

Panel Presentation to The Haven Governance Committee

January 11, 2023

Panelists: Merryman Putnam and Jillian Zemp, Fahrenheit Advisors

Presentation of Compensation Philosophy

Barbara: All right, well, we've got Merryman Putnam and Jillian Zemp here from Fahrenheit Advisors. Julie sent out shortly, not too long ago. I didn't get it myself too long ago, some background and what I role is governance and why the ladies are here. If just briefly in case you haven't had a chance to The Haven has engaged them to establish our compensation philosophy and to provide some unbiased third party market data for all the job design to salary structure, establish the performance management process and make recommendations and also our role is governance is to understand our compensation philosophy, help educate the board of why it's important to have one and support The Haven staff and adhering to the philosophy basically, and that seems like a pretty big so let me go ahead and start with that consultant during the first one, especially tertiary and so we were like alright.

Merryman: Thank you for for helping me out here so we can kind of briefly making sure the next slide, which is what we kinda just went over the background of why we're here what we're doing. And then for the rest of the presentation, I'm gonna do a really quick recap, because everybody's already heard really most of the compensation part of what is going on performance management, and we'll tie it all into the compensation philosophy and how all of this process that you're going through helps form that compensation philosophy so we can flip to the next one.

Barbara: One question I have, would you prefer questions till the end? Or do you want us to interrupt if we have questions?

Merryman: I'm fine with interruptions. Okay, so essentially, when you're creating a compensation philosophy, you want it to be reflective of what the organization stands for, and how they want to compensate employees. So they're looking kind of at the entire package. It really creates a framework for the organization and kind of it's a strategic look at how how you want to treat your employees as far as compensation goes and what your goal is, and you always want it to reflect really what what is important to you and how you want to measure your employees and, and, and pay down. So that's gonna it's really a strategic look. It's not a tactical look. So there won't be a lot of details. It's really a one page summary, which you'll see is pretty much where we have it right now. It doesn't mean you can't have a practical compensation philosophy. But the more tactical it is, the more often you're going to have to make changes to it. So you want you really want something that while you want to ratify it probably every year you don't want to have to completely overhaul and change it every single year. So that's kind of keeping that in mind as we look at the compensation. And as we look at the performance management, just keep in mind that the compensation philosophy is intended to be very broad. So I'm going to start with that and then kind of do a real quick recap on comp and then we'll dive into performance management. But I'll stop if anybody has any questions at all about philosophy. No, okay.

Then we'll go on to the next slide. So, quickly, when we did the market analysis, we looked at The Havens compensation current salaries versus the market 50th percentile is what we use kind of mid market that did percentile. And overall you're doing very well with it. Everybody was on average

median, just below that 1.0 and 1.0 would be considered at market. So anybody that anybody within kind of 10% plus or minus is considered, quote at market right or if you're targeting the 50th percentile, if the individual is fully proficient in their job if the individual meets all the qualifications and as the experience so there are a lot of things that go into it. There are a lot of reasons why it makes sense for someone to be below market or above market, even if target is 50th percentile. But that's overall you really are in pretty good shape, especially for an organization as small as yours. So that's great. Any questions on the market data?

Okay, so then using that market data, we went and created salary ranges for the jobs or really an entire graded salary structure, and then placed each job within that structure and what the salary structure does it allows recruiters allows HR allows supervisors to really understand okay, what is the going range for this particular job for any particular job in the organization. It also allows you to kind of build a hierarchy. So you have your low level jobs mid level, higher level, and people can see kind of a career pathing or where they might be able to go. If they are, you know, in a lower level job and they want to move up, they can kind of see what that looks like, assuming that the structure is somewhat shared with the employees and they understand or even if they don't know the numbers behind it, they're the salaries behind it. They might know okay, well finally from a grade one to grade two to a grade three, I'm going to get an increase in that. You know, it shows that they have upward mobility within the organization. So the salary ranges were created, the jobs were slotted, and overall everybody's kind of just below mid point, the 50th percentile based on the way we set up the ranges and when you're creating a structure to begin with, usually want everybody to be a little on the lower end of that mid 50th percentile, just so there's plenty of room for growth. And so that's kind of where how we did that. And essentially what this means by doing the compensation analysis and creating the ranges that tells you that as an organization, it is reasonable for your philosophy to be your that you're going to pay mid market because you are right around there. If that study had come up and everybody was really low, like 25th percentile or really high 75th percentile, you might have wanted to change that and not targeted the 50th percentile but it worked out in your favor. So that makes it easy enough to do. So that's the quick, quick and dirty on that. There were a few recommendations which are I believe on the next slide that came out of this study, and I know that Aimee and Latricia have already been addressing a lot of these.

