

## AGENDA

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

**Tuesday, April 2, 2019 – 4:00pm**

El Camino Hospital | Conference Room B (ground floor)  
2500 Grant Road Mountain View, CA 94040

Julie Kliger will be participating via teleconference from 350 Hawthorn Lane, Berkeley, CA 94609.

**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       |                       | ESTIMATED TIMES                        |
|--|--------------------|-----------------------|--|
| <b>1. CALL TO ORDER/ROLL CALL</b>  | Bob Miller, Chair  |                       | <b>4:00-4:01pm</b>                     |
| <b>2. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>   | Bob Miller, Chair  |                       | <b>4:01 – 4:02</b>                     |
| <b>3. PUBLIC COMMUNICATION</b><br>a. Oral Comments<br><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><br>b. Written Correspondence   | Bob Miller, Chair  |                       | <b>information<br/>4:02 – 4:05</b>     |
| <b>4. CONSENT CALENDAR</b><br><i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i><br><br><b>Approval</b><br>a. <a href="#">Minutes of the Open Session of the Executive Compensation Committee Meeting (January 29, 2019)</a><br>b. <a href="#">Proposed FY20 Meeting Dates</a><br><b>Information</b><br>c. <a href="#">Progress Against FY19 ECC Goals</a><br>d. <a href="#">Article of Interest</a> | Bob Miller, Chair  | <i>public comment</i> | <b>motion required<br/>4:05 – 4:06</b> |
| <b>5. APPOINTMENT OF VICE CHAIR</b>  | Bob Miller, Chair  |                       | <b>information<br/>4:06 – 4:07</b>     |
| <b>6. REPORT ON BOARD ACTIONS</b><br><a href="#">ATTACHMENT 6</a>  | Bob Miller, Chair  |                       | <b>information<br/>4:07 – 4:09</b>     |
| <b>7. DRAFT REVISED EXECUTIVE PERFORMANCE INCENTIVE PLAN</b><br><a href="#">ATTACHMENT 7</a>   | Kathryn Fisk, CHRO | <i>public comment</i> | <b>possible motion<br/>4:07 – 4:17</b> |
| <b>8. PROGRESS AGAINST FY19 ORGANIZATIONAL GOALS</b><br><a href="#">ATTACHMENT 8</a>   | Dan Woods, CEO     |                       | <b>information<br/>4:17 – 4:27</b>     |
| <b>9. ADJOURN TO CLOSED SESSION</b>  | Bob Miller, Chair  |                       | <b>motion required<br/>4:27 – 4:28</b> |
| <b>10. POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>  | Bob Miller, Chair  |                       | <b>4:28 – 4:29</b>                     |

| AGENDA ITEM   | PRESENTED BY        |                       | ESTIMATED TIMES                                |
|---|---------------------|-----------------------|--|
| <b>11. CONSENT CALENDAR</b><br><i>Any Committee Member or member of the public may remove an item for discussion before a motion is made.</i><br><br><b>Approval</b><br><i>Gov't Code Section 54957.2:</i><br>a. Minutes of the Closed Session of the Executive Compensation Committee Meeting (January 29, 2019) | Bob Miller, Chair   |                       | <b>motion required</b><br><b>4:29 – 4:30</b>   |
| <b>12. Health and Safety Code Section 32106(b)</b> for report and discussion involving health care facility trade secrets:<br>- Strategic Plan Implementation Update  | Dan Woods, CEO      |                       | <b>information</b><br><b>4:30 – 4:40</b>       |
| <b>13. Gov't Code Section 54957 and 54957.6</b> for report and discussion on personnel matters:<br>- Succession Management Practices and Update on Executive Development Plan   | Kathryn Fisk, CHRO  |                       | <b>discussion</b><br><b>4:40 – 5:05</b>        |
| <b>14. ADJOURN TO OPEN SESSION</b>  | Bob Miller, Chair   |                       | <b>motion required</b><br><b>5:05 – 5:06</b>   |
| <b>15. RECONVENE OPEN SESSION/REPORT OUT</b>  | Bob Miller, Chair   |                       | <b>5:06 – 5:07</b>                             |
| To report any required disclosures regarding permissible actions taken during Closed Session.   |                     |                       |  |
| <b>16. PROPOSED FY20 COMMITTEE GOALS</b><br><a href="#">ATTACHMENT 16</a>   | Lisa Stella, Mercer | <i>public comment</i> | <b>possible motion</b><br><b>5:07 – 5:17</b>   |
| <b>17. FY19 PACING PLAN</b><br><a href="#">ATTACHMENT 17</a>  | Bob Miller, Chair   |                       | <b>discussion</b><br><b>5:17 – 5:19</b>        |
| <b>18. CLOSING COMMENTS</b>   | Bob Miller, Chair   |                       | <b>discussion</b><br><b>5:19 – 5:24</b>        |
| <b>19. ADJOURNMENT</b>  | Bob Miller, Chair   | <i>public comment</i> | <b>motion required</b><br><b>5:24 – 5:25pm</b> |

Upcoming Meetings: May 30, 2019 || Board/Committee Educational Sessions: April 24, 2019



**Minutes of the Open Session of the  
Executive Compensation Committee**

**Tuesday, January 29, 2019**

**El Camino Hospital | 2500 Grant Road, Mountain View, CA 94040**

**Medical Staff Conference Room (administration)**

**Members Present**

Teri Eyre  
Julie Kliger (via teleconference)  
Bob Miller, Chair  
Pat Wadors  
John Zoglin

