



**Minutes of the Open Session of the
Executive Compensation Committee
of the El Camino Hospital Board of Directors
Thursday, May 28, 2020**

Pursuant to State of California Executive Order N-29-20 dated March 18, 2020, El Camino Health did not provide a physical location for this meeting. Instead, the public was invited to join the open session meeting via teleconference.

Members Present

Teri Eyre**
Jaison Layney**
Julie Kliger**, Vice Chair
Bob Miller**, Chair
George Ting, MD
Pat Wadors**
John Zoglin**

Members Absent

None
**via teleconference

Agenda Item	Comments/Discussion	Approvals/ Action
1. CALL TO ORDER/ ROLL CALL	The open session meeting of the Executive Compensation Committee of El Camino Hospital (the “Committee”) was called to order at 4:02pm by Chair Bob Miller. A verbal roll call was taken. George Ting joined the meeting during Agenda Item 5: Report on Board Actions and participated with staff onsite. Pat Wadors joined via videoconference during Agenda Item 6: Committee Goals. All Committee members were present and participated via teleconference and videoconference pursuant to Santa Clara County’s shelter in place order. A quorum was present pursuant to State of California Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 18, 2020.	
2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Chair Miller asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted. When Dr. Ting and Ms. Wadors joined the meeting, they also reported no conflicts.	
3. PUBLIC COMMUNICATION	None.	
4. CONSENT CALENDAR	Chair Miller asked if any member of the Committee or the public wished to remove an item from the consent calendar. Motion: To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (5/5/2020); and for information: Progress on FY20 Committee Goals, Article of Interest Movant: Kliger Second: Layney Ayes: Eyre, Kliger, Layney, Miller, Zoglin Noes: None Abstentions: None Absent: Ting, Wadors Recused: None	<i>Consent calendar approved</i>
5. REPORT ON BOARD ACTIONS	Chair Miller referred to the recent Board approvals as further detailed in the packet, including revisions to the Executive Compensation Philosophy, Salary Administration Policy, and Executive Performance Incentive Plan Policy. Cindy Murphy, Director of Governance Services, reported that the Committee Self-Assessments are planned to launch in July 2020.	
6. PROPOSED FY21 ECC GOALS	The Committee discussed the use of Committee goals and how they align with the Committee’s charter and standard annual work. Proposed topics	<i>Proposed FY21 Committee</i>

	<p>included: making sure executive compensation policies and programs meet legal and regulatory requirements, timely and accurate completion of the pacing plan, making recommendations to the Board regarding innovation or efficiency, and ensuring Committee participation and engagement.</p> <p>The Committee requested adding a goal for FY21: to conduct a Self-Assessment to review overall Committee effectiveness.</p> <p>Motion: To approve the FY21 Committee Goals, as amended above.</p> <p>Movant: Ting Second: Layney Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p> <p>The goals will be forwarded to the Governance Committee and the Board for review and approval.</p>	<p><i>Goals as amended approved</i></p>
<p>7. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 4:16pm.</p> <p>Movant: Kliger Second: Wadors Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned to closed session at 4:16pm</i></p>
<p>8. AGENDA ITEM 10: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>Open session was reconvened at 5:52pm. Agenda items 6-9 were addressed in closed session. Ms. Wadors left the meeting during the closed session.</p> <p>During the closed session, the Committee approved the Minutes of the Closed Session of the Executive Compensation Committee Meeting (5/5/2020) by a unanimous vote in favor of all members present in person and by teleconference (Eyre, Kliger, Layney, Miller, Wadors, Ting, Zoglin).</p>	
<p>9. AGENDA ITEM 16: PROPOSED INCENTIVE GOAL STRUCTURE</p>	<p>Motion: To recommend the following incentive goal structure to the Board as further outlined in the materials and discussed by the Committee:</p> <ul style="list-style-type: none"> - Recalibrate FY20 organizational goals from 12 months to an eight-month time period. - Reallocate weight given to the People goal to the other FY20 goals due to pandemic-related postponement of the Employee Engagement Survey. - Approve an exception to policy removing individual goal weight during the Recovery period (goals will be 100% organizational) - Approve an exception to policy to move from two 12-month goal periods to three eight-month periods for July 2019 through June 2021 – and to voice support of the conceptual goal structure for the Recovery Period (March – October 2020) and FY 21 organizational goals - Possibly include metric(s) in the Recovery Goals that measure preparedness for a second wave 	<p><i>Proposed Incentive Goal Structure Recommended for approval</i></p>

	<p>Movant: Kliger Second: Eyre Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors Noes: Zoglin Abstentions: None Absent: None Recused: None</p>	
<p>10. AGENDA ITEM 17: PROPOSED FY21 EXEC SALARY RANGES</p>	<p>Motion: To defer action on the FY21 Executive Salary Ranges, pending more current data on what is going on in the market.</p> <p>Movant: Wadors Second: Layney Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Action deferred</i></p>
<p>11. AGENDA ITEM 18: PROPOSED FY21 CEO SALARY RANGE</p>	<p>Motion: To recommend that the Board to defer action on the FY21 CEO Salary Range, pending more current data on what is going on in the market.</p> <p>Movant: Kliger Second: Eyre Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>FY21 CEO Salary Range deferral recommended</i></p>
<p>12. AGENDA ITEM 19: ECC CONSULTANT 6- MONTH REVIEW AND RFP PROCESS</p>	<p>The Committee noted that it is best practice to review the consulting market place every few years and discussed appointing an ad hoc committee to facilitate the Request for Proposal (RFP) process. Kathryn Fisk, CHRO, and Julie Johnston, Director, Total Rewards, explained that it would be ideal to conduct interviews at the September or November ECC meeting (at the latest) and have the consultant selected and in place by the end of the calendar year. This way, the staff and the consultant would have adequate time to onboard (if needed) and prepare the market analysis, which is typically reviewed in the spring.</p> <p>Ms. Wadors and Ms. Kliger offered their help with the RFP process.</p> <p>Motion: To authorize the Chair to form an ad hoc committee to conduct an RFP process.</p> <p>Movant: Wadors Second: Layney Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors, Zoglin Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Chair authorized to form an ad hoc committee</i></p>
<p>13. AGENDA ITEM 20: PROPOSED FY21 PACING PLAN</p>	<p>The Committee requested that a review of the geographic differential be added to the Pacing Plan. Chair Miller noted that there may be a review of incentive goals in January 2021.</p>	
<p>14. AGENDA ITEM 21: CLOSING COMMENTS</p>	<p>Chair Miller thanked the Committee for their work.</p>	

15. AGENDA ITEM 22: ADJOURNMENT	Motion: To adjourn at 6:04pm. Movant: Layney Second: Wadors Ayes: Eyre, Kliger, Layney, Miller, Ting, Wadors, Zoglin Noes: None Abstentions: None Absent: None Recused: None	Meeting adjourned at 6:04pm
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Attest as to the approval of the foregoing minutes by the Executive Compensation Committee and the Board of Directors of El Camino Hospital.

DocuSigned by:

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Bob Miller
Chair, Executive Compensation Committee


Julia E. Miller
Secretary, ECH Board of Directors

Prepared by: Sarah Rosenberg, Contracts Administrator/Governance Services EA