Okay, so there's some kind of this quick look at the rep recommendations were to adopt the salary ranges, which I believe that's been done. You want to try to get in the habit of offering annual salary increases just to keep up with market conditions. If you don't, your current employees will fall behind in your income; any new employees are going to demand a higher rates and then you're going to have internal equity issues. So it's just always good to try to stay on top of that. And then also, to the extent possible and offer annual incentives or bonuses, ideally performance based so that your superstars are rewarded for their hard work. And then from the performance management and compensation you want to use the results of that and the compensation all of it to help create the compensation philosophies. I think that we're kind of now far enough certainly into the comp and also into performance management with some directional ideas to create that compensation philosophy. So I'm gonna let I'm gonna let Jillian go through the competency or the performance management piece a bit and then we'll kind of come back to the compensation philosophy in the end so you can understand the thought process behind some of the ideas and that so unless anyone has any questions, I will turn it over to Jillian.

Jillian: Great. Well, it's nice to meet everybody. Thank you for having us. As Merryman said, we've been partnering on this she took over the compensation structure that you all have already talked about. And I've been focused on the performance management, working with Latricia and Amy. And just before we get started, I wanted to get all of us on the same page about what performance management is because there is the performance reviews that are tied into it, but it's more broad than that. So I've got this continuum on the screen. And really, it should start. It's always going around but really typically it should start with planning and goal setting. So this can be strategic planning, which you'll do every year, but it's also helping the employee to plan. Where do they want to take their career where there are some opportunities that they can work on to get them to where they want to go? Are there obstacles that the manager can kind of take away so that's part of that individual, employee manager perspective, where that goal plant goal setting and planning can come into play.

Next is employee development. Okay. We know where you want to go with your career. How can we get you there? Whether it's helping someone get back to meeting expectations, or helping those superstars get to the next level? So there's always opportunities for development no matter where somebody is in their in their performance, and the next time the performance reviews and I think we're all aware of what those are right? So kind of this other work behind it is like setting the stage with employees, managers, helping make sure that expectations have been set. Meaning as an employee, I know what is expected of me. And if I'm not meeting it, or if I'm doing an amazing job, there's feedback, right? There's opportunities to hear how I'm doing before we get to that performance review. So typically in the best case scenario, when you get to the performance review, the work is almost already been done, right? Everyone knows exactly where they are. There's no surprises. That's kind of the goal. And then from there, again after and this is what Marilyn was just touching on, we get into the reward and recognition phase. So how are we rewarding those employees? Are we giving them a bonus, are we raising their salaries, and again, we leave in general with reward or recognition because it can be anything. In addition, it can be giving them more responsibility. If they're ready for it, it can be promoting them to another level. So it can be based monetarily, but it doesn't necessarily have to. But again, rewarding those people that are ready for the next level. And these are all circled around ongoing feedback. And that's on purpose because again, there should always be conversations happening. Right? There should always be conversations around how people can develop and this isn't tied to if someone's not performing you know this isn't talk sitting them down and saying hey, you're not performing we're gonna we're gonna write you up or anything like that. And this is not punitive. This is always how can I help you? What can we do? Let's work together and everything should those conversations should be happening on a regular basis. So when we talk about the performance review model, which I'm gonna show you in just a minute, we I know you all have been given performance reviews in the past. I know this past year, there have been quarterly reviews that have been going we are going to pause that the way it currently looks. And we're going to talk through some ideas again, similar to the compensation philosophy, nothing's in, written down and details yet right now. It's very high level strategic, but we're really gonna focus on competencies and competencies that people can measure to. We're also going to have a more defined process, the following this continue appear and utilizing that ongoing feedback. So working with the managers working with employees, making sure that they're setting aside time for their employees to have those conversations and really, really want to make sure that every employee has access to performance development, this should be a positive thing, right? That people are getting feedback, whether that's constructive or positive, right, these this information is key for people's growth and for their development. And the stronger the employees get stronger than that. So as an employee

succeeded, a team succeeds, the organization succeeds. So we're really going to be looking at this as Frank Bates right. Again, this isn't to penalize anyone. This is all about looking at where they're, where are their strengths? How can we capitalize on that for the overall success of the organization? And if there's, if there's employees who aren't demonstrating those strengths, let's work with them. Let's figure out what's best and have those conversations. And so by using this, we're going to transition to that merit based reward system. Where again, we're rewarding those people who are doing really good job, rewarding people who are you know, maybe a little bit less than so rewarding them. If they're meeting expectations, just doing a good job, but not necessarily ready for the next step, and having those critical conversations every step of the way. So we're gonna pause here, are there any questions about this?

This is a sample again, this is very general but this is a sample for the measurement approach of this woman's. The idea here, again, we focusing on competencies, is we've divided into the individual competencies, this is their job specific. So a res tech is going to have very specific competencies tied to their job. They're going to be different than Latricia's job as an HR director, right? So her job competencies are very specific, red text, very specific, etc, etc. Where's the organizational competencies, another word for this would be values. So this could be teamwork, communication, customer service, things that are broad that as an organization, we want everyone to achieve and to be working toward. So again, someone who's client facing their customers or external they're your clients that have a door, whereas again, picking on Latricia as her clients, so she's still responsible for customer service. It's still something that we want to ensure that she's meeting and exceeding that competency. But again, it might look slightly different based on the role, but it's across the organization. So the idea here is that you can measure both, so someone might be really, really great at their job. But maybe there's an opportunity when it comes to that organizational competencies. Again, teamwork, communication, customer service, and I'm picking on those are, you know, we're working through this there will be a few more and vice versa, there might be someone to great, a great communicator. But when it comes to their specific job, there's opportunities for them to continue to develop and to do better. And again, this is a great way for not only the employees to be able to identify where these are, but the managers as well. So again, you can kind of help guide that conversation. And you're really great with, you know, working with the clients, with the therapy sessions with your notes with all the things you're supposed to do for compliance wise, but we really need you to help, you know, with other teammates a little bit better, they're struggling. For example, and then of course, with the performance review, the idea is that we would map this out, so we could look at Jane Smith, who might be really high with her individual competencies that are tied to her job, and maybe middle of the road, right? Doing good but not great with the organization. Whereas like John Doe might be a rock star. Yes. Was there a question?

