub has assisted with reviewing the current employee census, estimating the anticipated cost of health insurance, and identifying options for a comprehensive health and wellness benefit package.

The current census is 59 full-time employees with 42 employees (70 percent) currently enrolled in the CareerSource Pinellas-sponsored health insurance. Hub explored renewal costs with Cigna, the existing carrier, as well as United Health Care and Aetna. At this time, Hub cannot provide a guaranteed health insurance rate for January 1, 2020. However, Cigna did advise Hub that CareerSource should anticipate up to a 30% increase in premiums in 2020. Based on this research, we are presenting three options for consideration: Option #1 – 28% Benefit Stipend Plan, Option #2 – Defined Benefit Plan, and Option # - Hybrid Benefit Plan.

OPTION # 1: 28% BENEFIT STIPEND PLAN

Career Source Pinellas continues to offer a 28% stipend of the annual salary for employees to participate in a cafeteria style benefit plan. The cafeteria plan allows employees to make their choice from various categories of health and wellness benefits.

The 28% Benefit Stipend Plan is awarded in two parts 1) Medical stipend equal to the premium of the minimum essential plan (\$8,190) and 2) Benefit stipend (28 percent less the \$8,910). The average cost of the 28% Benefit Stipend Plan is \$13,967 per employee.

OPTION # 2: DEFINED BENEFIT PLAN

CareerSource Pinellas offers a Defined Benefit Plan. This plan provides a defined health and wellness package. The package includes the following: Silver Medical Plan, Dental, Vision, Life AD& D and Long and Short Term Disability. Employees can elect or decline coverage.

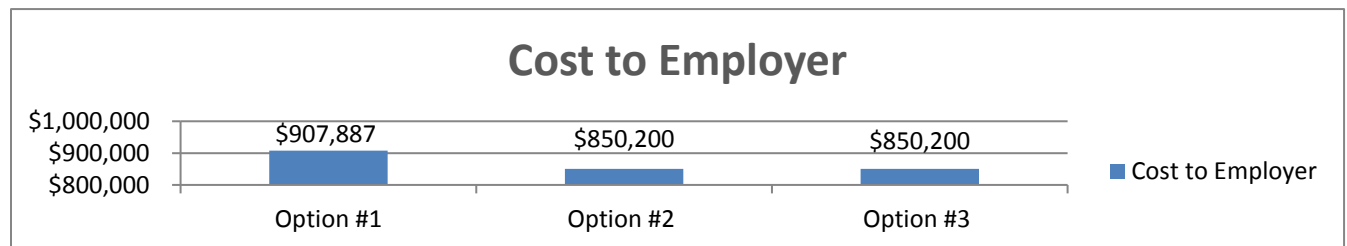
The Defined Benefit Plan does not allow for employee choice or customization to meet their individual needs. The cost of the Defined Benefit Plan is \$13,080 per employee.

OPTION # 3: HYBRID BENEFIT PLAN

CareerSource Pinellas offers a Hybrid Plan. The Hybrid Plan offers the best of both worlds. It continues to offer benefit stipend for employees to participate in a cafeteria style benefit plan. The cafeteria plan allows employees to make their choice from various categories of health and wellness benefits. However, the benefit stipend is offered at a flat, standardized rate for all employees. It is not based on salary. It is based on the estimated cost of a comprehensive, competitive benefits package. In addition to having choice, the plan offers a defined benefit component including Life Insurance, AD&D, Long and Short Term Disability.

The Hybrid Benefit Plan is awarded in three parts 1) Medical stipend to equal the premium of the minimum essential plan (\$8,190), 2) Benefit stipend of a flat rate, standardized amount of \$4,390 to spend on cafeteria plan offering of benefits, and 3) Defined benefit of Life Insurance, AD&D, Long and Short Term Disability. The estimated cost per each employee of the latter is \$500. The cost of the Hybrid Benefit Plan is \$13,080 per employee.

