



Southern Nevada District Board of Health Meeting

625 Shadow Lane
Las Vegas, Nevada 89106
Clemens Room

Thursday, February 22, 2007 – 8:00 A.M.

Chair Fairchild called the meeting of the Chief Health Officer Succession Committee to order at 8:00 a.m. She noted that she had been provided with the Affidavits of Posting and Mailing of Agenda meeting notices, as required by Nevada's Open Meeting Law. The Affidavits will be incorporated into the Official Minutes.

Committee Members

Present:

Donna Fairchild	Chair, Council Member, Mesquite
Jim Christensen, MD	Physician, Member-at-Large
Susan Crowley	Environmental Specialist, Member-at-Large
Tim Jones	Regulated Business/Industry, Member-at-Large
Lonnie Empey	Environmental Specialist, Member-at-Large Alternate
MaryJo Mattocks	Registered Nurse, Member-at-Large
John Onyema, MD	Physician, Member-at-Large Alternate
Jimmy Vigilante	Regulated Business/Industry, Member-at-Large Alternate

Absent:

Chris Giunchigliani	Commissioner, Clark County
Joe Hardy, MD	Physician, Member-at-Large
Gary Reese	Councilman, Las Vegas
Debra Toney, RN	Registered Nurse, Member-at-Large Alternate

Executive Secretary:

Donald S. Kwalick, MD, MPH

Legal Counsel:

Stephen R. Minagil

Staff: Lawrence Sands, DO, MPH; Angus MacEachern; Ann Markle; Leo Vega; Forrest Hasselbauer; Diana Lindquist; Shelli Clark

II. DISCUSSION

A. Terms of Contract including Salary for the New Chief Health Officer

Chair Fairchild stated that the purpose of this meeting was to discuss the terms of the contract for the new Chief Health Officer, Dr. Sands. Angus MacEachern, Human Resources Administrator, was invited to participate in the discussion. Chair Fairchild said that today's meeting would be an opportunity to "fill in the blanks" of the contract, noting that some benefits from the District are given to all employees, others must be negotiated. Mr. Minagil prepared a draft contract for the Board's review. Mr. MacEachern said the Public Employees' Retirement System (PERS) is a state-wide statute set by the legislature. All public employees are covered by the program and are restricted by the rules set by the legislature. Other benefits are negotiated between the Board and the Chief Health Officer.

Mr. Minagil said that he used the formats used for Dr. Kwalick's contracts and inserted blanks where items of discussion/decision exist. The term of the agreement and annual salary must be decided, as well as areas of annual leave, sick leave, health insurance, automobile allowance, and longevity. Notice of termination must also be negotiated.

Chair Fairchild asked about standard length of contracts, including options for extension. Mr. MacEachern responded that this issue has varied since Dr. Kwalick became the Chief Health Officer, which consisted of one, two, three and five year agreements. A two or three year contract was suggested. Dr. Sands said that his goal is to be with the District as long as the Board will continue to employ him. He would like to vest with PERS after five years of employment, and asked that his contract be granted for three years to allow him time to vest with PERS. If he decides to leave the district on his own accord, he would weigh all factors into his decision, including what is in the best interest of his career and his family. Chair Fairchild referenced the termination section of the contract.

A recommendation was made to have the contract term begin as of 12:01am on March 24, 2007, as Dr. Kwalick's last day is March 23, 2007. The contract specifies that Dr. Sands will serve as Chief Health Officer and Executive Secretary to the Board.

Chair Fairchild asked the Board's pleasure concerning the length of contract. Dr. Sands asked if the Board would consider having the term of contract coincide with the budget year. Member Jones asked about salary changes during the term of contract. Dr. Kwalick said that a 5% merit was given upon review, and any cost of living increases afforded to the employee units were given to him as well. Mr. MacEachern said that the timing of the merit raise was not imperative to the budget. Member Crowley recommended that the contract be issued through June 30, 2010.

