

Business Employment Skills Team, Inc.
Human Resource Committee Meeting Minutes
July 29, 2016

The BEST, Inc. HR Committee Meeting was called to order at 10:26 a.m. by Chairperson Kathy Enbom.

MEMBERS PRESENT: Kathy Enbom, Wayne Reising, Jennifer Robbins

OTHERS PRESENT: Kathy Day, Pam Furlan, Jo Ann Johnson

Approval of Meeting Minutes

Jennifer motioned to approve the October 6, 2015 Meeting Minutes. Motion was seconded by Wayne Reising and carried.

Business Meeting

Salary Range Adjustments

Kathy D informed members that some staff have exceeded the top of their respective salary ranges. She suggested that the salary range structure be revised to include those staff that are above the salary range. Kathy E commented that if the salary ranges are adjusted then it becomes an expected salary. Jennifer suggested that the current salary ranges be adjusted according to the actual cost of living. Wayne agreed. Pam asked how the merit raises impact the salary ranges. Jennifer responded that a merit raise never impacts the range. The ranges, Jennifer said, should be continually adjusted based on the cost of living increase each year. Pam then asked if a staff member could get a merit raise whether their current salary is inside or outside of the range. Jennifer responded that if an individual is above the salary range their merit increase should be looked at on an individual basis. Members asked Kathy to adjust the salary ranges using the social security cost of living increase allowance since the merger. Pam then asked if an individual with a lot of related experience could be hired above the entry level wage. Members responded yes. Kathy E commented that some companies set policy that it would be based on their experience but never hired above mid-point of the salary range. Jennifer stated that capabilities and initiatives of the individual should also be considered when starting them above entry level salary.

Jennifer Robbins motioned to propose to the BEST, Inc. Board of Directors to retroactively increase the salary ranges based on the cost of living increases since the merger and to set policy to automatically do the same at the beginning of each Program Year based on social security cost of living allowance. Motion was seconded by Wayne Reising and carried.

Yearly Salary Adjustments

Kathy D informed members that due to budget constraints the request for staff merit raises was put off during first quarter. Kathy then proposed up to a 3% increase for all staff effective October 1, 2016 based on performance. Based on the performance evaluations for Program Year 2015, Kathy said that all staff will eligible to receive a 3% increase. She said that the total cost, including benefits would be approximately \$27,000. Kathy D stated that at a previous meeting, discussion was held about possibly having staff to contribute towards their health insurance. She agreed that insurance costs needed to be

looked at, but said that she would not like to see staff not receive an increase and then have to start paying towards their health insurance.

Pam commented that during the last Program Year staff participated in implementation webinars and did well through the transition from WIA to WIOA. She said that she would love to see everyone get a 5% increase because they all performed well. However, Pam said that she wanted the HR Committee and in particular the BEST Board members to understand that by giving staff an increase, it may impact the 40% direct training percentage. Pam stated that when the 40% direct training percentage goes down, she wants members to know that it is because staff are being rewarded for their hard work. She said she did not want members to think that by laying off staff or closing offices will increase the direct training percentage.

Kathy D commented that staff have been able to keep the direct training percentage high. She said that when you compare our area to others staff has continually done well. Kathy said that it has been a trying year for all staff due to the changes in the legislation and programs but staff are trying to refocus and redirect to keep competitive in our area.

Kathy E suggested a bonus be given if someone has a tough year. Kathy D stated that under the new federal OMB Circular bonuses are not allowable. After discussion, Kathy D was asked to contact the Department of Commerce and get this ruling in writing.

Kathy D recommended that up to a 3% increase be given to staff based on performance effective October 1, 2016.

Discussion was then held regarding the salary ranges and the possibility that some of the staff salaries may be above the range even after the cost of living adjustments are included. Jennifer commented that the BEST Board needs to decide. Jennifer then motioned to recommend up to a 3% salary increase for staff based on performance evaluations and the position in the range. Wayne asked about the Business Relations Representative that is above the range. Pam asked in lieu of a merit increase is an employee would have an opportunity to work from home for a day. Jennifer stated that working from home is not viable. Kathy E said that staff should only work from home when weather is an issue. Kathy D told members that Jessica is allowed to work from home one day a week. Kathy E said that Jessica was temporarily allowed to work from home while she was attending school. Now that Jessica has completed her schooling, Kathy E said, she is to work in the office. Kathy D stated that she misunderstood and will let Jessica know that she can no longer work from home.