Jeanie: Yeah. My question. I understand, you know, the presentation of these is this matrix and everything that are we going to be able to train. I mean, this has to occur on so many levels within the organization. It can't just be our HR manager who's going to be doing these performance evaluations, and how are we going to train each level of staff to understand this process?

Jillian: That is a great question. So one of the things that we've been talking about and actually have a slide for the end that talks about a sample timeline, in high level at this point, is to do that, like we're so we're not going to necessarily start off and have a performance review in February/March, because to your point, we need to get the legwork and this building is taken care of. So we train the managers to

communicate these new expectations and talk to the employees about this. So part of the plan here is not only creating the question for the performance review, in some ways, that's kind of the easy part. Not really, but you know, where's we really want to make sure that there's a communication plan. So everyone's aware, employees, managers, everyone seems to be changing. And then having that training again, managers have a training to really dive into maybe more details so that they can help guide the employees. But ultimately, the employees, the managers will get the same training. We'll just separate it out so we can dig in a little bit further. Again, the whole point what we really want to do is set everybody up for success. Make sure that there's a clear understanding and taking the time to build that out. So that when we get to the actual performance review, everything is again we've laid the groundwork, build that foundation. That's a great question. Thank you. Any other questions on this slide?

So this is, this is just for demonstration purposes, this is not real number of you have a recommendation for anything we're doing. But to take that last slide where we really talked about how are people performing and kind of plotting them based on their competencies. This is an idea of how we can report. So again, you can see that someone who is going to be in that top right quadrant who is really exceeding on both levels, is going to be rewarded more heavily than someone who's a good solid employee. But not necessarily ready for that next level. So we still want to reward that person that always shows up and always says their job. But obviously, we want to reward that person with showing all the signs of great leadership, showing science for promotion, doing all the extra things. We want to make sure that we exceed their expectations like they're exceeding here, right. So this is again, just sampling it to see how we could take the performance piece and find out how we could reward them monetarily. And this can really again, this is just an example for visual effects. This can look anyway, it'd be percentages that the dollars bonus can be an increase their salary, there's a lot of options. And it really is going to be based on what works best for the Haven. But the idea of what this could look like is essentially the same. We would just plot based on budget, the needs, where it would look like at the end of the day. Any questions on this?

So as I was mentioning a minute ago, so we do have some next steps. Again, we want to make sure that your next meeting is to approve the compensation philosophy which I'm going to turn it back over to Merryman in a few minutes. We do need to work on creating those competency models. Those are already starting. And that's whether it's job specific or organization lines, that process has already begun. There is potential for how we're moving to a new HRIS. And if we do that we can tie the actual performance tool into that. However, that is not going to stop us from moving forward either way, so we can definitely run through and have a performance review, even if it's not tied to the new system. But if we do that'll be an additional piece of the project. Again, creating a communication plan. And I'm working through this as a change management tool, letting people know in advance things are changing. Nothing to worry about right now. We'll come back to you and continuing to communicate along the way. So we have employees that are well adjusted, understanding what's expected of them and ready to move forward by the time we get there. Again, also creating some tools to manager and employee trainings. We talked about that they'll probably several iterations of that. Creating some tools. So one of the things we talked about with that ongoing feedback. I call it a one on one or a check in. We can call it the verbiage is not important, but again, it's an opportunity for me the weights have to down to not talk about their supervision to not talk about the clinical work, but to specifically talk about their performance as an employee. How can I help you? What are you working on? What issues are you

having? What can I do to remove any obstacle What do you want to learn next? So again, those asking those questions and just having that conversation. So again, if I say one on one or check it, it can, we can call it whatever we want. But really creating that tool again, educating employees and managers with that is creating that expectations to do so the Performance Management template, which is the actual questions, how are you doing how to rate people? We've talked about budgets, and I've talked about really assessing the managers, making sure that everybody's on the same page. So for example, if I were to ask everybody on this call, tell me what it means to be a to exceed expectations. You have an employee under your care. What does it mean to exceed expectations? We probably have 12 different versions, right? And that's okay. But when we come to the organization, we do want that enter view we want that coordination. So an employee in one department has the same expectations and the same definition of what it means to be meeting expectations, exceeding expectations, etc. As someone who's in another department, especially if that's going to end up being tied to their reward. We want to make sure that we're setting everybody up for success. So again, good starting with where managers at now and then helping to work with them individually to do. And again, one thing that is tied to this continuum that we didn't really talk about, but a performance improvement process. So again, if there's someone who's not meeting expectations then you guys don't have that problem, which is great. But you know, there's an if there's a conversation that needs to be had, what does that look like? What is that process and then of course, the competencies themselves. Again, we're establishing expectations, so you guys have the supervisions. Now, this is different. So really establishing that. This is what's expected of you as managers and supervisors. This is expected of us employees, really making sure they're utilizing those competencies. And again, this is a this is a change, this is a process change was not going to happen overnight. It's going to take time.