Chair Fairchild said that the Assistant Health Officer position was posted at \$185,000 per year, and referenced the email from Dr. Kwalick correcting a statement from the last Board meeting. Chair Fairchild asked for suggestions from the Board relative to salary. Mr. MacEachern reported that a telephone survey was conducted of salaries of health officer positions as well as other analyses by Human Resources. It was determined that our situation is unique in that other areas in the southwestern United States have both a medical officer and an administrative officer, paying each incumbent between \$150,000 and \$175,000. The positions fall under the umbrella of a county structure. Mr. MacEachern said that he compared the position to chief executives to political subdivisions in Clark County with respective annual salaries: Clark County Manager - \$180,000; Las Vegas City

Manager - \$233,000; Henderson City Manager - \$221,000; North Las Vegas - \$181,000. Those salaries are associated with length of service in the respective positions. The positions are chief executives of the jurisdictions; the Chief Health Officer is the chief executive of this agency, which is responsible for the 8,000 plus square miles encompassing Clark County. The responsibility level of this position is as great when you look at the independent nature of this Board as compared to the other jobs.

Member Empey stated that the responsibilities put upon the Health Officer are enormous, not just in Clark County, but all of Southern Nevada. This position is accountable for many decisions and outcomes. The salary needs to reflect this responsibility. Mr. Empey suggested that the salary be above other entities. Member Mattocks asked about salary ranges and if a similar structure exists in the district. Mr. MacEachern replied that a structure is in a place from schedule 10 to 40; however the Chief Health Officer is not in that structure, but should be above schedule 40.

Member Onyema asked if a comparison study was done, including counties similar in size and salary structure. Mr. MacEachern responded that the position is unique as other counties have the health department as part of county structure, an internal department and functions solely as the county level. Our agency has one person functioning as both medical director and administrative officer as an independent entity. This position was compared to executives in political settings in the county as the Chief Health Officer must ensure that the budget is completed on time and balanced, adequate revenue coming in, and all medical issues in the county being addressed. Member Onyema said that making comparison to the city managers is unfair to the Chief Health Officer position as the responsibilities are different, as medical issues are involved. Chair Fairchild clarified that in other areas there are two persons serving in separate capacities, one a medical doctor and one in an administrative function, each receiving between \$150,000 and \$170,000 annually. Our situation is unique in that there is one person serving in both capacities. Dr. Kwalick stated that the state health division also has two separate positions: an administrator and the state health officer. Here the Chief Health Officer serves in both capacities. Dr. Onyema said that we save money having one person in both positions, which Mr. MacEachern confirmed.

Member Crowley said that comparing the position to local entities was correct, but asked if NDEP or Nevada OSHA was considered in the study. Mr. MacEachern said that these are state positions, and the salaries are lower. Member Onyema said that the years of experience and training must be considered when looking at a medical doctor becoming an administrator. Member Jones asked about comparisons to chiefs of staff and other medical executives. Mr. MacEachern said that the salaries were between \$200,000 and \$250,000 starting range. Dr. Kwalick said that physician executives in health care systems have salary ranges between \$250,000 and \$600,000 as far as a chief executive that is a physician in a specific medical specialty and is board certified

Member Crowley suggested taking 10% of the advertised \$185,000 salary. Dr. Kwalick said that he started in the position ten years ago at \$125,000. He said that a starting salary of between \$200,000 and \$210,000 is a direction to be considered with an individual who is qualified and experienced and filling the role of the chief executive and medical director of a large agency, being responsible for the entire county..

Member Vigilante said that in his dealings with Dr. Kwalick, he understands that the position is very unique. He said that comparing this position to industry presidents, the salary would

be very low. Dr. Sands should be compensated well due to the dealings he will have daily with agencies and business, and the stress related to the position and responsibilities.

Mr. Minagil said that the Board can implement a review and merit increase situation annually or bi-annually, based on performance. Chair Fairchild suggested a starting salary of \$210,000 including a yearly stipend of whatever the unit contract specifies, plus having a review around the anniversary date with up to a five percent merit increase.

Member Empey stressed that this position not only affects Clark County, but the entire world. The salary must be commensurate with this responsibility. He recommended starting the salary at \$240,000. Member Jones asked for reiteration of the salaries of local jurisdiction executives. Clark County Manager - \$180,000; Las Vegas City Manager - \$233,000; Henderson City Manager - \$221,000; North Las Vegas - \$181,000. Member Crowley expressed concern about establishing a salary higher than the other entities. Chair Fairchild said that this is a base salary, fringe benefits will escalate the salary over the other entities' managers.

Dr. Kwalick said that historically the district has established its position in the mid-range of member jurisdictions. Keeping this in mind would help avoid a contentious situation. Member Vigilante said that \$225,000 would be a mid-range salary. He stressed again that the position here is very unique and nothing to compare with. Justification is that the person is serving in two positions. Chair Fairchild recommended \$225,000 with the automatic pay raise, and merit review annually.