**Members Absent**

Jaison Layney

| Agenda Item  | Comments/Discussion  | Approvals/<br>Action                                 |
|--|--|--|
| 1. <b>CALL TO ORDER/<br/>ROLL CALL</b>                                   | The open session meeting of the Executive Compensation Committee of El Camino Hospital (the “Committee”) was called to order at 4:04pm by Chair Bob Miller. A verbal roll call was taken. Ms. Kliger participated via teleconference. All other Committee members were present at roll call.   |  |
| 2. <b>POTENTIAL<br/>CONFLICT OF<br/>INTEREST<br/>DISCLOSURES</b>         | Chair Miller asked if any Committee members had a conflict of interest with any of the items on the agenda. No conflicts were noted.   |  |
| 3. <b>PUBLIC<br/>COMMUNICATION</b>                                       | None.  |  |
| 4. <b>CONSENT<br/>CALENDAR</b>   | Chair Miller asked if any member of the Committee or the public wished to remove an item from the consent calendar. No items were removed.<br><br><b>Motion:</b> To approve the consent calendar: Minutes of the Open Session of the Executive Compensation Committee Meeting (November 8, 2018).<br><br><b>Movant:</b> Wadors<br><b>Second:</b> Eyre<br><b>Ayes:</b> Eyre, Kliger, Miller, Wadors, Zoglin<br><b>Noes:</b> None<br><b>Abstentions:</b> None<br><b>Absent:</b> Layney<br><b>Recused:</b> None | <i>Consent<br/>calendar<br/>approved</i>             |
| 5. <b>REPORT ON<br/>BOARD ACTIONS</b>                                    | Chair Miller referred to the recent Board approvals as further detailed in the packet.   |  |
| 6. <b>ADJOURN TO<br/>CLOSED SESSION</b>                                  | <b>Motion:</b> To adjourn to closed session at 4:08pm.<br><br><b>Movant:</b> Zoglin<br><b>Second:</b> Eyre<br><b>Ayes:</b> Eyre, Kliger, Miller, Wadors, Zoglin<br><b>Noes:</b> None<br><b>Abstentions:</b> None<br><b>Absent:</b> Layney<br><b>Recused:</b> None  | <i>Adjourned to<br/>closed session<br/>at 4:08pm</i> |
| 7. <b>AGENDA ITEM 11:<br/>RECONVENE OPEN<br/>SESSION/<br/>REPORT OUT</b> | Open session was reconvened at 4:21pm. Agenda items 7-10 were addressed in closed session.<br><br>During the closed session, the Committee approved the Minutes of the Closed Session of the Executive Compensation Committee Meeting (November 8, 2018) by a unanimous vote in favor of all members present (Eyre, Kliger (via teleconference), Miller, Wadors, Zoglin). Mr. Layney was   |  |

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|  | absent.  |   |
| <b>8. AGENDA ITEM 12: LETTERS OF REASONABLENESS FOLLOW UP</b>                        | <p>Ms. Fisk presented the review of the question regarding “disqualified persons” for the letters of rebuttable presumption raised by the Committee at its last meeting. She summarized the opinion from outside counsel that outlined the roles that are deemed (CEO, CFO, COO) and those with substantial influence over the organization that are required to be included in the letters.</p> <p>She explained that the VP, Payor Relations reports to the CFO, and is a grandfathered participant in the Executive Compensation Benefits Plan, but is not considered a disqualified person. She also explained that the Chief Nursing Officer and Chief Administrative Services Officer report to the Chief Operating Officer, but not all of the COO’s direct reports are included in the letters.</p> <p>Ms. Fisk also described outside counsel’s opinion regarding presidents of affiliates, noting that due to influence over the organization and budgets, they should still be included in the letters.</p> <p>The Committee asked that the VP, Payor Relations not be included in the letters going forward. Lisa Stella from Mercer commented that, per the Committee’s direction, this position will not be included in future letters of reasonableness, but will still be included in the market assessment conducted by Mercer; she also noted that the letters for the executive team and the CEO will be streamlined.</p> <p>In response to Mr. Zoglin’s questions, the Committee discussed the criteria for an “executive,” especially as an organization grows, including reporting to the CEO, grandfathered/designated participants, and positions approved by the Board. Ms. Fisk noted that executive teams are around 12-15 people on average.</p> <p>The Committee requested that staff align the language between the executive performance incentive plan and the executive compensation philosophy to cover the CEO, those executives reporting directly to the CEO, and approved participants. Julie Johnston, Director of Total Rewards, noted that the compensation philosophy lists the participants by position rather than by name. Staff will bring revised, aligned language regarding the definition of the executive group back to the Committee’s next meeting.</p> | <i>Aligned Exec Comp Philosophy/ Exec Performance Incentive Plan to be reviewed at next Committee meeting</i> |
| <b>9. AGENDA ITEM 13: PROPOSED REVISIONS TO EXECUTIVE PERFORMANCE INCENTIVE PLAN</b> | <p>Ms. Fisk reported that there are no proposed changes at this time to the Executive Performance Incentive Plan, and the audit will continue to be the trigger for payment. She noted that there are now quarterly meetings with the executive team to review organizational and individual goals so that everyone has a better understanding of the process.</p> <p>Ms. Eyre provided the following suggested edits:</p> <ul style="list-style-type: none"> <li>- Section C: remove the word “annual” before strategic goals</li> <li>- Section D(3): define “targeted”</li> <li>- Section D(4): reorganize to make the percentages attributed to particular individuals clearer</li> <li>- Section D(4): potentially remove confusing language regarding “which may include a financial measure” for organization goals</li> <li>- State that executives will have approved goals (and by what/whom), not just proposed goals</li> <li>- Split Section D(5) into two concepts: 1) how goals are set and 2) weighting and discretion, stating “the CEO has discretion to modify...” rather than referring to “discretion used as a modifier”</li> </ul>  | <i>Revised Exec Performance Incentive Plan to be reviewed at next Committee meeting</i>                       |