And then lastly, the merit and this falls into that compensation piece. really determining what that budget is deciding on what that's gonna look like, is it a bonus? Is it a salary increase? And then when is that going to happen? These last pieces, we have lots of time to determine that. So again, right now, these are strategic. I have one more slide and I know I've been talking a lot but any questions here before I move on to the next one? Okay. So this is an estimated timeline. We had a great conversation Amy Berryman literally lying yesterday. So this is likely to shift song, but I wanted to kind of touch base and show you that when we talk about setting those building blocks, creating that training, creating the communication plan. This is going to take time to do so. So really over the next few months, setting those building blocks, creating some of those tools, creating the trainings. Determining if we're gonna worry about the hrs or just work on that separately, and then started to actually communicate changes later this spring or early spring, rolling out trainings, introducing what we're looking to do for the actual performance and development tool. In the spring. And then really started to roll out that ongoing feedback that check in at one on one first, later this year. So getting that set up. It's almost like a baseline, right? So hey, manager employee we've trained you, we've talked to the performance manager, the performance review isn't gonna happen for a while, but let's start having those initial conversations with employees now, setting their expectations of where they're currently performing. So when we get to the actual performance review, again, we don't want surprises and then as you're starting to slip through the budgeting season, kind of correlating this to that as well. So really understanding what that budget is making sure that everything makes sense within your budget for the next fiscal year. And then getting ready to actually do the performance review itself later. This fall, like late summer, early fall. And then the weird would happen later in the fall. Again, this is based on what we've got right now. It's very flexible at this time for events. So we need to make changes we can but

this gives you a sense of how we're going to go through build this building blocks. So by the time we get to the performance review itself. People should be well versed in what we're looking for and how we're looking for any questions? This is my last slide and I was also talking yes.

Barbara: I don't know if it's really a question. I think you've done a really good job of laying out how this is going to happen or what you're doing. But I guess one of the things I wonder about is you're going to be part of this process I gather throughout all of this and beyond. Is that right or so?

Jillian: I think the idea Yeah, no, that's a great question. The idea would be partnering with Latricia obviously she's, we're behind the scenes, right. The employees don't really work with us directly. We're really behind the scenes and acting as an additional arm for Leticia to help put this together and help in any which way we can for sure. Any other questions?

Barbara: You know, have you guys done this with an organization of our size before? Because you were saying we're a smaller organization at one point that some of that some or something you said early on, that it's something about us being less people?

Jillian: Merryman might have said that I will tell you from my perspective. I've done this for several different organizations big and small. So the idea of this I've done in the size, the performance management piece doesn't matter. It's really going to, again, laying the building blocks are going to be the most important thing that you will do. Whether you have you know, 80 employees or 100 employees.

Merryman: Okay, yeah, say for just to answer that, that for the compensation side, you know, I've done it for you know, seven employees to over you know, 1000s of employees. So, the concepts the basic tools that you use are the same. But my point I guess my thought with typically the smaller the organization, the more behind the market they are for obvious reasons are small, they can't they don't have a big budget and it's hard to compete with the big guys, but I think you all have done a good job, especially in your market in a tough couple of years. For the most part, staying on top of pay, which is great.

Okay, so this circle says back to compensation philosophy. So that's a great overview of performance management and where the Haven is going with that part of the of the project. So kind of back again to creating the compensation philosophy. You want to understand so now you've seen the compensation part. You've seen the Performance Management parts, and now it's rolling that all up into one and understanding how it affects your employees. The philosophy itself is a tool that you can use when you're recruiting people to say, hey, here's our compensation philosophy. So right up front, they see oh, wow, they have performance management and process in place, okay, if I do well, then I'm probably going to be rewarded. Oh, well, they do target market there. They want to pay people, you know, fairly so it's a signal to potential employees and of course to current employees as well, that you all are focused on them and making it a positive experience from both a compensation standpoint, and just from a really an organizational standpoint, and, and what they're working on. Looks like so yeah, again, when you draft when you draft the draft, excuse me, the compensation philosophy, you know, as we have, it's shows that you are dedicated to the employees in the client and the clients, being the patients that you all serve. It's comprehensive, it should be comprehensive and touch on everything, but not any one little thing in too much detail. And then, essentially, once it's established, the board really should go and look at it and review it every year. And, Amy, we've talked with me about to get it into your annual

board schedule. Just to kind of read, look at it. If we need to make any revisions. If anything's changed in your philosophy, then that's the time to do it. But at least you have it on the calendar and you look at it. And of course you also want to send the signal that you're not, you don't discriminate you treat everyone equally. So that's with that said, I know everybody got a copy of the following philosophy. Do you all want to kind of read through it together or do you want to tell me what how we can best help you? At this point in time we, you know, we can pull it up and I'll talk through it or if you have questions if you had a chance to read it. Let me know how best to proceed. Yeah.

