

**CareerSource Pinellas
Compensation Committee Minutes**

Date: September 9, 2019 – 11:00 A.M.

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

Call to Order

Chair Candida Duff called the joint meeting to order at 12:31pm. There was a quorum, with the following members participating.

Committee Members in attendance

Candida Duff (phone), Jack Geller (phone), Michael Logal, Debbie Passerini, Barclay Harless (phone), Amy Van Ness (phone).

Committee Members absent

Karla Leavelle, Kay McKenzie.

Staff Present

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

Action Item 1 – Approval of Minutes

The minutes of the July 16, 2019 Compensation Committee meeting were presented for approval.

Motion:	Jack Geller
Second:	Michael Logal

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

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 annually.

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 annually 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 annually per employee.

Motion:	Jack Geller
Second:	Michael Logal

The Compensation Committee recommends the approval and adoption of the Hybrid Benefit Plan -Option #3 in an effort to provide a comprehensive, competitive health and wellness plan for all CareerSource Pinellas employees. 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. The motion carried unanimously.

Discussion: The Committee recognizes that the leadership team, being the driving force of the organization is in line to suffer the most impact from the transition of benefits to a hybrid plan. The Committee also believes that in light of this impact, it would be appropriate to make some salary adjustments for those members who would be the most affected.

Information Item – Supplemental Information to the Action Item.

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.

Other Administrative Matters: None

Public Comments: None

Committee Members Comments: None

Adjournment: The meeting was adjourned at 12:50 pm