HEALTH AND WELLNESS PLANS – EMPLOYER COST COMPARISON



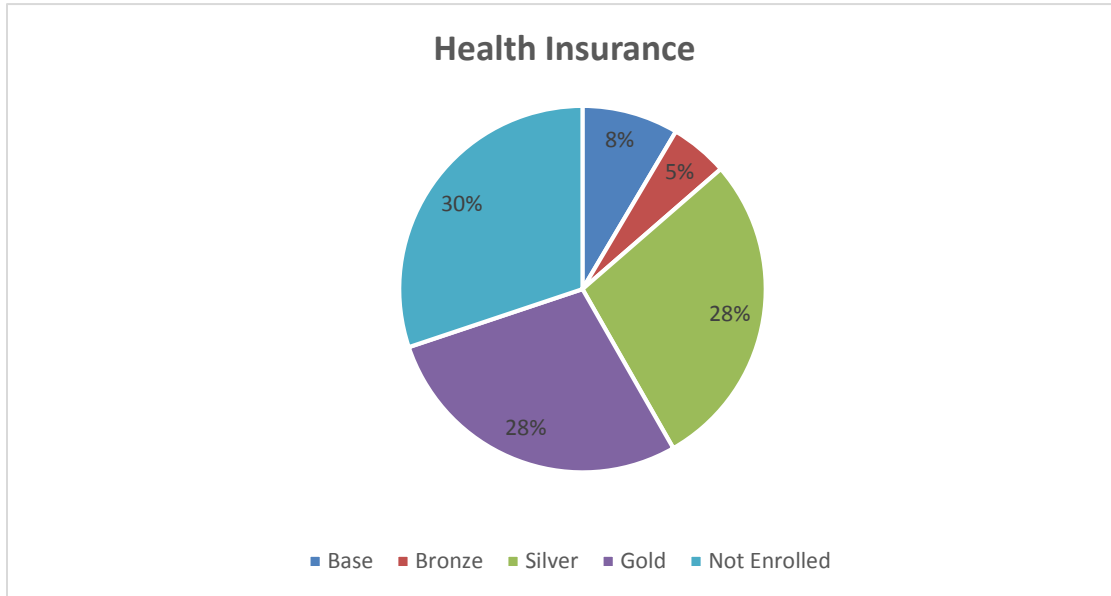
RECOMMENDATION:

In an effort to provide a comprehensive, competitive health and wellness plan for all CareerSource Pinellas employees, the recommendation is to adopt the Hybrid Benefit Plan - Option #3. This plan provides an equitable option to providing benefits while continuing to offer choice and customization to meet individual needs. This option promotes a more equitable approach to offering benefits, invests in the overall health and wellness of our employees, and provides a robust benefit plan to attract and retain talent.

