

AGENDA
EXECUTIVE COMPENSATION COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Thursday, September 28, 2023 – 4:00pm
 El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040

THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION PORTION OF THE MEETING LIVE AT THE ADDRESS ABOVE OR VIA TELECONFERENCE AT:
1-669-900-9128, MEETING CODE: 958 8322 8809#. No participant code. Just press #.

PURPOSE: To assist the El Camino Hospital (ECH) Board of Directors (“Board”) in its responsibilities related to the Hospital’s executive compensation philosophy and policies. The Executive Compensation Committee shall advise the Board to meet all applicable legal and regulatory requirements as it relates to executive compensation.

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
1	CALL TO ORDER/ROLL CALL	Bob Miller, Chair		4:00 - 4:01pm
2	AB 2449 – REMOTE PARTICIPATION	Bob Miller, Chair	Possible Motion <i>public comment</i>	4:01 – 4:03
3	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Bob Miller, Chair	Information	4:03 – 4:04
4	PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons in the audience to make a brief statement, not to exceed three (3) minutes on issues or concerns not covered by the agenda.</i> b. Written Correspondence	Bob Miller, Chair	Information	4:04 – 4:07
5	CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> Approval a. Minutes of the Open Session of the ECC Meeting (06/13/2023) Information b. Progress against FY24 Committee Goals/Pacing Plan	Bob Miller, Chair	Motion Required <i>public comment</i>	4:07 – 4:10
6	ADJOURN TO CLOSED SESSION	Bob Miller, Chair	Motion Required	4:10 – 4:11
7	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Bob Miller, Chair	Information	4:11 – 4:12
8	CONSENT CALENDAR <i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i> Approval <i>Gov’t Code Section 54957.2:</i> – Minutes of the Closed Session of the ECC Meeting (06/13/2023)	Bob Miller, Chair	Motion Required	4:12 – 4:15
9	<i>Gov’t Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i> – Proposed CEO Approval of New Hire Executive Base Salary	Deanna Dudley, CHRO	Possible Motion	4:15 – 4:20
10	<i>Gov’t Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i> – Proposed FY23 Culture of Safety Results	Dan Woods, CEO Deanna Dudley, CHRO	Possible Motion	4:20 – 4:30

A copy of the agenda for the Regular Committee Meeting will be posted and distributed at least seventy-two (72) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at (650) 988-3218 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
11	<i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i> – Proposed FY23 Organizational Performance Incentive Plan Score	Dan Woods, CEO Deanna Dudley, CHRO	Discussion	4:30 – 4:45
12	<i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i> – Proposed FY23 Executive Individual Incentive Scores	Dan Woods, CEO Deanna Dudley, CHRO	Possible Motion	4:45 – 4:55
13	<i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i> – Proposed FY23 Performance Incentive Plan Payouts	Dan Woods, CEO Deanna Dudley, CHRO	Possible Motion	4:55 - 5:05
14	<i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i> Compensation Consultant Items a. Executive Market Analysis b. Proposed FY24 Executive Salary Ranges c. Discretionary Score Philosophy	Dan Woods, CEO Deanna Dudley, CHRO Heidi O'Brien, Mercer Rob Kirkpatrick, Mercer	Possible Motion	5:05 – 5:25
15	<i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i> – Proposed FY24 Executive Base Salaries	Dan Woods, CEO	Possible Motion	5:25 – 5:35
16	<i>Gov't Code Section 54957 and 54957.6 for a report and discussion on personnel matters:</i> – Proposed FY24 CEO Base Salary Range	Heidi O'Brien, Mercer Rob Kirkpatrick, Mercer	Discussion	5:35 – 5:45
17	ADJOURN TO OPEN SESSION	Bob Miller, Chair	Motion Required	5:45 – 5:46
18	RECONVENE OPEN SESSION/ REPORT OUT	Bob Miller, Chair	Information	5:46 - 5:47
	To report any required disclosures regarding permissible actions taken during Closed Session.			
19	PROPOSED FY23 ORGANIZATIONAL PERFORMANCE INCENTIVE PLAN SCORE	Bob Miller, Chair	Possible Motion <i>public comment</i>	5:47 – 5:50
20	PROPOSED FY24 CEO BASE SALARY RANGE	Bob Miller, Chair	Possible Motion <i>public comment</i>	5:50 – 5:53
21	CLOSING COMMENTS	Bob Miller, Chair	Discussion	5:53 – 6:00
22	ADJOURNMENT	Bob Miller, Chair	Motion Required <i>public comment</i>	6:00 pm

Upcoming Regular Meetings: November 30, 2023; March 21, 2024; June 6, 2024



**Minutes of the Open Session of the
Executive Compensation Committee
of the El Camino Hospital Board of Directors
Tuesday, June 13, 2023**