Barbara: I don't know the answer to that question. I don't know how many people have had a chance to read it either. Some people would like to have it gone over.

Aimee: Since we're still within the allotted time marker, why don't we go through it? It's, it's less than one page.

Barbara: Okay. It's just the page we have in front of us right now.

Merryman: Correct. Yes. So it's kind of blown out. Okay, so I'm just I mean, I hate to read right through to read.

Aimee: Maybe the best if you could summarize. Sort of.

Merryman: Sure. So the first paragraph basically addresses the fact that you what you're trying to do with your philosophy and your whole compensation program for attracting and retaining people and making sure that you, you are attracting people that really like your mission and your vision of what you want for your clients. And it talks about that you have a warm and welcoming environment because that's something that I pulled through various conversations I've had with people that that's very important to the organization so that you want the anyone that you're looking at this your employees and potential employees to understand that.

So the second paragraph, we get a little bit more detailed into the compensation part and talk about where in the market you want to pay people and this is where you're signaling. You know, we're target targeting, targeting mid market, which means we want to be fair and pay you as much as we can. It also says that their range basically that the ranges are established and as long as you meet the minimum requirements, you're going to be paid within that range. What it doesn't do is get into the details of if you're fresh out of school and have zero experience you're going to be paid at the bottom of the range. And if you've been around for 25 years and are a great employee, you're going to be paid at the top of the range. That's too much detail. You don't want to tie yourself down that much. It just says you will be paid within the range. It also discusses that bonuses are possible. And based on if you want can afford that you always want to make sure that there's that caveat in there because if you have a bad year and you can't afford it, you don't want to tie yourself and to feeling like you've promised something that you can deliver. You know, and also big especially tying into the whole performance management thing. Individual Performance is important. So you're kind of saying that as well.

The next paragraph just talks about how you value staff development, and kind of what your performance management process looks like as far as annual reviews and check ins and things like that. If you know it's a time for everybody to come together and discuss whether they're meeting these competencies or not meeting competencies are what can be used to help somebody as well to grow within the organization. It does talk about compensation being merit based so that again, you're sending

that signal that if you perform well we're gonna reward you. And Joey, you want to jump in at all with performance management, let me know, feel free. It's similar. I'll just say this one thing, similar to the actual compensation. Performance paragraph on the back to it is high level so that you have flexibility to change over time. So you're not married to anything you're not locked in to what we said that we were gonna do XYZ. This is just that high level strategic, hey, this is our philosophy. This is how we're going to reward people because we do believe in this and we do believe in development and growth. And this is how we're going to reward those that believe it along with us. And then again, you have the wiggle room to set those details and have those details change as you know as a normal evolution of payment.

So the next paragraph is really talking about employee benefits. And again, we're not it's not very specific FSAs, a HSA, your 401 K or whatever type of retirement savings plan any of that stuff. Basically you have insurance, you have savings accounts, you have insistance and then there is also support for education going back to your previous paragraph and we talked about how you wanted to support the growth of your employees. So this is a way in which you're going to do it financially. So again, very broad, because you don't want it to be too specific. If you say we have X number, we offer X number of days off, paid time off, and then you change that number then your whole philosophy needs to be changed in that whole philosophy but then you have to update your philosophy. So that's again to keeping it as broad as possible, but letting them know generally in concept what you give people.

The next paragraph funding for the employee benefits you want to let you do want to let them know that they're not all free. I mean, some of them you all may be covering at home, some of them not. So it just generally says that the costs are shared between everybody and then obviously if they become an employee, they get to know the details of all of that. Then talking about the last few paragraphs or we've kind of already talked about the board's will report will review this annually and that you're it's intended to keep things fair and equal to all employees so they're treated the same. So that's that's the general gist of a compensation philosophy versus an organization you can decide you want it to be very detailed, which then I probably would recommend more than annual check ins on the whole philosophy. But this is generally what you see because it gives you a basis and a backbone from which to start. Any questions on the philosophy?

Barbara: I think it's I really think it do a good job of explaining it. I really liked the idea that not being tied to things because we don't know what the future will hold for any for most of these things. I get that I like that. You've been really clear both of you and what you're talking about, but we do have time for questions, everyone if anyone does have something they don't understand or something their lesson looks good looks I mean, that's pretty good. I mean, usually we people don't you're very concise. Why didn't have much of a chance to go over this. I got it. Very clear. So I think what we're probably going to do is we're going to we're going to talk explain this to our board and our next board meeting. And then we'll be voted that time. That's my understanding of where we're at. You have any questions for the for us.

Aimee: I do have just a just I guess, clarification or affirmation that we are not going to have Fahrenheit Advisors present at the board meeting in January, correct.