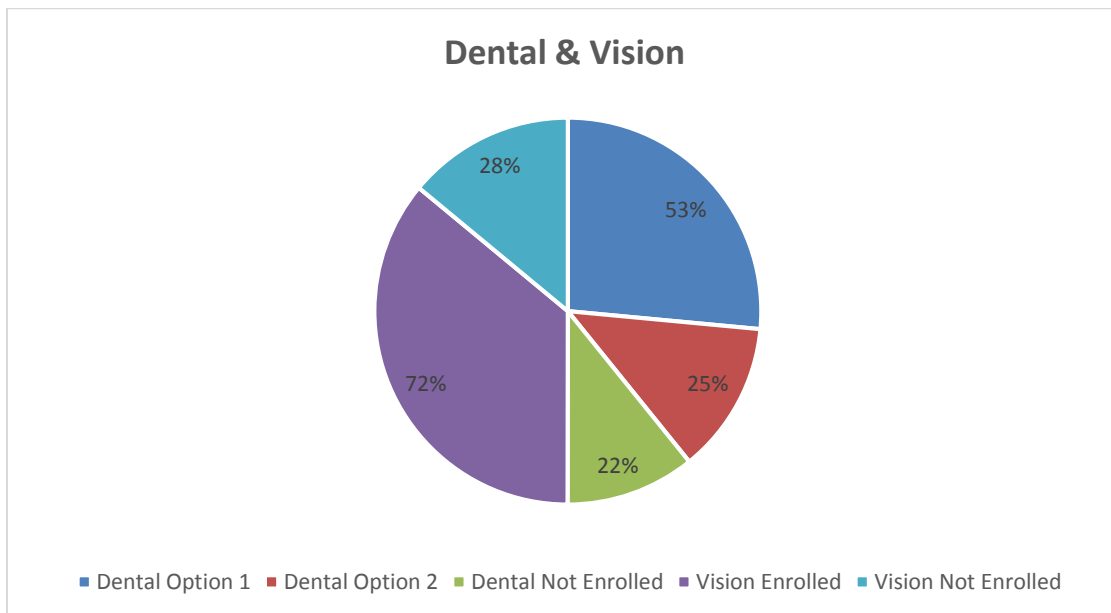
Supplemental Information for Discussion

Current Enrollment Summary

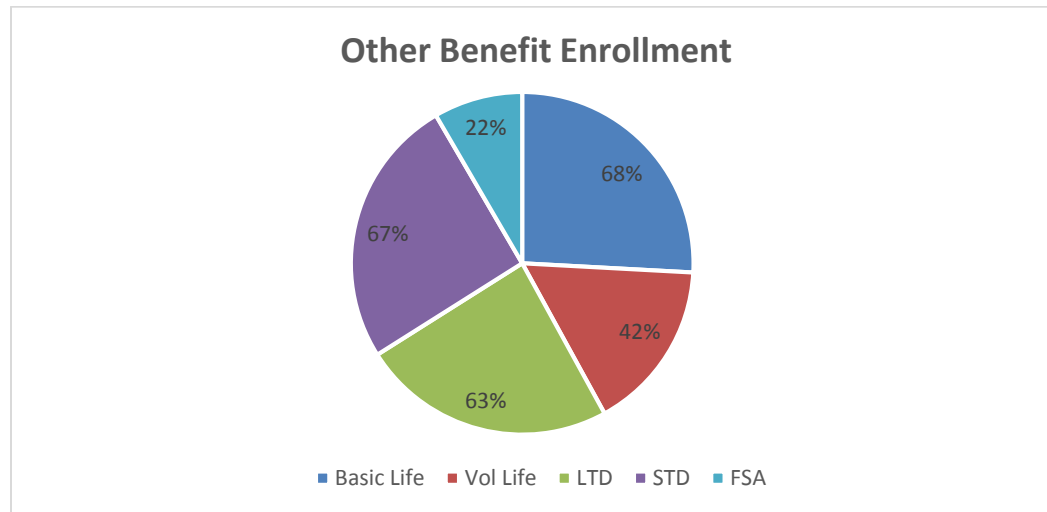
The current census is 59 full-time employees with 70 percent of the employees enrolled in CareerSource-sponsored health insurance including: 28 percent - Gold plan, 28 percent - Silver plan, 5 percent - Bronze plan, and 8 percent - Base plan.



Over 70 percent of employees are enrolled in a CareerSource-sponsored dental and vision plans.

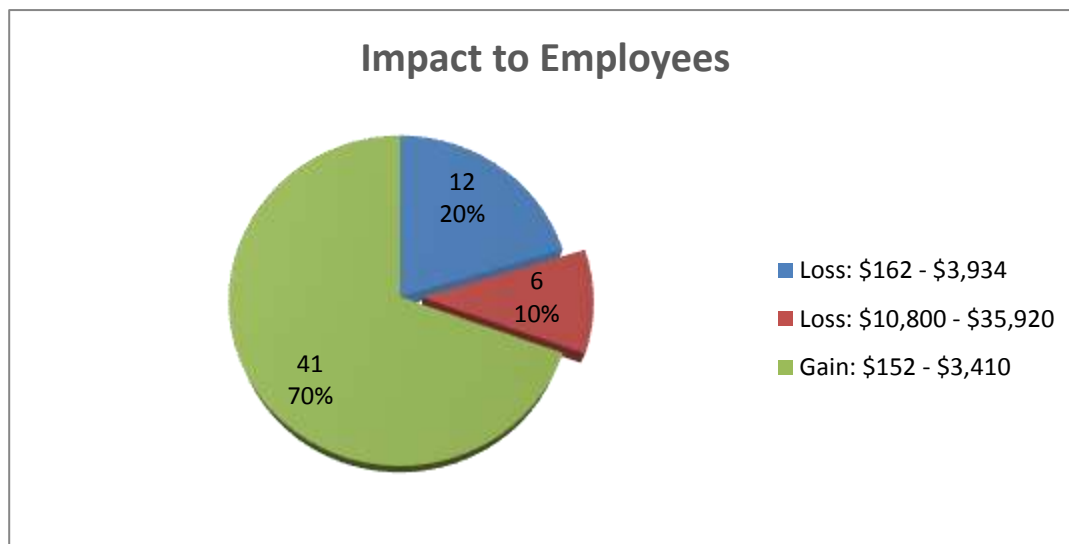


There is robust participation in the Supplemental plans with LTD, STD, FSA, Life Insurance, and Accident with the highest percent of enrollment. At the start of 2019, there was 100 percent employee participation in the CareerSource-sponsored health and/or benefit plans.