El Camino Hospital, Sobrato Boardroom 1, 2500 Grant Road, Mountain View, CA 94040

Members Present

Bob Miller, Chair
Julie Kliger, Vice-Chair**
Teri Eyre
Estrella Parker
Carol Somersille
George Ting, MD

Members Absent

**via teleconference

Others Present

Dan Woods, CEO
Deanna Dudley, CHRO
Ed Braxton, Director, Total Rewards
Tracy Fowler, Director, Governance Services
Stephanie Iljin, Manager, Administration
Heidi O'Brien, Partner, Mercer**
Rob Kirkpatrick, Principal, Mercer**
Hannah Kim, Executive Assistant

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 " <u>Committee</u> ") was called to order at 4:05 p.m. by Chair Bob Miller. A verbal roll call was taken. Ms. Parker was absent at roll call. A quorum was present.	
2. CONSIDER APPROVAL FOR AB 2449 REQUESTS	Director Kliger participated remotely using Just Cause. No Emergency Circumstances needed approval.	
3. POTENTIAL CONFLICT OF INTEREST DISCLOSURES	No conflicts of interest.	
4. PUBLIC COMMUNICATION	None.	
5. CONSENT CALENDAR	Chair Miller asked if any member of the Committee or the public wished to remove an item from the consent calendar for further discussion. No items were removed. Motion: To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meetings (03/16/2023) Movant: Ting Second: Somersille Ayes: Eyre, Kliger, Miller, Somersille, Ting Noes: None Abstentions: None Absent: Parker Recused: None	Consent calendar approved
6. REPORT ON BOARD ACTIONS	Mr. Woods gave an update on recent board actions and discussions which included, but were not limited to, workforce challenges the industry is facing, FY23 strategic metrics, and health system development. Ms. Fowler shared that for FY24 board actions would be maintained on a dashboard on Boardvantage.	

<p>7. APPOINTMENT OF AD HOC COMMITTEE FOR RECRUITMENT OF NEW MEMBER(S)</p>	<p>Chair Miller asked for the formation of an ad hoc committee to recruit new member(s).</p> <p>Motion: To approve the formation of recruitment ad hoc committee with Mr. Miller, Ms. Eyre, and Ms. Parker as members.</p> <p>Movant: Kliger Second: Ting Ayes: Eyre, Kliger, Miller, Somersille, Ting Noes: None Abstentions: None Absent: Parker Recused: None</p>	<p>Recruitment Ad Hoc Committee formed consisting of Mr. Miller, Ms. Eyre and Ms. Parker.</p>
<p>8. APPOINTMENT OF COMMITTEE VICE CHAIR</p>	<p>Chair Miller informed the members that Director Kliger's term is set to expire at the end of June 2023. Consequently, he extended an invitation to Director Ting to assume the role of Vice Chair.</p> <p>Motion: To approve appointment of Director Ting to serve as Vice Chair of Executive Compensation Committee.</p> <p>Movant: Somersille Second: Eyre Ayes: Eyre, Kliger, Miller, Somersille, Ting Noes: None Abstentions: None Absent: Parker Recused: None</p>	<p>Director Ting was appointed Vice Chair of Executive Compensation Committee.</p>
<p>9. RECOMMEND PROPOSED FY24 ORGANIZATIONAL PERFORMANCE GOALS</p>	<p>Chair Miller reviewed the proposed FY24 Organizational Goals and deferred to Deanna Dudley, CHRO, for further discussion. Ms. Dudley shared the history and methodology of calculating scores and the recommendations from Press Ganey. Committee discussion included, but was not limited to, committee scope on content of goals, measurement of goals and the delineation between governance and management approvals.</p> <p>Motion: To approve proposed FY24 Organizational Goals for ECHB approval.</p> <p>Movant: Parker Second: Ting Ayes: Eyre, Kliger, Miller, Parker, Somersille, Ting Noes: None Abstentions: None Absent: None Recused: None</p>	<p>Proposed FY24 Organizational Goals were approved.</p>
<p>10. DIRECTOR COMPENSATION POLICY</p>	<p>Heidi O'Brien from Mercer shared the results of their market research on board member compensation. It was noted that the policy was shared with ECC from the Governance Committee for market review. ECH Director compensation was found to be aligned with other healthcare boards but there were opportunities for streamlining. The recommendation was made to switch to a retainer-based compensation structure. This would simplify administration and could be implemented without significantly increasing costs.</p>	