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|   | <ul style="list-style-type: none"> <li>- Section E(1) and (2): update the roles and responsibilities to reflect current practice and the delegation of authority to the Committee</li> <li>- Section E(3): add that the CEO recommends goals “<b>for all participants, reviews performance, assigns a discretionary score...</b>” and recommends incentive payout amounts</li> </ul> <p>The Committee commented that the plan is structured as a takeaway and at some point should be structured as an upside, where bonuses are truly bonuses. Ms. Fisk noted that the team will be using the term “stretch” rather than “maximum.” Ms. Wadors and Ms. Eyre suggested including only the target in the offer letters to executives. The Committee and staff discussed 1) the historical expectation of 100% goal achievement, 2) changing the mentality and communication toward achieving target (on average), and 3) aligning any changes in compensation structure for executives with their directors/managers.</p> <p>Ms. Stella suggested that anywhere target and maximum are referenced in the plan, target should be listed first.</p> <p>The Committee directed staff to revise the plan to emphasize target and incorporating Ms. Eyre and Ms. Stella’s feedback noted above.</p> |  |
| <b>10. AGENDA ITEM 14:<br/>EXECUTIVE<br/>COMPENSATION<br/>TIMELINE</b>      | <p>Mr. Zoglin asked whether the organizational goals be approved before individual executive goals. The Committee and staff discussed the change in timing due to the delegation of authority to the Committee and the cascading of goals from the organization through the executives to the management staff.</p> <p>Mr. Woods commented that for the organizational goals, management and the Board will agree on methodology (setting the categories/areas of focus) in May and will plug in the specific numbers at the end of the year, once the specific numbers for the prior fiscal year’s performance is available.</p> <p>The Committee members noted that individual and organizational goal setting should be concurrent.</p> <p>The Committee asked staff to evaluate the timeline of goals approvals (individual and organizational related to budget).</p>  |  |
| <b>11. AGENDA ITEM 15:<br/>PROPOSED ECC<br/>CONSULTANT<br/>DASHBOARD</b>    | <p>Ms. Stella reviewed the proposed dashboard, updated based on the comments from the last meeting.</p> <p>The Committee commented that the process for using the dashboard will be to have a quick wrap up at the end of the meeting to review that session’s effectiveness and have a more robust discussion every six months or annually.</p>  |  |
| <b>12. AGENDA ITEM 16:<br/>PROPOSED FY19<br/>CEO EVALUATION<br/>PROCESS</b> | <p>Ms. Fisk reviewed the proposed evaluation tool with the Committee. She described the features of the tool, including 1) examples in each area, but asking for one overall rating for each category, 2) a rating scale using “expectations” for someone who has been in the position for more than a year, and 3) using comments from each section for developmental purposes.</p> <p>The Committee voiced their support of the tool.</p> <p>The Committee discussed obtaining the CEO self-rating and Board evaluations simultaneously (in May) and then conducting a gap analysis between the two. Mr. Miller commented that the process should be aggregating/summarizing and de-identifying data to help facilitate the conversation between the Board Chairs and the CEO.</p> <p>The Committee discussed the use of a conversation with the whole Board</p>  | <b><i>Revised tool<br/>and timeline<br/>recommended<br/>for approval</i></b> |

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|   | <p>after the survey to summarize their comments on the CEO evaluation for the Board Chair(s) and validate that the interpretation/summary captures the intent of the Board. Some Committee members cautioned that a post-evaluation group discussion at the Board level has the potential to undermine the value of survey if the conversation opens up to individual biases.</p> <p>The Committee also discussed the advantages and disadvantages of providing the CEO's self-evaluation to the Board. Chair Miller, Ms. Eyre, and Ms. Wadors commented that 1) there can be grader bias, 2) the Chairs should be the stewards of the self-assessment and bear the responsibility to manage the situation with the Board if there is a significant, high-level disconnect between the CEO self-ratings and the Board's ratings, and 3) the conversation between the CEO and the Board Chairs should be two-way and ratings may change during/following those discussions.</p> <p>Stephen Pollack from Mercer suggested that the CEO can provide a year summary or list of accomplishments to remind the Board as they are completing the survey of the CEO's work from the last year.</p> <p>Staff and the Committee discussed timing for the evaluation process noting that 1) the Board does not meet in July, so the Board can discuss CEO performance in closed session and approve the base salary in August; 2) the Board should validate the summary, the Chairs should meet with the CEO to reconcile differences in the evaluations, and then provide an update on that conversation to the full Board; and 3) Hospital/District Board Chair serve two year terms, ending June 30<sup>th</sup>, so the Board members who were serving as Chair of the District/Hospital Board during the evaluation period should be the ones facilitating this process unless otherwise designated.</p> <p>Ms. Wadors suggested including a question regarding one thing for the CEO to work on in the next fiscal year for both the Board and the CEO to answer.</p> <p>Chair Miller suggested that the tool encourage the Board to utilize the comments sections to elucidate on disparities of ratings among different items within the rating categories</p> <p><b>Motion:</b> To recommend the tool and timeline as revised to the Board.</p> <p><b>Movant:</b> Wadors<br/> <b>Second:</b> Eyre<br/> <b>Ayes:</b> Eyre, Kliger, Miller, Wadors, Zoglin<br/> <b>Noes:</b> None<br/> <b>Abstentions:</b> None<br/> <b>Absent:</b> Layney<br/> <b>Recused:</b> None</p> |  |
| <b>13. AGENDA ITEM 17:<br/>FY19 PACING PLAN</b>     | The Committee discussed its next meeting, which will be scheduled for April 2, 2019 from 4:00-5:30pm ahead of the Governance Committee.  |  |
| <b>14. AGENDA ITEM 18:<br/>CLOSING<br/>COMMENTS</b> | Chair Miller thanked the Committee for their discussion.   |  |
| <b>15. AGENDA ITEM 19:<br/>ADJOURNMENT</b>          | <p><b>Motion:</b> To adjourn at 5:54pm.</p> <p><b>Movant:</b> Zoglin<br/> <b>Second:</b> Wadors<br/> <b>Ayes:</b> Eyre, Kliger, Miller, Wadors, Zoglin<br/> <b>Noes:</b> None<br/> <b>Abstentions:</b> None<br/> <b>Absent:</b> Layney</p>   | <i>Meeting<br/>adjourned at<br/>5:54pm</i> |

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|  | <b>Recused:</b> None |  |
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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.**

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Bob Miller  
Chair, Executive Compensation Committee

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Julia E. Miller  
Secretary, ECH Board of Directors

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

DRAFT

## **Executive Compensation Committee Meetings**

### **Proposed FY20 Dates**

| <b>RECOMMENDED ECC DATE<br/>THURSDAYS</b> | <b>CORRESPONDING<br/>HOSPITAL BOARD DATE</b> |
|---|--|
| <b>Thursday, September 19, 2019</b>       | Wednesday, October 16, 2019                  |
| <b>Thursday, November 7, 2019</b>         | Wednesday, November 13, 2019                 |
| <b>Thursday, April 2, 2020</b>            | Wednesday, April 15, 2020                    |
| <b>Thursday, May 28, 2020</b>             | Wednesday, June 10, 2020                     |



## FY19 COMMITTEE GOALS (Progress as of 4/2/2019)

### Executive Compensation Committee

#### PURPOSE

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:** **Kathryn Fisk**, Chief Human Resources Officer (Executive Sponsor); **Julie Johnston**, Director, Total Rewards;  
**Cindy Murphy**, Director of Governance Services