Kathy E asked Kathy D to investigate some other monetary options if bonuses are not allowable.

Wayne seconded the motion to recommend up to a 3% salary increase for staff based on performance evaluations and the position in the range. Motion carried.

Request to Increase Hours for Theresia Charley

Pam informed members that Theresia Charley is a Business Relations Representative in the Oregon office currently working 3 days a week. Pam said that Theresia has been extremely busy visiting employers in Ogle County and some in Stephenson County. Due to the increase in customers, Pam is recommending to increase Theresia to 4 days a week (30 hours). Jennifer Robbins motioned to recommend to the BEST Board to increase the hours for Theresia Charley to 4 days per week (30 hours). Motion was seconded by Wayne Reising and carried.

Complying with the New Wage & Hour Laws

Jo Ann informed members that BEST, Inc. has 4 individuals (Pam Furlan, Kathy Day, Carrie Folken & Dianna Schuler) that are considered exempt employees. She said that under the new Wage & Hours Laws that will become effective at the end of this year, these same individuals will continue to meet the definition of exempt employees.

Employee Benefit Review

Changing of Paid Hours Off Rates

Kathy asked members for clarification regarding the accurate rate of PHOs for staff that work less than 37.5 hours per week. She stated that currently the PHO accrual rate is adjusted based on the hours that staff are paid. Members stated that the accrual rate should be based on the hours that staff are scheduled. Jo Ann pointed out that the Time Off Policy states that staff will earn PHOs based on the hours they are paid. Therefore, she said that is why the accrual rate was adjusted accordingly. After reviewing the Time Office Policy, Wayne motioned to recommend to the BEST, Inc. Board of Directors to change the Time Off Policy to the following:

Employees who work less than 75 hours in a two-week pay period shall accrue PHOs on a pro-rated basis according to the number of hours ~~paid~~ scheduled.

Motion was seconded by Jennifer Robbins and carried.

Dental Insurance

Jo Ann informed members that the dental plan with Delta Dental was renewed last year for 2-years. Therefore, she said, Delta Dental is not up for renewal until 2017.

Health Insurance

Jo Ann told members that she is in the process of collecting information from each of the 8-counties regarding their employee insurance benefits. She also told members that she has requested optional plans from the current agent. Jennifer suggested that the current agent provide scenarios of possible changes that can be made to the current plan without affecting all staff. She also asked for some reporting information in terms of how many individuals met the out-of-pocket maximum for single, how many utilize preventive care treatment, etc. Wayne stated that the pool of grandfathered plans are shrinking and therefore the costs will continue to increase each year. Jo Ann said that she would gather this information and present to the HR Committee at their next meeting. Members stated they may need to meet prior to the BEST Board to go over this information.

Request for Out-of-State Travel

Pam requested to send Joel Torbeck to the Michigan Works! WIOA Conference in Detroit, MI on August 16-17, 2016. Kathy told members that the cost for this conference would be approximately \$1,200. She said that money is always tight, but the Department of Labor is encouraging attending. Pam told members that with the release of the final regulations it would be beneficial to have someone in attendance to get the information first-hand. Jennifer Robbins motioned to approve the Out-of-State Travel for Joel Torbeck. Motion was seconded by Wayne Reising and carried.

Executive Director's Performance Evaluation

Attendees were asked to recess in order for the HR Committee members to discuss the performance evaluations for Pam Furlan and Kathy Day. After their discussion, attendees were informed that members completed a draft of the Executive Director's Performance Evaluations and they will be submitted to the Business Employment Skills Team, Inc. Board of Director's members for their input and continued discussion at the BEST, Inc. Board meeting on August 22, 2016.

Other Business

None

Public Comments

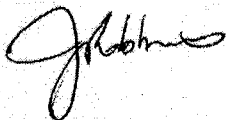
None

Adjournment

With there being no further business, Jennifer Robbins motioned to adjourn. Motion was seconded by Wayne Reising and carried. Meeting adjourned at 12:55 p.m.

Jo Ann Johnson

Approved by:

A handwritten signature in black ink, appearing to read 'J. Robbins', written over a faint rectangular stamp.

Jennifer Robbins
Secretary