<p>11. ADJOURN TO CLOSED SESSION</p>	<p>Motion: To adjourn to closed session at 4:54 p.m. Movant: Ting Second: Kliger Ayes: Eyre, Kliger, Miller, Parker, Somersille, Ting Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Adjourned to closed session at 4:54 p.m.</i></p>
<p>12. AGENDA ITEM 17: RECONVENE OPEN SESSION/ REPORT OUT</p>	<p>The open session was reconvened at 5:47 p.m. Agenda items 13-15 were addressed in the closed session. During the closed session, the Committee approved the following by a unanimous vote of all members present: Eyre, Kliger, Miller, Parker, Somersille, and Ting.</p> <ul style="list-style-type: none"> • The Closed Session Minutes of the 3/16/2023 ECC meeting • Correction of Deb Muro FY23 Strategic Pick 	
<p>13. AGENDA ITEM 18: PROPOSED FY24 INDIVIDUAL EXECUTIVE STRATEGIC PICK GOALS</p>	<p>Motion: To approve Proposed FY24 Individual Executive Strategic Pick Goals. Movant: Parker Second: Ting Ayes: Eyre, Kliger, Miller, Parker, Somersille, Ting Noes: None Abstentions: None Absent: None Recused: None</p>	<p><i>Proposed FY24 Individual Executive Strategic Pick Goals were approved.</i></p>
<p>14. AGENDA ITEM 19: ANNUAL EXECUTIVE COMPENSATION CONSULTANT REVIEW</p>	<p>Chair Miller asked Ms. O'Brien and Mr. Kirkpatrick to recuse themselves from the remainder of the meeting. He led the discussion in the review of Mercer's role as ECH Executive Compensation consultants. Discussion among Committee members and executive staff was candid with a favorable consensus with comments made on the high quality of the work they produced on behalf of ECH and their level of responsiveness.</p>	
<p>15. AGENDA ITEM 20: CLOSING COMMENTS</p>	<p>The comments focused on the discussion around goals and the appreciation for context and ongoing calibration.</p>	
<p>16. AGENDA ITEM 21: ADJOURNMENT</p>	<p>Motion: To adjourn at 6:05 p.m. Movant: Ting Second: Parker Ayes: Eyre, Kliger, Miller, Parker, Somersille, Ting Noes: None Abstentions : None Absent : None Recused: None</p>	<p><i>Meeting adjourned at 6:05 p.m.</i></p>

Attest as to the approval of the foregoing minutes by the Executive Compensation Committee of El Camino Hospital.

Tracy Fowler, Director of Governance Services

Prepared by: Tracy Fowler, Director of Governance Services

Reviewed by: Stephanie Iljin, Manager, Administration

DRAFT

FY24 COMMITTEE GOALS AND PACING PLAN

Executive Compensation Committee

The purpose of the Executive Compensation Committee (the "Committee") is to assist the El Camino Hospital (ECH) Hospital Board of Directors ("Board") in its responsibilities related to the Hospital's executive compensation philosophy and policies. The Committee will advise the Board to meet all legal and regulatory requirements as it relates to executive compensation.

STAFF: **Deanna Dudley**, Chief Human Resources Officer (Executive Sponsor)

The CHRO shall serve as the primary staff to support the Committee and is responsible for drafting the Committee meeting agenda for the Committee Chair's consideration and for developing and disseminating in a timely manner management's recommendations to the Committee and appropriate supporting information to facilitate the Committee's deliberations and exercise of its responsibilities. The CEO, and other staff members as appropriate, may serve as a non-voting liaison to the Committee and may participate at the discretion of the Committee Chair. These individuals shall be recused when the Committee is reviewing their individual compensation.

GOALS	TIMELINE	METRICS/PACING PLAN
1. Provide oversight and approvals for compensation-related decisions, including performance incentive goal-setting and plan design	Q1 (9/13)	<ul style="list-style-type: none"> - Review and approve FY24 executive base salaries - Review and recommend FY23 Organizational Incentive Score - Review and approve FY23 individual incentive scores - Review and approve FY23 executive payout amounts
	Q2 (11/30)	<ul style="list-style-type: none"> - Process Review: Executive Performance Management - Process Review: Succession and Development Planning
	Q3 (3/24)	<ul style="list-style-type: none"> - Recommend FY25 Committee goals - Receive update on strategic plan - Review potential policy changes and ECC Charter
	Q4 (6/6)	<ul style="list-style-type: none"> - Review and recommend proposed FY25 organizational incentive goals - Review and approve FY25 individual executive strategic pick goals - Receive update leadership development
2. Evaluate the effectiveness of the independent compensation consultant	Q4 (6/6)	<ul style="list-style-type: none"> - Conduct annual evaluation of ECC consultant

SUBMITTED BY: **Chair:** Bob Miller | **Executive Sponsor:** Deanna Dudley