Barbara: My feeling is there's some people here that are on governance. We do have extra people here and that we can prevent present this to the group but it's up to you know we all have a say in that people that are here on the board think it would be a good idea that everybody hear the presentation that we can we can talk about that too.

Colette: Aimee, what's your preference? I mean, seems like there's only I think two or three people missing from the board.

Aimee: Well, you know, Julie has recorded this as well. Vanessa has been tracking pretty closely what we're doing.

Barbara: I think we provide some of the paperwork clearly to the to the board and then we could just explain or talk about it and ask people have questions.

Jeanie: I think that what might be interesting is you know, how this framework fits you know how we've been doing and what changes have we made as a result of this feedback? You know, in other words, how are we doing on our own before we got all this additional information? You know, how far off are we in total compensation when we make the adjustments to market that were recommended? Those kinds of things. You know, how is this changing how we do things? Not that everybody understands our policies from before because that's kind of something that happens on an operational level that the board doesn't really get near but I guess if we're taking the time to hear this information about what we're being recommended to do, it'd be nice to to know how that's changed. What we were doing before, just in not in great detail, but just you know how is this change.

Colette: What's the impact that if in fact, you know, what's, what's the retention, you know, in the future? Because we know we had people leave, you know, we just started this process. So I think as a board member to know, you know, how do we move forward? I think all of our concern is I mean, our staff are, you know, the face of this organization and why, you know, we did we our success and you know how are we the retention, and we're pretty good, but we realize we've got wages, how do we change that.

Aimee: do you want that to be an in house presentation, or do you want that to come from Fahrenheit Advisor experts?

Barbara: How do they certainly think some of it has to be from in house to where we were before. I mean, like, it seems from this presentation that we're not far off in a lot of ways. Have, you probably may have more ability to tell us a bit.

Aimee: I mean, as Merryman noted, The Haven has done an admirable job of keeping pace with what turns out to be the current market. And her analysis that she did was that November, October, November. Yes. And so what, what really, I think will have been impacted the most is the performance management piece of it and marrying those two and making it a more visible accessible process for all employees to see. This is where we're going. In the end, Jillian talked about the organizational competencies. There are some things that we are certainly in that pretty much every organization struggles with over time, its at some point is customer service. Another thing that I know many of you are aware of is that we have before you brought me on, you had done a lot of growth and so everybody used to be at one site over on Adelaide and you know, admin was over here. Now we've got IOP housing, we've got the IOP and OB clinic and we've got the intake speed and so we are grappling currently with not siloing and the teamwork piece is not just about everybody getting along but thinking about oh gosh, how does what we do in IOP affect what happens in residential or if assessment and residential are communicating or working together? How is that impacting everybody's experience that were the quality of the services and then meeting our strategic goals. So those are the kinds of things

that I think intentionally putting out for everyone to understand where we're heading and what each of us what our roles are, toward those ends is going to be the biggest culture shift, the biggest process shift in time and the way we go about our business.

Jeanie: Several months ago when we you know when Frank was still on board, we were looking to hire some positions and we were finding that people wouldn't even answer our ad because our compensation level was too low. Have we filled those positions? Did we adjust our compensation? Is that still the market? I know the market has changed a bit. Maybe not for behavioral health but how has that impacted as a result of completing this portion of the study because I know we were waiting for Fahrenheit and feedback before we filled some positions.

Aimee: I'm glad you brought that up. I'll say something and then turn it over to Latricia and Merryman. I will say that having merriments market rate analysis was has and continues to be very helpful when we have managers come through the HR or through my door and looking at ads from our sister organizations that are hiring the same workforce, that it has been a great touchstone for supervisors, hiring managers and leadership. To all say, well, this is what this is what it is, we're never going to be able to pay what banner pays, for example, or what the codacs and love for terrorists pay. But we are holding our own as an organization and this is this is how we're holding in here. The numbers hot off the press. And so Frank was not too terribly far off with regard to the therapists and he was here to hear that he was still here to hear that he wasn't terribly far off. So we took merriments numbers Frank, Latricia, Jody and Allison and I looked at those and then we went ahead and bumped up the rate for the therapist and a couple of other job classes as well so that we didn't have a mass exodus based purely on money. And then of course, feeling unappreciated as well for those that had been around for quite some time. So I would say that has been a huge touchstone that has brought some logic and calm and sanity to the whole conversation, when we are desperately trying to fill vacant positions. I was just on a Behavioral Health Coalition called this morning with sister organizations, Cope wasn't there but Codac was and a couple of other large organizations. And they all are saying that they are still struggling with a large number of vacancies. So I take that as even in a negative kind of climate that we're in as employers with regard to filling positions for quality candidates that we're in good company. And we're not we're not overpaying and we're not underpaid. At this point, and I feel very confident about that. Subsequent marriage and your good work. And with that, I turned it over to you and can appreciate.