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. 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  |
|--|---|--|
| 1. Advise the Board ensuring strategic alignment and proper oversight of compensation-related decisions including performance incentive goal-setting and plan design | <ul style="list-style-type: none"> <li>- Review FY18 Org Scores (Q1)</li> <li>- Review and approve (or recommend) FY18 Individual Scores and Payout amounts (Q1)</li> <li>- Receive status update on FY19 progress toward goals and overview of FY20 strategic priorities (Q3)</li> <li>- Receive FY20 market analysis report</li> <li>- Receive FY20 market analysis and review and approve (or recommend) CEO's base salary recommendations (Q4)</li> <li>- Review proposed FY20 org and individual goals (Q4)</li> </ul> | <ul style="list-style-type: none"> <li>- Committee (or Board) approves FY18 Executive Performance Incentive Scores and Payouts (October 2018) <b>COMPLETED</b></li> <li>- Board approves FY18 Executive Performance Incentive Scores and Payouts (October 2018) <b>COMPLETED</b></li> <li>- Board approves Letters of Reasonableness (January 2019) <b>COMPLETED</b></li> <li>- Committee (or Board) approves FY20 Executive Base Salaries (May/June 2019) <b>ON TRACK</b></li> <li>- Board approves FY20 CEO Base Salary (June 2019) <b>ON TRACK</b></li> <li>- Committee (or Board) approves FY20 Individual Executive Incentive Goals (May/June 2019) <b>ON TRACK</b></li> <li>- Board approves FY20 Org Goals (June 2019) <b>ON TRACK</b></li> </ul> |
| 2. Support successful implementation of changes in Board's delegation of authority to the Committee  | <ul style="list-style-type: none"> <li>- Evaluate effectiveness of changes in process (Q4)</li> <li>- Discuss impact of the delegation change on the effectiveness of the Committee and Committee meetings (Q4)</li> </ul>  | <ul style="list-style-type: none"> <li>- Report to the Board regarding effectiveness of changes and proposed changes or process improvements (June 2019) <b>ON TRACK</b></li> </ul>  |
| 3. Evaluate the effectiveness of the independent compensation consultant   | <ul style="list-style-type: none"> <li>- Survey Committee members and administrative staff on performance of current consultant and determine whether or not to conduct an RFP (Q1)</li> <li>- If conducting an RFP, complete selection process (Q2)</li> </ul>   | <ul style="list-style-type: none"> <li>- Determine whether or not to conduct an RFP (September 2018) <b>COMPLETED</b></li> <li>- Renewal of Consulting Agreement or selection of another firm (no later than December 31, 2018) <b>Extension COMPLETED</b></li> <li>- If new firm selected, select by December 31, 2018 and complete contracting by February 10, 2019 -- N/A</li> </ul>  |

#### SUBMITTED BY:

**Chair:** Bob Miller

**Executive Sponsor:** Kathryn Fisk

Approved by the El Camino Hospital Board on June 13, 2018

# Succession Management

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 [advisory.com/research/hr-advancement-center/studies/2006/succession-management](http://advisory.com/research/hr-advancement-center/studies/2006/succession-management)

## Ensuring Seamless Leadership Transitions

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Research Report | January 3, 2007

Smooth transitions and bolster workforce continuity with these best practices.

### Executive Summary

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#### **Succession Planning Historically Underleveraged**

Widely adopted in most industries, succession management remains a relative rarity among hospitals and health systems. While supportive of the concept in principle, many hospital executives have been unwilling to devote the time and resources necessary to identify and develop potential successors. In fact, a recent ACHE survey of freestanding hospitals found that nearly 80 percent of organizations did not routinely conduct succession planning.

#### **Aging Leadership Teams Triggering Reconsideration**

At the same time, there is a growing realization among executives that the current leadership bench is inadequate given the likelihood of key departures in the relatively near future. The wave of baby boomer retirements, widely expected to wreak havoc on frontline staff, will likely have an even greater impact on hospital leadership teams. Over 40 percent of hospital managers will be over 55 by the year 2010—the age at which retirement begins to become a real possibility for many leaders.

While leadership retirements are driving increased interest in succession planning among hospital CEOs and Boards, most retirements are relatively predictable. In fact, unexpected departures by leaders in their prime may be an equal if not greater concern. In one recent survey, more than one-third of CEOs disclosed plans to leave their role in the next four years, greater than the number that planned to retire over the same time horizon.

#### **Benefits of Internal Promotion**

Given their reluctance to plan for succession, many hospitals understandably turn to external hires to replace departing leaders. This is unfortunate. Several studies from outside of health care have demonstrated a positive link between higher rates of internal promotion and business outcomes. Within health care, a recent survey found that top-performing organizations are significantly more likely to have homegrown CEOs and senior executives.

Given the likelihood of increased leadership turnover and the potential advantage of internal promotions, HR executives can safeguard, if not enhance, performance by identifying and developing a small set of potential successors for critical leadership positions.

### **Components of Best-in-Class Succession Management**

To build a bench of successors capable of assuming larger leadership roles, best practice organizations adopt a comprehensive approach to succession management comprising five key steps.

While tempting to develop succession plans for all individual leadership positions, lack of time and resources make this approach impractical. As a first step, hospitals should therefore prioritize a relatively small number of positions for which succession plans should be developed. For each of these positions, hospitals should articulate the specific competencies required for successful performance now and in the future.

Next, hospitals must identify a small set of potential successors capable of filling these critical leadership positions. Unfortunately, typical practice too often relies on subjective nominations by direct supervisors. Best practice organizations bring greater rigor to the selection process by reviewing objective performance results, promoting a common definition of “leadership potential,” and relying on facilitated group discussions to identify the organization’s top five to ten percent of leaders.

Once selected, succession candidates must undergo a rigorous assessment process to pinpoint their particular development needs. Rather than focus development on improving performance in their current role, hospitals should evaluate successors relative to the experiences and skills required for the next level. Next, some organizations provide direct supervisors prescriptive guidance on which development opportunities best target specific competency shortfalls.

The most well-intentioned efforts can be (and frequently are) undermined by hiring managers who fail to utilize the succession plan when filling vacancies. Hospitals can instill greater accountability by tracking measures of adherence to succession plans as well as instituting direct executive oversight of leadership hiring. Finally, even the most wellgroomed leaders can still fail if they are not supported early in their tenure. Best practice organizations create extensive, individualized onboarding plans to support all newly promoted or hired leaders.

### **Matching Succession Efforts to Level of Support**

Despite their best efforts, a sizable number of HR executives struggle to gain buy-in from their peer executives for formal succession planning. For organizations with limited support or resources, this report also describes a more austere “guerilla approach” to succession management that applies similar steps but on a one-off basis. HR executives electing to pursue this smaller-scale approach should identify senior leaders with

imminent retirements among their direct reports and work closely to identify and develop a successor. By targeting these discrete situations, HR executives can eventually promote early wins and cultivate support for a more comprehensive approach.