Member Onyema asked if other entity managers receive merit increases and cost of living adjustments. Mr. MacEachern said that some structures have merit increases built in to the schedule, but all entities do receive the CPI.

To clarify, Chair Fairchild recommended that the base salary be \$225,000 with annual raise equal to employee contract and up to five percent merit raise upon annual review. The five percent merit is consistent with other employees in the district.

Chair Fairchild asked for current amounts of allowed annual leave. Mr. MacEachern said that depending upon years of service, an employee receives two weeks the first year, three weeks the second year and four weeks beginning with fifteen years. Dr. Kwalick said that he was given full leave from the beginning. Chair Fairchild recommended that the full amount be allotted to Dr. Sands.

Mr. MacEachern said that typically the numbers of hours worked are calculated to receive 12 days per year, and up to 15 days per year after a certain number of years. Sick leave is banked and is not taken away – there is no maximum accrual. Upon separation, employees are paid for sick leave. Mr. Minagil recommended that for members' notes it be written as 20 days of annual leave, for example, and not four weeks.

Chair Fairchild asked if all employees are covered at 100% for health insurance. Mr. MacEachern verified that employees receive 100% coverage, and all dependents are covered at 50%. Mr. Jones inquired about other short or long term disability coverage. Mr. MacEachern said that certain disability and life insurance coverage are provided through the Public Employees Benefit Program, it is a standard package disbursed to all employees equally. The District provides 100% coverage for both Dr. Kwalick and his wife. Mr. MacEachern said that either we provide 100% coverage for Dr. Sands and his family, or

100% coverage for Dr. Sands and 50% for his family. The expense for the employee is incumbent upon the plan chosen, which can be up to \$6,000 per year.

Member Jones suggested looking at the insurance benefit in terms of salary. Mr. MacEachern said that the expense would be the out of pocket for dependent coverage. There is a greater expense for employee/spouse coverage than employee/family coverage. The recommendation was made to provide 100% coverage for Dr. Sands and his family.

Retirement is not an issue as it is provided for through legislative conditions.

The Committee discussed automobile allowance. Currently the allowance for managers is \$300 monthly; directors receive \$400 per month; and the Chief Health Officer receives \$600 a month. This amount is calculated into the employees' pay checks. The committee recommended to leave the automobile allowance as \$600 per month.

Chair Fairchild said that longevity is already taken care of. Mr. MacEachern explained that the executive longevity formula is the same as the County. Longevity begins after completion of five years of service with the district.

Mr. Minagil asked for clarification of retirement contributions. There is no choice on retirement contributions. Mr. MacEachern said that the district chose to be fully employer paid when it was offered – it must be either 100% employer paid or 100% employee paid. Financially it is better for both the employees and the employer to remain employer paid.

Chair Fairchild addressed the termination agreement. The current agreement reads that the employee may terminate the agreement with a six month written notice. Also, the employer must provide six month notice to employee for termination without cause. The committee recommended that the same language pertain to the agreement with Dr. Sands. Mr. Minagil said that a 60-day severance pay at current salary clause is in the current agreement, including accrued leave. The committee recommended to maintain the same provision in the agreement with Dr. Sands.

III. PUBLIC PARTICIPATION

Chair Fairchild asked if any members of the public wished to be heard. There was no response.

Chair Fairchild closed public participation.

IV. DISCUSSION / ACTION

A. Recommendations to the Board of Health

Member Crowley motioned to present these recommendations for the agreement with Dr. Sands as presented to the full Board of Health for approval.

- Term of contract: beginning March 24, 2007 at 12:01 a.m. through June 30, 2010.
- Salary: Base salary of \$225,000 with annual cost of living increases equal to employee contract and up to five percent merit raise upon annual review in March.
- Annual leave: twenty days of annual leave per year
- Sick leave: fifteen days of sick leave per year

- Benefits: 100% employer paid benefit coverage for Dr. Sands and his family
- Automobile allow: \$600 monthly automobile allowance
- Termination of contract: six month written notice by Dr. Sands to employer; employer may terminate agreement without cause with six month notice. Upon termination, employee will receive 60-day severance pay at current salary, included accrued leave.

The motion was seconded by Member Empey. There was no discussion and the motion carried unanimously.

V. ADJOURNMENT

There being no further business to come before the committee, Chair Fairchild adjourned the meeting at 8:50 a.m.

Respectfully Submitted,

Donna Fairchild, Chair

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