Merryman: Well, I will say quickly, as far as the market data go to understand is, as Aimee said, you all are small, you're very small compared to the Banners and the Codacs of the world. So when I pull market data, I'm looking at data that represents organizations similar in size, meaning operating budget and number of employees also location. Those are all parts of the scoping and methodology that go into pulling the data so I you know, it is hard as a small organization to compare. So how you distinguish yourself is with the employee experience, if you will, at the organization, it's how they're treated and understanding and knowing that they're, they're gonna be treated fairly and paid well, to the extent in The Haven's small organization. I mean, there are definitely benefits to being in a smaller organization. Usually one of them but they there are so many other benefits to it as well. So just you know, when I say you all are at market it is certainly you are at market for your size organization. If I were to do this same study for banner, the numbers would be higher. But that's just if I gave you those numbers, you couldn't afford it. And so it doesn't help you to do that. So you have to always keep in mind what you can afford, but I do think overall the my impression from the outside looking into your organization, as you all are doing an amazing job of really trying to promote your employees and their health and welfare as far as

giving them a great job, a great environment to work in and paying them as fairly as you can and reasonably you know, you want to reward your top performers. And if you don't keep everybody kind of moving along. The current employees are going to fall behind the market. So that's it's important. I just think y'all are doing everything right to set yourself up for success as you grow.

Colette: I appreciate that. Because I guess that's, you know it's our city. We're still small and everybody knows everybody. So I appreciate that. I know that, you know, every month at our board meeting, and when we say the staff, they commend us. We had an event a couple months ago and so I feel that way, but you know, money, people, cost of living has changed. And it's a huge factor. So but I appreciate that. Thank you.

Rebecca: I have a quick question for Aimee. Because you were talking about this. How are we now in regards to be competitive for our sides in the market with the adjustments?

Aimee: When we are filling we are getting candidates that meet or exceed the minimum qualifications. I think that Latricia is probably in a better position to respond to that Rebecca, but since we have been using the salary, grades, and posting, most of the time we're posting the lowest like starting salary rate because those have been posted and they're within the 50th percentile or the whatever we're calling. We have started to get quality candidates. We're still getting people that are you know, applying for therapist, I understand that are that are bartenders, you know we're still getting those but I think you know part of that is just people are able to apply hired by without even looking at. Have we hired anybody out of applicants.

Rebecca: Okay, seems like it's working with the adjustments

Aimee: Latricia I'm going to turn that one over to us just so we have a better more fulsome response than I can get.

Latricia: Okay, I was getting. So we there were a few positions that we were looking at, that we really kind of knew we were behind the market or behind competitors and things like that. So the first few that we were looking at were our therapists and recovery coaches. Those were those were the two positions when I came in that were a real concern at the time. And then based on the market survey that we got, and really knowing that The Havens philosophy is to try to come in or you know, ever close to that midpoint, we did make adjustments to the salaries of our therapists and our recovery coaches. And so in doing that we were able to retain most of the therapists or I think we only ended up still losing one of the therapists, but everybody else that kind of had those concerns we were able to retain. And as far as being able to generate new candidates based on that salary structure that we that we put into place. We've definitely been able to generate more candidates. So I think the last couple therapists that we brought in today even were after we made those changes to the salary, we're able to reflect that in our job postings. It made us much more competitive. And in to Merryman's point, it hasn't always been about salary. So a couple of those two particular therapists had offers that work significantly more at larger organizations, but they like the values that we haven't paid the client, or like the caseload sizes and our benefits and things like that. So the compensation, though it was lower than what they were able to get in other places. Yeah, during other aspects, kind of solidified us being able to get those units. Are we still struggling to gain to get applicants that are qualified for the therapists positions? Yes, despite like Aimee said, it's not just a haven problem. I'm in contact with the HR director at Codac and at our in at COVID. I say, Hey, what's going on over there? There's just not a lot of candidates, and there's

not a lot of qualified candidates. So we were making some headway. We had several openings in our therapists. Now, we only have two so that you know, we're being able to kind of get a little bit closer to where, where we're needing to be. So I think that in that therapy position, we're doing really well. We've retained our recovery coaches. We were able to work for even a new recovery coach, and we've been at 100% in those positions. For the past several months. Same thing with our peer mentors. So that was kind of position we were looking at, we're full, fully staffed and our peer mentors. We haven't had the recruiting issues. So I think that the direction that we've been going, is the direction that we need to go. Yes. Are we still lower than some of the larger organizations? Yes. Do we ever be able to offer that? It depends on where we go how we grow as an organization. But are we going to be as large as Codac or Banner? El Rio? Probably not. And that's one of the benefits of the game. And that's something that we do like, we don't necessarily want it be a massive conglomerate. You know, we like kind of where we're sitting in the market. And so we might not ever be able to, to pay what they pay for. We offer a lot more. The there's one other position that we've been looking at and that's in our residential technicians. And I think that kind of been next position that we're really looking at is where we are sitting, how we're faring out there, because again, even in those lower level positions, there has been some shifts in the market, the minimum wage increase in Arizona recently and so that shifted and did a shift in our, our salary survey kind of based on that and where we want to be as an organization. So that kick in so that's changed some of that information that we have for those lower level positions and being able to recruit more quality candidates. You know, so there's it's an ongoing salary and compensation benefits, performance management, it's always going to be an ongoing conversation, but I think we are headed in the right direction. And so I don't have a big, big fear. We do have a lot of managerial positions that are open right now. And using this salary Scripture, we are being able to generate better qualified candidates for those positions. So hopefully, some of those key positions won't be open much longer. We are starting the interview process on some of those positions as well. So that is helping and like Merryman said when she did her original survey, they were only about 10 employees that work at target at the time, and all of those had been rectified except for four of them now. And it's part of it is in our upper management positions, and then in our residential technicians. So in the kitchen manager and our kitchen manager, yeah. So those are you know, those areas it was finance, finance, HR, kitchen manager and then residential technicians. So, those four are the ones that are kind of corrected all the issues that we had and all the other positions that go now we're looking to transition to look at those four positions.