For each step in both the comprehensive and “guerilla” approach, this report includes best practices, detailed case studies, and robust implementation tools. The first two sections are designed as a brief, executive overview to help determine which practices may be most applicable for your organization. The remainder of the publication should be used as a reference tool to dive deeper on those practices selected for implementation.

**EL CAMINO HOSPITAL  
COMMITTEE MEETING COVER MEMO**

**To:** Executive Compensation Committee  
**From:** Cindy Murphy, Director of Governance Services  
**Date:** April 2, 2019  
**Subject:** Report on Board Actions

**Purpose:**

To keep the Committee informed with regards to actions taken by the El Camino Hospital and El Camino Healthcare District Boards.

**Summary:**

1. **Situation:** It is important to keep the Committees informed about Board activity to provide context for Committee work. The list below is not meant to be exhaustive, but includes agenda items the Board voted on that are most likely to be of interest to or pertinent to the work of El Camino Hospital's Board Advisory Committees.
2. **Authority:** This is being brought to the Committees at the request of the Board and the Committees.
3. **Background:** Since the last Executive Compensation Committee Meeting the Hospital Board has met twice and the District Board has met twice. In addition, the Board has delegated certain authority to the Finance Committee and the Executive Compensation Committee. Going forward, those approvals will also be noted in this report.

**A. ECH Board Actions**

**February 13, 2019**

- Approved Revised Women's Hospital Expansion Project Plan and additional \$10 million in funding.
- Approved a process for the annual review of CEO performance.
- Approved funding for SVMD Clinic Site Tenant Improvements (not to exceed \$8 million).
- Approved funding for replacement Interventional Services equipment (not to exceed \$13 million)
- Approved funding for replacement imaging equipment (not to exceed \$16.9 million).
- Approved Resolution 2019-03 approving effectuation of the Transaction and funding for SVMD's acquisition and establishment of five multi-specialty clinics.

**March 13, 2019**

- Approved in concept increasing ECH Board to a maximum of 11 members and reserving a seat for the CEO. A bylaws revision implementing the changes will be brought forward to the Board from the Governance Committee for the May ECH Board meeting. This will ultimately require approval of the El Camino Healthcare District Board also.
- Approved structure and guidance for enterprise risk management as recommended by the Compliance and Audit Committee.
- Approved Compensation for Nurse Practitioner for ASPIRE Program.

Report on Board Actions  
April 2, 2019

- Approved Revised ECH Director Compensation and Reimbursement Policy and Procedure.
- Approved Revised Hospital Board Officers Nomination and Selection Procedures Updating Dates for Submission of Statements of Interest.
- Approved Revised Surplus Cash Investment policy.
- Approved Sponsorship of SVMD as Risk Bearing Organization with Department of Managed Healthcare.

**B. ECHD Board Actions**

**January 22, 2019**

- Recognized Community Benefit Partner Fresh Approach for its Mobile Farmers' Markets and other programs that address nutrition education and food insecurity.

**March 19, 2019**

- Approved Resolution 2019 -02 Recognizing Community Benefit Partner Magical Bridge
- Approved Revised ECHD Board Director Compensation Policy and Compensation Reimbursement Procedure.

**C. Finance Committee Actions**  
**January 30, 2019**

- Approved funding for Waste Water Storage Project (not to exceed \$3.9 million)
- Approved funding for additional surgical robot (not to exceed \$1,550,000 after trade in)
- Approved PAMF Hospitalist Coverage Agreement for unassigned patients.
- Approved unassigned newborn coverage agreement.

**D. Executive Compensation Committee Actions**

**January 23, 2019**

- Approved FY19 COO Individual Incentive Goals

4. Assessment: N/A

5. Other Reviews: N/A

6. Outcomes: N/A

**List of Attachments:** None.

**Suggested Committee Discussion Questions:** None

**EL CAMINO HOSPITAL  
COMMITTEE MEETING COVER MEMO**

**To:** Executive Compensation Committee  
**From:** Kathryn Fisk, CHRO  
**Date:** April 2, 2019  
**Subject:** Proposed Revisions to Executive Performance Incentive Plan (“EPIP”)

**Recommendation:**

To recommend that the Board approve the proposed revised Executive Performance Incentive Plan.

**Summary:**

1. Situation: Over the past two meetings, the Committee discussed feedback from Mercer’s summary of executive feedback on the EPIP and discussed possible changes to the policy language.
2. Authority: The Committee may recommend changes to the Executive Performance Incentive Plan policy to the Hospital Board of Directors.
3. Background: The recommended changes are not material. The language changes are proposed to better match that of other executive compensation policies and to reflect the changes in the Committee’s charter as approved by the Board. They incorporate the suggestions made by members at the January meeting.
4. Assessment: None.
5. Other Reviews: None.
6. Outcomes: The policy aligns with Executive Compensation Philosophy and the Committee Charter.

**List of Attachments:**

1. Proposed Executive Performance Plan with tracked changes

**Suggested Committee Discussion Questions:**

1. Does the Committee have any questions about the proposed language and organizational changes to policy?
2. Any revisions for consideration?



**EL CAMINO HOSPITAL  
BOARD OF DIRECTORS POLICIES AND PROCEDURES  
PROPOSED CHANGES FOR DISCUSSION BY  
EXEC COMP COMMITTEE 4-2-19**

**03.04 EXECUTIVE PERFORMANCE INCENTIVE PLAN**

**A. Coverage:**

The Chief Executive Officer (“CEO”) of El Camino Hospital (“the Hospital”) and those executives reporting directly to the CEO ~~or CEO and those in other approved positions.~~ Participation in the plan is subject to approval by the Hospital Board of Directors (reference Attachment A of the Executive Compensation Philosophy).

**B. Reviewed/Revised:**

New: 9/15/09, 12/08/10, 2/13/13, 6/11/14 (eff 7/1/14), 10/14/15, 10/12/16, 1/10/18, 2/14/18

**C. Policy Summary:**

The Performance Incentive Plan is one component of the executive total remuneration program which includes base salary, benefits, and other cash compensation. The Performance Incentive Plan is an annual goal-based compensation program designed to motivate and reward performance toward key ~~annual~~ strategic goals of the Hospital.

**D. General Provisions:**

The target amount for incentive pay will be competitive with those at comparable hospitals. An executive’s incentive payout will be based on their performance against pre-defined organizational and individual goals and measures aligned with the Hospital’s mission, vision, and strategic goals.