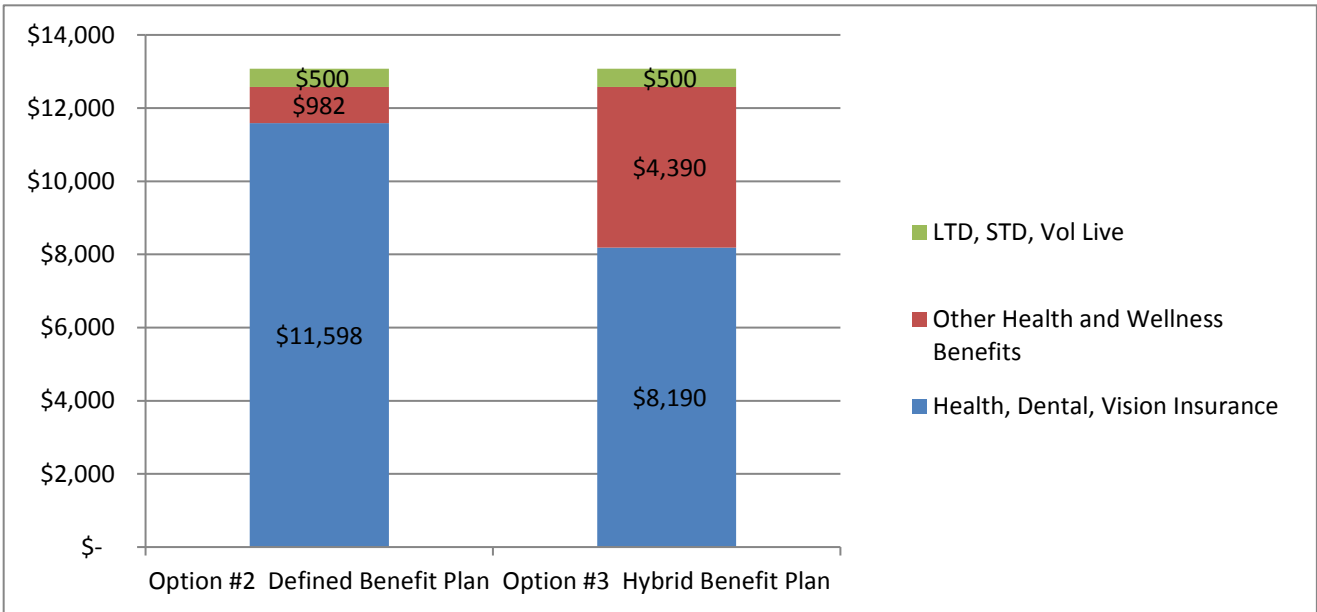
Impact to Employees

With the implementation of either the Defined Benefit Plan or the Hybrid Plan, the impact to employees ranges from annual minimum loss of \$82 to a maximum loss of \$35,920. As expected, the impact will be higher for the six higher compensated staff. Almost 70 percent of employees will gain from a minimum of \$232 to a maximum of \$3,490 in resources to support additional health and wellness benefit.



Benefit Plan Comparison

The benefit amount per employee for both Option #2 and Option #3 is \$13,080. The distribution of this benefit amount varies based on the plan. Option #2 offers a standardized Silver Plan with dental, vision, LTD, STD and Vol Life. Option #3 offers an allotment for the base plan with the opportunity participate in a cafeteria style benefit plan. The cafeteria plan allows employees to make their choice from supplemental health and wellness benefits including upgrading health insurance plans. Additionally, it offers defined benefits for all employees of LTD, STD and Vol Life. The main difference between the two plans is the flexibility for employees to create the mix of benefits that best meets their individual needs.



CareerSource Pinellas anticipates a total of 65 benefit eligible employees for PY'2019-2020.

CareerSource Pinellas				
Expenditure	2019-2020 Approved Budget	Current Estimate @ Option 1	Current Estimate @ Option 2	Current Estimate @ Option 3
Salary Expense	3,548,205	3,548,205	3,548,205	3,548,205
Salary Expense - Benefit Stipend	907,887	907,887	-	850,200
Health Insurance	-	-	850,200	
Payroll Taxes	344,091	344,091	344,091	344,091
Retirement	209,422	209,422	209,422	209,422
Total Personnel Costs	5,009,605	5,009,605	4,951,918	4,951,918
Savings vs. Option 1			\$ 57,687	\$ 57,687
# of Benefit Eligible Employees	65	65	65	65