Rebecca: Great, thanks.

Barbara: Yeah. Thank you very much. That was really does anyone want still want to think it's important? And I'm not. I really thought your presentation was very helpful and useful, but I'm just not sure. We have a huge amount of things to do in January. Coming up. I'm just not sure. That's the best use of our time. I think. At least I I feel like we all got a good understanding of this and we can give the past the paperwork and information on but others feel differently. This is a time to let us know, let me know.

Jeanie: Yeah. Would be my vote. Or I mean, I think it was very clear. I think we have a good packet here to look at and to review and if the other board members do that. I mean, I think it's very clear. So, you know, I don't know that we need to have it presented again, but that's just that's just I think it's very clear. I think it would be clear to the other members.

Barbara: And again, as you said, it's recorded and if anyone wanted to they could listen, and I'm certainly willing and I will say at the board meeting, that if they want any more information, we happy to talk with them and they could probably sounds like we are embedded, Julian if they wanted to do something to ask you if you'd be willing to answer a question.

Rebecca: I think this really kind of goes to Aimee. How important is this for you? In your management of the HR process overall?

Aimee: Are you talking about the actual I mean, does the project or having another presentation?

Rebecca: No, not another presentation, I mean, just does this process that's been presented differ significantly from what's going on? And is it something that's final that we need to really move on?

Aimee: Yes, it is. And in fact, that's why I saw it. I think it was before you joined the board. Rebecca I saw the go ahead from the Personnel Committee and the Board at large to put this project out to bid because they're one of the functional areas of The Haven when I arrived was that we had an HR area that was not robust enough to meet the growth that had taken place at the Haven and had you know, the program and service lines had out stripped the ability of what we had in place at the time to deal with what we've heard about today. I mean, it's not just about money, it's about supporting our staff, in their own professional growth, their own career paths. It with the eye of developing them so that they'll stay in The Haven and help us fulfill our mission. But while they're here, we want to give them every opportunity to be as good as they can be so that the women we serve, get to their graduation with a really good start to continue the recovery out in the community. So I saw it as Sentinel. I'm grateful to the board that you guys went ahead and gave the Go ahead. And I am very, very pleased with what Marian and Jillian are helping us to form. And mostly I'm really grateful to you guys because you brought your expertise but the way that you were interacting with our leadership and staff on the ground. You said it's behind the scenes and you kind of are but both of you have gone out and talked with people and interviewed so there's some qualitative information that's important in this process, so that it's not a cookie cutter. Project. In the end, it's not a cookie cutter. program really is what we're putting in place program for staff. It's going to help the organization meet its strategic goals and fulfill its mission.

Rebecca: So since this is really different than what it's been in places that...

Aimee: It is different than what was here when I arrived. Latricia and I have seen evidence that there used to be performance management of some ill that has not been in place for some time. And then in January of 2021. But then leadership did roll out I guess it was December of 2020 that they started on a pretty much Vail performance management program in great part because of what Jeanie was alluding to her earlier question about well this is bigger than just a form this is bigger than just you know, telling managers to go out and do this performance review and check the box off that has been done for our funders and our accrediting body and other stakeholders. This is really a cultural shift. And it may very well have been here at The Haven at one time but it is not here now.

Rebecca: I would like us to move forward on it rather than putting it on the backburner.

Barbara: I think we are moving forward with it.

Rebecca: I think but I mean, I mean, rather than take it out of the month of January, whatever we need to do so the next step.

Barbara: I don't think we're taking it out at all, all we're doing is not having another presentation.

Rebecca: Okay, I misunderstood that. Yeah. Yeah.

Barbara: I mean, one of the things I love about being on the Haven board, it's when we have employee appreciation that the employees come down here and talk about how much what they love about working at the Haven. And I want that to continue. And I think this is part of the way that but I don't think anyone is trying to put it on the backburner. I think that we've all agree it seems like after especially hearing this it's really important to go ahead. I just this is more about whether we need to hear it again. That's okay. Okay. Gotcha. Anybody else? Right, well, I think we have some more unfortunately, we have more business, but I thought it was really I really learned a lot and it was very clear. You know, sometimes when people don't ask questions, like when I'm saying something I wonder, do they get it or whatever. But I think it was, you know, what you put out that it was very easy to understand. And sometimes when I hear presentations, that this was excellent, I appreciate it. Thank you. Both of you.