1. Eligibility – Participants hired after December 31 will not be eligible for the program until the beginning of the next fiscal year on July 1. Incentive compensation will be pro-rated for executives with at least six months, but less than one year in the position at the end of the fiscal year. Written performance goals and measures will be determined within the first 60 days of employment.
2. Criteria – the Hospital has established ~~three two~~ criteria for payout: 1) ~~There will be no payout unless all three criteria are met.~~ the individual executive must “meet expectations” or higher on their performance review and 2) the Hospital must meet the threshold financial measure. There will be no performance incentive payout to an

Approval: 2/14/18  
El Camino Hospital

Rev: ~~2/16/18~~ jj3/21/19 jj



executive unless both criteria are met.

3. Organizational Goals – each fiscal year the Hospital will define organizational goals that support the strategic/business plan upon which at least 50% of performance incentive pay will be based. In addition, the Hospital may establish one to three threshold measures that must be achieved for there to be any payout. Whenever possible, each goal will have annual performance measures for threshold, target, and maximum levels and payouts will be on a continuum. The organizational goals will include a threshold financial measure (i.e., net margin) that must be achieved for any participant to receive incentive pay.

**Commented [J11]:** ECC and Board expressed the measurement period for goals should be for 12 months whenever possible to drive and sustain performance toward long-term strategies and initiatives. Mercer has reported this is best and common practice.

4. Executive Individual Goals (excluding CEO) – each fiscal year the Hospital will define individual goals that support the strategic/business plan. Whenever possible, each goal will have performance measures for threshold, target, and stretch (levels and scores will be on a continuum. The individual score will be based on the executive's achievement against approved goals with the CEO having the discretion to modify for individual score ranging from 0% to 150%).

**Commented [J12]:** Per CEO and ECC feedback changed "maximum" to stretch when referring to goals.

5. Weighing Organizational and Individual Goals – the weight of organizational, individual and discretion vary by job as shown below.

**Commented [J13]:** Change language to match org goals

| <u>Job</u>  | <u>Organizational</u> | <u>Individual</u> | <u>Discretion</u>  |
|---|-----------------------|-------------------|--|
| <u>CEO</u>  | <u>90%</u>            | <u>N/A</u>        | <u>10% at Board's discretion</u>                                     |
| <u>Presidents (Concern:EAP; Foundation; and SVMD)</u> | <u>50%</u>            | <u>50%</u>        | <u>CEO has discretion to modify individual score from 0% to 150%</u> |
| <u>Other Participants</u>                             | <u>70%</u>            | <u>30%</u>        | <u>CEO has discretion to modify individual score from 0% to 150%</u> |

6. Amount of incentive pay – the amount of incentive pay is based on the executive's base salary as shown below:

| <u>Job</u>                | <u>Minimum</u> | <u>Target</u> | <u>Maximum</u> |
|---------------------------|----------------|---------------|----------------|
| <u>CEO</u>                | <u>0.0%</u>    | <u>30%</u>    | <u>45%</u>     |
| <u>Other Participants</u> | <u>0.0%</u>    | <u>20%</u>    | <u>30%</u>     |

The amount of incentive pay is prorated for new participants hired after July 1.

3. the maximum payout for an executive is 30% of their base salary as of the end of the fiscal year. The targeted payout percent for those participants reporting to the CEO

~~or COO is 20% of base pay. The maximum incentive pay for the CEO is 45% with a target of 30% of base salary.~~

- ~~4. Organizational Goals—each fiscal year the Hospital will define organizational goals that support the strategic/business plan upon which 70% (90% for the CEO) of performance incentive pay will be based which may include a financial measure in addition to the threshold for any payout. Whenever possible, each goal will have performance measures for threshold, target, and maximum levels and payouts will be on a continuum. Organizational goals will account for 50% of performance incentive pay for Presidents of the Foundation, SVMd, and Concern:EAP.~~
- ~~5. Executive Individual Goals (excluding CEO)—at the beginning of the fiscal year, each participant will propose performance goals and measurements that support the strategic/business plan. Whenever possible, each goal will have performance measures for threshold, target, and maximum levels and scores will be on a continuum. Individual goals (maximum of three) are weighted at 30% of target (50% for Presidents of the Foundation, SVMd, and Concern:EAP) with CEO discretion used as a modifier for individual goal pay out ranging from 0% to 150%. The performance goal score multiplied by the CEO's overall assessment of individual executive performance will determine the overall individual goal score.~~
- ~~6. Ten percent (10%) of the CEO's performance incentive pay will be at the Board's discretion.~~
7. Performance Incentive Payout – Incentive compensation will be paid within 30 days of the Board of Directors approving the payout amounts of approval of the organizational score and the payout amounts. In order to receive incentive compensation, executives must be actively employed in an executive position at the time the incentive compensation is paid.

#### **E. Roles and Responsibilities**

1. The El Camino Hospital Board of Directors shall approve the plan design including position eligible, organizational goals and scoring, and the CEO's discretionary score executive individual goals, and performance incentive payout amounts. In addition, the Board approves any exceptions recommended by the Executive Compensation Committee.
2. The Executive Compensation Committee ~~Charter~~ shall approve individual goals and scores, and non-CEO executive performance incentive payouts. In addition, the defines the responsibilities delegated by the Hospital Board of Directors such as Committee will reviewing and review and recommending organizational goals, policy and plan design changes, goals and performance incentive payout amounts, and report its decisions to the Board.

3. The CEO recommends the ~~organizational and~~ individual goals, ~~scores, discretionary score, and recommends incentive~~ and incentive payout amounts to the Committee and the organizational goals to the Committee and Board.
4. The Chief Human Resources Officer and/or Director Total Rewards are responsible for overseeing administration of the program and implementing actions approved by the Committee and the Board.

**EL CAMINO HOSPITAL  
COMMITTEE MEETING COVER MEMO**

**To:** Executive Compensation Committee  
**From:** Dan Woods, Chief Executive Officer  
**Date:** April 2, 2019  
**Subject:** FY19 Org Goal Update

**Purpose:**

To update the Executive Compensation Committee on progress toward achieving Organizational Goals.

**Summary:**

1. **Situation:** El Camino Hospital (ECH) is working on specific organizational goals that were reviewed and recommended by the Finance Committee, Quality Committee, and Executive Compensation Committee (ECC), and approved by the Board of Directors. These goals are being monitored and plans are in place to address performance.
2. **Authority:** The Executive Compensation Committee (ECC) oversees the Executive Compensation Program, reviews proposed Executive Performance Incentive Plan organizational goals, and approves individual executive goals. Executive performance incentive plan goals support the Hospital's mission, vision, and values and execution of the strategic plan.
3. **Background:** Following approval of the Strategic Framework, the Leadership team operationalized it, and proposed organizational goals to align efforts in achieving the Strategic Framework.
4. **Assessment:** Each Organizational Goal is sponsored by an executive leader and performance is reviewed on a monthly basis.
5. **Other Reviews:** N/A

**Outcomes:** On the whole, ECH is progressing toward the organizational goals. Many of these metrics will not have final measurement until the fourth quarter of fiscal year 2019, allowing for improvement throughout the year. Among these are three goals that indicate underperformance, and corrective actions are outlined below.

***Patient Throughput:*** The *ED Throughput* goal is a very significant stretch, and performance toward the goal is slow, but progressing. The Process Improvement team is working with clinical leaders to eliminate process waste, standardize processes, and optimize workflows. To date, four major divisions of work have been identified for improvement – 1) Admitting ED patients directly onto inpatient floors, and eliminating a portion of the patient queue for patients that fit within standardized parameters; 2) Streamlining required work prior to a physician seeing the patient, which improves the transfer of patients to the floor; 3) Simplifying the physician order input process for the electronic health record, improving the speed at which the official order for admission can be entered; and 4) Optimizing the communication and transportation flows for movement of patients from the ED to the inpatient floors.

***Service – Nurse Communication:*** Fiscal Year to date data is slightly below our minimum goal, but showing signs of improvement. Performance for the second quarter (Q2) was at 81.4 which aligns with our target goal. During Q2, the majority of hospital units are above goal, and best practices are being shared to allow the remaining 3 units to achieve the goal. Additional accountability dashboards have been generated to assist in managing nurse communication.

Organizational Goal Update  
April 2, 2019

*Service – Responsiveness:* Fiscal Year to date data is also slightly below our minimum goal. Q2 performance was at 65.8, which meets the minimum goal. In addition to the improvements with nurse communication, we have implemented Leader Rounding to ensure that more than 80% of patients are seen by an organizational leader before they leave the hospital. This has been shown to greatly improve patients' perceptions around responsiveness.

**List of Attachments:**

1. Organizational Goals Update

**Suggested Committee Discussion Questions:**

1. Have we correctly aligned the organizational goals with the strategic plan?



**El Camino Hospital<sup>®</sup>**  
THE HOSPITAL OF SILICON VALLEY

## **FY19 Organization Goals Update**

Dan Woods  
April 02, 2019

# FY19 Organizational Goal Update

| Organizational Goals FY19                                       | Benchmark   | Baseline              | Minimum                          | Target | Maximum | Weight    | Measure Timeframe | FY19 through February |
|---|---|-----------------------|----------------------------------|--------|---------|-----------|-------------------|-----------------------|
| <b>Organizational Goals</b>                                     |   |                       |                                  |        |         |           |                   |                       |
| <b>Patient Throughput</b><br>ED Door to Patient Floor - LG & MV | Internal Benchmark<br><i>Based on CMS Core Measure Data</i>       | Minutes - 339         | 306                              | 280    | 270     | 30%       | Q4                | 314                   |
| <b>HCAHPS Service Metric</b><br>Nurse Communication             | External Benchmark<br><i>PG-HCAHPS Adjusted/Received</i>          | Nurse Comm - 80       | 80.5                             | 81     | 82      | 10%       | Q4                | 79.9                  |
| <b>HCAHPS Service Metric</b><br>Responsiveness                  | External Benchmark<br><i>PG-HCAHPS Adjusted/Received</i>          | Responsiveness - 65.1 | 65.6                             | 67     | 68.5    | 10%       | Q4                | 65.1                  |
| <b>HCAHPS Service Metric</b><br>Cleanliness                     | External Benchmark<br><i>PG-HCAHPS Adjusted/Received</i>          | Cleanliness - 74.5    | 75                               | 76     | 77      | 10%       | Q4                | 76.6                  |
| <b>Quality Metrics*</b><br>Mortality Index - All Patients       | External Benchmark<br><i>Premier Quality Advisor Top Quartile</i> | Mortality 1.02        | 1.00                             | 0.95   | 0.90    | 10%       | FY                | 0.97                  |
| <b>Quality Metrics**</b><br>Readmissions Index - All Patients   | External Benchmark<br><i>Premier Quality Advisor Top Quartile</i> | Readmission 1.08      | 1.07                             | 1.05   | 1.03    | 10%       | FY                | 1.01                  |
| <b>People (Management Employees)</b><br>Employee Engagement     | External Benchmark<br><i>Press Ganey</i>                          | 4.09                  | 4.09                             | 4.14   | 4.17    | 20%       | FY                | 4.27                  |
| <b>Threshold Goals</b>  |   |                       |                                  |        |         |           |                   |                       |
| Budgeted Operating Margin***                                    | Internal 95% Threshold  | Achieved FY18 Budget  | 95% of Budgeted Operating Margin |        |         | Threshold | FY                | Met                   |

\* This metric is available through December 2018 only.

\*\* This metric is available through November 2018 only.

\*\*\* This metric is available through January 2019 only.

**DRAFT (Proposed 4/2/2019)**  
**FY20 COMMITTEE GOALS**  
 Executive Compensation Committee

**PURPOSE**

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:**      **Kathryn Fisk**, Chief Human Resources Officer (Executive Sponsor); **Julie Johnston**, Director, Total Rewards;  
                   **Cindy Murphy**; Director of Governance Services

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. 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  |
|--|---|--|
| 1. Advise the Board ensuring strategic alignment and proper oversight of compensation-related decisions including performance incentive goal-setting and plan design | <ul style="list-style-type: none"> <li>- Review and recommend FY19 Org Scores (Q1)</li> <li>- Review and approve FY19 Individual Scores and Payout amounts (Q1)</li> <li>- Review and recommend approval of letter of reasonableness (Q3)</li> <li>- Review and approve FY21 executive base salaries (not including the CEO) (Q4)</li> <li>- Review and recommend proposed FY21 organizational goals (Q4)</li> <li>- Review and approve FY21 individual goals (Q4)</li> </ul> | <ul style="list-style-type: none"> <li>- Board approves FY19 organizational score (Q1/2)</li> <li>- Committee approves FY19 Executive Performance Incentive Scores and Payouts (Q1)</li> <li>- Board approves Letter of Reasonableness (Q3)</li> <li>- Committee approves FY21 executive base salaries (not including the CEO) (Q4)</li> <li>- Board approves FY21 organizational goals (Q4)</li> <li>- Committee approves FY21 individual goals (Q4)</li> </ul> |
| 2. Evaluate the effectiveness of the independent compensation consultant and the Committee   | <ul style="list-style-type: none"> <li>- Review consultant performance (Q2)</li> <li>- Complete ECC self-assessment (Q3)</li> </ul>   | <ul style="list-style-type: none"> <li>- Complete assessment of consultant (Q2)</li> <li>- Board Chair reviews cost/value of consultant (Q2)</li> <li>- Committee discusses results of self-assessment (Q4)</li> </ul>   |
| 3. Review Leadership Development/Succession Planning   | <ul style="list-style-type: none"> <li>- Support CEO FY19 performance review process (Q1)</li> <li>- Review Leadership Development and Succession Plan (Q4)</li> </ul>  | <ul style="list-style-type: none"> <li>- Board Chair completes CEO review (Q1)</li> <li>- CHRO updates Committee on leadership (Q4)</li> </ul>   |



Executive Compensation Committee

Updated March 14, 2019

| FY19 ECC Pacing Plan – Q1  |  |  |
|--|--|--|
| July 2018  | August 2018  | September 20, 2018   |
| No scheduled meeting   | <p>No scheduled meeting</p> <p>Board to take action on:</p> <ul style="list-style-type: none"> <li>- CEO Base Salary and 2<sup>nd</sup> Amendment to Employment Agreement</li> <li>- CMO Base Salary</li> </ul>  | <ul style="list-style-type: none"> <li>- Receive update on Strategic Plan</li> </ul> <p>Committee to take action on:</p> <ul style="list-style-type: none"> <li>- Approve Minutes</li> <li>- Recommend Approval of FY18 Organizational Score</li> <li>- Approve FY18 Executive Individual Scores</li> <li>- Approve FY18 Executive Performance Incentive Payout Amounts (Pending Board approval of FY18 Organizational Score)</li> <li>- Ad Hoc Committee Report: Recommendation Regarding Retention of ECC Consultant and Possible RFP</li> </ul> <p>Board to take action on:</p> <ul style="list-style-type: none"> <li>- Approve FY18 Organizational Score</li> </ul> |
| FY19 ECC Pacing Plan – Q2  |  |  |
| October 2018   | November 8, 2018   | December 2018  |
| <p>No scheduled meeting</p> <p>Board to take action on:</p> <ul style="list-style-type: none"> <li>- Accept Moss Adams' financial audit</li> </ul> <p>Board to receive informational report on:</p> <ul style="list-style-type: none"> <li>- FY18 Executive Individual Scores (closed)</li> <li>- FY18 Executive Payout Amounts (open)</li> <li>- FY19 CMO goals (closed)</li> <li>- FY19 COO Base Salary (open)</li> <li>- Mercer Prepares Letters of Reasonableness</li> </ul> <p>Board and Committee Educational Gathering<br/>October 24, 2018</p> | <p>Committee to take action on:</p> <ul style="list-style-type: none"> <li>- Approve Minutes</li> <li>- Recommend Letters of Reasonableness</li> <li>- Dashboard for reviewing Executive Compensation Committee Consultant</li> <li>- Assess Effectiveness of Delegation of Authority</li> <li>- Review Salary Administration Process and Executive Incentive Plan</li> <li>- Discuss FY19 CEO Evaluation Process</li> </ul> <p>Mitch Olejko prepares cover letter for rebuttable presumption action</p> | <p>No scheduled meeting</p> <p>Board to take action on:</p> <ul style="list-style-type: none"> <li>- Approve Letters of Reasonableness</li> </ul>  |

**Executive Compensation Committee**

**Updated March 14, 2019**

| <b>FY19 Executive Compensation Committee Pacing Plan – Q3</b>  |   |   |
|--|---|---|
| <b>January 29, 2019</b>  | <b>February 2019</b>  | <b>March 2019</b>   |
| <p><i>Confirmed Meeting</i></p> <ul style="list-style-type: none"> <li>- Review Incentive Plan structure (specific recommendations)</li> <li>- Review compensation timeline</li> <li>- Finalize ECC Consultant Dashboard</li> <li>- Proposed FY19 CEO Evaluation Process (District Board survey questions)</li> </ul>  | <p><i>No scheduled meeting</i></p>  | <p>- <i>No scheduled meeting</i></p>  |
| <b>FY19 Executive Compensation Committee Pacing Plan – Q4</b>  |   |   |
| <b>April 2, 2019</b>   | <b>May 30, 2019</b>   | <b>June 2019</b>  |
| <p>Committee to receive report on:</p> <ul style="list-style-type: none"> <li>- Progress against FY19 Organizational Performance Incentive Goals</li> <li>- Succession Management Practices and Update on Executive Development Plan</li> <li>- Update on Strategic Plan implementation</li> </ul> <p>Committee to take action on:</p> <ul style="list-style-type: none"> <li>- Approve Minutes</li> <li>- Proposed FY20 Committee Goals</li> <li>- Proposed FY20 Meeting Dates</li> <li>- <b>Revised Executive Performance Incentive Plan</b></li> </ul> <p><b>Board &amp; Committee Educational Gathering</b><br/>April 24, 2019</p> | <p>Committee to take action on:</p> <ul style="list-style-type: none"> <li>- Approve Minutes</li> <li>- Finalize FY20 Pacing Plan</li> <li>- Review and Approve FY20 Executive Salary Ranges</li> <li>- Review and Approve FY20 Executive Base Salaries</li> <li>- Review and Recommend FY20 Organizational Goals</li> <li>- Review and Approve FY20 Executive Individual Performance Incentive Goals</li> <li>- Review and Recommend CEO's FY20 Salary Range and FY20 Base Salary</li> <li>- <b>6-month Review of Executive Compensation Consultant</b></li> </ul> | <p><i>No scheduled meeting</i></p> <p><i>Board to take action on the following items:</i></p> <ul style="list-style-type: none"> <li>- <i>FY20 Organizational Goals</i></li> <li>- <i>FY20 CEO Salary Range and Base Salary</i></li> <li>- <i>FY20 Committee Goals and Board and Committee Calendar</i></li> </ul> <p><i>Board to receive report on</i></p> <ul style="list-style-type: none"> <li>- <i>FY20 Executive Individual Goals</i></li> <li>- <i>FY20 Executive Salary Ranges and Base Salaries</i></li> </ul> |